Labour / Le Travail

Down in the Vale
Corporate Globalization, Unions on the Defensive, and the USW Local 6500 Strike in Sudbury, 2009–2010

John Peters

Volume 66, automne 2010

URI : https://id.erudit.org/iderudit/llt66art03

Aller au sommaire du numéro

Éditeur(s)

Canadian Committee on Labour History

ISSN

0700-3862 (imprimé)
1911-4842 (numérique)

Découvrir la revue

Citer cet article

Peters, J. (2010). Down in the Vale: Corporate Globalization, Unions on the Defensive, and the USW Local 6500 Strike in Sudbury, 2009–2010. *Labour / Le Travail*, *66*, 73–105.

Résumé de l'article

Cet article propose une évaluation d'une des plus longues grèves du secteur privé au Canada : celle du local 6500 du Syndicat des Métallos (usw) aux installations de Vale à Sudbury en 2009-2010. La thèse avancée est que, dans le contexte de la récente crise financière et de la mondialisation économique, Vale a pris pleinement avantage de son pouvoir économique afin de gagner des concessions majeures du Local 6500. La communauté des Métallos, et les campagnes politiques ont été incapables de faire pression sur la compagnie ou sur les gouvernements fédéral et provincial de manière efficace. Le résultat a été qu'une compagnie multinationale puissante l'a emporté dans ses efforts pour ronger le bien-être matériel de la main d'œuvre canadienne. Une telle défaite, qui s'accompagne des récentes concessions faites lors de négociations collectives par les travailleurs de l'automobile au Canada et aux États-Unis, représente un choc et un coup majeur contre le mouvement ouvrier en Amérique du Nord. Par conséquent, les syndicats doivent développer des stratégies de résistance plus fructueuses et entamer un processus pour se réformer et se rajeunir en tant qu'organisations défendant les travailleurs. Si ceci ne se réalise pas, alors l'avenir des travailleurs d'Amérique du Nord sera effectivement bien morne.

ARTICLE

Down in the Vale: Corporate Globalization, Unions on the Defensive, and the USW Local 6500 Strike in Sudbury, 2009–2010

John Peters

July 7 2010 was a grim day in Steelworker history. Almost a year earlier, on 13 July 2009, the United Steelworkers (usw) Sudbury local 6500 went out on strike against Vale, a subsidiary of the Brazilian global conglomerate Companhia Vale do Rio Doce (cvrd) and the world's number two multinational mining corporation.[1] Talks had broken down on a number of issues – most notably Vale's bid to change the pension plan for new hires, to significantly reduce profit-sharing, and to impose retirements and layoffs that in the union's view would open up the industry to contracting out and temporary workers.[2]

But on 7 July 2010, in what can only be characterized as a significant defeat, the usw local ratified a contract that included major concessions. In total, some 3,300 workers were off the job for a year – approximately 845,000 lost

1. Beyond scholarly literature, research reports, newspaper articles, and statistical databases, the sources for this article include interviews with workers, retirees, retired management staff, and local trade union officials and staff. In accordance with ethics procedures, these interviewees will remain anonymous. When quoting information is necessary, I refer to the interviewee's general position in his or her organization and designate them with an alphabetical letter and a date. Other information was gleaned from regularly attending all major community events and involvement in all support activities directed by the Sudbury and District Labour Council.

2. This was quickly followed by usw strikes at two other Vale operations, a metal refinery in Port Colborne, Ontario, and a mine and nickel concentrator facility in Voisey's Bay, Newfoundland. The Port Colborne usw workers ratified their contract within days of the settlement by usw 6500. The one hundred and thirty workers of usw 9508 in Voisey's Bay remain on strike because their contract offer included further concessions as well as wages and bonuses well below those offered Ontario workers.

John Peters, "Down in the Vale: Corporate Globalization, Unions on the Defensive, and the usw Local 6500 Strike in Sudbury, 2009–2010," *Labour/Le Travail*, 66 (Fall 2010), 73–105.

workdays, making it the largest private sector strike in Canada in more than 30 years.[3]

Long strikes are well known to Sudbury and its miners, with seven USW strikes since 1966 against INCO, the former Canadian giant.[4] But right from the beginning of the 2009 strike, however, observers agreed the conflict was unique. Most notably, Vale continued to run and upgrade its operations both during a shutdown prior to the strike and over the subsequent twelve months. Following the precedent set by the former Canadian mining giant Falconbridge a decade earlier, Vale used its 1,200 contract staff to do maintenance, upgrading, mining, and metal processing.[5] It then had many of its contractors hire more workers in order to ramp up production in early 2010. After upgrading and maintenance work was completed in the plant, estimates from workers inside the operation and out estimated that the mines and facilities were functioning at near 30 per cent of capacity over the course of the year-long strike.[6]

Vale in fact appeared to have little interest in negotiating, claiming that all its Canadian operations required significant restructuring to make them profitable and internationally competitive over the long term. The concessions it subsequently sought on pay, bonuses, pensions, contracting out, retirements, and production management of job transfer rights were also unprecedented in Canada, especially in a sector that had benefited from a seven-year wave of

3. In Canada, while strikes are often frequent, they tend to be short and involve fewer than 200 workers. Large and long strikes are rare. Since the early 1960s, only 2 per cent of all strikes have involved more than 2500 workers, and only a handful of these have been in the private sector. Most strikes have usually been settled within two to four weeks. Only five strikes involving more than a thousand employees lasted more than a year, approximately .05 per cent of the total. The length and size of the Steelworker strike was thus well outside of traditional Canadian industrial relations norms, comparable only to the other mining strikes in Sudbury in 2000–2001 when Mine Mill struck Falconbridge/Noranda and 1978–1979, when the USW went on strike against Inco. See Linda Briskin, "From Person-Days Lost to Labour Militancy: A New Look at the Canadian Work Stoppage Data," *Relations Industrielles/Industrial Relations,* 62 (2007), 31–65; Linda Briskin, "Militancy and Resistance in the New Economy," in Norene Pupo and Mark Thomas, eds., *Interrogating the New Economy: Restructuring Work in the 21st Century*, (Toronto 2010), 217–234.

4. David Leadbeater, "Introduction: Sudbury's Crisis of Development and Democracy," in D. Leadbeater, ed., *Mining Town Crisis: Globalization, Labour, and Resistance in Sudbuy* (Halifax 2008).

5. Interview with retired Vale mine manager, 5 December 2009.

6. Dorthy Kosich, "Vale Praises New Iron Ore Pricing, Announces Paranapanema Copper Deal," *Mineweb*, 30 July 2010, <http://www.mineweb.co.za/mineweb/view/mineweb/en/page39?oid=108907&sn=Detail&pid=102055> (30 July 2010); Vale, "2Q10 Production Report," *Vale*, 29 July 2010, <http://www.vale.com/en-us/investidores/press-releases/pages/default.aspx> (31 July 2010); Vale, "2Q10 Earnings Release," *Vale,* 29 July 2010, <http://www.vale.com/en-us/investidores/press-releases/pages/default.aspx> (30 July 2010).

economic prosperity that saw all companies grow and profits as well as equity share prices rise exponentially.

The strike also proved unique in its impact on the community. At the strike's end, the Steelworkers were forced to accept major concessions on bonuses, layoffs, and pension plans, losing on every point except on marginal improvements for current retirees and early retirement incentives for those with 27 years or more of experience. The losses to the local community over the course of the year were equally significant. Local estimates put the direct loss of wages and income due to the strike at $20 million a month and more than $250 million over the year.[7] Added to these losses were the many laid-off workers in the mining supply and service companies that also temporarily shuttered, as unemployment in Sudbury rose more than five per cent.[8]

The Vale strike was also notable for the degree of acrimony involved. The company routinely launched lawsuits and court cases proliferated. Vale hired private security forces and burdened the municipality with millions of dollars in police protection and bylaw hearings. Finally, despite municipal resolutions, public pressure from Ontario's and Newfoundland's premiers to settle the dispute, and an order from the Ontario Labour Relations Board to return to the bargaining table, Vale commonly neglected to set any dates to meet with the locals or make any promises to negotiate, let alone compromise.

A final reason why the strike matters has to do with the USW's inability to mobilize wider political, international, and community support. For while many supported the strike, staged rallies, and so on, there was little in the way of creative and effective strategizing and community mobilizing. For the largest private sector union in North America, the union with the most global alliances, and the union with a tradition of militancy and innovation, the setback was especially bitter. The Steelworkers had failed to protect many of their hard-fought gains on bonuses, pensions, and seniority rights for local workers. They also failed to protect member's jobs and USW 6500's superior defined-benefit pension model. The concessions won by Vale have established a new precedent for aggressive employer tactics and restructuring plans. And following in the wake of the major wage, job, and benefit concessions recently accepted by Canadian and American Autoworkers, the defeat is not only a major loss for the local and the Steelworkers' union, but appears as a rather ominous harbinger for the labour movement as whole.

Indeed, the evidence from the USW strike against Vale suggests that, as in much of the rest of the world, corporations are readily gaining the upper hand, while unions are in trouble and falling ever further behind. Labour organizations like the USW are beginning to look for new ways to counter their

7. John Caruso, "Community Impact Analysis," *Report Submitted to the Ministry of Training, Colleges, and Universities* (August 2009), 12.

8. CBC News, "Sudbury Awaits Vote on Vale Strike Deal," CBC, 5 July 2010, <www.cbc.ca/money/story/2010/07/05/vale-inco-sudbury-strike.html> (8 July 2010).

faltering influence on employers and political systems. The USW, for example, has signed multiple alliance and framework agreements that now make it the largest private sector union in the world. But even with these efforts, many locals lack the research, public relations, and strategic planning capacities with which to pressure employers, protect jobs, and plan long-term wage, job, and benefit campaigns. They also lack the structures and internal means of member participation to effectively coordinate their efforts against employers and cope with the challenges of global ownership and capital.

The consequences of this are clear: when a union as large and aggressive as the USW cannot adequately cope with a single multi-national firm, then other unions must consider seriously the current limitations of their bargaining and political strategies and begin to explore necessary alternatives. As the USW strike against Vale shows, the realities of economic and political power are stark, and unless labour movements are willing to confront the challenges that lie before them, then the prospects for a shift in the balance of power are slim.

Labour Movements in Decline: the Local versus the Global

Over the past 30 years, globalization and neoliberalism have put union movements on the defensive.[9] Across advanced industrial countries, unions are opposed by increasingly antagonistic employers and governments.[10] In addition, unions can no longer rely on their traditional political allies, social democratic parties, as many of these political entities have shifted to the political centre, seen their influence wane, and loosened their ties to labour.[11] To top it off, the decline in membership and union density has made it more difficult for labour movements to renew themselves and their leadership.

