Losing to Global Capital: The Limits of Union Campaigns and the USW 6500 Strike Against Vale, 2009-2010 (CRIMT 2011, Montreal June 6-8)

Dr. John Peters
Laurentian University
Strikes and the Limits of Union Internationalism

- Union Internationalism - How Important? How effective?

- USW and USW Local 6500 good example of how far unions have to go develop viable counterweight

- A ‘Resource’ Curse for Organized Labour?
The USW-Vale Strike in Sudbury, 2009-2010

- USW Local 6500 strike one of longest and largest in Canadian history: 3,300 workers off the job for one year (July 13 2009-July 7 2010)
- Vale used contract workers (and then replacement workers) throughout the strike
- Estimates of loss of wages and incomes appr. $20 million/month and more $250 million/year
- L. 6500 forced to take major concessions on pay, bonuses, pensions, retirement, job transfers, seniority rights, and job reductions
Why the failure of the USW?

- Power of Vale and global MNCS?
- Corporate strategies of MNC from the global south?
- Financial Crisis –
- USW and internal difficulties and limits of international campaigns?
Canada’s Mining Boom

Mining GDP & Exports

- Exports (billions)
- Contribution to GDP (%)
The Globalization of Canadian Mining Production

- Canadian mining is now driven by global mining companies
- Diversified mine corporations explore, mine, smelt, refine and sell metals and non-minerals around the world
- ‘Juniors’ find new ore bodies and sell them to larger companies

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<tr>
<th>Company</th>
<th>2001</th>
<th>2004</th>
<th>2010</th>
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<tbody>
<tr>
<td>BHP Billiton</td>
<td>29</td>
<td>75</td>
<td>209</td>
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<tr>
<td>Vale/CVRD</td>
<td>8</td>
<td>32</td>
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<td>48</td>
<td>57</td>
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<td>Xstrata</td>
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<td>Inco</td>
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<td>9.6</td>
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<td>Potash Corp</td>
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Resource Curse?
MNCs and Labour Restructuring

Share of natural resources in employment
Part des ressources naturelles dans l'emploi

1. Annualized through September.
1. Données jusqu'en septembre sur une base annualisée.
In the US, between 1977-2005, organized labour lost close to 9 million members in the private sector and manufacturing employment declined by 3 million, 2000-2005.

In Europe, over the period 2002–2007, approximately 3.7 million more jobs were lost as a result of restructuring – a million plus in
Economic Crisis and Job Loss

- Mining companies used crisis to reduce unionized workforces by 20-30 percent appr. 6300 (2008-2009)
- Vale reduces USW by 400+
- Xstrata lays off 600+

### Mining Employment in Canada

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<th>Year</th>
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USW Local 6500 Problems

- USW traditional strategy of ‘wait it out’. But --

- Lack experienced campaign and communications staff

- Politically fractured local and political tensions between regional, national, and international leadership

- No political strategy to work with provincial and federal NDP

- No provincial and national campaign strategy to fight strike

- Community strategy lacked campaign focus
USW Problems in Dealing with Vale

- All North American unions have number of difficulties handling big corporations
- North American unions have difficulty dealing with employers who can frequently take advantage of replacement worker legislation.
- Unions cannot deal with corporations that employ large contract staff – very much the case with Vale
- No local strategy to deal with replacement workers
The USW International Campaign

- The USW – largest private sector union in N. America with strong international ties and history of using corporate campaigns to pressure firms and governments.
- Numerous symbolic efforts – rallies in Sudbury and Brazil; worker exchanges; inter’l press.
- Corporate campaign – events in New York, Sweden, Germany; Press release by international associations and metal worker unions; one hour protest by steel workers in Sweden.
Limits of USW Internationalism

- No sustained or effective pressure on Vale

- Still no framework for coordination among mining and metal workers

- No long-term bargaining framework to deal with problems of MNCs demands for concessions

- No links of international campaign activities to local and members
Conclusion

- Growing importance of global mining for 21st century Canada
- Unions will need far more effective strategies – local, regional, national, and international if they wish to keep concessions to a minimum
- Without these, unions cannot win needed public policy support ie anti-scab legislation, long-term investment, and job commitments - if they are to remain relevant.