The Rise of Precariousness in Sudbury's Mining Industry: Union Responses to the Casualization of Work

Introduction

> ' ... [INCO's] direct employment figure masks a new reality that has crept up on Sudbury in the last few years and it should not be lost on every business owner, taxpayer and politician. A considerable number of Sudburians now work for Inco as contractors, rather than as employees' ─ Mick Lowe (Northern Life [Newspaper], 1998: 8-9).

Ontario's mining industry has traditionally been synonymous with well-paying, full-time employment, generous benefits and a production bonus for underground workers. For over a century, unionized Sudbury miners have used their labour power and leverage to catapult themselves into a powerful social force, with political clout that reached 500 kilometres south to the Provincial Legislature, and enough power to capture the presidency of the international United Steelworkers (USW) union in Pittsburgh. However, since the 1970s, Canada's mining industry has experienced restructuring, rationalization of costs and successive economic collapses resulting in "massive job losses, increasing unemployment, poverty and economic dependency, deteriorative living standards and social programs and growing social polarization and strife" (Leadbeater, 2008:8). This shift demonstrates that the movement towards an ever-increasing precarious workforce is not confined to the tertiary sectors of the Canadian economy, but has also bled into the traditionally stable and secure mining industry – what was once the 'labour aristocracy' of the working-class, who, in their heyday enjoyed comparatively higher wages and benefits, greater job security and the protection of a strong union.

Historically, Sudbury, Ontario miners have tended to be among those at the top of Canada's working-class, or the 'labour aristocracy' (MacKenzie, 1973), averaging $81,068 annually as recently as 2012, in addition to bonuses for those directly involved in the actual ore extraction process. But the employment practices of Canadian mining employers have shifted dramatically, dividing the workforce into the traditional, well-paid miners and a growing class of precarious mine workers.

In order to cut costs, streamline their operations and offset overhead expenditures which are not directly related to extracting minerals, transnational corporations in northern Ontario's mining and mining supply industries have increasingly turned to a supplemental local and precarious workforce, consisting of mainly non-unionized 'contract miners'. This paper examines the end of an era of circumscribed employment relations within Sudbury's mining industry, and the beginning of so-called 'open' and 'free' (i.e. libertarian) employer-employee relationships, as viewed from the standpoint of employers. As Braverman (1974) has noted, the *purchaser* of labour power purchases "infinite potential" and is limited only by the capacity of the *sellers* of labour power to resist *incursions* into their working conditions. However:

> [w]hat he buys is infinite in potential, but in its realization it is limited by the subjective state of the workers, by their previous history, by the general social conditions under which they work as well as the particular conditions of the enterprise, and by the technical setting of their labor. The work actually performed will be affected by these and many other factors, including the organization of the process and the forms of supervision over it, if any (Braverman, 1974: 57).

Given that the bargaining agent for the sellers of labour power has the responsibility of whether to relinquish legal control over these "general social conditions," we assert that the mining unions of Sudbury have allowed these conditions to be drastically transformed for the worse – just as the vast majority of western industrial unions have done over the past forty years. In comparing 'reformist' to 'revolutionary' unions, and the tendency of the former to too-easily relinquish control over work, Mann wrote "Reformist unions tacitly abandon wider issues of worker control" (Mann, 1974: 37).

Using a case study approach, we reach back to the beginning of this era of abdication to examine the most significant historic turning points between the 1970s and the mid-2010s so that we might uncover and analyze key moments in which “the general social conditions under which they [the sellers of labour] work” (Mann, 1974: 57) were transformed and thus a labour aristocrat was equally transformed into a member of the precariat (Standing, 2012). In this examination of the erosion of bargaining rights and the rise of subcontract mining, we trace the history and current state of employment practices at one of Sudbury Canada’s major mining employers, the Brazilian transnational, Vale *(Companhia Vale do Rio Doce)*, formerly known as INCO. For the purposes of this article, the terms ‘third party miner’ and ‘contract miner’ are synonymous with the definition of a ‘subcontracted worker’ outlined by Holmes (1986) as:

> ... a situation where the firm offering the subcontract requests another independent enterprise to undertake the production or carry out the processing of a material, component, part or subassembly for it, according to specifications or plans provided by the firm offering the subcontract (Holmes, 1986: 84).

We believe that the degradation of work can be attributed to a shift from direct employment with a major mining company to a concomitant erosion of collective bargaining language and a precarious contract-based relationship. We posit that in subcontracting the hiring of employees to a third party, the mining firm intentionally aims to skirt major provisions of both the federal (Canada) and provincial (Ontario) labour legislation governing and limiting the employer’s power.[1] However weak these provisions may be, these legislative fetters are but the paper wall that separates organized and unorganized workplaces. Citing a list of the unorganized

[1] In the case of Ontario this includes the ‘closed shop’ provisions in the *Rand Formula.* See Kaplan (2009).

that includes precarious workers, Ross et al. (2015) note that “for a growing proportion of the workforce, unionization is simply out of reach” (155).