In the field of labour relations, scholars have sought to assess these changing dynamics in political economy and labour strategies in a number of ways.

9. Recent surveys include: Gerhard Bosch, Stefan Lehndorff and Jill Rubery, eds., *European Employment Models in Flux: A Comparison of Change in Nine European Countries* (New York 2009); and Kim Moody, *US Labor in Trouble and Transition: The Failure of Reform from Above, the Promise of Revival from Below* (New York 2007). For trends in advanced industrial countries, Andrew Glyn, "Labour Retreats," in *Capitalism Unleashed: Finance, Globalization and Welfare* (New York 2010), 104–128.

10. On the United States, see the introduction and essays in Kate Bronfenbrenner and Tom Juravich, eds., *Organizing to Win* (New York 1998), and on global and European trends, Bill Dunn, *Global Restructuring and the Power of Labour* (New York 2004). On Western Europe, Vivien Schmidt, "Labour in the Twenty-first Century: State Strategies" in Andrew Gamble, Steve Ludlam, Andrew Taylor and Stephen Wood, eds., *Labour, the State, Social Movements, and the Challenge of Neo-Liberal Globalization* (New York 2007), 21–44.

11. On the political problems unions are facing with social democratic parties across Western Europe see Martin Upchurch, Graham Taylor, and Andrew Mathers, *The Crisis of Social Democratic Trade Unionism: The Search for Alternatives* (Burlington 2009); and on the problems in Canada, Larry Savage, "Contemporary Party-Union Relations in Canada," *Labor Studies Journal* 35 (March 2010), 8–26.

There has been an extensive debate over the reasons behind declining union density.[12] There is an equally large volume of literature on "union renewal and how unions have sought to address falling membership numbers, increase bargaining leverage, and heighten political strength.[13] Complementing this recent work is a small body of quantitative and qualitative case study literature on strikes.[14]

In the 1980s and 1990s, scholars examined macroeconomic changes, exploring the impact of industrial restructuring on union job loss.[15] For many, competition, capital flight, and lean production were the key mechanisms driving corporations – especially North American ones – to layoff workers and open operations with cheap labour elsewhere. But as other researchers pointed out in response, there were a wide number of diverse paths of industrial restructuring, and one of the reasons why were union efforts. In the face of corporate efforts to downsize their workforce, some unions focused their efforts at wider mobilization, others at protecting or reforming their institutional position and developing new international organizations. As scholars looking at union renewal also highlighted, unions undertook everything from new living wage and anti-sweatshop campaigns, to new organizing efforts and renewed political activity at local, national, and international levels.[16]

12. Michael Wallerstein and Bruce Western, "Unions in Decline? What has Changed and Why?," *Annual Review of Political Science*, 3 (June 2000), 355–377; Jelle Visser, "Union Membership Statistics in 24 Countries," *Monthly Labor Review*, 38 (January 2006), 38–49; Lyle Scruggs and Peter Lange, "Where Have all the Members Gone? Globalization, Institutions, and Union Density," *The Journal of Politics*, 64 (2002), 126–153.

13. Peter Fairbrother and Charlotte Yates, eds., *Trade Unions in Renewal: A Comparative Study* (London 2003); Pradeep Kumar and Christopher Schenk, *Paths to Union Renewal: Canadian Experience* (Peterborough 2006).

14. Briskin, "Labour Militancy,"; James Piazza, "Globalizing Quiescence: Globalization, Union Density and Strikes in 15 Industrialized Countries," *Economic and Industrial Democracy*, 26 (May 2005), 289–314; Stefan Scheuer, "A Novel Calculus? Institutional Change, Globalization and Industrial Conflict in Europe," *European Journal of Industrial Relations* 12 (July 2006), 143–64.

15. Jefferson Cowie, *Capital Moves: RCA's Seventy-Year Quest for Cheap Labor* (Ithaca 1999); Steven High, *Industrial Sunset: The Making of North America's Rust Belt, 1969–1984* (Toronto 2003); Kim Moody, *Workers in a Lean World. Unions in the International Economy* (New York 1999); Bryan D. Palmer, *Capitalism Comes to the Backcountry: the Goodyear Invasion of Napanee* (Toronto 1994); Bruce Western, *Between Class and Market: Postwar Unionization in the Capitalist Democracies* (Princeton 1997).

16. The most comprehensive comparative survey of union "renewal" and "revitalization" strategies is Carola Frege and John Kelly, eds., *Varieties of Unionism: Strategies for Union Revitalization in a Globalizing Economy* (New York 2004); on union renewal and politics in the United States see Bill Fletcher Jr. and Fernando Gapasin, *Solidarity Divided: The Crisis in Organized Labor and a New Path Toward Social Justice* (Berkeley 2008); in Western Europe see Kirsten Hamann and John Kelly, *Parties, Elections, and Policy Reforms in Western Europe: Voting for Social Politics* (New York 2010).

In taking union strategies and responses seriously, though, much recent literature on union renewal has left questions unanswered about current economic change, and how in a world of global finance and shareholder capitalism, unions can develop new sources of leverage over companies with deeper financial resources and more diversified operations. Contemporary case studies on restructuring typically only assess closures, layoffs, and retirements without considering broader corporate operations.[17] The European Trade Union Institute has also begun to investigate and track corporate layoffs and restructuring.[18] But this too has overlooked wider financial and industrial trends, and their impact on international management and production strategies.

As recent writing on globalization has highlighted, over the past decade many North American and European corporations have adopted even more aggressive and complex restructuring strategies, as finance has expanded and firms have sought to take advantage by reforming corporate governance and restructuring operations in order to boost profits and lower labour costs.[19] These have done much to undermine unions either by closures and layoffs or by forcing unions to take concessions on wages, jobs, and benefits.[20] Given the changes to corporations and the global economy over the past decade, serious analysis of the shifting balance of power between capital and labour and its impacts on union renewal appears badly needed.

A second key issue often overlooked in recent analyses of union renewal is the execution and impact of strikes. Few studies on union renewal have looked at strikes in any depth and assessed how unions have prepared for strikes and used community and corporate campaigns. Instead, comment on strikes is generally limited to discussions of wider strategic change within unions, the turn away from militancy and confrontational economic bargaining strategies, and the rise of partnership and defensive orientations. Recent quantitative and comparative studies on the decline in industrial conflict and the numbers of

17. See for example, Robert Bruno, "USWA-Bargained and State-Oriented Responses to the Recurrent Steel Crisis," *Labor Studies Journal,* 30 (March 2005), 67–91; Stuart Dawley, Alison Stenning and Andy Pike, "Mapping Corporations, Connecting Communities: Remaking Steel Geographies in Northern England and Southern Poland," *European Urban and Regional Studies*, 15 (July 2008), 265–287.

18. Xavier Irastorza and Donald Storrie, "Recent Restructuring Trends in the EU," *European Foundation for the Improvement of Living and Working Condition*s, 10 December 2007, <http://www.eurofound.europa.eu/publications/htmlfiles/ef07681.htm> (12 February 2009); Andrew Watt, Maarten Keune and Bela Galgoczi, *Jobs on the Move: An Analytical Approach to Relocation and Its Impact on Employment* (Brussels 2008).

19. Two of the most succinct recent analyses are, Greg Albo, Sam Gindin and Leo Panitch, *In and Out of Crisis: The Global Financial Meltdown and Left Alternatives* (Oakland 2010); Howard Gospel and Andrew Pendleton, eds., *Corporate Governance and Labour Management. An International Comparison* (New York 2005).

20. John Peters, "The Rise of Finance and the Decline of Organized Labour in the Advanced Capitalist Countries," *New Political Economy* (In Press).

workers involved in strikes (especially in the private sector and in comment on political strikes) have hypothesized about the correlations between declining strike activity and decreasing union density.[21]

With few exceptions, however, these studies have failed to systematically address the issue of how unions have or have not used strikes to challenge capital. The most in-depth study of a strike, Kate Bronfenbrenner's and Tom Juravich's *Ravenswood,* provides a close analytical assessment of a twenty month Steelworkers' strike in 1990–92, examining local activities and strategies.[22] But other studies have yet to compare that strike with others, and little literature exists assessing how strikes have affected union growth and renewal, or the role strikes play in wider union strategies for their long-term survival and development. Individual case studies of single strikes exist, but these have often been limited in their generalizations.[23]

Given the strategic importance that unions place on membership education and mobilization prior to and during strikes, such analytical gaps pose a number of problems. While unions collect and study information on strike preparation, bargaining, and corporate campaigns, what is missing is a more comprehensive analysis of the typical strategies, tactics, and mobilizations that unions use both before and during strikes. Also missing are assessments of win rates, what features and strategies were key for winning or losing a strike, and how concessions and lost strikes affect union capacity and the health of the labour movement.

The USW strike against a multinational firm such as Vale thus offers a unique lens on the current state of union strategies and tactics. The power of the company to extract concessions, the wide range of strategies deployed by the USW, and the difficulties that the union faced in putting pressure on the company, each provide an opportunity to assess the changing balance of power between corporations and labour.

Big Rocks: Mining's Global Reach

Everything to do with mining is vast. It is an industry that makes huge holes in the ground and moves thousands of tonnes of rock. It pollutes watersheds, destroys ecosystems, and depletes resource reserves worldwide. This impact is very much evident in the Greater Sudbury region, where there are no fewer than twelve operating mines, two smelters, and two processing plants. Surrounding these operations are some 20,000 square kilometres of polluting

21. Piazza, "Globalizing Queiscence"; Scheur, "A Novel Calculus."

22. Kate Bronfenbrenner and Tom Juravich, eds., *Ravenswood: The Steelworker's Victory and the Revival of American Labor* (Ithaca 2000).

23. Robert Schwartz, *Strikes, Picketing and Inside Campaigns: A Legal Guide for Unions* (Cambridge nd); Dan LaBotz, "Strikes," in Jane Slaughter, ed., *Troublemaker's Handbook 2* (Detroit 2004).

Table 1				
Ore Production - World and Canada 2007-2008				
				Global Market
World		**Canada**		**Share %**
Potash (million tonnes)	33	Potash (million tonnes)	10.5	33
Uranium (tonnes)	41,306	Uranium (tonnes)	9500	23
Nickel (million tonnes)	1.6	Nickel (tonnes)	255,000	16
Aluminum (million tonnes)	38	Aluminum (tonnes)	3	8
Gold (tonnes)	2334	Gold (tonnes)	102	5
Copper (million tonnes)	15	Copper (tonnes)	581,000	3.5
Zinc (million tonnes)	11	Zinc (tonnes)	629,000	5.7
Source: Statistics Canada - Canadian Minerals Yearbook 2008 Table 5				

rock tailings and "dead zones" that are linked to dying watersheds and stunted trees, a damaged ecosystem suffering from the effects of a century's worth of smelter emissions.

