

# The State-Capital-Labour Nexus and Regional Competitiveness

Evidence from Canada's Automotive Industry

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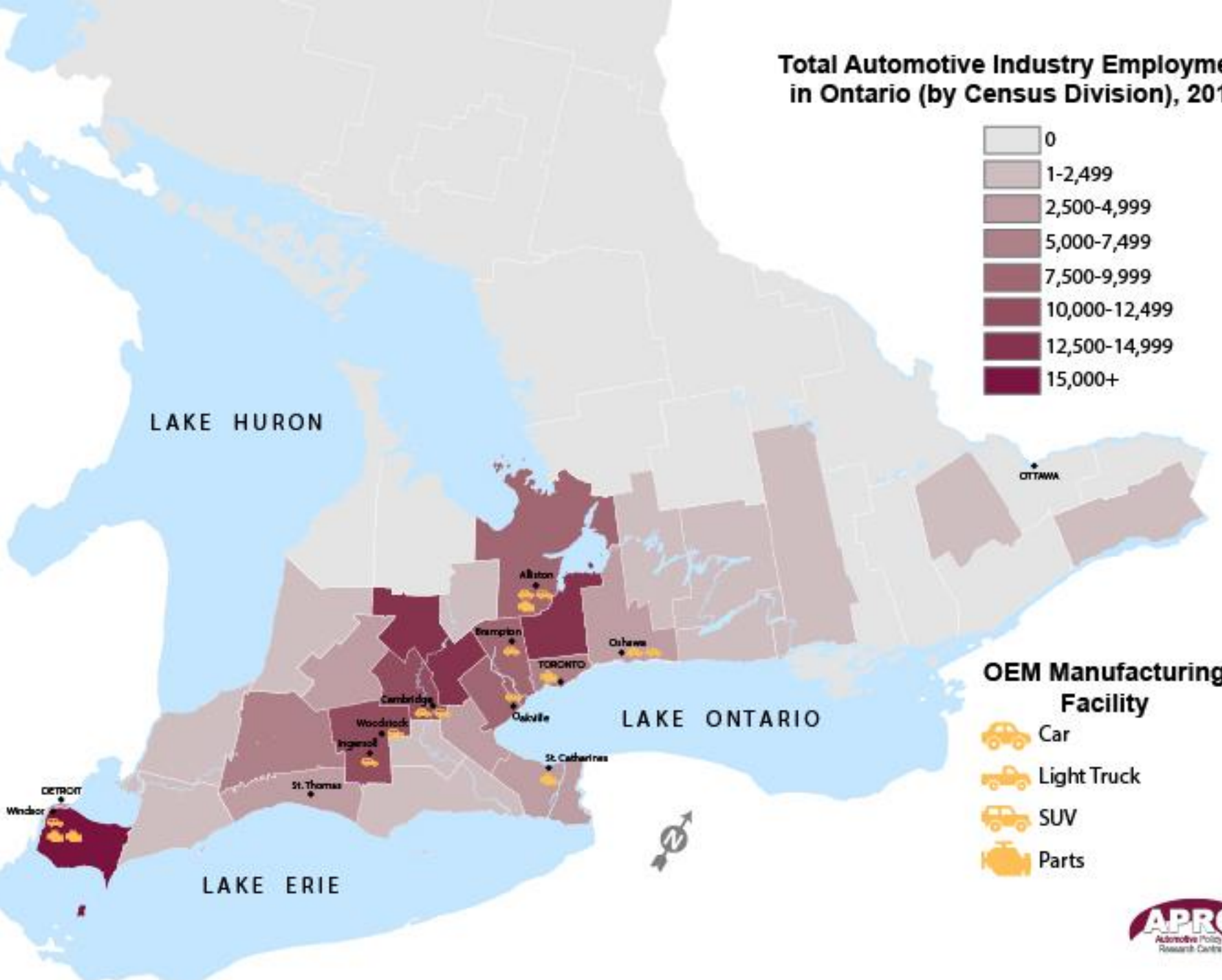
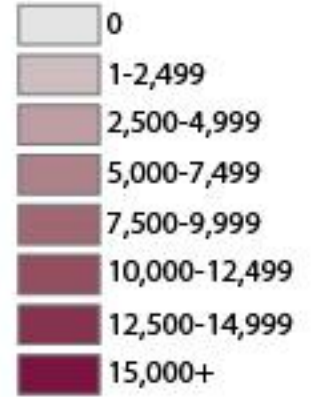
# Introduction

