

Preface

At the risk of sounding a bit downbeat, it is undeniable that our world is one of job losses, collapsing currencies, civil wars, protests, imperialist wars, more protests, urban-shock terrorism, chronic unemployment, refugee crises, sporadic factory occupations, still more protests, surreal contrasts in wealth and poverty, long and bitter strikes, falling real wages and so many other disturbing things that it simply boggles the mind. A Panglossian spin on the contemporary age is next to impossible. We witness so much anxiety, bitterness, cruelty, frustration and misery.

Many people set about, quite understandably, to make sense of it all. The suspicion persists that some of the bad things must be related, but connecting them is daunting. Countless reports, documentaries, journalistic essays, government studies, academic treatises, novels and poems try to process the things going on around us, but they almost invariably fail to connect events and developments in a satisfying and convincing way. The Archimidean standpoint eludes us. Still, such failures do not extinguish the sense that the issues dominating the nightly news are somehow related. A feeling of dissatisfaction with prevailing accounts of contemporary life loiters in our minds. A sort of double disillusionment sets in: one driven by the dispiriting events and developments in our world, and the other by the failure to satisfactorily account for the things unfolding before us.

This study tries to correct the second failing. It explicitly makes connections, connections that cluster around a simple observation: capital is rolling back the great class compromise forged in the middle part of the twentieth century. This class compact, forged by the resistance of working people many decades ago, has been unwinding everywhere. The deal is off, and for the last three decades capital has been engaged in a concerted drive to redefine the terms of the compact, and it is succeeding. Many of the seemingly disparate social, political and economic developments are connected to this orchestrated shift in the character of class relations.

Categories of understanding, inherited from previous epochs and

adjusted to suit our times, help us to draw these connections and to sift through the welter of change so that we can see the evolving struggle between classes in more or less certain terms. It is easy, however, to lose sight of the fundamentals of this analysis, to sacrifice its essential elements to an endless stream of contingencies. We fall prey to the belief that the critic—the “critical critic,” as Marx put it in *The German Ideology*—should soothe the anxieties and calm the fears of today’s activists and left politicians; we thoughtlessly celebrate every working-class triumph and despair over every working-class setback as though they marked the course of history; and in so doing ignore the solacing counsel of a more patient and reflective standpoint, which advises that the long-term survival of the capitalist system is no more conceivable now than it was a century and a half ago. Our world may not depart in a flash as was believed before the capitalist states refined the tools of war and propaganda, before the media took to the air and before the tapestry of contemporary culture thickened, but it will take leave just the same. This necessity is sunken into our world, a world that is negated, over and over on all fronts; it is not, nor can it be, a world at rest, not even for a moment. Its essential contradictions inexorably drive it ahead—to whatever.

And so it is possible to stand back and make sense of things. To the disciplined eye, recent history is not as open-ended, as random or, indeed, as “lost” as it might first appear. At this point, however, the urge to speak self-consciously is overwhelming. Identifying and reflecting on the essential orderliness of contemporary history leaves the analysis open to all sorts of fashionable charges. Rigorous scrutiny informed by an *epistēmē* is passé in this day and age. The intellectual milieu of contemporary life thrives on its capacity to expose the moment of “groundedness” in any formula or system, and it stands ready to deliver a mortal blow to grand narration. In effect, its accusations, not unlike those of the epistemological skeptics of earlier times who made the funny knowledge claim that there can be no knowledge, amount to the grandest narrative of all, but this much tends to be denied. As Hegel might have put it, in the last few decades it is less the case that reason has turned inwards to dwell upon its essence, and rather more the case that it has turned against itself in a paradoxical and very one-sided manner. The consequences of this dialogue have been very strange indeed; they also come at a most unfortunate moment. In a sense, the agonizing undulations of the class struggle have been doubly costly. For all that the scale of the human toll of the great roll-back has been staggering, the scope of the intellectual toll is almost as remarkable. In what some have called a “retreat,” we have seen countless critics and naysayers numbed by an impressive array of intellectual opiates. In the process the ranks of reformers have swelled and the hearts of apologists have been gladdened. If I were from a family of capital, never

seeing too far into the future, I would revel in the temper of contemporary intellectual life, for it poses no threat whatsoever.