Manky (2014) claims that “triangular employment relationships tend to hide the ‘real employer,’ which affects the ability of workers to negotiate with the actor that has the power to improve their working conditions” (Manky, 2014: 2). This study finds that while Vale cannot outsource its operations to lower regulation, lower-wage, regimes in an attempt to ‘offshore’ their costs, using triangular employment relationships, they can in fact *offshore their legal responsibilities* while still remaining in Sudbury, thus squeezing all available profits from their directly-employed workforce, and as well as those of their subcontractors. This major shift in the employment relationship could not have been achieved without:

(a) global-corporate demands for labor flexibility and the subsequent expansion of precarious work (Standing, 2012; Varga, 2013);

(b) The state’s return to the neoliberal ideal and its adoption of a ‘flexible labour’ regime in successive global free trade agreements (Bowden 2000; 2003; Crush and Jansen, 2010); The Canadian state’s abdication of its historic responsibility to protect workers (in Ontario, this is in part accomplished via the *Employment Standards Act* and the *Labour Relations Act*, including the *Rand Formula* (Aguzzoli and Geary, 2014; Stanford and Vosko, 2004; Varga, 2013);

(c) union collusion in ‘bargaining away’ the division of labour in successive union agreements over a period of decades, relinquishing shop floor control in exchange for incremental monetary inducements (Mann, 1973; Peters, 2010).

Research Methodology

This paper utilizes semi-structured interviews gathered as part of a case study analysis of the ‘contracting out’ language of the collective bargaining agreement (CBA) between United Steelworkers (USW) Local 6500 and INCO/Vale.[2] Using a combination of convenience and snowball sampling, we conducted fifteen key informant interviews with past and present union officials, former INCO/Vale managers and engineers, and unionized employees engaged directly in mining (and surface milling and smelting) operations. Senior individuals from the mining supply and services sector were also included in the sample. Through the analysis of interview transcriptions several broad themes were selected which reflect the following: (a) the changing work environment from the 1970-2014, including the origins of mining subcontracting; (b) the evolution of contracting-out clauses during negotiations with USW Local 6500; (c) job losses over the period 1970-2014; (d) union responses during this period. Information collected from key informant interviews, CBA language, and relevant economic and historical literature was analyzed in order to understand both subcontracting in Sudbury’s mining industry and the effect on the industry’s unionized employees.

Precarious Work, Precarious Workers

Employment within the service and retail sectors typically feature jobs that are low-skilled, low-waged, with few ancillary benefits, non-union, short-term and are thus grouped under the umbrella of *precarious employment* (Jackson, 2009; Vosko, 2006). As skilled jobs

[2] In April 2015, USW Local 6500 and Vale negotiated a new five-year collective agreement, which contains clarifications in clauses related to ‘contracting out’ language.

dwindle in an economy that has lost much of its manufacturing base, precarious employment has increased exponentially (Jackson, 2009; Stanford, 2008). Precarious employment has risen as a prominent form of employment within Canada and other industrialized countries (Law Commission of Ontario, 2010). Economic instability has resulted in the "erosion of secure forms of paid work typically associated with the standard employment relationship" (Law Commission of Ontario, 2010: 6). The normalization of these new forms of employment relationships has led Standing (2011) to suggest the emergence of a new, globalized, class structure in which the "precariat" is a potential new class. Standing suggests these employees lack the rewards of permanent full time employees and the "temporary labouring status comprises a central aspect of the precariat" (Standing, 2011: 9). But as Palmer (2013) notes:

> This new instalment to what is by now over a three decades-old 'retreat from class' is ironically centred on insisting that old class structures and agencies have been replaced by new ones, albeit class formations that are defined by their distance from structures of class place and the many destabilizations that separate this new precarious class from all previous touchstones of working-class identity (Palmer, 2013: 42).

As argued here, the creation of lower-quality employment versus higher-security, higher-wage, and unionized jobs represents a severe degradation of the employment environment and impacts on community well-being. Workers in today's deregulated economy are more vulnerable, as they have less protection against job loss and do not enjoy the benefits generally associated with full-time employment, but this does not constitute membership in a new class; rather, it is a deepening of the exploitation of what was at one time the top tier of the working class.

Precariousness and Mining

> Since the early 1980s, [...] with the tacit agreement of Local 6500 of the United Steelworkers of America, Inco has quietly contracted out hundreds if not several

> thousand jobs to contractors whose employees are likely to be non-unionized and paid $10 or $12 an hour, compared to the $20-plus per hour earned by the average Inco employee (Lowe, 1998:9).

In 1998, provincial investigative reporter Mick Lowe detailed the growing prevalence of precarious work in an industry traditionally composed of full-time direct employment. Within the mining industry precarious employment manifests itself in the form of subcontracted labour where the firm with ownership of the mine site seeks a third party in order to offload sections of its business that are conveniently interpreted as peripheral to the ‘main business’ of the company.

Examining the shifting nature of work within the mining industry, one finds a complex array of employment relationships developing around core mining activities. Over the past century the tasks centrally-related to the extraction of valuable minerals (ore and precious metals) have mainly been carried out by miners who are directly employed by mining companies. But for the past forty years these duties have been increasingly redirected to third party contractors, who in turn hired the employees for whom they are responsible. The third-party miner may be involved in transportation, maintenance, the skilled trades, construction, or even the operation of machinery that directly extracts the precious ore which is the reason for a mine’s existence. This third party miner is but one leg of a triangular employment relationship, which includes the primary employer and employee (ILO, 2006; Manky, 2014).

