

Peripheralization of the Centre: W(h)ither Canada? - Revisited -

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It has been over two decades since my article on the peripheralization of the centre was written, and a long time since I had taken a look at it.² When I was asked by the editors of *Alternate Routes* to revisit the article, my first thought was that it might simply be a curious exercise in nostalgia. A lot has happened since 1988, but it was interesting to discover that much of the analysis of the article still holds. With continuing global economic restructuring, or globalization as it came to be called in the 1990s, and the neoliberal politics of deregulation, privatization and free trade, the world economy has become ever more integrated under the control of transnational corporations and their respective states. The negative impact on work and welfare has been considerable. Though unanticipated, the original *Alternate Routes* article provided the basis for my continuing exploration of these trends.³

Peripheralization of the Centre

In the *Alternate Routes* article I had succinctly defined peripheralization as “the transformation of high-wage, liberal-democratic societies into low-wage, authoritarian societies” (Broad, 1988: 5). Let me comment on the main thesis of the article, and then I will turn to its relevance for current trends. The thesis of peripheralization of the centre, as put forward by a number of authors cited in my original article, is drawn from world systems analysis. World systems and dependency theo-

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² To give credit where credit is due, my original *Alternate Routes* article began life as a doctoral paper for a graduate seminar led by Professor Dennis Olsen. While absolving him of any blame for the final product, I wish to thank Dennis for providing a stimulating educational environment, and will put in a plug for his excellent book *The State Elite* (Olsen, 1980), which needs to be ranked along with books by John Porter (1965) and Wallace Clement (1975; 1977) as one of the seminal publications from the Carleton School of Sociology.

³ See Broad, 1991; 1995a; 1995b, 1995c; 1997; 2000a; 2000b; and Broad & Antony, 2006.

ries posit that the capitalist world economy is a product of colonialism and imperialism, which has divided the world into an interlinked system of centre-periphery relations of unequal exchange, with centre (First World) domination of peripheral states and regions (the Third World).⁴ Initially, the classical international division of labour (CIDL) of colonialism caste peripheral regions was as suppliers of labour power and raw materials for industrialization of the centre. Imperial centres went so far as to destroy budding industries, such as British destruction of the textile trade in India, or central Canadian erosion of 19th Century industries in Maritime Canada after Confederation (Acheson et al., 1985; Brym and Sacouman, 1979).⁵ The CIDL lasted through the eras of mercantile and industrial capitalism into the 20th century, but changed in the 1960s and 1970s with the advent of a new international division of labour (NIDL) (Frobel et al., 1980), which saw increasing industrialization of the periphery. There had, of course, been industrialization of some peripheral states, such as Argentina, in the mid-20th century, while the major imperial powers were embroiled in World War II on their home fronts. This is referred to as import-substitution industrialization (ISI) by Third World scholars (Klaren and Bossert, 1986).

Imperial domination of the globe resumed after WWII under US tutelage, and with it the re-peripheralization of the Third World.⁷ But by the 1960s, growing labour strength and expanding welfare-state legislation and state welfare services in the First World were contributing to a decline in profit rates (Kotz, 2003). This prompted transnational capital to promote the NIDL as a way to cut production costs and escape organized labour and First World regulatory regimes. In the Third World this brought industrialization based on superexploitation of labour (Frank, 1980; 1981). The flipside was a combined deindustrialization and reindustrialization of the First World, which included increasing unemployment and underemployment, restructuring of work, assaults on organized labour and the welfare state. This involved the shift from Fordism to flexible production regimes much discussed in the sociology of work. It is these processes of neoliberal globalization that led to

⁴ The post-World War II era of the Cold War resulted in the terminology of First World to describe the developed capitalist countries, generally found in the Northern hemisphere, Second World to describe the nominally socialist countries of the so-called Eastern Bloc, and Third World to describe the underdeveloped countries, found mostly in the Southern hemisphere. Hence the terms North and South are sometimes applied to the First World and Third World. Dependency theorists have also used the term sub-imperialism to describe the larger countries of the Third World, such as Brazil and South Africa. World-systems theorists have used the term semi-periphery to describe these countries, which lie between the centre and periphery in economic and political power. Some authors (e.g., Amin, 2004) now refer to certain countries in Africa, which have been largely marginalized from the world economy, as the Fourth World. This term has also been applied to the situation of many of the world's indigenous populations.

⁵ Dependency theorists writing in Canada and elsewhere have applied the concept of centre-periphery relations to political-economic relations within as well as between countries.