Simply put, we (or should I facetiously say those of us who are “left”) must not succumb to such tranquillizing darts. We have no business forsaking those who suffer so grievously at the hands of the globalizing capital. We will do well to remember that the sophists proper, the “sceptical skeptics” who dogged Socrates, Plato and so many others, have been around in every age and in many forms. As the class struggle grows older and greyer our task also becomes clearer, obligated as we are to dab a little colour here and a little colour there as we squint into the early evening sun.

Note on electronic sources

Many of the websites consulted during the research for this book were accessed, and research material drawn from them, on numerous occasions over the course of many months. During this time, some sites evolved and some URLs changed. The access dates listed in the bibliography reflect our most recent visits to the websites, most of which took place immediately prior to publishing and at which time the research material was available. We have made every effort to offer current, accessible website addresses.

Unpacking Globalization

Atlantic Canada has been drawn into the new global economy, and the political consensus is that everything will keep getting better. “We are on the threshold of a new frontier,” claimed New Brunswick Premier Bernard Lord in the fall of 2000, “of a new economy in which there are no borders. In which time and distance are no longer barriers.” Lord added that the new economy had also advanced far beyond anything that our parents would have imagined:

The knowledge-based economy and the application of information technologies that drive it present incredible opportunities, and challenges for all society. It is changing the way we do business, the way we communicate, the way we learn, and indeed, the way we live. (Lord 2000)

A few days later Nova Scotia premier John Hamm also emphasized the opportunities created by the new global economy: “Nova Scotia is getting better because the new information age and the new knowledge economy mean markets that were once far away and inaccessible ... are now within easy reach” (Hamm 2000).

According to political leaders in Atlantic Canada globalization offers hope and opportunity. Is this claim tenable? Is it something that Atlantic Canadians should embrace? To explore the impact of globalization on the region we must first make some sense about the widely used but poorly understood idea of globalization itself. This is a challenging requirement, especially since there is a sprawling commentary about globalization in intellectual and political circles. The term is used to explain the inability of governments to exercise certain policy options, to refer to specific changes in the world economy and to describe the inevitable destiny of humankind. In cutting through this woolly commentary it is helpful to observe that globalization leaves at least two marks upon the world. One is the exciting notion of “global village” with its glitz and glitter, including the internet, global money markets and liberalized trading regimes.

The second is the rise in hardship and anxiety among so many people around the world. This latter signature receives, at best, only passing attention in scholarly and popular commentary; it is an afterthought in the stories told by the vast majority of writers and economists. Such neglect alone demands that we position ourselves in a way to appreciate better the human suffering directly linked to globalization. We must acknowledge that behind its polished and flashy exterior are practices that create stunning hardship and misery for many of the world's people.

This account of globalization in terms of its growth in hardship has been undertold and, for the most part, silenced in the records of officialdom. Nevertheless, this is the account understood by those who bear the brunt of the globalization push. A more truthful portrait of global life does not have to circulate publicly to be known and widely appreciated by its victims. A richer and more rounded story about globalization, one that recognizes that its successes and achievements have been at the expense of vulnerable people around the world, will resound equally well with a young Malaysian woman toiling away in a semi-conductor facility and a single mother part-timing in a call centre in New Brunswick. Ironically, it is precisely this side of globalization neglected by pundits, journalists, intellectuals and politicians that Atlantic Canadians are more likely to experience. Although the region is increasingly plugged into the globalizing world, the glamorous dimension of globalization is not as obvious in the region as it is elsewhere. Globalization does not sparkle in Nova Scotia or Prince Edward Island the way it does in Toronto, New York and Tokyo. It is commonplace to observe that the superconcentrations of wealth associated with globalization tend to be based in a handful of corporate conglomerates and the parasitic urbanized elite anchored to Northern mega-cities. In Atlantic Canada, in view of the relative concentration of riches outside the region, the telltale signs of obscene wealth—its proliferating pageantry, its conspicuous consumption, the explosion of private clubs and so on—tend not to be so glaring. But the same cannot be said for those who are being devoured by globalization. The intensifying exploitation of working people is spread out more evenly around the globe, and Atlantic Canadians are caught in this web. Globalization tends to unfold in the region in a more pedestrian fashion, with unnumbered employers of all sizes taking advantage of working people in a climate of austerity and a downshift in wages.