The fragmentation of the mining contract relationship in Sudbury has offered the core mining corporations a degree of employment flexibility they would not other have, allowing the primary mining employer to shield themselves from the fluctuations in nickel pricing on the global market. However, decreased union density and the resultant emergence of a precarious class of workers have significantly shifted the working standards within Ontario’s mining industry, which unlike traditional manufacturing operations, cannot be offshored in order to avoid local regulations. As one critic put it: “[e]mployers pick up and relocate if wages and safety standards are lower somewhere else or if workers begin organizing a union” (Van Gelder: 2015). As we stated earlier, one of our major assertions is that corporate employer avoidance schemes have resulted in the extraordinary growth of a non-union supply and service sector and the concomitant erosion of a long-unionized workforce.

The Globalization of Nickel Mining

Since 1971, when employment within the Sudbury mining industry was at its peak, USW Local 6500’s membership has dropped from over 20,000 hourly INCO employees (Robinson, 2015) to about 3,000 in 2015 (KI-L-07/14-003). This decline can be partially accounted for through labour restructuring, technological change and rationalization of costs. In 1971, two-thirds of Sudbury’s labour force worked in mining-related jobs, but by 2006 more than two-thirds of the workforce was located in the service sector (City of Greater Sudbury, 2012).

As Varga (2013) noted, the decline of workers’ rights and labour market security have transformed the composition of a once relatively-privileged working-class into a new precarious class. Over the past few decades Sudbury has witnessed the same trend of rising insecure work that has been experienced in other global mining sectors (Carrington and McIntosh, 2011; Crush and Jansen, 2001). However, the Ontario experience is hardly unique. Mining jurisdictions throughout the world have been transformed by shifting labour dynamics (Kenny and Bezuidenhout 1991; Crush et al., 2010; Bowden, 2003; Manky, 2014). Standing, Sender and Veeks (1996) offer an explanation for this shift as follows:

> Among the reasons for the trends are that contract workers are typically not unionised and do not receive wages negotiated between the unions and mining companies. Contractors have tended to discourage their workers from joining unions. Employees of contractors are generally not covered by death and funeral benefit schemes negotiated by unions with mining companies (Standing, et al., 1996:302).

As Standing, et al. (1996) note, the decline of labour market security has created a newly-expanded precarious class, even in one of the most privileged tiers of the Global North.

The period 2005-2008 was significant for Canadian mining as the industry went through major restructuring which resulted in both mergers and acquisitions by foreign-owned companies (Peters, 2010). In 2006, INCO's six Sudbury mines, mill, smelter and refinery became part of the global mining company Vale (Mills and Sweeney, 2014). This dramatic change in ownership globalized what was the largest Canadian producer of nickel. Almost overnight, Sudbury mine workers went from being employees whose production output comprised 47% of the corporation's revenues, to a mere 4% of Vale's overall global revenues. As Aguzzoli and Geary (2014) write, Vale "went from being a big fish in a small pond to being a small fish in a very big pond" (2014: 597).

During this pivotal transitional moment, Vale adopted an aggressive managerial approach which led to the further erosion of its unionized workforce (Mills and Sweeny, 2014: 19). This change had a serious impact on the union's ability to control outsourcing, weakening union control and making it more difficult for their members to resist the ongoing loss of union jobs. As the number of unionized mining employees *decreased*, a new *non-union* 'Mining Supply and Service' sector emerged *within* the mining industry. Employment within this sector grew proportionally alongside steadily decreasing direct employment within the core mining companies.[3] Today the positions of the two sectors have reversed; the non-union Mining Supply and Services sector has far outgrown the unionized core mining sector.

Dick DeStefano, executive director of the Sudbury Area Mining Supply and Service Association (SAMSSA) claims that Northern Ontario's mining supply and service sector employs some 25,000 people (Chernos, 2011) -- approximately the number of unionized INCO employees in their heyday of the 1970s. This compares to the approximately 3,000 unionized workers in Vale core operations today (KI-L-07/14-003).

An increasingly diversified workforce, and the now-globalized nature of the Sudbury mining industry is a concrete demonstration of the neoliberal agenda which began in the 1970s and has resulted in a weakened ability to enforce provisions of the regulatory regime that governs provincial labour relations.

Neoliberalism & the Rand Formula

Between the 1940s and the late 1970s, Canadians saw a rejuvenated economy that allowed for somewhat expanded job opportunities and an increased sense of financial security. Among other things, this brief neo-Keynesian epoch saw state intervention in multiple economic spheres (McBride & Shields, 1997). The return of neoliberalism in the post-1980s era allowed the market to once again reign supreme as it did during capital's 'Gilded Age' (Burke, Moores & Shields, 2000). This period – very much with us today – saw the wholesale dismantling of the institutions and regulatory mechanisms which served the western working-classes since World War II.

[3] A list of mining-related work conducted in Greater Sudbury Associations Sudbury can be found in Dungan and Murphy, 2012: 73-74.

Just as neoliberalism attacks social entitlements and social programs that support 'the public good', as perpetuating cycles of dependency, so it is that the regulation of private enterprise is viewed by some as rendering unionized employees as 'complacent' or 'unproductive' (McCarthy, 1964). Entitlements – whether social welfare or regulatory fetters which prevent the undue exploitation of employees – are generally viewed as affronts to neoliberal ideals. Among these are the guarantees enshrined in the Rand Formula (Kaplan, 2009), as well as any associated procedures that limit employers' power at the point of production (Burawoy, 1985). For example, Anton (1962) notes that the establishment of the grievance process ensures compliance with the collective agreement, and writes:

> [...] once a trade union has been certified as the collective bargaining agent for a group of employees in a unit appropriate for collective bargaining, certain **compulsory steps** [our emphasis] are required of both union and employer in their attempts to bring a collective agreement into force (Anton, 1962: 51).

