

Labour's 'do-or-die challenge'

ECONOMICS: The movement needs rapid rejuvenation or it risks collapse, author and union economist Jim Stanford says

BY PAUL LUKE
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Union economist Jim Stanford gives modern capitalism a mark of C-minus but you've got to wonder if he would hand the labour movement a grade that high.

Stanford, who works for the Canadian Auto Workers union, admits unions are in a tight spot as Canada prepares to mark Labour Day.

In B.C., union penetration shrank to 30.3 per cent at the end of last month from 35.7 per cent 10 years earlier. Offshoring, outsourcing, privatization, public sector downsizing and hemorrhaging in forestry have taken a toll on labour.

Vancouver's right-wing Fraser Institute argues in a new study that unions hurt productivity, profitability and investment.

The employer-backed Canadian LabourWatch Association, no friend of labour, insists unions are becoming irrelevant. Seventy-seven per cent of non-unionized working Canadians have no interest in being unionized, according to a poll released this weekend by LabourWatch.

No wonder Stanford says he downs two "socialist Prozac's" with his orange juice each morning.

"The labour movement faces a do-or-die challenge. We have to revitalize and counter declining unionization," he says in an interview. "Otherwise, we will go the way of the dodo bird, like the American unions have."

That, Stanford says, would be a huge threat to Canadians' economic well-being. No society in history, he argues, has been able to achieve and sustain mass prosperity without strong unions.

Labour may worry about being nibbled to death by Fraser Institutes and LabourWatches but a bigger threat to its survival could be what Stanford calls "the false ideology" of workers' powerlessness to effect change.

"At the beginning of the era of what we call neoliberalism, Margaret Thatcher said, 'There is no alternative,'" Stanford recalls.

"It's the idea that this is how the world is — it's dog eat dog, there are rich and poor, you have to scramble for survival, and there's nothing you can do about it.

"That idea is 100-per-cent false."

Stanford, who has a PhD in economics, tries to dispel that sense of helplessness by de-mystifying the current system and suggesting alternatives in his new book, *Economics for Everyone: A Short Guide to the Economics of Capitalism* (Fernwood Publishing).

Stanford hopes his book's explanations of the economic facts of life will empower people to push the system to change.

Perhaps Stanford's most radical idea — and it may be equally radical for the left — is that attempts at economic reform will never succeed if workers stick to an agenda of simply redistributing Canada's pie of wealth.

Rather, people should push to expand the size of the pie and improve its quality, he argues.

They can do this by creating Stanford calls "a high-investment, sustainable economy" — an economy that nurtures business capital spending and respects environmental constraints.

Stanford's alternative would adopt elements of relatively benign Scandinavian capitalism such as intensive public spending on education, health and labour-force mobility. It would also embrace aspects of the Asian model of capitalism — policies that support targeted industries and an effort to manage foreign trade and investment.

A rejuvenated labour movement, ironically, might be just what it takes to save Anglo-Saxon capitalism from excesses such as planetary eco-destruction and grinding poverty.

Not that Anglo capitalism is about to self-destruct. If despair and resignation in the face of current conditions are unwarranted, so is the complacent belief that capitalism will eventually collapse, according to Stanford.

Capitalism's flexibility and staying power should be respected, he says.

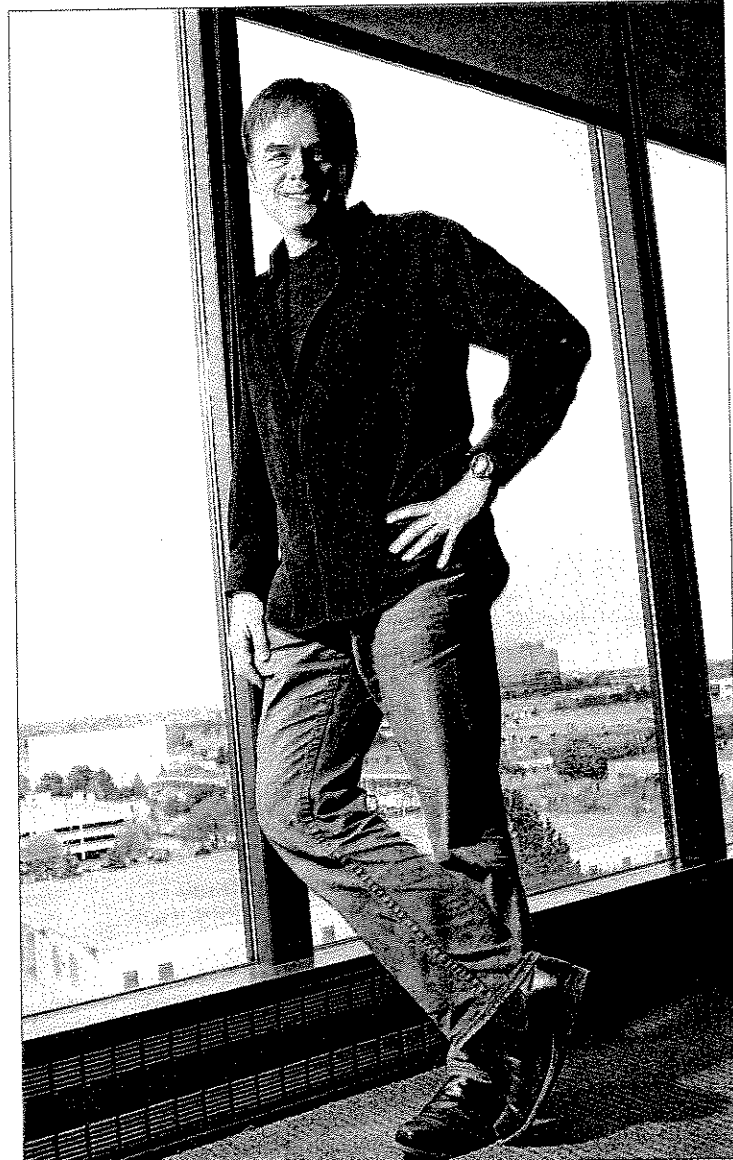
"The system is unlikely to break down of its own accord," Stanford writes.

"The only factor that poses a genuine challenge to the current order is the willingness of human beings to reject the injustice and irrationality of this economy."

Stanford is optimistic that in the long run people will stand up to demand a better world.

That's a vision he can toast without anti-depressants.

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Union economist Jim Stanford believes that people will rebel against the excesses of capitalism and stand up to demand a better world. — NATIONAL POST