The working hunch in this study of Atlantic Canada is that what is good for globalization tends to be bad for people. There are not simply two sides to our new globalizing world—a good side that rewards some and a nasty side that harms so many others. Rather, the very achievements of globalization are premised on the mounting misery of its innumerable victims. The growing hardship imposed upon working people around the world is a necessary consequence of globalization; its glossy, outer shell

merely makes this connection more difficult to see. Out of its accomplishments—the internet and high-tech gadgetry, dot-com economics, the emergence of the super-rich, the astonishing movement of goods and money, unprecedented levels of consumption, indulgences such as eco-tourism and psycho-therapy for family pets and so on—we can anticipate the growing wretchedness of much of the world's population. Unless we are to believe naïvely that leisure and luxury crystallize out of thin air, we must recognize and acknowledge that the comforts of globalization are reaped from the labour and toil of others. The only thing trickling down to the world's masses is more work and greater hardship. The impressive accomplishments of the last three decades are entwined with the deepening oppression of working people the world over. Despite the protestations of countless economists and politicians to the contrary, the fruits of the new world economy are not to be shared by everyone. Its beguiling comfort zones, zones that touch the owners of capital and extend to a wealthy managerial strata, high-end professionals and a legion of intellectuals ruminating away in designer personas, do not emerge out of the toil, sweat and, indeed, blood of those who enjoy them. One-sided sketches of globalization that celebrate its prosperity unforgivably trivialize the poverty and hardship of the vast majority of the world's people. Worse still, they cannot even begin to recognize the necessary link between the leisured life of the privileged few and the swelling ranks of the exhausted, the poor and the hungry.

To make sense of these related sides of globalization we must begin by recognizing that both its celebrated accomplishments and its undergrowth of human misery are wrapped up in the timeless class struggles endemic to capitalist societies. In its historically significant sense globalization is an episode in the ongoing struggle between the leaders of capital and working people throughout the world. It is this conflict that cradles globalization, and to cheat the language of the German philosopher G.W.F. Hegel a bit, this struggle is neither old or new, but rather eternal. Well over a century ago Karl Marx wrote at the outset of his influential *Communist Manifesto* that “the history of all hitherto existing society is the history of class struggles.” As we navigate through the towering wealth and mounting misery of the last few decades we see the conflicts between owners and workers continuing to shape our world, just as the historic struggles between master and slave, lord and serf, and patrician and plebeian did so long ago. As William Greider (1997: 39) reminds us in his sweeping account of the global economy in the late-twentieth century, “The fundamental struggle, then as now, is between capital and labour. That struggle is always about control of the workplace and how the returns of the enterprise shall be divided.”

With this conflict between capitalists and workers in mind, we can consider the nature of globalization by first seeing it as a strategy by large

corporations—a strategy to enhance profitability by lowering production costs, especially wage costs. Globalization is a way to do things, a way to conduct business that works from the perspective of very large corporations. It is a campaign conceived in piecemeal fashion in boardrooms throughout North America, Europe and Japan and implemented by a countless number of corporate minions and managerial hirelings operating in every corner of the globe. The grand plan is formalized in business-funded think tanks and lobby groups, and the message is routinely conveyed to governments, politicians and journalists around the world. Globalization is a canalized tactic banked by capital on the one side and the world of working people on the other. It is conceived and formalized on high and then forced on working people around the globe. It amounts to the latest version of “best corporate practices” as we cross over into a new millennium.