Employers are cognizant of the compulsory steps required of both parties, and they realize that challenging a large number of grievances may strain a union's capacity and resources in order to make for a less effective union. In the case of USW Local 6500, the grievance process appeared to be at this point of strain after the 2009-2010 strike. According to our analysis of interview transcripts, subcontracting grievances are the "biggest sore spot" (KI-L-05/14-002) for Local 6500, accounting for approximately "1,000 grievances a year…. [and] 6,000 grievances since 2010" (KI-L-05/14-002). We posit that the strain on union resources may in fact be a tactic which places political pressure on the union in an attempt to overwhelm, distract, and drain the union's resources. Another pressure tactic aiming at taxing union recourses is a recent upsurge of widespread employee terminations. Since 2010 Local 6500 has dealt with forty-two wrongful termination grievances requiring arbitration case preparation. As one key informant put it:

“we’re so overwhelmed with how many issues were dealing with” (KI-L-05/14-002). Added to these employer tactics, the union has been forced to remove new employees from some of the CBA provisions enjoyed by established, senior workers, creating a lower tier of members. As a result junior workers -- whose main experiences include an employment landscape of part-time, temporary, contract and contingency-based employment -- are removed from the struggles of past generations.

We agree with Varga (2013) that younger workers are deprived of good, long-term, secure employment, a condition we believe leads to a weakened union movement. Younger workers “have no nexus to the Rand formula and ...grow up with the feeling that they have no guarantee [of] long-term employment with whoever, and where does their loyalty lie? Loyalty lies with the guys who are giving them work” (KI-L-01/15-001).

Neoliberalism and the Erosion of Collective Bargaining Language

A weakened union movement can be seen not only through a loss of union density, but also in the *devolution* of CBA language where the company and union attempt to craft mutually-beneficial language. In the case of USW Local 6500, contracting out language first appeared in the CBA in the late 1960s. In 1969, one of the major contract issues was subcontracting, and the ensuing four-month strike became another significant turning point. As one key informant stated: “contractors were killing us” (KI-L-01/15-001). This period was the beginning of significant growth in the contracting out of traditionally-unionized jobs which proved to be a challenge for the union, threatening the security of their membership. This trend continues today.

As is the case with other global mining operations, some specialized and highly technical jobs within the Sudbury mining operations have always been off-loaded to third party contracting companies without union opposition. For example, portal and shaft work requires specialized equipment which is rarely used once the mine is operational (KI-L-01/15-001). This is a means of cost cutting for the company since they are not investing in specialized, rarely-used equipment. But as one key informant pointed out

> … [a]s soon as they went from a development to a production, they were supposed to be gone. But they weren't… and that was the big fight that the miners had underground. 1973, 74' it was nasty…. We used to sabotage their equipment, we used to shit in their lubricating machines, their machines, I'm not lying about that…. were up against the company everyday on contracting out, the grievance load will show you that, the grievances that we put in on contracting out on 73', 74', prior to 75' negotiations, were just amazing and it was like almost like hand to hand combat (KI-L-01/15-001).

The management choice to utilize development miners in production created a sensation among unionized INCO miners, and so there was significant retaliation against contracting out during the 1970s. This type of shop floor retaliatory action against 'scab' labour is a regular feature among unionized miners, auto workers, and petrochemical workers alike (Livingstone and Roth, 1998).

Ontario's Regulatory Regime: The Flight from Regulation

The various transformations within the nickel mining industry have been driven by globalization, technological change and a push for the expansion of profits. Short-term profit-taking through financialization has also proven far more attractive to investors than traditional industries like mining (Magdoff and Bellamy Foster, 2014). The rise of neoliberalism, the lure of profits, the demands and opportunities of globalization, shareholder dictates and an impetus to shut down or blunt all *possible* vestiges of workplace regulation, including wages and benefits, workplace control, unionization, health and safety regulations are all the consequences of an ongoing battle to wrest post-War concessions from the hands of an increasingly-muted and underrepresented working-class.

Among the goals of neoliberalism is the avoidance of Keynesian-style government intervention and in the context of Ontario's labour environment this invariably leads to the evasion of current labour laws. This article finds that one of the benefits to employers of subcontracting labour is to deny fair representation to employees, as well as to 'starve' unions of their operational resources. By hiring employees via a third party *subcontracting agency*, the primary employer avoids key provisions of labour law, both Federal and Provincial, including the automatic dues check-off formula (Kaplan, 2009). Additionally, subcontracting often limits worker representation as many contractors are unorganized, limited workers' access to traditional union benefits such as seniority rights, job security provisions, and a grievance procedure.

Contracting Out at INCO/Vale: Union Resistance to Contracting Out

USW Local 6500 has been struggling to strengthen and enforce contracting out language since it was initially added to the 1969 CBA. In addition to the usual bargaining table struggles, individual members fought contracting out at the point of production; in the mines and smelters of Sudbury. Some departments saw contracting out as a greater threat than others. It was alleged, for example, that employees in the transportation department, were more receptive to subcontracting demands:

> …. [T]he transportation guys they were very comfy with the contractors. Because they had jobs for their kids, they had jobs for, when we went on strike they go and work for the contractors…. Guys in transportation department would be right there

> watching these contractors drive back and forth across the gates. And, never say a word (KI-L-01/15-001).

