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## AMERICAN LABOR IN INTERNATIONAL LEAN PRODUCTION

by Kim Moody

The decline of organized labor as a social force in the United States now appears so old in origins and so advanced in toward finality as to defy any linkage with particular economic circumstances or periods. Yet, there is a difference between the decades of the 1950s through most of the 1970s when economic growth and industrial migration simply outstripped a complacent labor movement, on the one hand; and the era of dramatic economic change and restructuring that became evident in the 1980s when labor's ranks in the U.S. first dropped in absolute numbers, on the other. Somewhere in the late 1970s, the U.S. political economy passed from the era of Keynesian-based liberal or corporatist statism to that of neoliberalism. Increasingly, much of the world followed suit in both policy and practice.

The era of neoliberalism can be described as that of a rapidly accelerating internationalization of economic life and the subsequent increase of world market forces; the transformation of the Keynesian or corporatist state through deregulation and privatization linking domestic markets to international market forces; the almost constant reorganization of business through mergers, acquisitions, and divestments under the pressure of competition; and the spread of a new production paradigm generally known lean production that constantly attempts to adapt to these forces. Taken together these changes have led to a world in which market forces are both more powerful and volatile. The bulk of this paper is concerned with the impact of lean production on workers and their unions, particularly in the U.S. But some background on the international context is required to understand the dynamics of lean production itself.

### THE NEW WORLD ECONOMY

The first aspect of the new world economy is, in fact, an old one. Despite decades of investment in and trade with the economic South, the world remains characterized by uneven development and severe economic inequality. The proportion of world (market economies) manufacturing output within the OECD (developed) nations of the North was 85.4% in 1970 and 81.6% in 1988 (World Bank 1988: 236-237) That is, the developed industrial nations lost less than 4 percentage points of output in almost two decades. Looking at world trade (among the market economies), the developing economies increased their share of world manufacturing trade from 11% in 1966 to 14% in 1986. Most of these shifts were accounted for by 6 developing countries (United Nations 1990: 70).

One result of this persistent unevenness is the huge gap in incomes between the OECD nations and the rest of the world. While per capita GNP averaged \$21,530 in the OECD countries in 1991, it was \$2,480 in the "middle income" nations and a disastrous \$350

in the low income countries of Africa and Asia (World Bank 1993: 238-239). In terms of hourly rates of compensation costs, workers in the more industrialized countries of the economic South made only a fraction of those in the U.S. In 1990, with U.S. hourly costs in manufacturing in Mexico were 12% of U.S. costs, in Brazil 18% and in the Asian NICs 25% (U.S. Department of Labor 1991: 5). Economic integration overlays this deep divide as investment is attracted to low wages. Indeed, this North-South divide is a highly visible and provocative feature of international production and the emerging system of economic regions. Indicative of capital's attraction to this enormous cost gap is the growth of FDI inflows to developing nations from \$25 billion in 1987 to \$40 billion in 1992 (UNCTAD 1993: 16).

The second key element of the emerging global economy is the central role of FDI in both trade and the structure of the new economic order. FDI outflows from the developed nations grew at four times the rate of exports from 1983 through 1988 (Julius: 14). Thus, the trade boom of that period was largely investment driven. The bulk of this trade and the investment that drove it originates and terminates in the OECD nations. Indeed, it is estimated that the OECD nations account for 98% of all Foreign Direct Investment (FDI) (Council of Economic Advisers, 1991: 257) and that 5 nations (U.S., U.K., Japan, France, and Germany) account for 75% of that (Julius: 22).

Following from this is the dominant role of the transnational corporations (TNCs) as channels and regulators of economic activity. It is estimated that the TNCs now control 70% of merchandise trade. Some 40% of this trade is intra-firm trade conducted within the channels of individual TNCs (World Bank 1992b: 22-23). This is not, however, a world of monopolists. The number of TNCs has grown and, by virtually all accounts, the level of international competition is extremely high--one of the main factors behind the global "downsizing" movement of these same corporations.

What is most important about the influence of the TNCs on the world economy, however, are the patterns of FDI they have set and the emerging systems of international production that result. As the United Nations Conference on Trade and Development has shown, regionally-based systems of international production have formed around the major economic powers to create a Triad of economic regions: the European Union, the North American Free Trade Agreement, and the more informal system of linkages between Japan and East Asia (UNCTAD 1993: 166-176). Although trade, particularly intra-firm trade, tends to follow these FDI patterns, these are not primarily trade or currency blocs such as those that developed between the two world wars. Trade and investment between these regions is also extensive. What matters most for the analysis of this paper is the regional nature of the international production systems and the new role of the TNCs as common employers of workers in different countries engaged in the same production chain.

The North American Free Trade Agreement was but one turn in this emerging system of economic regions clustered around the world's leading economic powers: the United States, Japan, and the European Union. Seeking competitive advantage through economies of scale and lower costs, multinational and, now, transnational corporations (TNCs) have laid the regional foundations on which the regions have arisen. At differing paces, their "home" states have moved to formalize these economic links in varying degrees. Though the regions themselves interlock through the circuits of international investment and finance, they are the platforms from which fierce struggles for global market share are waged.

#### CHANGING FUNCTIONS OF THE STATE

Measured by almost any conventional yard stick (budget, employees, litigation, police function, military), nearly two decades of neoliberalism have not reduced the state as an institution despite its theoreticians' and practitioners' claims or objectives. From 1980 through 1992, arguably the era of neoliberal practice, government revenues as a percentage of GNP rose for most nations, falling slightly in only a few Third World countries like Mexico or Brazil where privatizations were heavy (World Bank 1994: 182-183). It has, however, changed some important pieces of state architecture and its relationship to economic activity.

At the most obvious level is the extensive privatization and/or deregulation of state-owned or highly regulated enterprises and services. The UNCTAD estimates that the number of privatizations per year rose from about 20 in the mid-1980s to more than 150 in the early 1990s. Nationalizations, on the other hand, virtually disappeared (UNCTAD 1993: 17). This includes not only enterprises that compete with private corporations in producing commodities, for example, France's Renault, but services long regarded as infrastructural and, hence, too costly in terms of sunk capital to be profitable. To the neoliberal mind, however, even traditional public services like water provision, electricity, telecommunications, port services, and both urban and long distance transportation can be "unbundled" into service delivery firms competing in the market. The World Bank, a leading advocate of neoliberal "unbundling" in public services, attributes this in some measure to impact of information age technology on networked services (World Bank, 1994: 22-25, 52-55). The break-up and then total deregulation of telecommunications in the U.S. was based on a similar theory developed by Peter Huber and known as Open Network Architecture (Davies: 213-215). The irony is that many of these "liberated" utilities are rapidly becoming global TNCs. No where is this truer than in telecommunications (Communications Workers of America: 7, 8, 26; Business Week, April 8, 1992: 64-87; Economist, September 30, 1996: Survey 5-28).