As Table 1 shows, Canada has become a major mineral resource exporter. In 2007, mining directly accounted for 3.3 per cent of Canada's GDP and some 50,000 jobs nationwide in a $84 billion dollar industry. Related processing, supply, transport, and associated industries contributed another 5 per cent to Canadian GDP and more than 100,000 jobs.[24] Canada has rapidly expanded its production, especially in potash and uranium, but also in a host of other ores such as nickel, aluminum, gold, platinum, and zinc. In potash, Canada exports one-third of global ores; in uranium, Canada's world share is 23 per cent; in nickel, 16 per cent. Overall, Canada exports 400 million tonnes of metal and non-metal ores annually, with the mining industry accounting for 19 per cent of exports and 55 per cent of all Canadian port traffic in 2007.[25] The rapid expansion of ore extraction and processed ore and metal in nickel, aluminum, and iron figured for much of this growth, with exports more than doubling in value from $20 billion in 2000 to over $50 billion dollars in 2008.[26]

Today, seven Canadian provinces including Ontario (at number ten) rank in the top ten among seventy-one jurisdictions around the world in providing the lowest cost jurisdictions for mining companies.[27] And provinces are

24. Natural Resources Canada, "Canadian Minerals Yearbook 2008," Tables 18 & 23, <http://www.nrcan-rncan.gc.ca/mms-smm/busi-indu/cmy-amc/2008revu/stat-stat/tab16-21-eng.htm#T17> (1 June 2010).

25. Natural Resources Canada, "Canadian Minerals Yearbook 2008," Tables 1, 5, 32.

26. Natural Resources Canada, "Canada's Mineral Trade Surplus Soars to $21.5 Billion in 2007," Mineral Trade Information Bulletin (August 2008), <http://www.nrcan.gc.ca/mms-smm/pdf/tra-com-eng.pdf > (2 June 2010).

27. Fred McMahon and Miguel Cervantes, "Survey of Mining Companies 2008/2009. Fraser Institute Annual," Tables 1–3, *Fraser Institute*, February 2009, <http://www.fraseramerica.org/commerce.web/product_files/MiningSurvey20082009_US.pdf> (22 June 2010).

Table 2 Commodity Prices

Year	Copper $/tonne	Gold $/ounce	Nickel $/tonne	Aluminum $/tonne
2003 (avg)	1,789	364	9,616	1,431
2004 (avg)	2,868	410	13,840	1,717
2005 (avg)	3,684	445	14,747	1,900
2006 (avg)	6,725	604	24,270	2,568
2007 (avg)	7,124	697	37,225	2,638
2008 (avg)	6,938	872	21,048	2,567
2009 (avg)	5,178	974	14,712	1,671
2009 (avg)	7,342	1,099	18,452	2,197

Statistics Canada: Canada Mineral Yearbook, Table 14

continuing to improve the supply side conditions for business investment. With internationally "competitive" tax and finance regimes and royalty levels that are among the lowest in the world, Canada ranks with the friendliest government regimes for mining companies. This seriously limits union political effectiveness and influence on the major political parties, as well as curtails trade union opportunities to improve wages and working conditions in the sector.

Despite too-easy predictions about the coming of a post-industrial "weightless economy," the all-too-material activity of mining has grown rapidly on a global scale. Some 3 billion tonnes of ore were mined in 1980. In 2002, 5.9 billion tonnes were extracted. By 2020, the UN predicts the annual volume of ores to exceed 11.2 billion tonnes.[28] In recent years, such rapid extraction and consumption of structural metals (iron ore, bauxite, copper and nickel) has risen at a rate three-times faster than global GDP. China and India's rapid industrialisation has been a chief factor behind this boom. In 1995, China's demand made up approximately 5 per cent of the global market. By 2009, China was buying up some 15–17 per cent of global mining ores and goods, almost surpassing North America as the industry's largest consumer.[29]

What has also boosted the expansion of multi-national mining is the continuing decline of reserves. Until the beginning of the 1980s, global discoveries

28. UN Department for Economic and Social Affairs, *Trends in Sustainable Development – Chemicals, Mining, Transport, Waste Management, 2010–2011*, Division for Sustainable Development, April 2010, <http://www.un.org/esa/dsd/resources/res_pdfs/publications/trends/trends_Chemicals_mining_transport_waste/ch2_mining.pdf > (June 2 2010).

29. PricewaterhouseCoopers', *Mine 2010: Back to the Boom: Review of Global Trends in the Mining Industry*, 2010, <http://www.pwc.com/gx/en/mining/issues-trends/Mine-2010-Back-to-the-boom-analysis-of-financial-performance-and-trends-in-mining-industry.jhtml> (5 June 2010).

Table 3 Market Capitalization - Mining Companies (billions)

	2001	2004	2010
BHP Billiton	29	75	209
Vale/CVRD	8	32	162
Rio Tinto	26	42	134
China Shenhua		24	100
Anglo-American	25	48	57
Xstrata	5	20	55
Inco	3.8	9.6	
Falconbridge	1.9	5.6	

Sources: PricewaterhouseCoopers (2010) Mine 2010: Back to the Boom: Review of Global Trends in the Mining Industry; Financial Times, FT 500 The World's Largest Companies.

of many minerals outpaced extraction, and while extraction increased, prices remained relatively stable. Over the past fifteen years, however, this trend has reversed, and in many metals, cumulative extraction has far outstripped cumulative discovery.[30] Recognizing a situation of scarcity, firms have moved rapidly to take advantage of the inevitable rise in prices. Even if new reserves are discovered and new technologies developed to extract more ore, mineral and resource industries are now following the trends in oil and gas with companies expanding rapidly to position themselves for expected super-profits.

Since 2000, base metals have soared in price to record levels (Table 2). Iron ore – used in steel production – doubled in price to $186 dollars a tonne between 2002 and 2008. Nickel – a key component in stainless steel – more than tripled from $9,600 a tonne to $37,000. Company size has grown even more spectacularly. The industry's largest firms have quickly swallowed up smaller rivals in the attempt to take more market share, boost capital assets, and diversify their operations. For mining companies, economies of scale and increasing rates of extraction are now key, as a hedge against good times turning bad, or to strengthen their hand in specific metals for economic booms in contexts of resource scarcity.

Companhia Vale do Rio Doce ("Sweet River Valley" or "Vale" for short) has been among the group of rapidly expanding giants.[31] Emerging out of Brazil in the wake of the government's privatization of the company in 1997–1998, Vale entered the big leagues of mining by taking a greater global share of resources, equipment, and related industries. Through a series of equity and bond issues, Vale financed numerous mergers and acquisitions over the course of the past

30. R.B. Gordon, M. Bertram and T.E. Graedel, "Metal Stocks and Sustainability," *Proceedings of the National Academy of Sciences,* 103 (January 2006), 1209–1214.

31. Roger Moody, *Rocks and Hard Places: The Globalization of Mining* (London 2007).

decade that allowed it to quickly outpace far larger companies.[32] In the early 2000s, as Table 3 shows, mining's global capital market was some $180 billion dollars, and the largest firms BHP Billiton and Rio Tinto had market capitalization rates under $30 billion dollars. Inco and Falconbridge – the two largest Canadian companies – were one-fifth the size of the largest firms.

By 2010, however, mining had been completely transformed. Inco and Falconbridge, along with hundreds of other small and medium sized mining operations, had completely disappeared. Market capitalization rates of the mining giants expanded more than four-fold in a decade, as the largest firms swallowed up thousands of smaller firms along with leases to capture more than 55 per cent of the global market capitalization of $1.3 trillion and close to 50 per cent of all revenues.[33] Over this time, BHP Billiton and Xstrata grew to more than ten times their original size. CVRD/Vale expanded more than twenty-fold, and climbed the ladder of globally diversified mining giants.

Increasing size, burgeoning investment, takeovers, and higher market capitalization rates paid off substantially for the largest companies. In examining the financial returns of the top 40 mining companies in the world over the 8 year period 2001 to 2009, *PricewaterhouseCoopers* estimates that annual net profits grew twelve-fold to 50 billion dollars, while profit margins ballooned to 26 per cent during the boom years 2005–2007, with shareholders realizing returns on equity of more than 25 per cent.[34]

It was in this context of rapid global growth and ever-expanding profits that Vale entered Canada in 2007, buying Inco Ltd. for $20 billion and establishing an independent but integrated corporate subsidiary, initially called "Vale-Inco" before it was shortened to "Vale." This was at the same time that other giant foreign multinationals such as Rio Tinto and ArcelorMittal were taking advantage of cheap financing to swallow up Canadian companies like Alcan (an aluminum mining company formerly headquartered in Quebec) and Dofasco (one of Canada's largest steel companies in Hamilton).[35]

Xstrata – a Swiss-based takeover firm founded in 1999 – also joined in the merger and acquisition wave in its attempt to grow. On a $30 billion acquisition quest that added copper production in Chile, nickel mines in Canada, coal in Australia, and platinum in South Africa, Xstrata purchased Falconbridge (headquartered in Sudbury) for $17 billion. Using lax banking regulations to leverage huge amounts of debt in the hope that metal prices and stock valuations would continue to go skyward, Xstrata bought company after company with the expectation that the astronomical profits to be made from dwindling

32. "The Quest for Metals," *The Economist*, 17 August 2006.

33. Figure based on PricewaterhouseCoopers, *Mine 2010: Back to the Boom,* 3.

34. PricewaterhouseCoopers, *Mine 2010: Back to the Boom,* 27.

35. David Olive, "Canada Beating Industrial Retreat," Toronto Star, 13 May 2007; Jim Stanford, "Staples, Deindustrialization, and Foreign Investment: Canada's Economic Journey Back to the Future," *Studies in Political Economy,* 82 (Autumn 2008), 7–35.

mineral resources would far outpace the carrying charges on billions of dollars of debt.

Vale adopted a more complex corporate strategy than a number of the other diversified mining giants. It set up operations around the world through direct ownership, joint ventures, and independent subsidiaries. Involved in everything from mining to railways, shipping to steel making, pulp and paper to reforestation and road building, the Brazilian corporation's goal was not only mining diversification but corporate diversification. [36]

Over the decade following its privatization in Brazil, the company sought to sell, process, transport, and reuse a growing number of minerals and non-metal resources in order to ensure that its profits depended less on the price of each one. Seeking to control internal costs throughout its operations, the company has sought to extend market share across a range of sectors with the intent of making competitors pay more for ore and steel. Most typically, CVRD has adopted a corporate strategy that expands its operations and control throughout the mining-steelmaking-transport chain. One way it has ensured profits is through joint ventures, whereby CVRD processes and transports ores produced by other companies. Another is to spin-off innumerable associate companies and subsidiaries that subsequently sign long-term contracts with its foreign-financed joint ventures in steel-making or shipping. Backing this up has been the traditional growth strategy of merger and acquisition, with Vale completing fourteen acquisitions since 2001.