However the underground miners were not nearly as 'welcoming' to contractors:

> No, and that was the big fight that the miners had underground…. Well, we used to sabotage their equipment, we used to *shit* in their lubricating machines, their machines, I'm not lying about that (KI-L-01/15-001).

This caused no small amount of internal conflict within the union itself:

> Every membership meeting there'd be arguments about the contracting out stuff… Between the guys who thought it was an issue and the guys who thought it wasn't. The guys that thought it wasn't would say we got bigger issues than worrying about that we got 65 guys who lost their jobs. Wait a minute, we got 18,000 guys here who could lose their goddamn job if we don't do something about the contracting out (KI-L-01/15-001).

Inter-departmental conflicts further weakened union strength and solidarity by allowing the company to pick away at union jobs, essentially relinquishing control to the company in exchange for short-term payoffs (e.g. bonuses and wage increases) a practice that continued throughout the 1970s and 1980s. The 1982 strike was the first time contractors were permitted to continue production during the strike, performing jobs to keep the mines in limited production. Prior to this strike the company would remove contract workers beforehand, and union members would ensure they did not cross the picket lines.

> Guys wouldn't let 'em in, especially if they were contractors. Now that, certainly that changed and, it was some political shit that went down in terms of the contractors at Garson [mine] during the... [1982] strike. Goddamn contractors were working… I can hear the mine operating so I phone the union hall, I said you know that they're running equipment over at Garson mine, oh ya ya, they're contractors (KI-L-01/15-001).

Thus began a period of grimly accepting 'replacement workers' that continues today.[4]

---

[4] It was only for a short period, during the social democratic government of the New Democratic Party between 1990 and 1995, that 'replacement workers' were prohibited during a strike. Post-1995, Ontario has had legislation in place that allowing employers to hire replacement workers during a strike (Ontario Labour Relations Act, 1995).

The 1991 CBA included significant concessions on contracting out. Now INCO was simply required to furnish the union with a monthly report of its subcontracting activities below $10,000 as well as notify and consult with Local 6500 on contracts over $10,000. Furnished with this data, the union conducted a cost analysis and demonstrated to INCO that its regular workforce could indeed work for less. As a key informant noted:

> They knew [we were] saving [them] millions of dollars [...] at North Mine … at one time there was [sic] 6 million dollars in contracts, just in maintenance for that year and when I brought this to our meeting, even the management wasn't aware that it was out of hand, that bad because anybody can call a contractor as long as you're management. [...] So I showed them our numbers and we ended up building a business case. They hired 12 mechanics [... and saved] 1.5 million a year and they eliminated all the contractors. [...] and so, [this] really benefited the company and we love it as a union because it's [saved the jobs of] 12 members (KI-L-07/14-003).

Despite the business case against it, contracting out changed little throughout the 1990s and appeared to be less of a union priority in bargaining.

The clause obligating the company and union to meet monthly was eliminated in 2000. INCO could now notify the union of contracting out *after* the fact; a significant weakening of union oversight and a relinquishing of workplace control. In this regard, Mann (1973) noted that:

> Reformist unions tacitly abandon wider issues of worker control. They fail to articulate the experience of work deprivation and are often prepared to sign away job control rights in return for wage concessions. But in doing this they help close off alternatives to the workers, and thereby reconcile him [sic] more easily to his deprivation (Mann, 1973: 37).

However, Mann also provided a rationale — a defense of organized workers' grab for pecuniary benefits as one of the very few concessions that can be wrested from the owners of capital. In fact Mann contended that *unions do not betray their members* — rather they satisfy their members' demands:

> … [i]t is now evident that the almost exclusive preoccupation of trade unions with economism is not a mere case of 'betrayal' by their leadership: it is rooted in the worker's very experience, and he [sic] reinforces the union's position. Normally confronted by an employer who will budge on economic but not on control issues, the worker takes what he can easily get and attempts to reduce the salience of what is denied him. Though this leaves him partially alienated, it does not place him, as it were, 'outside' the structure of capitalist society, but rather compromised by it. (Mann, 1973: 32-33)

Although little has changed in terms of contracting out language since 2000, corporate dynamics and company-union relations have dramatically degraded. In 2006, the sale of domestically-owned INCO to the transnational Vale focussed its corporate strategy on cost cutting, including decreasing the directly employed workforce and increasing the flexibility of the remaining employees (Peters, 2010:89). Additionally, Vale "argued that the plan was too costly and undermined the profitability of [its] Canadian subsidiary" (Aguzzoli and Geary, 2014). As a result, they made changes to the pension structure for new employees moving from a defined benefit plan to a defined contribution model.

Years of losses placed the local union movement on the defensive and USW Local 6500 was ill-prepared to continue its fight against contracting out of jobs. The year-long strike in 2009-2010 was unlike any other in INCO/Vale's century-old history. The increasing internationalization of the Canadian mining industry represented by Vale's ownership changed the political landscape for negotiations. As a Brazilian middle-ranking corporate manager at Vale observed:

> We are not giving in, we are not. I do not blame NickelCo [INCO] for having given in (in the past), because they had 35% of their business in Canada and this placed the

> company in a weak situation. We are not in a weak situation (Aguzzoli and Geary, 2014: 601).