The global counterpart of deregulation is, of course, free trade. The new World Trade Organization, NAFTA, the European Single Market, and other similar trade agreements have in common the limitation of what national governments can do to influence trade and its impact on the domestic economy (U.S. government Printing Office, 1992: passim; Office of the United States Trade Representative, 1994: passim; Lang and Hines: passim). Indeed, these agreements go beyond trade matters to view all sorts of economic and social policies as barriers to free trade, posing another massive limitation on the state (Grinspun and Cameron: passim).

Looking at these trends and the institutional set-up that curbs state action, Brecher and Costello conclude:

National governments have ceded much of their power to a "New Institutional Trinity"--the IMF, World Bank, and GATT/WTO. These agencies increasingly set the rules within which individual nations must operate, and they increasingly cooperate in pursuit of the same objectives--objectives generally indistinguishable from the Corporate Agenda. (Brecher and Costello: 62)

To this we would have to add the near tyranny over government fiscal and monetary policy exercised by the global financial and currency markets is another limit of state social policy.

The state, however, is not a hapless victim in all of this so much as a willing accomplice. Privatization, deregulation, cutbacks in social programs, hostility to unions, etc. are, after all, chosen policies and not simply inevitable responses to the world market. In this sense, the state has not so much declined as a force as it has become what one critic calls "the authorized agent of the international system" (citation). As the state has been a major actor in labor relations for decades, this altered role has powerful implications for organized labor in the U.S. and elsewhere.

#### THE BUSINESS OF REORGANIZATION

The TNCs that span the world are no more static as organizations than the markets they shape and are shaped by. It is more than a clever turn-of-phrase to note that the constant reorganization of business is itself a major business. Billions of dollars change hands in the mergers, acquisitions and spinoffs that recreate these global actors, as well as in the incessant internal restructuring designed to improve business functioning. In the U.S. alone corporate mergers and acquisitions hit a record of \$458 billion in 1995, while the U.S. SEC's global tabulation of such transactions hit \$866 billion--the world record (Wall Street Journal 1996). This growth represents the more recent merger movements in Western Europe, where the number of mergers rose from 208 per year in 1984-85 to 492 by 1988-89 (Marginson and Sisson: 15-23). It also reflected the continued purchase of

overseas firms by major U.S., European and Japanese TNCs. Indeed, in the late 1980s and early 1990s, 85% of U.S. FDI was in acquisitions rather than new investment (Thomsen and Woolcock 1993: 22) A particular explosion of overseas acquisitions in those years occurred in the telecommunications industry (UNCTAD 1993: 83).

The reorganization of corporations and even their growth through mergers or buyouts is only a part of the international reshuffling of business activity and relations that characterize the new world economy. Symbolic of the new flexible forms of production and marketing are the formation of countless alliances, joint ventures, and contracting relationships between firms of all sizes, nationalities of ownership, and locations. These are frequently the basis of "flexibility" in both national and international production chains that characterize the era of lean production (UNCTAD 1993: 141-146; Harrison: 150-188). Extended international production chains are particularly pronounced in industries such as automobiles, electronics, garment, and aircraft; but increasingly appear in other manufacturing and service industries as well ( Gereffi and Korzeniewicz: *passim*.; van Liemt: *passim*.).

Two crucial facts emerge from this picture of changing business structure and organization: a clear hierarchy of business organization and the internationalization of lean production. The earlier attempts to describe the rise of disintegrated production with its increased role for small production units as "flexible specialization" (Piore and Sable: *passim*) or more broadly as "flexible accumulation" (Harvey 1989: *passim*), with the implication that the smaller units play some unique and independent role has proved wrong. It is now clear that all these changing and sometimes even unstable relationships arise within a well defined hierarchy of control exercised by the bigger players--the TNCs. Harrison concludes, "the empirical evidence seems overwhelming that the evolving global system of joint ventures, supply chains, and strategic alliances in no sense constitutes a reversal-let alone a negation-of the 200-year-old tendency toward concentrated control within industrial capitalism, even if the actual production activity is increasingly being decentralized and dispersed (Harrison: 171)."

#### THE RISE OF LEAN PRODUCTION

In the North America of the 1980s, cost-cutting efforts by U.S. corporations launched a shift of production facilities in several major industries from the U.S.-Canadian Rust Belt to low-wage areas in the U.S. and to northern Mexico or the Caribbean. For U.S. capital this process is a regional response to economic ground lost to Japan and Europe on a world scale. In trade in manufactured goods, the U.S. share fell from 16 percent in 1966 to 14 percent in 1986--although the global operations of U.S. firms remained a stable 17-18 percent (Reich, 1990; Grimwade, 1989: 75). In manufacturing, the U.S. share of the 124 nations

reporting to the World Bank fell from 35.1 percent in 1970 to 24.5 percent in 1987 measured in value-added. Most of this loss was accounted for by Japan's 9.2 percent point gain in the same period (World Bank, 1991: 188-189).

U.S. capital saw its position in foreign direct investment (FDI) fall by more than half. The US went from 68.9 percent of the FDI of the leading five OECD nations in 1961-68 to 28.3 percent during 1981-88. Japan's share rose from 1.9 percent to 25.6 percent in these two decades and Germany's from 4.2 percent to 12.3 percent (Julius, 1990: 114-122). Much of the gain by Japan and Germany came within the geographic regions that composed their emerging economic regions. As with lost world market shares, this shift represents a sharp relative loss to U.S. capital in opportunities for global profitability and the potential to improve depressed profit margins. The creation of a continental or even hemispheric region seems to offer the U.S. new paths to increase FDI and profits.

Simultaneous with the shift to lower wage areas in the 1980s was the adoption of new production systems. Modelled on innovations at the Toyota Motor Company pioneered by Taiichi Ohno, the new, "lean" production system represents the joining of flexible workforce deployment, the latest technology, increased outsourcing and subcontracting to lower cost facilities, and the unification of the system through just-in-time delivery of components at the final assembly point. Product and production design are modified for constant improvement (kaizen) in overall efficiency, which is what underlies the demand for greater labor flexibility (van Liemt, 1992: 3-23; Womack, et al, 1990: 48-69). Critics have called its labor process "management-by-stress" (Parker and Slaughter, 1988). In its origins in Japan it was usually clustered in one geographic setting. But the need to trim costs in order to maintain competitive advantage has led to an increasing geographic decentralization of production (van Liemt, 1992).