- State continues to represent a 'blind spot' for labour geographers (Castree, 2007; 2010; Jordhus-Lier, 2012; Coe & Jordhus-Lier, 2012)
- Recognition of 'constraints' on labour's agency (Coe & Jordhus-Lier, 2011) and labour-capital partnerships (Siemiatycki, 2012)
- GPNs are a useful lens for the study of labour geography, although there is lots of work to do (Carswell & De Neeve, 2013; Coe & Yeung, 2015)

# Canada's Automotive Industry

- Vehicle production occurs exclusively in southern Ontario
- Growth and competitive advantages: 1965-1999
  - Managed free trade
  - Labour costs and productivity
  - Exchange rates
- Contraction and diminished competitive advantages: 2000-2018
  - State and labour have struggled to develop new competitive advantages since the early 2000s

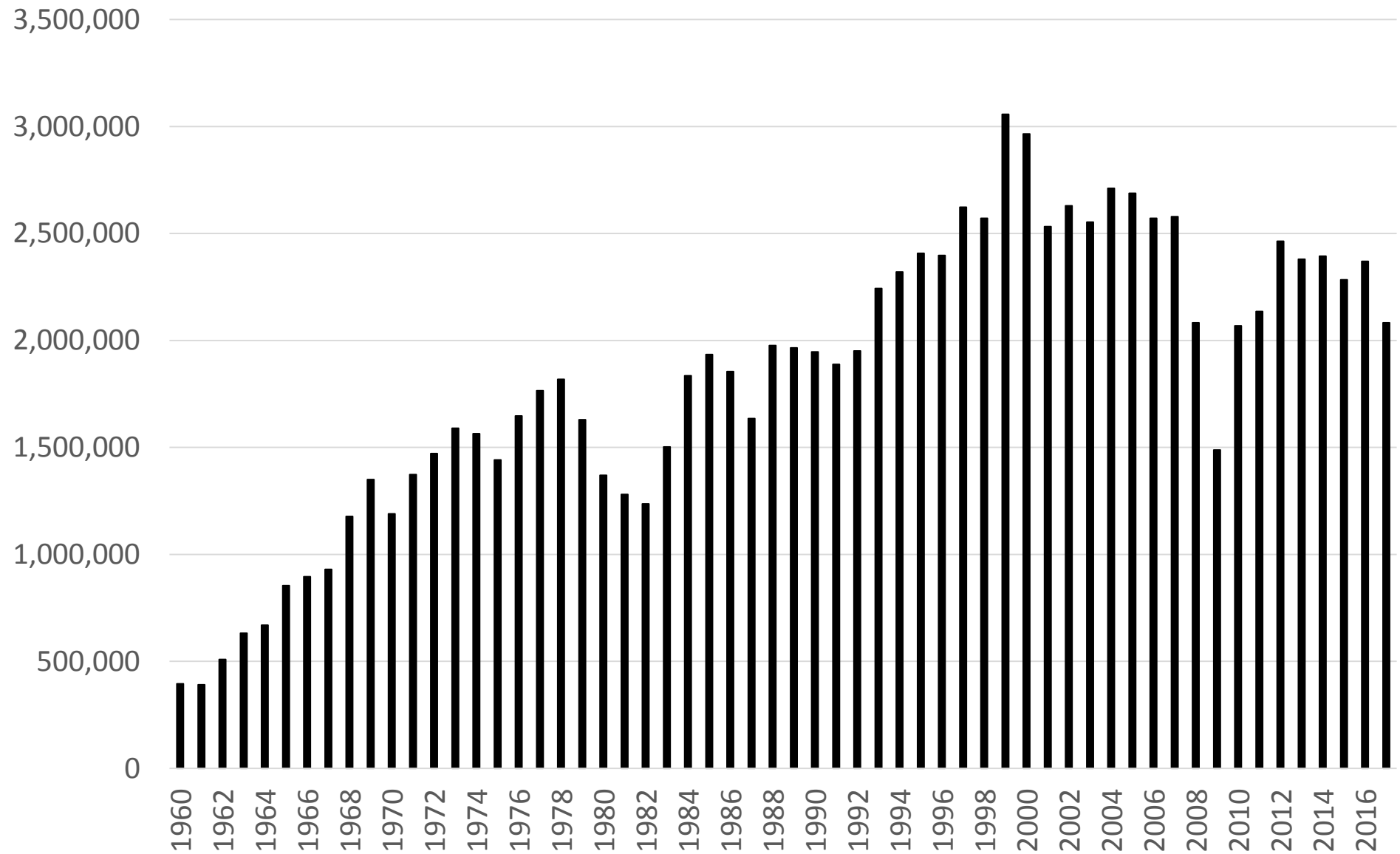
# Total Automotive Industry Employment in Ontario (by Census Division), 2016