It is not easy to see the strategic element of globalization in the welter of public parlance. Indeed, the sheer volume of commentary limits the likelihood that a clear sense of the term will emerge. Repeated exposure to the message that globalization is upon us is inescapable. Politicians remind us that globalization is the new fact of national life, and they identify it as the primary reason for introducing extraordinarily unpopular policies. The vague notion of a new world economy that no nation can sidestep also informs most political and social commentary in the media. And business leaders routinely claim that their short-term and long-term corporate decisions are guided by the exigencies of the global economy. Unfortunately, few of these discussions identify corporate-based, profit-driven motives as the primary force behind the globalization push, and even fewer still recognize the corporate imperative of driving down labour costs.

This lack of clarity is compounded by the plush rhetoric cloaking the idea of globalization. In popular discussion it is sometimes presented as the inexorable gravitation of humanity to a higher plane of existence. It is scarcely an exaggeration to say that globalization is frequently sold as the final moment in the unfurling of humanity’s vast potential. It is an idea associated with all that is worldly and urbane, bringing nations together and standing against the primitive forces of tribalism and parochialism. In these commonplace mystifications globalization is not a greedy corporate strategy but rather the enlightened calibration of humanity with all that is reasonable and good.

Another reason that makes it difficult to appreciate the self-serving corporate agenda that drives the new world economy is that a new “globalized” world now stands against everyone, even the supercorporations that have been leading the globalizing charge over the last three decades. Finance capital beams money around the world at breakneck speeds; local and regional economies have become more integrated into global mar-

kets; events in one part of the world's economy reverberate everywhere else; it is common to consume products that come from remote corners of the globe; and more and more people feel connected by virtue of the internet. Everyone experiences a global village "out there" that can no longer be ignored—a world that is "digital," "knowledge-based," "virtual" and "connected."¹ Politicians truly feel constrained by the pressures of worldwide policy standards, standards that are invariably falling. Labour leaders formulate demands with an eye to global wage rates and collapsing workplace standards. Business leaders often experience restricted decision-making power in the face of global markets.

And so it is easy to be confounded by the idea of globalization. Its raw truth is missed easily in a world of ever-changing practices and untempered rhetorical flourishes. The challenge is to release ourselves from these mystifying clutches. We must turn and squarely face globalization's Machiavellian core: the struggle around labour costs manifested as a drive-down-wages imperative. Globalization is driven by the desire to lower wages around the world. It is about making people desperate enough to take low-paying jobs where they barely earn enough to survive. It is about delivering devastating blows to established unions and their members in the North. It is about brutally crushing any attempts to organize workers in the South. It is about creating large pools of underemployed people so that wages will remain low. It is about ruthlessly attacking social programs that are seen to prop up minimum wages. It is about callously attacking the poor themselves for fear that they might pass on a rotten job. For the business world caught in a struggle with workers in the era of worldwide capitalism, globalization is a tooth and nail strategy to depress wages. It is helpful to remember that corporations do not globalize because their executives have a penchant for warmer weather or spicy food.

A reader could be admired for cynically requesting a distinction between capitalism in general and the era that has come to be known as globalization. Has the history of capitalism not revolved around the struggle over wages, and is it not littered with stories about below-subsistence wages, attacks on workers, union-busting and massive pools of unemployed workers? What makes "globalization" different from "capitalism"? Have we somehow left capitalism behind? To complicate these interrogations there is a collection of terms like "information economy" or "post-industrial society" or "post-capitalist society" hanging in the air, suggesting strongly that the world today is different from the "capitalism" of the nineteenth and early twentieth centuries. The evidence adduced to support this claim, however, is usually superficial. From the perspective of the rudimentary conflicts that lie at the heart of a world organized around private property and wage labour, the world has not changed in any essential way, as a Mexican auto worker, a "guest" labourer in Kuwait or a seasonal employee in Prince Edward Island would

incline to remind us. Terms that suggest that there has been a fundamental break from the past overdraw the degree of change in the world around us and are better understood as part of the ideological smokescreen emanating from specialists and pundits. At a very basic level there really is no difference at all. Globalization does not have an internal mechanism that is different from the conventional dynamic of class struggle in any capitalist society, and the lengths that corporations and businesses go to in order to gain an upper hand over their workers also fail to reveal anything new.