The growing recognition of just-in-time delivery of components in the overall efficiency of the lean production, however, created a trend toward regional specificity in outsourcing during the 1980s. Japanese electronics and auto outsourcing, for example, was concentrated in Southeast Asia and that of German textile in the Mediterranean (Grimwade, 1989: 233-236; United Nations, 1992: 58). As income differentials closed between the northern and southern United States (the traditional region of outsourcing within the U.S.), American auto parts, appliance, electronics, and garment firms shifted increasingly to northern Mexico where connections with the U.S. interstate highway system allowed for a modified just-in-time production chain (Bluestone and Harrison, 1982: 84-103; Herzenberg, 1991: 8-15). Where products or components are light enough, production sometimes shifts to even more remote areas in East Asia (Henderson: 258-284). The growing role and cost of transportation and telecommunications (Harvey, 1982:376-380, *passim*) in this

highly synchronized, but spatially decentralized production system, however, generally reenforced the desire for geographic proximity.

In some ways, the most familiar aspect of lean production in the U.S. has been the various labor-management cooperation and/or employee participation programs. In the early phases of the introduction of this new way of working in the U.S. much was written about worker "empowerment," multi-skilling, and job satisfaction. While team working still often plays an active role in "continuous improvement," by the mid-1990s lean production was increasingly understood by those working under it to be an exhausting and unhealthy system. Standardizing tasks, tightening work cycles, reducing relief time, wringing "unworked" seconds from each minute, all far beyond the rigors of Taylorism, were the stuff of lean production by the mid-1990s. (Parker and Slaughter: *passim*).

Furthermore, it was a changing system. Teams sometimes fell by the side as higher standards of achievement could be measured by "benchmarking" the global best practice (Robertson:) New, complex work schedules with 10 and 12-hour work days were introduced to allow for 'round the clock operations of capital and the greater return on investment this would bring. In some industries, overtime work became an epidemic (Moody and Sagovac).

Another aspect of cost-cutting lean production is to replace full-time workers with contract workers of all sorts, giving rise to an army of "contingent" part-time, temporary, and contract workers, which now compose a quarter of the U.S. workforce (Mattera, 1991: 77-97). These are the workers that Business Week (1986) called "disposable" employees. The Machinist (1992), monthly paper of the International Association of Machinists, says a 1992 survey of 60,000 members in the U.S. showed that 72 percent had been threatened with the subcontracting or exporting of their work. As lean methods worked their way through much of the service sector, the proportion of new jobs that were contingent in nature rose. Between 1993 and early 1996, 47% of the net job increase were either part-time or through temporary agencies (U.S. Department of Labor 1993, 1996).

As the 1990s unfolded, the contracting out of work, always a feature of lean production, was becoming a torrent as corporations "downsized" their workforces and some of their operations. Downsizing does not refer to the size of the corporation, its revenues, or profits. In fact, downsizing through extensive contracting out of more and more phases of production or service delivery is a means to aggressive market expansion through cost-cutting.

By 1996, contracting out production and/or work had become the strategy for competitiveness. Companies as different in product and production methods as General Motors, AT&T and the Baby Bells sought to contract all manner of work. It was no longer a question of contracting cleaning or food services, but



of basic production jobs (New York Times, April 11, 1996). The issue was underlined in the public mind by a 17-day strike at two GM brake plants in Dayton, Ohio that closed down almost the entire GM system in North America in protest of the company's attempt to outsource its ABS production to a nonunion plant in North Carolina owned by German auto parts maker Robert Bosch (Labor Notes 1996).

#### RUNNING FOR THE BORDER

The spread of lean production methods in the U.S., with its extended chains of subcontracted production, coincided with the extension of these chains beyond the traditional Sun Belt cites of "runaway" plants across borders into the Caribbean, Asia, and above all Mexico. Major corporations such as General Motors, Ford, Chrysler, and General Electric, as well as many smaller firms had operated in Mexico for decades. But this earlier investment was limited in many ways by the Mexican government's import substitution industrialization strategy and its production was almost exclusively for Mexican consumption (Barry, 1992: 79-81; Cockcroft, 1983: 157-165). The investment in manufacturing that accelerated during the 1980s, particularly after 1985, produced almost entirely for export, mostly to the U.S.. Furthermore, it was mostly "outsourced" operations linked to production systems in the U.S., largely through "intra-firm" trade within the channels of the corporations themselves (United Nations, 1992: 58).

American outsourcing in Mexico was initially based in a system of "in-bond" production governed by special trade laws that prefigured "free trade" in many ways. Known colloquially as the maquiladora program, it allowed U.S. firms to by-pass Mexico's restrictions on foreign ownership and operate wholly-owned plants along the winding 2,000 mile border, using U.S.-originated materials and producing exclusively for re-export into the U.S. Although the maquila system was launched in 1965, it did not take off until the 1980s when it grew from 620 plants employing 119,000 workers in 1980 (Grunwald and Flamm, 1985: 137-179) to 2,069 plants and 508,505 workers in 1992 according to the (U.S.-Mexico Free Trade Reporter 1992c).

As investment grew and plants proliferated, the level of technology rose and the early labor intensive plants, though still present, were eclipsed by those with a rising capital-labor ratio. Employment in auto component plants, for example, rose from 7,500 in 1980 to 93,278 in 1989, while garment and textile employment rose only from 17,570 to 41,517 in the same period (Shaiken, 1990: 11). Among these automotive maquilas, Jorge Carillo (1991) notes: "The growing number of high technology plants among IMA (automotive maquilas), traditionally thought of as intensive assembly plants with an unskilled labor force and low wages, represents a significant change." Another indicator of the growing capital-labor ratio, according to La Jornada (1991), was the 17 percent decline in the average number of workers per

maquila plant from 1982 to 1990. In addition, the U.S. Big Three auto makers began to build capital-intensive assembly and engine plants outside the maquila system, but located in the north and oriented mainly toward export to the U.S. (Shaiken, 1990:9-44; Fernandez, 1989:103-105).

Ironically, for Mexico the net result of its deeper integration into the towering U.S. economy to the north has been a decline of manufacturing employment below its 1980 level. An index (1980=100) prepared by the Banco de Mexico fell to 86.7 in October 1988 and was still at 85.6 in March 1992 (Castañeda, 1993: 65). One reason was the policy of liberalizing trade and investment regulations, which brought disaster to many Mexican-owned businesses. Unable to compete with more efficient U.S. businesses, Mexican operations in furniture, shoes, garment, and other labor intensive industries went out of business in large numbers, while a similar trend began in auto parts (U.S. Congress, 1992: 11-12, 137). Unlike Mexico's declining older domestic industries, the new production sites were "enclave" operations linked to U.S.-oriented lean production with no national or even regional developmental logic (Fernandez, 1989:103-104; Herzog, 1992: 63; U.S. Congress, 1992: 65-67).