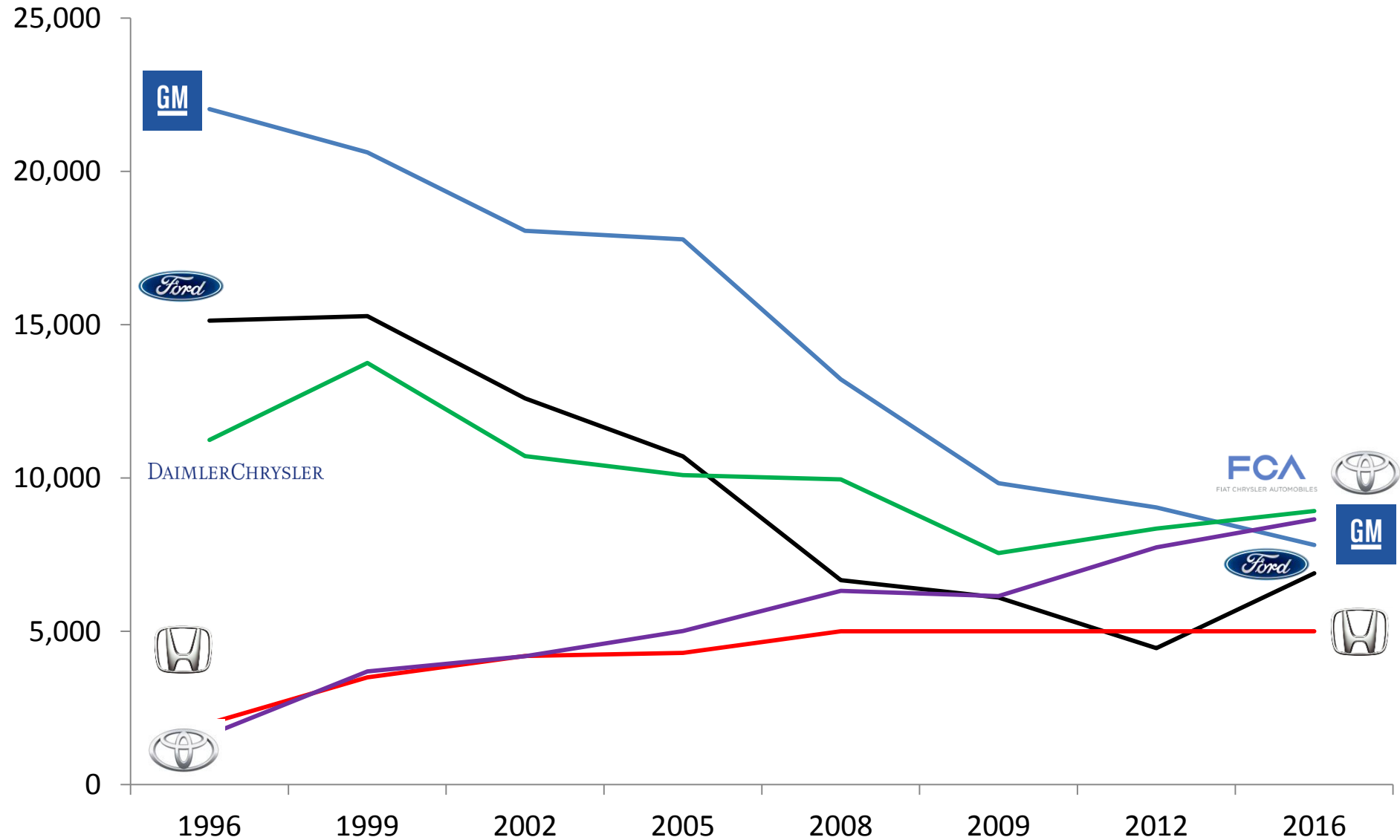
## OEM Manufacturing Facility



# Canadian Vehicle Production, 1965-2017



# Employment by OEM, Select Years



# Automotive Collective Bargaining in Canada

- Three epochs:
  - International Pace-Setters, 1960s to Early 1980s
  - Militant Nationalism, Mid-1980s to Early 2000s
  - Defensive Cooperation, Mid-2000s to Present

# Defensive Cooperation

- 2005
  - Material gains; government incentives
- 2008
  - ‘Stand-pat’
- 2009
  - Imposed concessions; bailout
- 2012
  - Mild concessions
- 2016
  - Bargaining for investment + government incentives
  - Gerrymandered ratification at Ford



