

Jeffrey Rothstein

When good jobs go bad: Globalisation, de-unionisation and declining job quality in the North American auto industry

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Twenty years ago, when Jeffrey Rothstein planned his research for this book, opposition to unrestrained economic globalisation appeared to be a default position on the left. Post Trump and post EU referendum, and faced with new battle lines between an established neoliberal/liberal agenda and a protectionist economic nativism, many on the left have thrown in their lot with the former. To oppose free trade is to oppose the rising economic tide that has lifted all of our boats.

When Good Jobs Go Bad questions whether the tide is rising at all. Rothstein notes that concerns about globalisation typically focus on its most obvious victims, such as the hyper-exploited sweatshop workers hidden behind global brands. His book instead examines what is happening to the ‘good’ jobs – in this case jobs in the North American auto industry – and shows convincingly that the same pressures apply. Auto work was largely responsible for the rise of the ‘blue collar middle class’ and still provides some of the best unskilled jobs available, but these are now less well paid, more intensive and, crucially, far less well unionised than before international competition made its impact.

GM opened its Mexican plant in 1994, following the NAFTA trade agreement the previous year. The jobs on offer were secure and comparatively well-paid. GM was not explicitly anti-union, but was able to sign exclusive contracts with compliant ‘ghost’ unions. Lack of effective representation on this greenfield site made it possible to mould a new work regime, loosely based on the principles of ‘lean’ production. North of the border, wage differences already existed between plants, reflecting relative union strength, and Mexican competition prompted a destructive rivalry between states and between locals as good jobs were made progressively worse in the search for elusive competitiveness. Rothstein makes it clear that this is not simply a matter of cheap Mexican imports threatening US jobs. Competition for investment at the national and regional level has pushed wages down and, indirectly, led to the worsening of conditions in both countries.

The empirical centre of the book is a systematic comparison of three GM plants, two in the USA and one in Mexico. Rothstein compares the rhetoric of ‘lean’ with the messy reality, which was markedly different in the three cases (without any demonstrable effect on relative productivity). Rothstein is even-handed, pointing out that not all components of lean are inherently anti-worker. But these components are adaptable to production priorities and costs; team-working, for example, is easily jettisoned. Once portrayed as the ‘antidote to Taylorism’, lean has in fact entailed

greater standardisation, making it possible to keep workers in “near constant motion” - 55 seconds in every minute in this case (p.34).

Whipsawing, i.e. forcing concessions under threat of closure, is clearly a ‘race to the bottom’, but in GM it was a race between US plants, not just between countries. The race is fuelled by competitive subsidies and by unions that have been rather too keen to “sell concessions... as a new era of labor-management cooperation” (p76). Tracing the effects over five years, Rothstein describes how the internal migration of large numbers of displaced US workers – the ‘GM Gypsies’ – was used to disrupt established work routines and break down the previously sacrosanct principles of seniority and of equal pay. Moving desperate employees to the work created a two-tier divide which could then be exploited in collective bargaining. Rothstein’s account ends in 2007, but attacks on pay and benefits have continued, with the two-tier workforce still a source of vulnerability.

This is a sobering read, but the final chapter explores some more hopeful possibilities. Rothstein insists that abstract market forces alone are an inadequate explanation for the union-hostile North American environment. Comparing his case studies with the historically more union-friendly German industry, he argues that bad jobs are not inevitable, even in a competitive market. From a US perspective, the European grass is certainly greener, but we should also note the pressures (global and European) prompting German pay restraint, as well as the effect of labour market ‘reform’. The trajectory seems similar in both cases, even if the speed is different. Bearing this in mind, Rothstein’s reference to an ‘alternative globalization’ may seem a little anachronistic.

The book finally returns to local, rather than distant transnational responses to the challenge. In Mexico, this depends on the ability of independent unions to establish a foothold despite restrictive collective bargaining laws. For US unions, having ‘formally disavowed’ any attempt to control the work process seventy years ago, the challenge is also to rebuild membership and organisation. Perhaps the main lesson from this book is that there is no trade-off between workplace control and influence. When unions sacrifice the first, they risk losing both.