Proponents of NAFTA frequently assert that it will eliminate the enclave character of U.S. investment and encourage development. As in Taiwan and the other Asian "Tigers," Mexico's export-oriented industrialization is supposed to create backward linkages. As Wilson (1992: 27-35) argues, however, the fuller development of these Asian economies through backward linkages was the result of conscious state intervention. She writes: "Without state guidance to ensure local linkages from its manufacturing exports, the free trade agreement with the United States could mean simply the further maquilization of Mexico's manufacturing industry." It is exactly this sort of state intervention that NAFTA is designed to preclude.

Linked as they are to U.S. transportation networks and production centers, the bulk of new manufacturing sites have been in northern Mexico. There, the speed of industrialization has been rapid and recent. Although, it has been legal to locate maquilas anywhere in Mexico for 20 years, 80% of them are in the northern border area (Barry: 143), while nine out of ten new maquila plants were located in the northern frontier area (Herzog, 1992: 63-64, 113-127). In Ciudad Ju rez, according to the daily paper Norte de Ciudad Ju rez (1991a,b,c), maquila employment went from 39,402 workers in 121 plants in 1980 to 128,845 in 280 plants in 1991. Not even the liberalization of non-maquila investment policy since the mid-1980s has altered the direction of investment or its enclave nature substantially. According to the United Nations (1992: 21-34), FDI in non-maquiladora industries in 1987-88 was only slightly above that of 1980-81. Another indication of this restructuring was that worker registrations with the IMSS grew at five or six times as fast in the north as in Mexico City (Middlebrook, 1991: 64).

While total U.S. FDI grew by 138% from 1985 through 1993, it tripled in Mexico during those years. Furthermore, two-thirds of U.S. FDI in Mexico was in manufacturing, compared to 39% worldwide. U.S. FDI grew even faster in Asia, but only about 40% of this was in manufacturing by 1993. Only Brazil ran ahead of Mexico as a Third World cite of U.S. manufacturing investment (U.S. Department of Commerce: 809). The peso crisis of 1994 appears to have shifted the focus of investment to acquisitions as Mexican firms became an instant bargain.

The spread of internationalized lean production in the U.S., and its extension into regional systems in select parts of the Third World during the 1980s and 1990s created a crisis for organized labor and for U.S. society as a whole. Not only were union jobs being cut by the tens of thousands month in and month out either through "reengineering" work or relocation abroad, but the new jobs spawned in low-wage areas from the deep South to the edges of inner cities across the country were contributing to a declining wage and benefits structure, the increase in the number of working poor, and a level of insecurity not known since the Great Depression. American society was increasingly characterized by a shrinking number of high-paid industrial workers and a growing number of low-wage, benefitless "contingent" workers (Head: 47-52). Emblematic of this trend was the fact that Manpower, Inc. the temporary help agency had become America's largest employer (Osterman: 71) What was becoming clearer every day was that the unions themselves had contributed to this crisis through the very cooperation and partnership programs they had hoped would alleviate their decline.

#### "THE FALSE PROMISE OF PARTNERSHIP"

In their hymn to lean production, *The Machine That Changed The World*, researchers from the MIT International Motor Vehicle Program had dubbed the system not only efficient, but "fragile" (Womack, Jones and Roos: 102-103). Indeed, the tightly fitted links in the production chain, stripped of buffers of any sort, were easily disrupted as strikes from the mid-1980s in Europe (van Liemt: 17-18) and more recent ones in the U.S. had demonstrated (Labor Notes 1996). This fragility, as much as the need for improved productivity through harder work and flexibility of tasks, called for a cooperative workforce and union. Driven by both fear of job loss due to their employer's real or alleged loss of competitiveness, on the one hand, and the promises of "working smarter," on the other, both leaders and rank and file frequently took up the offer of partnership (Parker and Slaughter: 1-6, 121-134).

In its 1994 report, "The New American Workplace" the AFL-CIO's Committee on the Evolution of Work put forth a sweeping endorsement of "a new labor-management partnership." Like most labor pronouncements on the topic, it is filled with caveats about unenlightened employers. It is, nevertheless, a promotion

of labor-management partnership based on the analysis that "the failings of the traditional system of work organization have contributed to the much-discussed competitiveness crisis (AFL-CIO Committee on the Evolution of Work: 7)."

Measuring the spread of worker participation structures in lean production is difficult because the terms used to describe various practices are vague, nevertheless, it seems clear that by the early 1990s, such programs were widespread and producing the sorts of cost cutting results that are the real objects of labor-management cooperation. In a review of surveys, Paul Osterman found that 54.5% of companies surveyed used work teams 43.4% had job rotation, 33.5% had TQM (a relatively new variant), while 40.8% had Quality Circles (an older variant). A survey dealing with downsizing revealed that 64.3% of companies had closed some facilities, while 50% had sold business units. The same survey found that over 90% of managers were either "somewhat" or "very" pleased with the results. This 1991 survey was taken before the 1993-1996 tidal wave of downsizing. Osterman's findings, however, also suggest that many of these "participation" programs are only partially implemented and frequently abandoned after a few years (Osterman: 76-90).

What this suggests is that the participatory side of lean production has become more a means to an end than a permanent feature of the system. The means, as the surveys reveal, are to draw both workers and their unions into the company's plans for becoming more competitive and profitable. Whether these programs are simple teams in a single workplace or the elaborate Jointness program at GM or the Workplace of the Future at AT&T or similar programs at other telecommunications companies with their multi-tiered joint committees (Leary; Communications Workers of America 1994), the evidence is that they have worked for management, but not saved jobs as promised. As management has achieved productivity and cost-cutting results with union and/or employee cooperation, they have abandoned the structures of participation or let them atrophy. As Dave Robertson research director of the Canadian Auto Workers told a gathering of European auto workers in 1995:

Management can get to lean without collaborative appeals. It doesn't need teams. It doesn't even need continuous improvement groups. It can get to lean by changing production methods, process flows and the design of our jobs (Robertson: 7).

In fact, as lean production took hold union jobs were being destroyed at a faster rate than employment declined in industries with relatively high unionization rates. In durable manufacturing, the number of union members dropped 19% from 1990 through 1995, while employment fell by only 5.5% In communications and utilities the number of union members fell by 18% while employment actually grew slightly (U.S. Department of Labor 1996; Gifford 1992: 65). Elaborate partnerships such as

those at GM, AT&T and many Baby Bells did not stop the hemorrhaging of union jobs--most likely they aided it.