# Bargaining for Investment, 2016

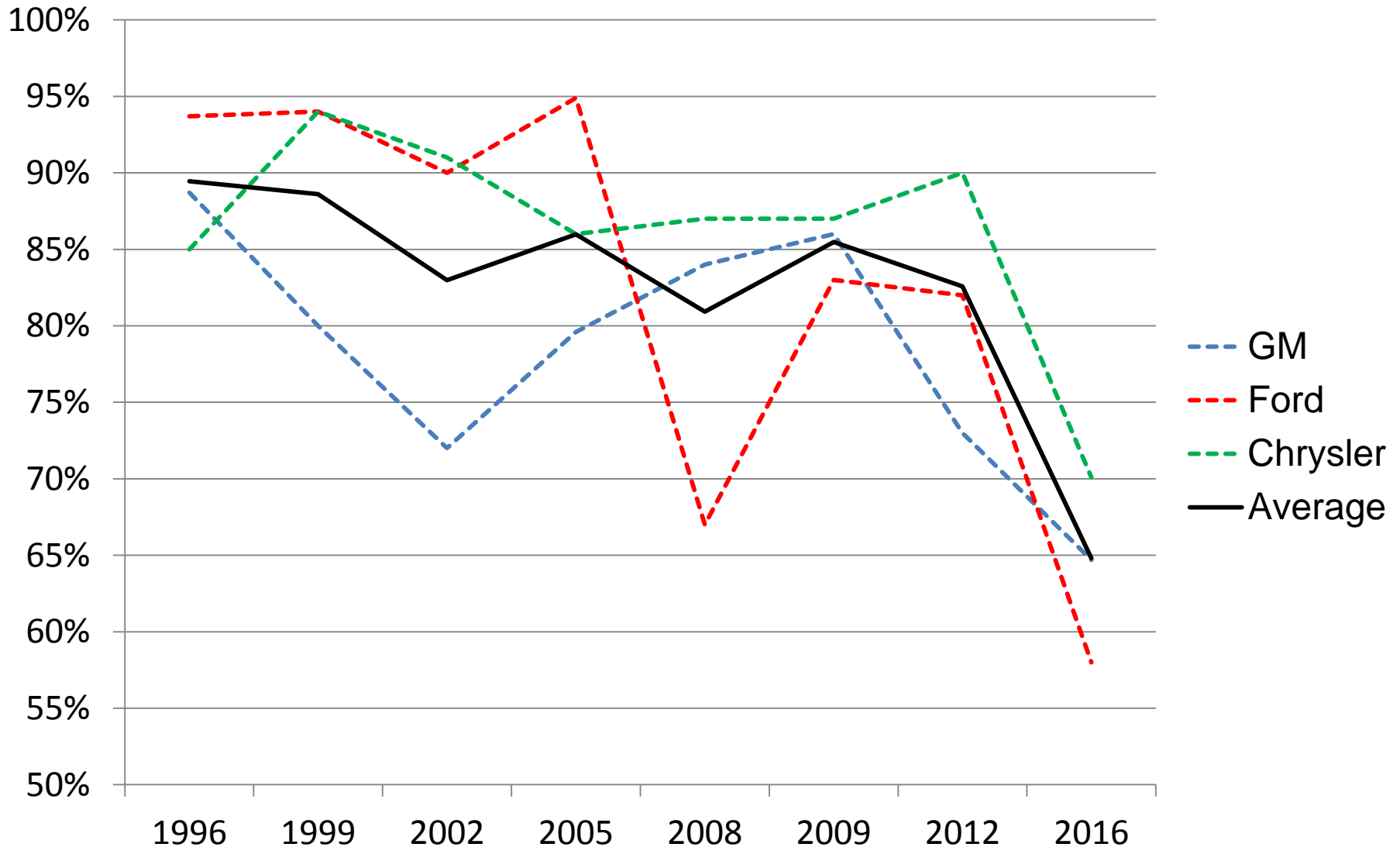
‘These negotiations represent an important first hurdle in building a business case for further investments in Canada. The business case will also include other partners, including government, suppliers, and our communities.’

- General Motors of Canada, 2016

‘...automotive industry collective bargaining in Canada is no longer simply an activity to determine the terms and conditions under which employees will *work*, but a more comprehensive process to determine the conditions under which a company will *employ* people to assemble vehicles.’

- Mordue and Sweeney, 2017

# CAW/Unifor Ratification Rates, Select Years



# Discussion/Conclusion

- State's role (relative to labour and capital) has evolved amid active industrial policies since recession
- Important to consider the 'double-edged' dynamism of labour's agency within GPNs
- In this case, capital's power has increased vis-à-vis labour and the state since recession
  - Is this the new normal? Or just one empirical example?