But something has changed. The old rounds and familiar refrains of capitalism are being played to new rhythms. The term globalization does help to capture the evolving political twists of this longstanding struggle between capital and labour over the last three decades. Globalization is a helpful idea in that it refers to a specific period in the history of capitalism, a period when a class compromise forged in the middle of the twentieth century is being rolled back.² If a good chunk of the twentieth century can be seen as the era of a long compact between the Northern working class and their capitalist counterparts, then the last three decades can be understood in terms of the systematic undoing of this compromise. Capital has been shredding its unprecedented agreement with labour that guided Northern societies for much of the post-Second World War period. Indeed, this makes the term globalization a bit ironic. It creates the impression of something that is going on around the world, and the idea seems apt if we merely dwell on the worldly nature of our economy. However, at its core globalization is about disciplining the working class in the North, in part by end-running it in favour of cheaper labour in the South. The globalizing economy has been triggered by this struggle to weaken the Northern worker. In this essential manner globalization is global only in a superficial spatial sense, at least at the outset; in its first moment it unfolds as a sustained attack on working people in the North. The compact that involved real gains for the Northern working class—and the shelving of a more transformative political agenda—is being systematically dismantled. To understand globalization in Atlantic Canada it is helpful to outline the main features of this historic transition.

The Twentieth-Century Fordist Compact

In time, the effects of globalization will certainly play themselves out socially and politically. As a multifaceted accumulation strategy globalization is fraught with all sorts of tensions and contradictions. In the short term it is impossible to know how far the roll back will go, but over the long haul the effects of this new global order will push capitalism along and lay the foundations for its metamorphosis into something very differ-

ent. A few of these tensions and contradictions are noteworthy. Globalization harms the working people—this much is very clear—yet it also establishes the basis for a generalized increase in worker consciousness and coordinated resistance. It initially pits workers around the world against each other, especially those in the North and the South, but it also establishes the foundations for a more inclusive and lasting internationalism among all workers. In part, at least, globalization rests upon the development of new communications and technological applications that displace workers and intensify their exploitation and, yet, make the coordination of worker resistance much easier and smoother in the future. Capital has constructed a world that draws upon the mythologies of capitalism so aggressively, mythologies that stand so feebly against the growing misery of our globalizing world, that it is hard to believe that these mystifying devices will not reach some point of exhaustion in the future, creating unparalleled social incredulity in exploited people around the world and thus laying the basis for a clearer transformative agenda. For capital itself, as it seizes its capacity to move around the world and take advantage of cheaper labour, it simultaneously establishes the basis for a generalized uniformity of labour and production standards that will render the mobility of capital futile or inconsequential in the future. In the end, globalization is about transnational capital proceeding in a privileged and autocratic manner, and yet it lays down the conditions that will encourage its eventual eclipse and displacement. Capitalism is still sowing the seeds of its own demise—like a sun that becomes a “red giant” just before it burns itself out completely—although many left intellectuals have sadly lost touch with its destiny. Globalization is, in this sense, capitalism’s “last hurrah.”

All of this, however, is, as one might say, “down the road.” Here the goal is to recognize that globalization emerged out of the disintegration of the post-Second World War compromise between capital and labour. The compromise was hammered out after decades of experimentation on the shop floor, innumerable economic upturns and downturns and periods of intense labour strife. We can begin to elaborate on the post-Second World War order and the eventual transition to globalization by observing that by the early twentieth century the system of production was epitomized by the widespread application of “scientific” methods. Efficiency was fast becoming the cardinal operating principle of production, and the conventional wisdom was to crank out as much product as (in)humanly possible. In the words of Frederick Winslow Taylor, after whom the ideas of “scientific management” came to be known:

We can see our forests vanishing, our water-powers going to waste, our soil being carried by floods into the sea; and the end of our coal and our iron is in sight. But our larger wastes of human

effort, which go on every day through such of our acts as are blundering, ill-directed, or inefficient, and which Mr. Roosevelt refers to as a lack of “national efficiency,” are less visible, less tangible, and are but vaguely appreciated.... No one can be found who will deny that in the case of any single individual the greatest prosperity can exist only when that individual has reached his highest state of efficiency; that is, when he is turning out his largest daily output. (1998: iii, 2)