On top of this, CVRD/Vale's corporate strategy has been to sign long-term supply contracts – in some cases for 30 years – with steel makers in Brazil and China. This has ensured stable cash for mining and processing operations like those in Canada, and allows it to continue to expand shipping operations. The long term supply contracts have been very profitable. With just three firms – Vale, BHP Billiton, and Rio Tinto – controlling three-quarters of the world's supply of iron ore, hard bargaining in annual negotiations with steelmakers in China and Europe has ensured that the big mining firms realize incredibly stable and consistent returns. Now Vale is the world's largest producer of iron ore, and with its numerous processing facilities is a major player in steel and nickel markets around the world.

Overall, the payoff for CVRD and its numerous subsidiaries like Vale, and for their shareholders, has been substantial. For its Vale operations alone (some 10–20 per cent of overall CVRD/Vale global operations), gross operating

36. For overviews of CVRD/Vale see Flávio M. Rabelo and Flávio C. Vasconcelos, "Corporate Governance in Brazil," *Journal of Business Ethics,* 37 (May 2002), 321–335; and Edmund Amann, Joao Carlos Ferraz and Germano Mendes de Paula, "Corporate Governance, Regulation and the Lingering Role of the State in the Post-Privatized Brazilian Steel Industry," in Edmund Amann, ed., *Regulating Development: Evidence from Africa and Latin America* (London 2006), 153–178. For an overview of recent company strategies, see Suzanne Berger, *How We Compete: What Companies Around the World are Doing to Make It in Today's Global Economy* (New York 2006).

revenues achieved a historic high of US$ 38.509 billion in 2008, up 16.3 per cent from the US$ 33 billion reached in 2007, translating into profit of $3.5 billion in 2007.[37]

Shock and Ore: From Financial Crisis to Labour Concessions

The credit crunch that began in late 2008 led to prices plunging as the world economy slumped and China's red-hot growth cooled off. As prices fell, steelmakers cut production, dramatically reducing demand for iron ore. Industry leaders such as Arcelor Mittal, along with Chinese and Russian steelmakers, all trimmed production by 10–15 per cent or more. Consequently, in May 2009 during the annual negotiations to fix a benchmark price for iron ore, the three biggest producers (RioTinto, Vale, and BHP) were forced to take a price cut of 33 per cent from Japan's steelmakers, while Chinese producers successfully pressed for a 45 per cent reduction in price. This after Vale had earlier offered a temporary 20 per cent discount on 2008 prices.[38]

The result for mining companies was a rapid decline in prices and returns.[39] In early 2009, Citigroup estimated that the price of commodities that spring was below the production costs for a sizeable number of copper, aluminum, iron-ore, and nickel producers. *PricewaterhouseCoopers* estimated that the top companies' earnings before tax and depreciation fell by a third, though net profit margins remained above 15 per cent over the course of 2008–2009.[40] As expected, share prices plunged too, and despite their recovery in late 2009, many firms found that their net debt was well above their market capitalisation. Suddenly, borrowing levels that seemed manageable in the boom appeared dangerously high.

Debt-laden Rio Tinto and Xstrata both sold assets to repay debt that came due over the course of the year.[41] The cash-strapped companies also struck deals with Chinese partners to establish joint ventures to shore up current holdings and reduce expenses. Companies also undertook a number of new equity issues and, as the crisis in the financial markets eased, used the proceeds from their equity raisings to significantly reduce their debt loads. When prices rose in late 2009 and share prices recovered, companies repaid record amounts of debt and reduced their net debt as a percentage of market capitali-

37. PRNewswire, "A Vintage Time: Perfomance of Vale in 2007," 28 February 2008, <http://www.prnewswire.com/news-releases/a-vintage-time-performance-of-vale-in-2007-57375567.html> (29 May 2009). Vale, "A Vintage Time: Performance of Vale in 2007," Report, 28 February 2008, <http://nickel.vale.com/report/q42007.aspx> (29 May 2009).

38. "Mining: Digging Deep," *The Economist on the Web*, 5 February 2009.

39. "Rio Tinto and Chinalco: The Big Owe," *The Economist on the Web*, 2 February 2009.

40. PricewaterhouseCoopers, *Mine 2010: Back to the Boom,* 27.

41. "Rio Tinto and Chinalco: The Big Owe," *The Economist on the Web.*

sation from highs of 100–200 per cent to an industry average of 13 per cent for the top 40 companies.[42]

The other measures mining multi-nationals took to remain profitable during the recession were to cut capital expenditures, temporarily shut down operations, eliminate jobs, and in Vale's case, demand concessions from its workers. Many metal and mining companies also idled some mines and factories while mothballing others. In 2009, both Xstrata and Vale-Inco announced mine closures in the Sudbury basin, and said they would be delaying expansion plans. This followed on the heels of Vale's eight-week shutdown prior to the strike. Other companies around the world did the same, with the expectation that cuts in production would limit supply and inevitably push up prices in the short to medium-term.

Most companies also "pruned" their workforces. Worldwide, RioTinto laid off 14,000 workers and slashed capital expenditure by $5 billion in 2009.[43] Vale-Inco reacted to the decline in nickel prices by cutting 900 jobs at its global nickel operations including 423 in Canada and 261 in Sudbury. It also announced plans to shut down the Sudbury operations in June and July in an effort to reduce supply, while letting go former executives and upper managers prior to launching a much wider restructuring initiative. Similarly, Xstrata laid off 686 salaried and unionized employees at its Sudbury nickel mine in February 2009.[44] Xstrata also temporarily shutdown a number of its other mines and smelters throughout its Northern Ontario operations, announcing the closure of a copper smelter in Timmins in June 2010, which cut another 700 jobs, and amalgamated its operations with those in Quebec, where its processing operations will be centralized.

Such strategies of reducing supply, cutting capital expenditures, and running down inventories quickly realized many of their anticipated effects for companies. With the slow stabilization of Western economies, the recovery of Chinese demand over the course of late 2009 and early 2010, and government bailout packages providing investment banks with money for stock and bond funds, commodity prices recovered from their steep fall, and some like copper returned to pre-crisis levels, while gold and platinum have continued to rise.[45] Even nickel has recovered in price, more than doubling from its 2008 low, and reaching a high of over $9.00/lb in early 2010. Subsequently, with the inflow of money into stock markets, share prices have rapidly increased, and the market capitalisation of the largest 40 companies has risen 118 per cent or $696 billion

42. PricewaterhouseCoopers, *Mine 2010: Back to the Boom,* 29.

43. "Mining Mega Mergers, Some Miner Concerns." *The Economist,* 7 February 2008.

44. Stan Sudol, "Xstrata Nickel Layoffs: Short-Term Gain and Long-Term Pain," *Northern Life on the Web*, 12 February 2009. Harold Carmichael, "Job Losses Mount Up," *Timmins Daily Press on the Web*, 16 January 2009.

45. PricewaterhouseCoopers, *Mine 2010: Back to the Boom*, 14.

from late 2009 to early 2010, reaching levels just short of the peak prior to the global financial crisis.[46]

Indeed, it would appear the global mining industry emerged out of the 2007–2008 meltdown stronger than ever. Companies used the crisis to lower payroll costs and reduce the number and power of unionized workers. Over the past two years, Xstrata has shrunk its unionized workforce in Ontario by more than 30 per cent, while in the wake of the USW strike, Vale has looked to do the same.

Miner Concerns: Labour Costs and Vale's Demands for Concessions

The final means by which companies sought to take advantage of the crisis and reduce costs over the course of the past two years was to overhaul workers' collective agreements. As in manufacturing, and especially in the auto industry, firms throughout North America and Western Europe have sought major concessions, and looked for unions to take cuts in wages, benefits, and work conditions to bring contracts in line with those generally provided to non-union workers.[47] As jobs in the mining industry were among the highest paid in Ontario goods industries in the early to mid-2000s, and employee compensation was some 50 per cent above the average for all industries, companies like Vale were similarly interested in boosting profitability and improving competitiveness through new rounds of wage concessions, job cutting, and increased flexibility.

Even before the strike started, Vale publicly proclaimed its intent to cut costs and subsequently offered a contract with several major concessions demanded of the Sudbury, Port Colborne, and Voisey's Bay workers.[48] These demands initially included: a freeze in wages (though a cost-of-living clause was continued), a sharp reduction in the miner nickel bonus to 15 per cent of the employee's base pay, and a switch in the company's pension plan from defined benefit to defined contribution.[49] The contract also included changes to seniority and recall provisions.

For workers, these concessions amounted to tens of thousands of dollars in lost income, a far less secure and far smaller pension, and the loss of jobs and bumping rights between mines and operations under Vale control in the Sudbury basin. The capping of the bonus was among the most contentious issues. Under the previous collective agreement, the miner's nickel bonus

46. PricewaterhouseCoopers, *Mine 2010: Back to the Boom*, 9.

47. Herman Rosenfeld, "The North American Auto Industry in Crisis," *Monthly Review*, (June 2009), 18–36.

48. Euan Rocha, "Sudbury Inco Miners Strike," *Toronto Star*, 13 July 2009; Carol Mulligan, "Strike at Vale Inco Looms," *Sudbury Star*, 12 July 2009; Carol Mulligan, "Union Steels Itself for Strike, as Profitable Vale Insists on Major Concessions," *Sudbury Star*, 9 July 2009.

49. For the steelworkers' analysis of the collective agreement see, http://www.fairdealnow.ca/.

had no maximum limit and kicked in once nickel prices rose above $2.50 per pound.

When Inco first negotiated bonuses in the late 1970s, the idea was that the company would delay wage increases by giving workers the promise of a share of the benefits when nickel prices rose. As nickel prices were regularly low in the 1980s and 1990s, the bonus was often small, costing the company little. But at the start of this decade, with the dramatic rise in the price of nickel from $3 to over $25 per pound, miners began to earn nearly as much in bonus as their regular pay, in some cases in excess of $60,000 per year. After Vale bought Inco in late 2006, the bonus payments continued to rise – a problem for a company seeking to lower wage costs in order to achieve its goals of greater size and diversification. By capping the bonus at a fixed rate of salary, the company's goal was to reduce the bonus to a fixed maximum of $15,000.