#### CRISIS AT THE TOP

Having battered dozens of unions for years, the crisis of this historic transformation, or rather its results and symptoms, have now caught the attention of those at the very pinnacle of organized labor. The events that determined the timing of the AFL-CIO rebellion led by John Sweeney of the Service Employees, Rich Trumka of the Mine Workers, and Linda Chavez-Thompson of the State, County, and Municipal Employees were certainly those in the political realm, above all NAFTA (Jennings and Steagal: 61-75). But it is the hemorrhaging of membership and loss of power that has created tensions within the consensus regime of the AFL-CIO. The Fortune 500 downsizing that accelerated in 1990 could not be ignored. It is this relentless decline in the private sector that has also given birth to the major panacea of recent years: general unionism through union mergers and random organizing outside the union's traditional jurisdiction.

General unionism, the practice of recruiting anyone regardless of industry or occupation, is by now the unspoken faith of almost all labor leaders in the U.S. Mergers, which until recently reflected the trend toward general unionism and away from industrial unionism, have been the other major defensive response to decline for some time (Moody: 196-206). Only with the merger of the two garment unions into UNITE and the announced merger of the Auto Workers, Steelworkers, and Machinists into one big metal workers union has this trend taken a tentative turn toward an industrial union strategy appropriate to the era of lean production (Labor Notes 1995a).

Mergers with unions in decline and ruthless competition with others for random workers, however, were not enough to stem the decline in the private sector, where the unions lost 827,000 members in the "downsizing" from 1990 through 1995 (U.S. Department of Labor 1996; Gifford: 65). Indeed, the drift toward general unionism was one of the symbols of the lack of focus that characterized the decade and a half of Lane Kirkland's reign as AFL-CIO chief. Random organizing failed to address the loss of bargaining power even where it alleviated the problem of shrinking finances. Organized labor simply could not avoid the need to organize the millions of new unorganized workers right down to the "contingent" workers. As much as labor leaders might blame the decline of organized labor on poor labor laws or free trade, it had become evident even at the top that someone has to organize the millions who have come into the workforce in the last decade or so. This, in turn, required the recognition that a large proportion of these newer workers were women or people of color. And that meant change.

And so, the contest between Sweeney's "New Voice for American Workers" slate and the old guard slate of former AFL-CIO

secretary-treasurer Tom Donahue and Communications Workers' secretary-treasurer Barbara Easterling was characterized by a debate over who would throw the most money at organizing and who was more serious about race and gender diversity. Despite the presence of Easterling and Chavez-Thompson on their respective slates, the question of diversity remained more a posture than a reality in the campaign up to the convention. The Coalition of Black Trade Unionists, which stayed neutral in the contest, put forward an 11-point program for increasing diversity, including a focus on organizing industries with high proportions of people of color (Labor Notes 1995b).

At the convention, however, the question of diversity in leadership came up in two counterposed proposals for changes in the Executive Council. Sixteen unions in the Donahue-Easterling camp, led by Morty Bahr of the Communications Workers, proposed that the presidents of the federation's 78 affiliated unions compose the Executive Council. This would have precluded any kind of election and meant that all but a couple of the council members would be white males. The Sweeney forces proposed to expand the Executive Council from 33 to 51 and that it continue to be elected by the convention. This proposal passed and a compromise slate, in which former Donahue supporters actually have a slight majority, was elected that included seven women and six people of color--hardly a total transformation, but the most diverse leadership body the federation has ever seen (Labor Educator 1995).

The 1995 leadership clash was a contest of seasoned labor professionals who made precious few waves in the years that Lane Kirkland led the federation down hill. Donahue went right from college to union staff jobs--his longest in Sweeney's home local SEIU 32B/32J. Sweeney worked as a grave digger in New York before becoming a local officer, but since becoming president of the SEIU in 1980 made up for lost time by continuing to draw his 32B/32J salary along with his hefty presidential salary of \$210,00. Last year he reduced his 32B/32J salary from \$79,000 to \$10,000, perhaps in anticipation of his role as rebel. Now he will drop it.

Furthermore, neither the notion of partnership nor lean production itself were a part of the debate at the top of the AFL-CIO. Indeed, soon after he won the presidency of the federation by 60%, Sweeney was telling New York business executives that just such a partnership was needed. While he warned them this would mean some give on management's part, he told them:

I want to build bridges between labor and management so that American business can be more successful and American workers can share in the gains (New York Times 1995).

Thus, some of the most pressing issues for America's organized workers went unaddressed with the change in leadership of the

AFL-CIO.

#### GRASSROOTS CHANGE

The spirit of rebellion, however, is contagious. Sweeney himself already faces brushfires of opposition in the SEIU. Service Employees for Democratic Reform, a caucus of local officials and activists based mainly in the western U.S., calls for a democratized SEIU and pushes for direct election of top officials--something Sweeney vocally opposes. Some of the wind was taken out of the sails of this reform group, however, when Sweeney endorsed the slate headed by moderate progressive Andy Stern in the elections at the 1996 SEIU Convention. Even more symbolic of the future may be the rebellion in SEIU Local 399 in Los Angeles, birthplace of the most successful Justice for Janitors campaign. Here a unique alliance of rank and file African American health care workers and Latino janitors formed the Multicultural Slate in the union's 1995 elections. The slate won every position it challenged. When the new executive board tried to rein in the power of the incumbent president, who they didn't challenge, Sweeney imposed a trusteeship (Labor Notes 1995a, 1995d).

An even more powerful advertisement for change is the graphic example of the benefits of real union reform to be seen in the successful administration of Ron Carey, who swept the Teamsters' corrupt old guard from office in 1991. Carey's reform regime, with heavy participation from the Teamsters for a Democratic Union, has been responsible for a string of successful strikes at a time when these are still the exception in the labor wars. His high profile fight against old guard cipher James Hoffa, Jr. will broadcast throughout the labor movement the difference change can make.

Nowhere might the reverberations of Carey's example be felt more strongly than in the merger process opened by the Auto Workers, Steelworkers, and Machinists this June. While the three old bureaucratic machines will weigh heavily on this process, they must write a new constitution all can live with. According to Steelworkers president George Becker, the new union will have direct vote on top officers, as the Steelworkers and Machinists do now. While this is no guarantee of democracy in itself, it is a wide opening of the door for those forces prepared to fight for change, notably the UAW New Directions Movement and some smaller groupings in the Machinists. At its October conference in Detroit, New Directions voted to organize meetings of activists from the three unions to discuss the merger process.

Perhaps most importantly, the merger and the likely direct vote spell an end to the near monopoly of power the UAW's Administration Caucus has wielded for nearly half a century. Perhaps it was this realization that led new UAW president Steve Yokich to tell a gathering of 200 appointed officials recently that the UAW was a two-party system in which respect for dissent

would be observed--a distinct shift in official attitude toward New Directions. Whether sincere or not, it seems clear that the type of headquarters-to-workplace machine the Administration Caucus constituted cannot be extended to the new merged union.