In addition to hiring a security firm to thwart the union's actions on the picket lines, Vale continued its mining and smelting operations, bringing in a significant number of replacement workers at a level that had never before been experienced in Sudbury's history. During the strike:

> Vale used its 1,200 contracted staff to do maintenance, upgrading, mining and metal processing. It then had many of its contractors hire more workers in order to ramp up production in early 2010. After upgrading and maintenance work was complete in the plant, estimates from workers inside the operation and out[side] estimated that the mines and facilities were functioning at near 30 per cent of capacity over the course of the year long strike (Peters, 2010: 74).

The 2009-10 strike changed little in the balance of power in negotiations on subcontracting, as the language in the CBA was already weighted heavily in the company's favour. But by 2009 USW was too weak to play an offensive role in their bargaining with the global corporation. The yearlong strike was conducted with the union in a weak position, and labour's most powerful weapon, the strike, was unsuccessful against the global mining giant. As voiced by one manager, during the strike:

> [t]hey (Vale) had never brought in replacement workers before. So all of this is like history being made. Usually when you are in a union you feel protected, but this is the first time they [the union] are probably feeling vulnerable (Aguzzoli and Geary, 2014: 601).

Few gains were made as a result of the strike and it was considered a "significant defeat" (Neigh, 2010). By this point there was a large and growing sector of mining supplies and services and several large mining contract firms, all were non-union, all were able to react quickly to the global economic fluctuations in the demand for nickel. Today, contract workers are deeply entrenched in the daily operations of Vale. The failure to stop the subcontracting of miners is palpable, as seen in the words of one dejected union official: "... we lost total control of all contractors, we end up taking five out and ten come in the back door" (KI-L-07/14-003). We concur with Peters (2010) who suggests the union must undertake new and creative strategies to combat the new corporate agenda including launching "an organizing drive of all the contractors currently working at Vale" (2010:104) and cross-border campaigns.

Conclusion: Precarity in Mining – A Downward Spiral or Renewed Resistance?

> After 1975, Canadian capitalists sought their own cures for their headaches. International competitiveness was their goal, "restructuring" was the remedy, and greater flexibility in corporate operations was the main ingredient (Heron, 1996: 120).

As argued here, subcontracting is an attempt to reduce labour costs, plus weaken the CBA and the representative union through the loss of its membership, resulting in a loss of union bargaining power. Manky (2014) suggests that subcontracting is but a subversive way of degrading the representative union by limiting "workers' abilities to organize, to strike and to bargaining [sic] in at least three ways" (2014: 2):

- "First, there is a 'quantitative effect,' created by the reduction of the core workforce, which usually loses its power to negotiate with the company" (Manky, 2014: 2). As discussed below, this can be found in the Vale/USW Local 6500 case. The interviews conducted with our fifteen key informants confirm that this is the case.
- Second, building on the ILO (2006) discussion of triangular employment relationships, Manky suggests non-standard employment relationships "tend to hide the 'real employer,' which affects the ability of workers to negotiate with the actor that has the power to improve their working conditions. Thus, the attempts to negotiate with, or to organize strikes against, the real employer are harder" (Manky, 2014: 2), as can be demonstrated in the 2009-2010 strike (Peters, 2010), as discussed above.

- Finally, Manky (2014) suggests that contracting out divides the workforce by having subcontracted workers performing the same tasks alongside permanent company employees, creating hostilities and preventing alliances (Manky, 2014: 3). Again, this can be seen in the thematic excerpts from union officials among our key informants. It can also be evidenced in Sudbury's fractious strike history. For example, during the year-long USW-Vale strike of 2009-2010, mining and smelting operations, albeit limited, continued to produce with a contracted labour force which crossed picket lines. Following the settlement of the strike, a significant number of contractors remained in the company worksites, performing the same jobs they had during the strike -- an unheard of act in the period after any other strike. This created deep divisions and hostilities between contract and unionized employees which still exists today.

From the employer's standpoint, what is a modern mining employer to do when faced with a number of highly challenging imperatives? And which possible alternative is the most likely to boost their corporate profits? Mines are by nature an *immovable* and potentially profitable business concern tied inextricably to a particular locality. Their profits are tied to that one geographic place, thanks to the location of a valuable mineral ore deposit. Cast that immovable Sisyphean task – the tunnelling, drilling, removal and smelting of a metal – against a pliable, far more malleable, more easily moveable (or to be precise, *avoidable*) regulatory mechanism. Unlike a manufacturing operation, a mine is *stuck fast*, in one place; this leaves mine-owners with the unpalatable decision of either leaving their investment behind and giving up a potentially profit-making operation, or avoiding regulatory regimes in creative ways.

Of course, a mine-owner may opt to remain and accept less than the optimally-possible rate of profit and the concession of control over one's own operation which invariably comes with regulatory regimes. But there is yet *another* alternative, which is to transform a mining operation and to flex its workforce to the very limits of the state regulation, thereby managing more tightly and 'retaking' domination over one's enterprise. We contend here that Vale has elected to employ subcontractors by any means necessary -- to offshore their legal responsibilities in an attempt to retake 'shop floor control' and increase their profits.