Like other profitable multi-national corporations (mncs), Vale also wanted to restructure its pension plan. Facing the collapse of pension investments in stock markets, the growth in the number of pensioners, and the shrinking of its active workforce, Vale looked to stop guaranteeing pensions to workers under defined-benefit (db) plans. Following wider corporate trends, Vale sought to replace its existing db plan with a private defined-contribution one, where workers carry most of the risk. Under defined-benefit plans, employers often contribute 12–16 per cent of salary to the benefit. But with defined-contribution plans, they can get away with a much more modest 3–6 per cent contribution, and have no responsibilities for future pension payouts should workers' market investments go sour.[50]

Vale's third set of demands was driven by a desire to promote the retirement of older, high-paid workers and increase the flexibility of the workforce that remained. Restructuring is most profitable when it can shrink existing workforces, speed up work, and subsequently relocate production and workers among units.[51] Along with job attrition through early retirement and retirement incentives, Vale sought to ensure its success in restructuring by having control over all recall procedures and the number of jobs in each unit. At the

50. Today, only about 25 per cent of workers in Canada have private sector pensions, down from just over a third in 1980. Most companies have simply stopped offering private pension plans. Others have reneged on their pension obligations altogether, and dumped their obligations on under-funded government pensions protection programmes. For large transnational firms like Vale, the goal is to lower their employer contributions as quickly as possible. An incentive for the company is that in Ontario, large companies can opt out of funding their worker's defined benefit plans to ensure solvency, which in the long run allows companies to underfund full pension obligations. With this opt-out clause, companies like Vale can substantially reduce their pension payments at the same time that they shift to lower cost pension plans.

51. On industrial restructuring strategies and its consequences on industrial sectors and jobs, see Kim Moody, *US Labor in Trouble and Transition*, 23–36, 98–106; Irastorza and Storrie "Recent Restructuring Trends in the EU," *European Foundation for the Improvement of Living and Working Condition*s.

same time, Vale introduced better controls on internal transfer procedures and a streamlined grievance process in order to limit worker resistance to job layoffs, replacement, training, and new hiring.

For older workers, the offer of retirement bonuses and small improvements to defined benefit retirement packages provided both incentives to retire as well as an increase in retirement security.[52] But for younger workers, expanded company control over jobs, restrictions on grievance procedures, and limits on transfers not only increased managerial rights over movements between jobs. It also seriously undermined job security, as the new agreement proposed far fewer jobs and increased the possibility of dismissal through longer probationary periods.[53]

To win such concessions from the Steelworkers, Vale launched a wide public relations campaign prior to the strike deadline that let the Steelworkers and the community know that the company would not engage in any negotiations without the union first agreeing to its basic "pre-conditions" – changing to a defined contribution pension plan for new employees, a seriously reduced nickel bonus plan, and amendments to the collective agreement which the company said were necessary for competitiveness. Vale then maintained an active public relations profile throughout the strike, regularly commenting in the media on "new international realities" and the need for "efficiencies," placing full page ads about the strike in local newspapers.

Vale also hired Hicks Morley, the largest and most pro-employer human resources law firm in Canada, to represent its interests and oversee its legal strategy. Following tactics well developed in the United States, Vale then launched a comprehensive campaign to ensure its success in bargaining. Over the course of the year, Vale had Hicks Morley use every legal option to tie up union resources in the courts and at the labour board. It fired nine strikers and sued them for damages ranging from $75,000 to $120,000 because of alleged incidents on picket lines. Twice it levied lawsuits of $25 million against the union for not following picket line protocol. It launched further lawsuits against the union and individuals for information posted on the USW website, and for a blockade staged by community and individual union members in May 2010. In these and other ways, the company and its legal counsel carried out a systematic campaign to discredit and intimidate striking workers.

The company tactics were largely successful. In the final contract offer, the bonus was capped at 25 per cent of straight-time hours, effectively limiting the nickel bonus to $15,000 a year. The defined contribution plan was implemented for all new hires. Approximately 500 workers retired over the course of the strike, another 120 accepted the early retirement provisions, and a further 40 quit and took new jobs. This allowed for a 20 per cent reduction of the

52. Interview with retired USW member A, 13 January 2010.

53. Interview with USW member A, 6 July 2010; Interview with retired non-USW staff A, 7 July 2010.

unionized workforce.[54] Vale also gained new controls over the number of jobs, transfer rights, and the new grievance procedure, while having no restrictions placed on its use of contract workers throughout operations. Going forward, this will allow the company to more readily implement top-down command management practices over a resentful workforce.

"Pencils versus Laser Beams": Union Response, Internal Organization, and Community Support

Why were the Steelworkers ultimately unsuccessful in their year long struggle against Vale? Why were the local and the union's national and international divisions forced to accept significant concessions that failed to protect bonuses, uphold the defined benefit pension plan, and protect jobs? Why despite considerable support from community and labour organizations were the Steelworkers unable to muster enough economic and political pressure on the company to halt its concessionary demands?

The power of the company to continue operating throughout the strike clearly played a significant part in the defeat of the Steelworkers. Unlike previous strikes at Inco, and the vast majority of private sector strikes in Canada, Vale's ability to maintain partial operations through contractors gave it a strong advantage throughout negotiations, allowing it to minimize the impact of the strike on its operations. That the strike only affected a smaller portion of its overall global operations, gave the company considerable resources to continue operating around the world, and to meet bondholder and shareholder expectations.

But a good deal of the blame also lies with the union's own response, mobilization, and strategies. Workers can overcome corporate power and employer antagonism to win strikes, but unions can also lose strikes if they fail to effectively mobilize their membership and attract the support of allies, including community groups and other unions.[55]

The USW believed that by adopting a traditional strategy of coordinating three of its Canadian collective agreements with Vale to expire in the summer of 2009, with a fourth ending in January 2010, the union would have more than enough leverage for a "wait-it-out" strategy against Vale. This would leave the union ample opportunity to bargain a common agreement for all three workplaces that would have few concessions. In its "trial of strength" against Vale, the USW believed that such a withdrawal of labour power from Vale's

54. Harold Carmichael, "No More Layoffs on the Horizon," *Sudbury Star*, 29 July 2010.

55. On strikes see, Dan LaBotz, "Strikes," 108. On the importance of community coalitions to union revitialization, mobilizing, and organizing efforts see Carola Frege, Edmund Heery and Lowell Turner, "The New Solidarity? Trade Union Coalition Building in Five Countries," in Frege and Kelly, eds., *Varieties of Unionism*, 136–158; Kim Voss and Rachel Sherman, "You Just Can't Do it Automatically: The Transition to Social Movement Unionism in the United States," in Fairbrother and Yates, eds. *Unions in Renewal*, 51–77.

facilities across Canada would be more than enough to pressure the company to step back from its concessionary demands. It was believed that as nickel inventories went lower and the price of metal went up with the winding down of the recession, Vale-Inco would soon realize that the costs of waiting would far outweigh any of the benefits the company might receive in making the union local succumb to its demands.[56]

In addition to this traditional "wait-it-out" strategy, the USW local believed it could rely on a modest amount of public support and member mobilization. The strike would increase the involvement of members through picket line duty and community activities. Traditional financial support from other unions, and community rallies and events would raise the visibility of the strike and put pressure on the company to settle. To bring this point home, International Steelworkers' President Leo Gerard proclaimed at several public speaking engagements that if the company continued to demand major concessions the union was more than willing to wait, stating pointedly that "there will be a lot of snowstorms before this strike is over."[57]

Such expectations were in part correct. The USW did receive community and union support; it also put some muscle behind local mobilization. From unions across the province, the local received tens of thousands of dollars in strike support. Other unions also sent buses of members to attend rallies, and staff to address picket lines and support meetings. Locally, the Steelworkers coordinated with community activists and the Sudbury and District Labour Council to provide a better understanding of the objectives and activities of the union, and how these related to wider national and community issues. A group called CANARYS (Community Activists Need Answers Regarding Your Safety) held regular events and protests, often highly theatrical, that exposed the problem of using replacement labour and the danger that under-trained workers posed to the community while working at Vale.[58] The Steelworkers also worked on a leaflet drop organized by the Sudbury and District Labour Council highlighting how the use of replacement workers by Vale was not only unfair but – by prolonging the strike – hurt the community both economically and socially.[59]

The local was successful in staging community events and three major rallies over the course of the year as well as a large blockade of Vale in May 2010. With union support and resources, the local and its member activists were able to widen discussion of the key issues of the strike, and underscore

56. Interview with USW staff A, 13 January 2010.

57. Bill Bradley, "Strike Could See Snowstorms Before Settlement: Leo Gerard," *Northern Life*, 30 September 2010.

58. Heidi Ulrechsen, "Community Groups Voicing Concerns About Vale Production Restart," *Northern Life*, 11 February 2010.; Sudbury Northern Life Staff, "Use of Replacement Workers 'Irresponsible': CANARYS," *Northern Life*, 18 May 2010.

59. Carol Mulligan, "Labour Council Targets Sudbury MPP," *Sudbury Star*, 4 May 2010.

their broad support. Rallies brought in municipal and provincial NDP leadership, along with national and international union leaders to discuss the problems of the strike. Smaller events such as a cultural and music evening at Laurentian University brought out members and local residents.[60]

These endeavours provided popular education. They demonstrated to a broader public that the Steelworkers strike was not simply about a workplace dispute, but that it involved fundamental political issues of the power of foreign corporations, and the need for wider community political involvement worldwide – in Canada as much as Brazil and Western Europe. Given the generally favourable media that the workers received as a result of these events, they provided some basis for Steelworkers' staff and officials to believe that their "wait-and-see" strategy would work out.

From the start, however, both the local and the USW were plagued by internal problems that limited their community organizing potential. Most problematic for member mobilization and coordination was the fact that once the strike began, Vale was responsible for strike pay, and rather than workers coming to the strike headquarters to receive their union's income support, workers were paid through direct deposit.[61] Negotiated as an efficiency measure in an earlier collective agreement, the company payments of strike pay not only made it more difficult for the local to regularly interact with its members. It curtailed union organization of picket lines, limited extending information to members, and constrained the capacity of the USW to boost membership support. Such a serious tactical misstep – well outside traditional union norms of paying strike pay at local halls, as much for mobilizing as for ensuring that members fulfill their picket line duties – put the local at a disadvantage in preparing for the strike. It also seriously limited early efforts at winning public support, and did little to bring the community into the debate or to counter the company's much wider public relations campaign.

Another key problem the local faced was internal political division. Prior to the strike there was an election in local 6500 that was very closely contested and saw the executive split between incumbents and newly elected reformers. Regional elections at the district level also further divided the executive and members over which of the candidates to support. Members were further split over the support offered by the international president to candidates that ultimately failed to win leadership positions at both the local and regional levels. The result was a highly factionalized local and a split executive board.[62] This too inhibited labour unity and organizational work in the community.

60. Carol Mulligan, "Standing Together for Sudbury' Striking Steelworkers," *Sudbury Star*, 1 March 2010.

61. Interview with retired USW member B, 18 September 2010.

62. Interview with USW member B, 18 September 2010; Interview with USW member C, 18 September 2010; Interview with retired USW member D, 4 December 2009.