Greater efficiency created a troublesome problem for the owners of the factories. They needed to match their refined capacity to produce with the ability of people to buy products. Capital has often been faced with the problem of overproduction, and this problem was all the more likely with the widespread adoption of “scientific” production. The business world desperately needed to sell all of its products, and in the first half of the twentieth century this was accomplished through the cultivation of a society of mass consumers. Corporations aggressively set about convincing people that they needed such things as an electric iron, a car or a hair curler. Indeed, it has been argued that the television was recognized as a useful invention only after corporate executives realized that they could use it to sell products to gullible North Americans and Europeans.³ The consumer societies of the North had fully congealed by the post-Second World War period.⁴

Greater efficiency created another serious problem. Workers, especially artisans and skilled labourers, did not take kindly to “scientific” or Taylorist production techniques, mainly because they correctly understood that Taylorism would erode their skills and contribute to a general decline in their workplace power. Taylor himself (1998: 28) spoke of the difficulty of finding the “right” man for his time and motion experiments, and by “right” he meant submissive and thoughtless:

Now one of the very first requirements for a man who is fit to handle pig iron as a regular occupation is that he shall be so stupid and so phlegmatic that he more nearly resembles in his mental make-up the ox than any other type. The man who is mentally alert and intelligent is for this very reason entirely unsuited to what would, for him, be the grinding monotony of work of this character.

The skilled labourer in the early twentieth century understandably resisted refinements to the labour process and played a significant role in the generalized resistance of workers, who often resorted to strikes, sit-ins and marches to improve their lot. In the end, worker restlessness throughout the early decades of the twentieth century contributed to rising real

wages, and to a considerable extent this rise helped to pacify all workers. The corporate establishment grudgingly accepted the higher wages since it meant that people could consume more products. Indeed, many leaders of industry openly recognized this, and Henry Ford's famous \$5 work-day—a strategy intentionally designed to allow Ford's workers to purchase his automobiles—captured this crude formula well. Companies that lacked Ford's social perspicacity fought tooth and nail with their workers over wage hikes, but unrelenting pressure from below continued to nudge the social wage upward.

Another boost for mass consumption would come with the growth of the Keynesian public policy framework. The longstanding concern over the boom and bust cycles of capitalism had sparked ongoing debates about how best to deal with them, with the goal being long-term profitability and economic stability. The idea of smoothing out capitalism's cyclical nature by means of state intervention was formalized in the writings of John Maynard Keynes. Keynes proposed that governments inject money into the economy during recessionary periods and remove a little money during periods of healthy growth, in effect managing the economy by managing the overall demand for goods and services. When the economy was slowing down, a little extra money could be put into people's pockets to sustain sundry consumption. And when the economy was heating up a little extra money could be taken out of their pockets to dampen consumption and stop the economy from overheating. It was recognized early that one of the easier ways to institutionalize "demand-side" management of the economy was through the state's social and infrastructural policies. Keynes's ideas, in effect, provided a sort of elite endorsement of working-class demands for better welfare policies, pension plans, unemployment insurance and so on. In the aftermath of the Second World War the welfare state expanded exponentially, and this growth was invariably justified in terms of Keynesian principles.

As shown in Figure 1.1 the two pillars of the twentieth-century compact include the mass production regime and the Keynesian public policy framework. The first pillar reflects the way corporations tended to organize themselves inside the factory, including the reluctant acceptance of a unionized and relatively well-paid work force. It embraces the idea of mass production for mass consumption. The second pillar reflects the general public policy principles that guided politicians throughout North America and Europe, and the spirit of these Keynesian principles embraces the idea of countercyclical state spending and is confirmed by the rise of the welfare state. Although analytically we can separate the two pillars of Fordism, it must be stressed that they formed part of a rudimentary compromise between capital and labour that had evolved over the decades covering the two world wars. The mass production regime grew directly out of conflicts inside the factories of the