Furthermore, deprived of the convention delegate system of electing top officers, it loses its power to intimidate the "voters" on the spot as it did at UAW conventions. While the Machinists and Steelworkers have powerful top-down structures that reinforce their respective leaderships (including the ability to nullify local union elections in the Machinists), neither possesses an organized political vehicle for perpetual rule as comprehensive and deeply rooted as the UAW's Administration Caucus. With the direct vote on officers, the mandatory retirement of Yokich by merger completion in 2000, and a lot of organizing in the next few years, the reform forces in the new union could mount a credible challenge just as Carey did in the Teamsters.

In general, the leadership change at the AFL-CIO reflects a broader leadership transition occurring in many unions that is partly generational and partly political. Changes at the top have been common in the last several years throughout organized labor. Most of these were not accomplished by organized reform movements even when there was a contest. But most did involve the moving up of leaders whose experience is rooted in an era of crisis and industrial transformation, rather than in the period of growth and relative prosperity that the Kirkland generation came to office in. While this certainly doesn't guarantee a progressive or left outlook, there is still more of sense that the same old methods won't work. Trumka is in many ways representative of this generation of leaders and frequently makes this point himself. There are others, such as Bob Wages of the Oil, Chemical and Atomic Workers and Ron Carey of the Teamsters who are more consistently progressive and militant. There are others who are less consistent than Trumka, such as Yokich of the Auto Workers. Behind this generational layer is another now taking office in countless local unions whose life experience is even more affected by a sense of economic and social crisis. Some, like the New Directions caucus in Transit Workers Union Local 100 in New York's transit system, are both racially diverse and politically to the left of the labor mainstream.

The contest at the top is in many ways a reflection of this broader transition and of the disgruntled rank and file that is pushing the process along in more and more unions. With the lash of lean production and the more general fall in working class living standards forcing more people to take action, even when it is likely to end in one or another degree of defeat, the engine of political change within organized labor is likely to continue and even gain momentum in the next several years. The importance of the change at the AFL-CIO is not to be found in the personalities who now run the show, so much as in the overall process that propelled them to action--a process that will



continue driving them toward some approximation of their stated commitment to organize the unorganized. This alone would change the balance of forces in the U.S. for the better and open still greater political possibilities.

#### MEAN JOBS, ANGRY WORKERS

Aside from organizing the unorganized, the biggest question that confronts organized labor is how it will respond to the continued transformation associated with the spread lean production throughout the U.S. economy. Though this new production paradigm has a number of consistent characteristics, it is no more identical from country to country, company to company, or plant to plant than the "Fordist" version of mass production it modifies and replaces. Lean production will certainly retain the modified just-in-time inventory system of parts delivery, the reconfigured assembly lines, the high levels of technology, the extensive outsourcing and subcontracting, the hierarchical relationships between assemblers and suppliers, and the constant attempt to reduce labor input and job cycle time to the absolute minimum. But there is nothing inevitable about the specifics of worktime, production speed, degree of outsourcing, or the new 10-hour day "alternative work schedules" and flexibility schemes favored by management in more and more industries (Moody and Sagovac). Where there are unions all of these questions are open to negotiation and challenge, as the recent strikes and conflict at GM show.

The introduction of lean norms of work has been more problematic in the U.S. and Canada than in Asia or Europe because of the tradition of what is misleadingly called "job control unionism." The term is misleading because not even unionized workers have much direct control over their job. What is referred to, however, are the specification of work rules, job classifications, and demarcations in the union contract (usually at the local level) and the role of seniority in job assignments (O'Grady: 3-19). Parker and Slaughter have described the impact of changes in work rules and the role of seniority on workers (Parker and Slaughter 1994: 80-82), but it needs to be underlined that this type of "job control unionism" is in clear conflict with the flexible workplace envisioned in lean production. One North American study conducted in 1990-93 found that 45% of all disputes in the firms covered were because of "new work organization" (teams, multi-skilling, etc.), while 57% stemmed from job combinations related to downsizing (O'Grady: 36-37). In short, the introduction of lean norms produced a great deal of resistance in the workplace.

While the system in its broad outlines is certainly the winning global paradigm, there remains a vast terrain of "detail" in production organization, standards, speed, work loads, etc. to be contested. As the incredibly sloppy measurements employed in the much-heralded hymn to lean production, *The Machine That Changed the World*, shows, the very notion of the system's

efficiency is itself hard to pin down in a scientific way. Most of the work measurement techniques in lean production are those inherited from Taylorism. In effect, all the traditional issues of workplace conflict remain central to unionism under the new system once it becomes de-mystified and "unbundled" in the eyes of the workers (Babson: 1-33).

Moreover, due to the pressure of lean methods for constant productivity increases; the speed, intensity, length, and safety of work become ever more pressing issues. In auto assembly plants, where lean methods are most advanced in the U.S., injury and illness rates are running four to five times higher in the 1990s than they were in the 1980s. Exposure levels of toxic substances originally measured by OSHA on the basis of the eight-hour day become irrelevant as workers are exposed for ten or twelve hours (Moody and Sagovac: 31-32). Questions of working time, staffing of work stations, line speed, outsourcing, subcontracting, and work schedules are at the root of most of the major strikes and struggles of the last few years.

Three recent disputes in Illinois at A.E. Staley, Caterpillar, and Bridgestone/Firestone all broke out at companies with elaborate labor-management cooperation or employee participation programs. The main issues in each were lengthened workdays and weeks (10 to 12-hour day schedules), workforce reductions coupled with increased output, and drastic deterioration of health and safety conditions. The Detroit newspaper strike was also about future reductions in staffing and flexibility in worktime, while the Teamster strikes fought various forms of subcontracting, part-timing, and work intensification (Slaughter 1996). The 1995 strike by the Machinists at Boeing is over subcontracting. Dozens of smaller strikes, often too small to make the official statistics, around the U.S. reveal a similar pattern of resistance to many of the contested aspects of lean methods as applied to different industries. Almost all of these struggles were defensive in character.

The 1994 strike of UAW Local 599 at GM's Buick City complex in Flint, Michigan was significant as the first offensive strike against the excesses of lean methods: understaffing, intensification of work, excessive overtime, etc. The union's central demand was simple: the hiring of more workers to relieve overwork. This amounted to "de-leaning" many parts of the plant. Local 599 prepared its members by months of education on the issues and the "false promise of partnership," as local president Dave Yettaw put it, and by accumulating hundreds of grievances over which the UAW contract allowed a strike. The local won its central goal of more workers, 779 in all, by turning the lean system's just-in-time supplier chain on its head. Since Buick City was both a supplier and receiver of parts within the GM system, a strike was certain to close down several other plants in short order, with more going down each day of the strike. And so it was, with GM plants around the midwest closing down one

after another they won after four days.