One of the key benefits to employers who subcontract labour is to deny union representation to their contract employees and to deny unions the resources they need to function effectively. By subcontracting to a third party, the primary employer skirts the hard-fought provisions of labour law which supposedly guarantee a closed shop and union security. Thus, a subcontracting agency exists in part to shield the primary employer from their legal obligations under labour law. The primary employer – facing an insecure, atrophied union – may now opt to weaken provisions of the CBA and downgrade their pension obligations (as Vale has recently done). Finally, in diminishing the power of their antagonists across the bargaining table, the primary employer can attempt to *retake* the control over the workplace they believe is theirs to have.

The highly unionized mining sector has traditionally dominated the Sudbury community providing relatively well paid and secure employment, and a degree of power to protect workers from the harsh practices of capital. However, with the rise of neoliberalism and the accompanying loss of unionized workers, mining unions in Sudbury are less able to resist the pressures from capital. The steep rise of contract employment and the emergence of the mining supply sector, demonstrate the challenges faced by mining unions: to retain membership, political and economic power and workplace control.

As evidenced by our interviews, the historic growth of precarious work in Sudbury's mining industry required several preconditions, including widespread demands for labor flexibility, the embrace of a 'flexible labour' regime encased in a neoliberal cocoon, the abandonment of the state's role in the protection of workers and an agreement between workers and unions, each blinded by their pecuniary interests in 'bargaining away' workplace control.

It is not just a question of a rise in precarity in the mining sector; the casualization of mine work also reduces the numbers of core unionized workers and disguises the real employer by shifting work into various 'new' work classifications and settings outside of the CBA. The result is a loss of workplace bargaining power which in turn further erodes unionized workers' ability to counter the power of global corporations. This condition delivers the potential for the severe limitation of the power and influence of unions in society, and a harmful, downward spiral of working conditions for all Canadians.

Reference List

Aguzzoli, Roberta and John Geary. 2013. "An 'emerging challenge': The employment practices of a Brazilian multinational company in Canada." *Human Relations* 2014 (67), 587 originally published online 10 October 2013.

Bowden, Bradley. 2000. "A Collective Catastrophe: Productivity Maximisation and Workplace Bargaining in the Australian Coal Industry." *Journal of Industrial Relations.* 42 (3), 364-82.

Bowden, Bradley. 2003. "Regulating Outsourcing: The Use of Contractors on the Central Queensland Coalfields, 1974-2003." *Labour & Industry*, 14 (1). 41-57.

Braverman, Harry. 1974. Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century. NY: Monthly Review Press.

Burawoy, Michael. (1985). The Politics of Production. New York: Verso

Carrington, K. R.Hogg and A. McIntosh. 2011. "The Resource Boom's Underbelly: Criminological Impacts on Mining Development," *Australian and New Zealand Journal of Criminology*. 44(3), 335-354.

City of Greater Sudbury. 2012. *Key Facts: City of Greater Sudbury – Labour and Employment.* <http://www.greatersudbury.ca/keyfacts/index.cfm?app=KEYFACTS&ct=352&lang=en> (accessed November 25, 2014).

Closs, John. 2008. "Public-Sector Unions in Sudbury" in David Leadbeater 2008. *Mining Town Crisis: Globalization, Labour and Resistance in Sudbury*. Nova Scotia: Fernwood Publishing. 76-87.

Chernos, Saul. 2011. *Sudbury now serves as a hub for global mining services.* <http://www.republicofmining.com/2011/06/06/mining-activity-near-sudbury-ontario-keeps-construction-firms-busy-by-saul-chernos/> (accessed January 13, 2016).

Crush, Ulicki, Tseane and Jansen van Veuren. 2010. "Undermining Labour: the rise of sub-contracting in South African gold mines." *Journal of Southern African Studies*. 27 (1), 5-31.

Dungan, Peter and Steve Murphy. 2012. "Mining: Dynamic and Dependable for Ontario's Future". <http://www.oma.on.ca/en/ontariomining/resources/UofTMiningReport2012Final.pdf> (accessed March 25, 2015).

Foster, John Bellamy. (2014). *The Theory of Monopoly Capitalism (New Edition): An Elaboration of Marxian Political Economy*. NY: Monthly Review Press.

INCO/USW Local 6500 CBA November 1969.

INCO/USW Local 6500 CBA November 1972.

INCO/USW Local 6500 CBA November 1982.

INCO/USW Local 6500 CBA November 1985.

INCO/USW Local 6500 CBA November 1988.

INCO/USW Local 6500 CBA November 1991.

INCO/USW Local 6500 CBA November 1994.

INCO/USW Local 6500 CBA November 1997.

INCO/USW Local 6500 CBA November 2000.

INCO/USW Local 6500 CBA November 2003.

INCO/USW Local 6500 CBA November 2006.

INCO/USW Local 6500 CBA November 2010.

Government of Ontario. Ontario Labour Relations Act, 1995. S.O. 1995. November 20, 2014, c. 10, Sched. 3. <http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_95l01_e.htm> (accessed February 5, 2015). .

ILO (International Labour Organization). 2006. *The Employment Relationship*. International Labour Conference 95th Session, Report No. V. Geneva: International Labour Office.

Jackson, Andrew. 2009. *Work and Labour in Canada: Critical Issues*. Toronto: Canadian Scholars Press.

Kaplan, William. 2009. *Canadian Maverick: The Life and Times of Ivan C. Rand.* Toronto: University of Toronto Press.

KI-L-01/15-001. Key Informant Interview. 23 January 2015.

KI-L-05/14-002. Key Informant Interview. 28 May 2014.

KI-L-07/14-003. Key Informant Interview. 4 July 2014.