On top of this, the USW local could not overcome its heritage as a "top-down" industrial union, with little member mobilizing and even less community organizing. Such a hierarchical internal structure has long enabled the USW to coordinate bargaining across broad sectors throughout North America. But this unity has come at the expense of member education and community support. Throughout the strike, there were only limited and infrequent general membership meetings, and not until two months into the strike did the Steelworkers local begin to organize community committees and consider how to mobilize wider community and union support.[63]

Combined, the fractious, internal politics, lack of member involvement and education, and general disorganization prevented the local from dealing with a number of issues. Chief among these was the loss of the union hall due to fire in September 2008, and the lack of an education and pre-strike contract bargaining campaign. Throughout the company's prior eight-week shutdown in the spring of 2009, the union local held no press conferences or rallies to inform the wider community about the strike and the key economic and political issues. Internal organizational and communication problems also continued to plague the local.[64] Simple gestures of solidarity from other unions involving donations to the local and leader presentations were often poorly managed, with no members of the executive on hand to receive the donations, and no media press release prepared.[65] Community gatherings and support events often had no executive presence, and activist members faced long delays in securing approvals for events, provision of financial resources, and staff support.

Only five months into the strike – which followed a prior two-month shutdown – did the Steelworkers local finally begin to regularly hold bi-weekly membership meetings to discuss strategies and problems. The Steelworkers' public relations were minimal. Local 6500 never appointed a full-time public relations staff officer, and regional and national media staff had little involvement except at rallies. At no time was there a concentrated effort made by the regional or national offices to engage the media in the issues involved in the strike.[66] Comprehensive policy alternatives that underlined how natural resources are managed in Canada and around the world were never promoted publicly by the union. Nor did the Steelworkers engage in an active legislative effort, failing to lobby either Liberal or Conservative members, and only

63. Interview with USW member D, 28 September 2009; Interview with USW member E, 18 September 2009.

64. Interview with USW member F, 4 December 2010.

65. Interview with non-USW union leader A, 13 January 2010; Interview with non-USW union leader B, 27 October 2009.

66. Despite press releases for rallies in Ottawa in December 2009 and May 2010, not one news station or reporter in the Ottawa region covered the story.

having the NDP introduce private members bills in the legislatures in both Ottawa and Toronto.

In North America, where unions lack political clout and rely on membership as their primary source of strength, unions will typically seek external support and build coalitions with various social movements and citizenship groups.[67] But USW Local 6500 instead focused most of its efforts on the use of members on the picket line, supplementing this with the financial and moral support of other unions and groups. A local food bank did offer food and encouragement throughout strike, and activists within the local did attempt to go beyond traditional roles by establishing relationships with other community groups, forming a women's committee, or working with students and faculty at Laurentian University. Yet community networks were given marginal priority by the executive and staff, limiting further efforts at cooperation.[68] The inability of the membership to appoint a strike coordinator also prohibited various activists from working regularly with a wider range of community groups.

The strike did forge many new relationships between Steelworker activists and their allies. But like many industrial unions in North America, Local 6500 lacked two significant resources for broader community mobilization: staff with significant community and campaign experience that could direct activities, events, and negotiate common interests; and membership structures that would more effectively integrate community groups into planning activities and give rank and file members greater access to union resources.

Over the course of the strike, neither hurdle was overcome, and efforts to create a more comprehensive campaign that used multiple points of leverage against Vale were sporadic and inconsistent. The two organizers sent by the international division did occasionally contribute, but they were typically only parachuted into Sudbury to stage events, and then left to fulfill other similar commitments throughout North America. Neither the national or district divisions filled this gap in resources, and the local was left without a full-time communications officer, a community organizer, or research support. Conse-

67. In the US and Canada, plant closures have often led to a wave of community coalition mobilization, and economic restructuring too has set off the creation of new union/community collaboration. Similarly, the experience of the SEIU with the Justice for Janitors campaign in Los Angeles demonstrates how community collaboration can help pioneer new community-based campaigns that built strong ties with immigrant communities and elicited sympathy and support from that part of the public concerned about social justice and better treatment of oppressed minorities. In Australia too, the demise of binding arbitration has seen unions turn to community pickets as an industrial tool to pressure employers to bargain. See Bruce Nissen, ed., *Fighting for Jobs: Case Studies of Labor-Community Coalitions Confronting Plant Closings*, (New York 1995); High, *Industrial Sunset*, 167–191; and Tattersall, *Power in Coalition* (Ithaca 2010), 32–61.

68. Scott Neigh, "One Day Longer? The Vale-Inco Strike Comes to a Close," *The Bullet*, 23 July 2010.

quently, as one member put it, "We went into a gunfight carrying a pencil and they had laser beams."[69]

Mining Canadian Politics

Throughout the strike, the Steelworkers faced innumerable problems in winning public support, and were unable to draw significant political attention to the strike either in Toronto at Queen's Park or in Ottawa on Parliament Hill. With the support of the NDP, the Steelworkers did try to highlight the facts that Vale failed to meet even the modest requirements of the *Investment Canada Act* that a foreign company acquisition must be a "net benefit" to the country and that it maintain an unspecified number of jobs for a short time period. The Steelworkers also worked with the NDP to make public the fact that the agreements that Vale and Xstrata made in 2007 with Ottawa under the Investment Canada Act were violated, as Vale and Xstrata cut jobs earlier than promised, closed operations, and attempted to reduce costs by forcing the Steelworkers out on strike. And NDP MP Claude Gravelle of Sudbury Nickelbelt introduced private members bills to amend the Investment Canada Act to require that all promises and undertakings by foreign companies given to the Canadian government be made public, and that Vale Inco and Xstrata be forced to retroactively make the nature of their agreements known.[70]

To further highlight the inadequacies of current investment legislation, the NDP staged a small rally in May 2010 in Ottawa to underscore the problems of a review process that has little power to require foreign companies to meet their obligations and protect Canadian jobs and communities. The Steelworkers supplemented these actions by seeking intervenor status in the Federal government's lawsuit against US Steel in Hamilton for its failure to comply with the production and employment undertakings it signed with Industry Canada when it bought Stelco in 2007.[71] In the lawsuit, the USW asked the court to pay damages and make US Steel sell its Canadian operations, claiming that the firm would never deliver on its production and employment commitments.

These actions led to a heated public battle in the Sudbury media with Federal Industry Canada Minister Tony Clement, who made numerous assurances that there were clear "strings attached" for all foreign multinationals who recently acquired companies. However, Minister Clement consistently backed Vale by claiming that the company saved Sudbury from becoming a "Valley of Death," arguing that Vale did more for jobs and investment in Northern

69. Neigh, "One Day Longer."

70. "Miners Come to Parliament Hill as Foreign Investment Bill Introduced," *Canada Newswire*, 7 December 2009; "Two-Day Rally and Lobby to Focus on Changes to Investment Canada Act," *Canada Newswire*, 26 May 2010.

71. Canadian Press, "Ottawa's Case Against US Steel to Proceed," *Toronto Star*, 26 July 2010; Steve Arnold, "Canada Can Fine US Steel: Court," *Hamilton Spectator*, 15 June 2010.

Ontario than any other company.[72] The actions of the Steelworkers also led to a number of statements by local Sudbury MP Rick Bartolucci (Liberal), who commented that the government would remain neutral, but it would offer a mediator for the company and the union to settle the dispute.[73]

But over the course of the year, the strike and the issues of foreign investment and control, resource development and mining sustainability never became major political issues. The intervention by the federal and provincial governments was minimal, while the municipal government had few levers to use on Vale. At the municipal level, Sudbury Mayor John Rodriguez and his council did pass motions urging Steel and Vale to return to the bargaining table, and condemned the use of replacement workers by the company.[74] The City also charged Vale with three counts of violating city bylaws, as well as fire and building codes, over the company's housing of 200 employees at its Copper Cliff operation during the labour dispute.[75] Vale, a company with few community ties and diversified operations worldwide, was in no way affected by these actions.

Provincially, only in May 2010, after ten months, did Premiers Dalton McGuinty of Ontario and Danny Williams of Newfoundland issue a joint statement urging both the union and company "... to reach a fair deal for those involved so that the hard-working employees can finally return to work and resume their lives."[76] But apart from this statement of concern, governments felt little incentive to either meet with Vale or pressure the company to settle. Throughout the strike, both levels of governments took a "hands-off" approach that let the company dictate the nature of negotiations.[77] After Minister Clement's late August 2009 remarks on the importance of Vale for the Sudbury community, the federal government never again commented on

72. Carol Mulligan, "Vale-Inco Saved Sudbury from Becoming Valley of Death: Clement," *Sudbury Star*, 19 July 2009; Northern Ontario Business Staff, "Sudbury Mayor Responds to Industry Minister's 'Valley of Death' Comment," *Northern Ontario Business*, 22 July 2009; Andy Hoffman and Jacquie McNish, "Clement's Takeover Hangover," *Globe and Mail*, 21 July 2009.

73. Heidi Ulrichsen, "Mediation Not the Solution for Sudbury: Vale Inco," *Northern Life*, 5 January 2010; Rick Bartolucci, "Ministry Stands Ready to Mediate – Column by Sudbury MPP Rick Bartolucci," *Sudbury Star*, December 2009.

74. Bill Bradley, "Council Shows Support for Replacement Worker Legislation," *Northern Life*, 3 May 2010.

75. Bill Bradley, "City Bylaws Must Be Enforced Equally: City Councillors," *Northern Life*, 12 March 2010; Bill Bradley, "City's Court Case against Vale Bogged Down by Paperwork," *Northern Life*, 29 May 2010.

76. The Canadian Press, "End Strike at Voisey's Bay now, Premier Says," *The Telegram*, 29 May 2010.

77. Heidi Ulrechsen, "Province should demand company's return to bargaining table, professor says," *Northern Life*, 25 February 2010.

the strike, stating only that it was up to the company and the union to come to an agreement.[78]

Neither the Steelworkers nor the NDP were able to overcome older institutional ties and develop new tactics adequate for a wider political and advocacy campaign. Many private sector unions in North America are still tied to an older, class oriented, bargaining model that seeks to use militancy and their own organizational and bargaining strength to win collective agreements.[79] For the Steelworkers this is still very much the case, and rather than look for other resources or coalition partners to advance their goals, leaders believe the union is the primary agent for engaging with employers. Other unions and progressive forces are to simply lend their support when requested. The Steelworkers also continue to rely on an older Social Democratic model of working with the NDP that emphasises financial support and legislation over and above a social movement strategy that looks for wider coalition partners to jointly develop advocacy campaigns that generate external pressure on government.