As the workers in different industries learn the weak points of the new system as well as what is negotiable and what can be changed, they will learn how to fight it more effectively, as the members of Local 599 did. Just as it took years and even decades to develop the confidence to unionize and take on the mass production and the corporate giants who shaped it, so it will take some time to invent a unionism appropriate to lean production that is not simply a surrender to it.

As they learn this lesson, workers are also learning that the new system is closely related to the social crisis they observe across the U.S. One hears at all the picket lines and rallies that it is the downsizing, the lengthening of the work day and week, the intensification of work that is killing high wage jobs, on the one hand, and all the outsourcing, subcontracting, part-timing that is creating low-wage jobs on the other. Increasingly, workers in the blue collar communities affected by these trends see them as part of the larger social crisis. The belief that corporations are attacking these communities and, indeed, future generations of working class people is now widely held in blue collar America.

Even much of what is seen as service sector growth is in reality a shift of jobs from the goods-producing to the service-producing columns via massive contracting of functions formerly performed in-house by industry. For example, at Boeing, where 32,000 workers went on strike in October, 1995 against subcontracting, 48% of the work is performed by outside contractors, at home and abroad, whose workers will not show-up in the "manufacturing" category of official labor statistics. The largest creator of new jobs over the last five years were temporary labor agencies who now supply workers to factories and construction sites as well as offices.

#### THE RISE OF CROSS-BORDER SOLIDARITY

Though NAFTA and lean production may bind the continental region for a time, their own "lean" logic portends limited employment growth and a yawning social chasm. As in new production systems of the past, the transnationalized workforce based in lean production is likely to find its way toward rebellion against the conditions that are redefining its existence on the job and in the community. About northern Mexico in particular Fernandez states (1989:112) and visits and interviews confirm, "the zone on both sides of the border is populated almost entirely by migrants looking for social change and economic improvement." If they don't find these through the workings of the market, they will almost certainly seek other means.

As LaBotz (1992: 76-160) has shown in detail, the last few years have seen considerable labor militancy in Mexico's more

traditional industrial centers. Struggles also take place in the maquila plants. The Ciudad Ju rez labor lawyer Gustavo de la Rosa Hickerson (September 21, 1992) says that protests and strikes are common even where no union exists. Under Mexican labor law, employees are allowed to form temporary "coalitions" in their plant to make demands on management and, in theory, even to strike. Even though, contrary to the written law, most such strikes end in firings, they occur again and again. One reason may be the high turnover in the plants. Most maquilas in Ciudad Ju rez or Tijuana regularly display signs advertizing job openings. Until the recent development of blacklisting, finding a new job was not that difficult. At the same time, however, high unemployment both feeds these plants and keeps wages low and working conditions harsh--laying the basis for the next round of strikes.

As more U.S. and Canadian union activists pay attention to Mexico, support for Mexican workers is coming more frequently from their unions. Since 1990, members of United Auto Workers Local 879 in Ford's far away St. Paul, Minnesota assembly plant led a nation-wide movement in solidarity with workers at Ford's Cuautitl n plant near Mexico City (Moody and McGinn: 44-48). The prolonged struggle for better pay and union democracy at Cuautitl n that included the fatal shooting of one worker in 1990 by thugs wearing Ford Motor company uniforms, also gained the support of the Canadian Auto Workers. With this support, a lot of courage, and several set-backs, the democratic dissidents at Cuautitl n took control of their 3,000 member local union in 1992. The dissident officers were illegally removed by the government-controlled Confederation of Mexican Workers, but continued to influence events in the plant. In early 1994, UAW Local 879 took the unusual step of signing a "contract" of solidarity with the democratically officials and the workers in the plant. Local 879 agreed to support a full-time staff person at the Cuautitl n plant. Also, the two unions agreed to support one another and to exchange information about Ford's strategies and conditions (Labor Notes 1994).

These contacts led the Transnationals Information Exchange, a European-based international organization with an office in Detroit, to organize two conferences of auto workers from Mexico, Canada, and the U.S. The first conference held in Oaxtepec, Mexico in November 1991 brought together activists from a number of the larger Ford, Chrysler, and General Motors assembly plants in all three countries. The second conference held in Ciudad Ju rez in 1993 included workers from auto maquilas as well as assembly and parts plants in the three countries. These conferences set up networks to exchange information on wages, benefits, working conditions, and health and safety matters, as well as to assess the strategies of the major auto corporations (TIE, 1991, 1993).

Strikes swept Mexico's Ford assembly plants in Cuautitl n, Hermosillo, and Chihuahua in early 1993 as the unions there

attempted to break the government's 9.9 percent wage increase cap. Labor activists in Los Angeles heard about this and began picketing Ford dealerships in the area. They formed a coalition and eventually got Ford's west coast public relations manager to meet with them. The workers at all three plants succeeded in breaking the wage freeze when Ford agreed to grant wage increases above the 9.9 percent cap under the table (Labor Notes 1993). In 1996, the Ford Workers Democratic Movement once again prepared for both Collective bargaining and a new election in the Cuautitl n local union. A tour of two Mexican Ford activists was organized in March under the auspices of TIE. This tour visited over a dozen cities in the U.S. midwest and Ontario reaching out to auto workers and the Latino communities of that region. It was too late to impact bargaining, under which the Ford workers won a 25% wage increase in the face of 50% inflation, but started the process of recruiting election observers for the union election later in 1996 (TIE 1996).

The struggles in maquila plants are now receiving greater support as well. Official unions of the Confederation of Mexican Workers striking maquila plants throughout Matamoros in 1992 received financial support from the United Auto Workers. In Tijuana in March 1993, ten workers were fired from Pl sticos BajCal, a U.S.-owned firm making coat hangers, for passing out a leaflet protesting conditions (Labor Notes, 1993, 1994). These workers caught the attention of local community activists who got in touch with U.S. union activists in San Diego. Together they set up the Support Committee for Maquiladora Workers to help the Pl sticos employees win democratic representation. U.S. unionists in southern California have been holding rallies and raising money to support organizers for the Pl sticos plant. Much like the Cuautitl n workers, those at Pl sticos saw their union election stolen by the government-backed union and the company, but the support coalition has stayed together to work on other campaigns.

A more ambitious plan for cross-border organizing is the strategic alliance between the United Electrical Workers (UE) in the U.S. and the Authentic Workers Front (FAT in Spanish) in Mexico. The plan calls for the UE to organize in the U.S. and lend financial support to FAT organizers in northern Mexico. They will focus on plants owned by the same large multinational corporations on both sides of the border. In late 1993, several FAT supporters at General Electric plant in Ciudad Ju rez were fired. The UE launched a national campaign in the U.S. to support these workers and pressure GE into recognizing their union. A similar event occurred at a Honeywell plant in Chihuahua, where the Teamsters were supporting a FAT organizing drive. The Teamsters, too, have taken on support for genuine union organizing in norther Mexico as a regular activity.