KI-L-8/10-004. Key Informant Interview. 10 August 2010.

KI-M-01/13-001. Key Informant Interview January 2013.

Law Commission of Ontario. 2010. “Vulnerable Workers and Precarious Work.” December 2010. < http://www.lco-cdo.org/VulnerableWorkersBackgroundPaper-December2010.pdf> (accessed November 3, 2015).

Leadbeater, David (ed.). 2008. *Mining Town Crisis: Globalization, Labour and Resistance in Sudbury*. Nova Scotia: Fernwood Publishing.

Livingstone, David and Reuben Roth. 1998. “Workplace COmmunities and Transformative Learning: Oshawa Autoworkers and the CAW” in *Convergence* 31(3): 12-23.

Lowe, Mick. 1998. Exploding Myths around Sudbury’s Nickel Mining Industry. *Northern Life* June 21, 1998: 8-9.

MacKenzie, Gavin. 1973. *The Aristocracy of Labour.* Cambridge: Cambridge University Press.

Magdoff, Fred and John Bellamy Foster. 2014. “Stagnation and Financialization: The Nature of the Contradiction.” *Monthly Review.* 66 (01).

Mann, Michael. 1973. *Consciousness and Action Among the Western Working Class*. London and Basingstoke: MacMillan Press.

Manky, Omar. 2014. “Negotiating the Margins: The Trajectories of Subcontracting in the Chilean and Peruvian Mining Industry.”. International Labor Process Conference 2014, Conference Paper. <http://www.ilpc.org.uk/Portals/56/ilpc2014-paperupload/ILPC2014paper-Subcontracted%20Paper_20140329_064555.pdf> (accessed December 15, 2015).

Mills, Suzanne and Sweeney, Brendan. 2013. “Employment Relations in the Neo Staple Economy: Impact and Benefit Agreements and Aboriginal Governance in Canada’s Nickel Mining Industry.” S*tudies in Political Economy.* Spring (91), 7-33.

Neigh, Scott. 2010. 'The Vale-Inco strike comes to a close.' Canadian Dimension. August 7, 2010. <https://canadiandimension.com/articles/view/web-exclusive-the-vale-inco-strike-comes-to-a-close> (accessed November 15, 2015).

ONEDC. (Ontario North Economic Development Corporation). 2010. “Northern Ontario Mining Supply and Services Study. Final Report - Executive Summary.” Prepared by Doyletech

Corporation. Ottawa, ON. June 2010. <http://www.sse.gov.on.ca/medt/ontarioexports/Documents/English/Northern_Ontario_Mining_Supply_and_Services_Study_Executive_Summary_FINAL.PDF> (accessed February 5, 2015).

Palmer, Bryan. 2013. “Reconsiderations of Class: Precariousness as a Proletarianization.” *Socialist Register 2014*. Pontypool: Wales.

Peters, John. 2010. "Down in the Vale: Corporate Globalization, Unions on the Defensive, and the USW Local 6500 Strike in Sudbury, 2009-2010." *Labour/Le Travail.* 66: 73-106.

Robinson, David. 2015. “Employment Numbers for Inco/Vale and Falconbridge/Xstrata in Sudbury (1928 to 2010).” *Labour Force Data Network. Institute for Northern Ontario Research and Development (INORD).* <http://inord.laurentian.ca/LFDB/Datasets_page.html> (accessed January 5, 2016).

Ross, Stephanie, Larry Savage, Errol Black and Jim Silver (2015). *Building a Better World: An Introduction to the Labour Movement in Canada.* Halifax & Winnipeg: Fernwood.

Seguin, Homer. 2008. *Fighting for Justice and Dignity: The Homer Seguin Story, An Autobiography.* Toronto: United Steelworkers (USW).

Standing, Guy. 2011. *The Precariat: The New Dangerous Class.* London: Bloomsbury.

Standing, Guy. 2012. "The Precariat: From Denizens to Citizens?" *Polity*. (44) 4, 588-608.

Standing, Guy. 2014. *A Precariat Charter: From Denizens to Citizens.* London: Bloomsbury.

Standing, Guy, John Sender and John Weeks. 1996. *Restructuring the Labour Market: The South African Challenge, An ILO Country Review*. Geneva: International Labour Office.

Stanford, Jim. 2008. *Economics for Everyone: A Short Guide to the Economics of Capitalism.* London : Ann Arbor, MI : Pluto Press.

Stanford, Jim. and Leah Vosko (eds.). 2004. *Challenging the Market: The Struggle to Regulate Work and Income*. Montreal/Kingston: McGill-Queen’s University Press.

Van Gelder, Sarah. 2015. “A Brief History of Happiness: How America Lost Track of the Good Life—and Where to Find It Now”. <http://www.yesmagazine.org/happiness/how-america-lost-track-of-the-good-life-and-where-to-find-it-now> (accessed January 5, 2015).

Varga, Joseph J. 2013. Breaking the Heartland: creating the precariat in the US lower rust belt. *Global Discourse.* 3 (3-4): 430-446.

Vale. 2015. Sudbury Operations. <http://www.vale.com/canada/en/business/mining/nickel/vale-canada/sudbury/pages/default.aspx> (accessed December 21, 2014).

Vosko, Leah (ed.). 2006. *Precarious Employment: Understanding Labour Market Insecurity in Canada*, Montreal and Kingston: McGill-Queen's University Press.