Throughout the strike, this traditional two-pronged model of interest protection and union support for the public advocacy of the NDP posed serious barriers for Steelworkers in their attempts to extend political power and influence either level of government. If the NDP was willing to work with the Steelworkers, their campaign to improve the transparency of an investment act that simply promotes greater foreign direct investment hardly resonated. Rather than use the strike to make the argument for wider democratization and public management of natural resources, the Party adopted the far more circumscribed tactic of focusing on the government's failure to enforce foreign direct investment (FDI) legislation that was itself woefully inadequate.

Losing to Global Capital: the Limits of International Solidarity and Corporate Campaigns

Like many other unions facing powerful multi-national corporations, the Steelworkers have begun to initiate cross-border corporate and bargaining campaigns in the attempt to improve wages and working conditions in developing countries while limiting concessions in North America and Western Europe.[80] However, if the USW is leading the way in many areas by seeking new international mergers and international framework agreements, its capacities

78. Glenn Kauth, "Hands off Approach to Vale Strike the Right Move," *Law Times*, 12 July 2010; Linda Diebel, "Inside Sudbury's Bitter Vale Strike," *Toronto Star*, 6 June 2010.

79. On the differences between business, corporatist, and "class" unions see, Richard Hyman, *Understanding European Trade Unionism: Between Market, Class, and Society* (New York 2001).

80. Jeremy Brecher, Tim Costello and Brendan Smith, "International Labor Solidarity: the New Frontier," *New Labor Forum*, 15 (Spring 2006), 9–18.; Lowell Turner, "Globalization and the Logic of Participation: Unions and the Politics of Coalition Building," *The Journal of Industrial Relations*, 48 (February 2006), 83–97.

are still underdeveloped, and the campaign against Vale throughout the strike was often piecemeal and lacking in focus.

In North America and Western Europe, the challenge of organizing and bargaining with transnational firms, particularly foreign-owned congolomerates is a relatively new phenomenon.[81] Traditionally, in the majority of advanced capitalist countries, large domestic companies generally exported to foreign markets and unions sought to bargain to protect domestic jobs and wages. Now this has changed. Not only do Western firms have global operations, but there are many more foreign transnational companies from the developing world pushing for wage and benefit concessions in North America and Western Europe.

Unions in the global north have responded to the international restructuring of employment by reaching out to unions and civil society actors in the global south and to transnational federations.[82] Unions have also recently begun to reassess their political strategies and challenge international free trade, investment, and financial agreements, launching campaigns intended to publicize how global firms operate and with what consequences.[83] Where unions have been most successful in using strategic campaigns, they have deployed extensive research to engage in a series of actions that highlight the importance and impact of a strike or lockout on the company's financial backers, shareholders, and customers.[84] US unions like the Steelworkers and IMF metal workers in Germany have used strategic corporate campaigns to complement strike activities, and have often turned to union allies or NGOs abroad to initiate actions against companies. Among the initiatives taken have been meetings with investors in targeted companies or introducing resolutions on corporate behavior at shareholder gatherings.[85]

Against Vale, the Steelworkers International office tried a range of actions to put pressure on the company. In the fall of 2009, they attempted to embarrass Vale in New York – where it is listed on the New York Stock exchange – at both investor meetings and at a corporate event that bestowed a "Global Citizenship

81. Bronfenbrenner, *Global Unions*, 214.

82. Thomas Greven, "Competition or Cooperation? The Future of Relations between Unions in Europe and the United States," FES Briefing Papers – Global Trade Union Program, Briefing Paper No. 7 (2008), <http://library.fes.de/pdf-files/iez/05444.pdf> (2 July 2010); Torsten Muller, Hans-Wolfgang Platzer, and Stefan Rub, "International Framework Agreements – Opportunities and Limitations of a New Tool of Global Trade Union Policy," FES Briefing Papers – Global Trade Union Program, Briefing Paper No. 8 (2008), <http://library.fes.de/pdf-files/iez/05814.pdf> (2 July 2010).

83. Bronfenbrenner, *Global Unions*, 219–226; Brecher, Costello, and Smith, "International Labor Solidarity," 13–16.

84. Tom Juravich, "Beating Global Capital: A Framework and Method for Union Strategic Corporate Research and Campaigns," in Bronfenbrenner, ed., *Global Unions*, 16–39.

85. Greven, "Competition or Cooperation," 3–5.

Award for International Understanding" on Vale CEO Roger Agnelli.[86] The USW also sent representatives to Europe, Brazil, Mexico, and New Caledonia where Vale has operations or where its customers use nickel in their products. The Steelworkers coordinated with IG Metall workers in Germany to stage a protest and job action targeting Vale ore and metals.[87]

In Brazil, the Steelworkers briefly worked with the International Movement of People Affected by Vale, a temporary coalition of indigenous groups and NGOs, to help publicize complaints and environmental charges against the company. At both Vale's shareholders' meeting and a convention of the Organization of American States, they supported the local coalition in presenting information and distributed letters on the Vale strike in Canada.[88] Through these activities, the union sought to expose the problems the strike posed to companies involved with Vale as well as discredit corporate statements on profitability and sustainability.

The international office also put some effort into building international alliances among mining and metal working unions. By inviting union leaders and staff representing mine workers in Britain, Germany, Brazil, and Mexico, as well as representatives from the global union federations, to attend the major rallies held in Sudbury during the strike, the Steelworkers helped establish some of the worker-to-worker networks essential to future international campaigns.[89] The Steelworkers also signed a solidarity alliance agreement with Brazil's largest industrial union Central Unica dos Trabalhadores (CUT), in an attempt to show that unions can cooperate internationally in their efforts to protect and improve wages and working conditions.[90]

Yet the USW was never able to escalate actions in the community and abroad, nor was it able to bring international organizations together to effectively challenge one of the world's largest transnational companies. The campaign

86. Carol Mulligan, "Steelworkers Take Protest to Big Apple," *Sudbury Star*, 5 December 2009.

87. USW, "Steelworkers Protest Arrival of Vale Shipment in German Port," USW Press Release, 12 October 2009, <http://www.usw.ca/program/content/6168.php> (29 March 2010); USW, "Steelworkers Confront Vale Customer in Sweden," USW Press Release, 15 October 2009, <http://www.usw.ca/program/content/6170.php> (29 March 2010).

88. For the statement see, "International Open Letter of those Affected by Vale," *First International Meeting of Peoples, Communites, and Workers affected by Vale*, 15 April 2010, <http://www.minesandcommunities.org/article.php?a=10075> (24 March 2010); Kristyne Peter, "Global Week of Action against Vale culminates in Rio," *International Metalworkers' Federation*, 22 April 2010, <http://www.imfmetal.org/index.cfm?c=22782> (22 May 2010).

89. Heidi Ulrichsen, "Rally Participants Stress Need for Anti-Scab Legislation," *Northern Life*, 25 March 2010; Interview USW staff B, 22 March 2010,.

90. USW, "Striking Steelworkers Delegation Finds Support Among Brazilian Workers," USW Press Release, 13 August 2009, <http://www.newswire.ca/en/releases/archive/August2009/13/c4916.html> (24 April 2010); USW, "USW Strategic Alliances," *United Steelworkers News Articles*, (25 August 2009), <http://www.usw.org/media_center/news_articles?id=0371> (24 April 2010).

was often short-sighted and ill-planned. The protest in New York, for example, was hastily staged and gained no media attention in the world's largest public relations market. Other small events involving USW 6500 members only led to press releases posted on union websites.

Likewise the union had no public relations strategy to highlight problems in the mining industry. There was no research that union officials could have used to lobby provincial and federal officials that outlined an alternative strategy and plan for the mining industry. Nor was international USW President Leo Gerard, who is among the most eloquent and articulate of union leaders in the world today, well used. In Sudbury, Gerard was regularly quoted. But outside of Sudbury, the Steelworkers failed to secure any regular public speaking engagements in Canada's two largest media markets, Toronto and Ottawa. Nor did the USW meet with the editorial boards of any of the Canadian major newspapers or initiate interviews with producers at the major television news stations.

There was also little coordination of support from international unions. Unlike dock unions that have a long history of internationalism and familiarity with transnational bargaining and campaigns, the mining and metal worker federations are still in the early stages of developing coordinated campaign frameworks and common principles for work and wages.[91] European metal and mining union federations are far more comfortable with established social partnerships and work councils as means of influence than they are with public pressure campaigns.[92] American unions like the USW want cooperation but see inter-union cooperation only as a means for transnational strategic campaigns and are only lukewarm to ideas of applying militant strike or work-stoppage strategies on companies engaged in labour disputes elsewhere.

Consequently, when the Steelworkers requested the International Mining Federation (IMF) and the International Federation of Chemical, Energy, Mine, and General Workers' Union (ICEM) meet and set out a joint action, the best that could be achieved was a half-hour protest in Sweden followed by a meeting at a Swedish steel company's board. This was followed by the posting of information on the IMF website about the strike, and a request that affiliates write letters to Vale requesting the company return to bargaining. As one member characterized these actions, "They were about as effective as hunting an elephant with a pin and a picket sign."[93]

In contrast to unions that have used unconventional repertoires of collective action – coordinated strikes at international sites across countries, mass demonstrations at parliaments, and focused public relations campaigns

91. On the limits and current successes of the international dockworkers see, Nathan Lillie, *A Global Union for Global Workers: Collective Bargaining and Regulatory Policy in Maritime Shipping* (New York 2006).

92. Greven, "Competition or Cooperation," 2–6.

93. Interview with USW member G, 22 March 2010.

– the USW's corporate campaign was far less comprehensive. At no time were there coordinated activities among the metal worker federations refusing to work with Vale ore. There were also no organized protests in the EU or the United States to bring attention to the issue of working with goods produced by contract and replacement workers. Nor did a new bargaining framework and network structure emerge to coordinate further campaigns against the company or other mining giants.

Without such measures, the USW was unable to effectively pressure one of the world's largest transnational firms. Nor was it able to muster a wider public relations campaign that challenged the company's hold over global trade and investment in nickel and precious metals. Where, for example, dock workers responded to efforts by the European Parliament to restructure their labour across Europe by launching strikes at ports and mass demonstrations at the European Parliament to make and win their case, the USW campaign was far weaker, failing to garner public attention and doing little – if anything – to disrupt Vale's activities.

Striking Conclusions

WHEN 1500 USW MEMBERS met in Sudbury in July 2010 at one of the ratification meetings on the collective agreement, the room was downcast and quiet. One stated bitterly, "I think we got beat up real bad… I think we were fighting too much money."[94] No one was satisfied. All were disappointed, many exhausted, others simply resigned that nothing more was to be gained and that it was time to return to work. For a union with a tradition of militancy, the contract with all its concessions was a bitter pill to swallow. For the community of Sudbury, which had only recently experienced the upturn in growth and a significant decline in unemployment for the first time in more than 30 years, Vale's actions were yet another cold, hard slap of economic reality.