Among the groups of workers that have taken similar "baby steps" toward international solidarity are telecommunications workers. The rapid changes taking place in telecommunications

have now been put in an international context that threatens wages, working conditions, and even unions themselves (Moody and McGinn: 64-69). Links between U.S., Mexican, and Canadian workers became an imperative as telecommunications firms began operating throughout North America for the first time. Northern Telecom, a Canadian-based equipment maker and installer began operating in the U.S. and Mexico in the late 1980s. The U.S.-based regional telephone company, Southwestern Bell became one of the primary owners of Mexico's privatized major phone company, Telefonos de Mexico (Telmex) in 1991. In 1993, AT&T, the American long distance carrier bought into Bell Canada and more acquisitions and mergers appeared certain and cable TV and mobile phone companies got into the competition. By 1995 AT&T, MCI, Bell Atlantic and GTE all had Mexican allies and investments in long distance or cable capacity in Mexico (Institute for Agriculture and Trade Policy).

In 1991, the three major unions in telecommunications in the three countries signed an agreement of alliance. Inspired by a long fight with Northern Telecom in 1990, the Communications Workers of America, the Communications and Electrical Workers of Canada and the Telephone Workers Union of the Republic of Mexico (STRM in Spanish) agreed to support each other in bargaining and other areas of conflict with the companies. In 1995, STRM joined the CWA in fighting for the jobs of 235 workers at Sprint's Spanish-language telemarketing subsidiary La Conexion Familiar who had been fired for trying to unionize. The STRM filed a charge with the National Administrative Office under the terms of the NAFTA labor side agreements. The Mexican NAO agreed the firing was unfair, but had no influence over Sprint in the U.S. The fight by the STRM and CWA has continued, however. In the summer of 1995, STRM and CWA held a joint cross-border organizing training school (Communications Workers of America 1995).

Grassroots members of these unions began touring one another's countries and comparing company policies as early as 1993. In February 1994, 60 telecommunications activists from six unions in the three countries met outside Mexico City to exchange information on the latest developments in technology, business reorganization plans, and union responses (Transnationals Information Exchange 1994).

The longest standing and most developed case of cross-border labor solidarity involves a degree of joint collective bargaining by unions in the U.S. and Mexico. The U.S. midwest-based Farm Labor Organizing Committee succeeded in signing a three-way contract with farmers and the Campbell's Soup Company in 1986. No sooner had they won this unique victory in the U.S. than Campbell's threatened to move its farm contracts and processing to Mexico. FLOC President Baldemar Velazquez contacted the large farm workers union, SNTUAC, in Sinaloa, Mexico and the two unions entered an agreement to support each other and to move toward coordinated bargaining. Each union accepts the other's members as their own when they are working as migrants. They have also

agreed to a common wage "parity" formula based on the relative living standards of the two countries--betting on a more rapid rise in Mexican real income. These unions work together on housing, health care and other common problems faced by migrant farm laborers (Moody and McGinn: 49-50).

The TNCs are now the heart of the emerging world economy and must become the central focus of any international labor strategy. They employ some 65 million workers globally, 43 million in the "home" countries and another 22 million in "host" nations (Lang and Hines 1993: 34). Millions more are indirectly employed by TNCs in thousands of joint ventures and hundreds of thousands of subcontracting agreements (UNCTAD 1993: 19). While much of the cross-border solidarity activity so far has been limited to support for specific organizing drives and strikes or to the formation of grassroots networks in auto and telecommunications, the direction of solidarity points to international coordinated bargaining. In Europe the first experiments in cross border bargaining may come with the EU-wide corporation works councils mandated under the social chapter of the Maastricht Treaty. In North America, the goal of coordinated bargaining is much farther from realization, but this must become the direction of both the unions and the grassroots networks that are now taking shape in the context of North American economic integration.

No where is the old adage that "capital acts, labor reacts" truer than in international production. Capital has rearranged the terrain of production and distribution, while labor has largely followed along without much resistance. The time for a reaction is, if anything, overdue. But which way to react? There is the all too familiar path of national interest. For U.S. labor leaders this frequently means falling back on protectionist measures or pushing for America's rather battered version of labor rights as the norm for all; while at the same time ratifying as the shared goal of the nation the global "competitiveness" of the American worker through the labor-management cooperation schemes that are typical of lean production. For the leaders of Mexico's official unions it means uncritical endorsement of structural adjustment, lean production, and NAFTA. In both cases, the primary alliance is with the employers, who are thoroughly international in operation, rather than international labor.

The other reaction, international solidarity, is more difficult and less familiar for unionists in all countries. But capital has done more than redraw the map of industry. It has linked workers from different nations together in common production systems under the umbrella of a single employer, either directly or through a chain of contractors. As Sassen (Brecher, Childs, Cutler, 1993: 61-66) has argued, it is the multinational corporations that have replaced the U.S. as the central regulator of the world economy. TNCs increasingly determine which nations, regions, and even continents will grow

economically and which won't. The multinational corporations that dominate this emerging landscape are easily identifiable. The pioneers of solidarity are using these landmarks to find their fellow workers beyond the border. Their goals are clear and quite different from those who have embraced the contradictory combination of protectionism and "competitiveness." They seek what unionists have sought for over a century, to "take labor out of competition" by bringing the lowest conditions closer to the highest. To attempt this on an international scale is obviously a very long term and difficult project. But just as internationalized regional production systems bring workers under common employers, so the regional system lends this project a more manageable geographic starting point.

#### TOWARD A NEW AGENDA FOR AMERICAN LABOR

The deepening of economic internationalization and regionalization, along with the spread of lean production are forcing U.S. trade unionists to rethink many old assumptions and practices. This process, however, is continually blocked by decades of bureaucratic practices and institutionalization. Still, the forces of change clash more frequently with those of inertia even at the highest levels of organized labor. While the precise dynamics of change in what was once known as the labor movement are far from obvious, it does seem clear that resistance to lean production among the rank and file, increased awareness of and action around regionalized systems of international production or linkage, and a higher level of debate at the top are reenforcing trends that point toward bigger changes in the future.

Changing the labor movement in the U.S. will involve more than a change of faces or even a good deal of restructuring for greater participation and mobilization. It must also mean a new agenda that deals consistently with lean production and internationalization in new ways. Labor carries a good deal of Cold War and old-time protectionist baggage, as well as false starts and failed experiments in labor-management partnership as it approaches the turn of a new century. A viable agenda for the 21st Century will require a new union-based model of workplace organization, a more rational and democratic approach to industrial organization than the top-down general unionism of the 1980s, and a practical and active model of international solidarity to deal with internationalized production. So far, only the embryos of these agenda points are visible. But we can at least hope now, that a new direction has been charted.

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