For a number of years, the main criticisms of economic globalization have been that it allows companies to move jobs offshore to more "business-friendly" countries if taxes and labour costs prove too high. But the negative consequences of globalization as well as the recent globalization of mining in Canada have extended much further than this.

As the recent economic crisis and strike at Vale well demonstrates, globalization has led to firms expanding rapidly and just as rapidly undertaking restructuring that worsens jobs, leads to layoffs, and induces major concessions in collective agreements. Unionized workers in mining – as much as in auto, electronics, steel and textiles – have seen their jobs "downsized," pension plans restructured, and incomes cut.[95] For workers, the results of such corpo-

94. Carol Mulligan, "Deal Creates Sombre Mood," *Sudbury Star*, 9 July 2010; Carol Mulligan, "Nobody Voted for that Contract," *Sudbury Star*, 10 July 2010.

95. See the recent collection on Europe by Watt, Keune and Galgóczi, eds., *Jobs on the Move*.

rate management strategies are often bleak. In the face of corporate strength, mass layoffs, and relentless demands for concessions, workers are caught between "a rock and a hard place" – take the concessions or walk. For many workers, this now often means layoffs, the opening up collective agreements, or accepting two-tier pension and benefit plans.

In resource industries, workers face an even more difficult political reality: governments are more concerned with the pace of resource extraction and attracting foreign investment than with managing resources in the public interest. Business not only has more sway in policymaking, it is highly dependent on governments retaining favourable investment, tax, and labour policies that allow it to earn ever more impressive profits from public lands. Such extensive ties to business have placed governments under the heavy influence of powerful, global industry lobbies.[96]

Confronted by such economic and political trends, unions face a number of challenges – above all how to establish new and effective means of bargaining, how to build wider local and international structures that will allow them to pressure employers and governments, and how to develop new and effective strategies that protect jobs and create a more sustainable economy. Over the past twenty years, many have tried out new bargaining strategies based on "partnership" and wage and benefit concessions, hoping that new investment and new training would follow. Others have initiated new transnational bargaining and advocacy campaigns, backing these up with international agreements.[97] But overall, few have instituted more militant strategies and sought out allies to pressure firms and governments to protect jobs and implement more ecologically responsible business practices. Nor have unions yet developed better bargaining, advocacy, or political strategies that would provide strong counter-measures or alternatives.

In contrast, capital has been far more adept in restructuring industrial and employment relations in its favour. As a result, union's tried and true tactics

96. For example, this past June 2010 Kevin Rudd, leader of Australia's Labour government, experienced first-hand this new business-led political reality when he proposed a new tax on the massive profits of mining – a "super-profits" tax. It was intended to generate public revenues from mining profits in excess of ten per cent and put new public monies into recycling and sustainable energy projects as well as to paying down the debt. The mining companies – including BHP Billiton and Xstrata – were livid. By July, under threats of pulling new investment and the onslaught of an $84 million dollar media campaign directed by the mining companies, Rudd was forced to resign as Party leader and step down as Prime Minister. The proposed tax was watered down, with new capital depreciation allowances and numerous exemptions, including all mining operations of copper and nickel – two of Australia's largest ore exports. As one investment analyst stated bluntly after Rudd's resignation, "For large parts of the mining sector, the tax is dead and they can move forward". See Money Morning, "Australia Reduces Mining "Super Tax" Reviving Profitability of Resource Sector," *The Market Oracle*, 4 July 2010; "Rudd on the Tracks," *The Economist*, 24 June 2010.

97. On the problems with "partnership" strategies, see Albo, Gindin and Panitch, *In and Out of Crisis*, 92–94; and Kim Moody, *U.S. Labour in Trouble and Transition*, 106–114.

are proving less than adequate in protecting wages, maintaining union density, and advancing progressive agendas. Throughout North American and Western European labour movements today, unions face an ever-growing list of challenges, from increasing financial globalization and industrial competition, to ever more frequent layoffs in unionized manufacturing, to the expansion of low-wage, non-standard, non-unionized jobs. Against these mounting difficulties, organized labour is losing far more battles than it wins, and unions are dealing with the ever mounting problems of declining memberships, falling union density, and fewer political and economic resources.

In Sudbury, this same scenario has now played itself out. In the wake of large monetary and workplace concessions it won from the Steelworkers, Vale has lowered its costs and is now set to further boost its returns and share prices. Government support through highly favourable tax treatment, loans, and minimal royalties also provides Vale with the conditions to realize even better profitability and more capital investment over the next few years.

The strike undoubtedly cut into Vale's profits. But it also allowed the company to undertake significant maintenance and capital upgrading, while waiting for the return of better prices on its valuable inventories of nickel and precious metals. Even if the financial crisis posed serious problems to the company, it also provided further means with which to restructure operations on even more profitable lines. Coming out of the strike, and now with the global economic outlook improving, Vale not only has cash, it has a plan and a corporate model to succeed. Many global corporations are in similarly favourable situations.

The same cannot be said of the USW-Canada, the NDP, or the Canadian labour movement. Like the Canadian Auto Workers against the big three auto companies over the past year, the Steelworkers have had to accept major concessions that will have ramifications throughout private sector unionized workplaces – in mining as elsewhere. Many in the local are exhausted. Others are in financial difficulty. Over the next few months, many more will lose their jobs.

As the Sudbury strike showed, localized job actions and ill-planned corporate campaigns are not enough to counter the power of global firms and competitive economic pressures. Better outcomes for labour depend on renewed organizing and mobilizing capacity. To a degree, unions are making active efforts to experiment, innovate, and consider strategic directions. There are new living wage and anti-sweatshop campaigns, as well as new organizing efforts and renewed political activity. There are also new internal debates within unions on tactics and long-term directions. And activists in national labour movements around the world are engaging in new mobilization efforts and undertaking innovative organizing to boost their political influence.

Much of the labour movement in Canada, like its counterparts around the world, remains unreformed. Even in the face of renewed attacks on labour from governments and employers alike, reform efforts have been concentrated among only a handful of activist locals, or within departments at central labour confederations. Still too many union officials and staff see themselves as simply "service providers," rather than as leaders in making our societies more egalitarian and democratic. Too many unions have rested on their past successes, and lost touch with wider currents of debate and innovative strategies.

To build the resources necessary to counter the pressure of business, as well as increase the prospects for renewal, unions will need a range of strategies new and old. Piecemeal strategies – no matter how innovative – are unlikely to be sufficient.[98] If unions choose only to follow a couple of narrow paths like corporate campaigns and international mergers – as the Steelworkers have done over the past decade – they are unlikely to see much in the way of success. To tackle corporations like Vale, the USW (and other unions) will have to begin thinking hard about how to build unions that foster involvement and activism, as well as welcome open debate.

It will not be easy. But two places where the USW could start are to increase member involvement in tackling the new grievance structure and to launch an organizing drive of all the contractors currently working at Vale. New committees for members to actively work with labour council and community organizations are also needed to maintain relationships created over the course of the strike. Another fundamental lesson to be learned is that the local union needs more staff as well as activists and leaders with social movement experience. In Sudbury, Local 6500 staff have experience with grievances and the procedures of collective bargaining. But they have no familiarity with wider community mobilizing, contract campaigns, or long-term strike coordination, all of which are needed to better counter the "laser beams" of employers like Vale.

Unions also need to cooperate, pool their resources, and coordinate joint responses far more effectively. Today, companies are far too large, and governments too antagonistic, for single locals and unions to effectively mobilize public opinion and pressure legislators during strikes. Without the combined resources of the labour movement, unions cannot demonstrate to corporations that members, allies, and citizens are ready and able to disrupt regular business operations.

As the USW strike demonstrated, rallies, press releases, and letter writing are only symbolic starts to an actually effective cross-border corporate campaign. Little is gained unless sustained pressure is put on corporate operations or on the employer's public image. To achieve this, unions must become truly

98. On the importance of a range of strategies from community organizing to international federations, see Fletcher and Gapasin, *Solidarity Divided* , 197–215; David Sadler, "Trade Unions, coalitions, and communities: construction, forestry, mining, and energy unions and the international stakeholder campaign against Riotinto," *Geoforum*, 35 (no. 1 2004), 35–46; and Lowell Turner, "Why Revitalize? Labour's Urgent Mission in a Contested Global Economy," in Frege and Kelly, eds., *Varieties of Unionism*, 1–10.

global federations, focusing on building union power and assisting with industry and company-wide framework agreements.[99] The USW has already begun the process of building such relationships and creating new international institutions. But much more work is required.

As the outcome of the Vale strike so clearly showed, the realities of economic globalization are bleak; the resources required of unions to counter powerful global corporations, vast. Unless labour movements are willing to embrace a variety of new strategies, undertake significant organizational reforms, and forge new international networks and local coalitions, then hopes for labour renewal will remain few for many years to come.

Many thanks to Angela Carter, David Oswald Mitchell, Leo Panitch, Bryan Palmer, and the two anonymous reviewers for comments and suggestions. Thanks to Leigha Bailey for editing. A special note of thanks to Mercedes Steedman for sharing information about the strike. A handshake for Leo Gerard and the small group of activist members in USW 6500, who tirelessly organized throughout the strike and, despite the odds, never quit believing that by staying out one day longer they would win.

99. Tom Juravich, “Beating Global Capital,” 16–39; Lillie, *A Global Union for Global Workers,* 143–152.

2010 65-3 AUTOMNE FALL

REVUE TRIMESTRIELLE
RELATIONS INDUSTRIELLES

RI IR

Revue trimestrielle bilingue publiée depuis 1945 par le Département des relations industrielles de l'Université Laval

INDUSTRIAL RELATIONS
QUARTERLY REVIEW

A bilingual quarterly published since 1945 by the Industrial Relations Department, Université Laval

ARTICLES

ARTICLES

RI/IR EN LIGNE

RI/IR est disponible en ligne sur le site Erudit : www.erudit.org/revue/ri

Pour abonnement à la version numérique, contacter Érudit.

Pour consulter les sommaires des numéros publiés, les résumés d'articles ou pour vous abonner à la version papier, visitez notre site Internet : www.riir.ulaval.ca

RI/IR ON LINE

RI/IR is available on line on Erudit website at: www.erudit.org/revue/ri

To subscribe to the online version, please contact Erudit.

Visit our website for contents listings, abstracts, or to subscribe to the print edition: www.riir.ulaval.ca

RELATIONS INDUSTRIELLES INDUSTRIAL RELATIONS
Pavillon J.-A.-DeSève, 1025, avenue des Sciences-Humaines
Bureau 3129, Université Laval, Québec (QC), Canada, G1V 0A6
TÉLÉPHONE : (418) 656-2468 TÉLÉCOPIEUR / FAX : (418) 656-7688
COURRIEL / E-MAIL : relat.ind@rlt.ulaval.ca
www.riir.ulaval.ca