⁶ In my article I had quoted Frobel et al. (1980: 45) as saying that the NIDL "should be understood as an ongoing process, and not a final result."

⁷ With the breakup of the Soviet Union in 1989, we witnessed the same process with the re-peripheralization of countries in Eastern Europe by the West (see, e.g., Rosenberg, 1991).

erosion of living and working conditions and the trend referred to as the peripheralization of the centre.

When I was discussing the peripheralization process at a conference of Cuban, Latin American and North American social scientists and philosophers in Havana in 1997, one North American participant challenged the peripheralization thesis by saying that there is still a significant degree of difference between First World and Third World working and living conditions. My response was to agree, though noting the plight of many indigenous populations, immigrants and peoples of colour in First World countries, and to point out that we are talking about a trend, not a *fait accompli*.⁸ Indeed, authors like Samir Amin contend that the First World domination of the Third World persists despite industrialization of peripheral zones. Amin (1994:17) asks: "Is third world industrialization the start of a geographical spread of capitalism that will gradually obliterate the center-periphery polarization? Or will the polarization be replicated in new forms? If so, what forms?" His answer is that "The most dynamic central capitalist powers benefit from all kinds of monopolies on a world scale" (Amin 1994: 208). Of particular note are financial and technological monopolies, and the military monopoly that the United States in particular holds.

Disposable Labour

Despite observable differences between the First and Third Worlds, there has clearly been an erosion of living and working conditions in centre countries like Canada. We have seen high levels of unemployment and underemployment, with increasing labour market insecurity and stagnation in real wages since the 1970s. Writing in the mid 1990s, I referred to six processes affecting work: (1) the degradation of labour; (2) the feminization of labour; (3) the housewifization of labour; (4) the informalization of labour; (5) the casualization of labour; and (6) the peripheralization of labour (Broad, 1995c). The first two processes will be familiar to most readers, degradation of labour having been discussed by Braverman (1974) and numerous labour process writers, and feminization of labour being a common theme in feminist writings on work. The notion of housewifization of labour was developed by a group of German sociologists to describe the ways that both the workforce and work itself were taking on the characteristics of housewifery (Mies, Bennholdt-Thomsen and von Werlhof, 1988).⁹ Increasingly, work was becoming low status, low paid and ostensibly low skilled, but with employers expecting the ingenuity and output typical of housework.

⁸ In my article I had quoted Frobel et al. (1980: 45) as saying that the NIDL "should be understood as an ongoing process, and not a final result."

⁹ See page 12 of my *Alternate Routes* article (Broad, 1988).

Related to the housewifization of labour is the informalization of labour, a major concern for the International Labour Organization (ILO), which has been noting the prevalence and increase of informal economic activity across the globe. The ILO's concern is that this unregulated work is incredibly low status and low paid, with no job security. While the ILO focuses mainly on the Third World, some authors have been noting that informalization is a process that has advanced in the First World as well (Portes et al., 1989; Tabak and Crichlow, 2000). We see this especially where there are concentrations of immigrant and migrant labour in the centre, particularly in what are called global cities (Sassen, 1994). The ILO has a "decent work agenda" which includes, among other things, the need to improve working conditions in the informal sector. To do so, the ILO advocates formalization of the informal sector, but this misses the point that capital has always relied upon and continuously cultivates the informal sector for reproduction of labour power and access to cheap labour that can easily be disposed of (Broad, 2000b). Such labour can include home-based production, and production in informal workshops that is integrated into worldwide commodity chains. This has been commonly noted in production of textile and electronics goods, but can also be found in service work such as data processing and telemarketing.

Regarding the casualization of labour, British researchers began to note in the 1980s that more and more workers were being employed in part-time, temporary and contract positions (e.g., Allan and Wolkowitz, 1987), sometimes referred to as non-standard work because it does not have the security and working conditions of the full-time jobs of the post-WWII Fordist era (Broad, 1997; 2000a). Casualization is a structural trend and not simply the result of recessionary cycles, though there has generally been an increase in casualization during recessions, but with absolute increases in non-standard labour not disappearing in subsequent recoveries (Broad, 2000a; Pupo and Thomas, 2009).

Overall, these trends affecting the economy and work have continued to lead to deterioration of working conditions and welfare for many workers, as forecast by the now defunct Economic Council of Canada in its studies on good jobs and bad jobs in the service economy (ECC, 1990; 1991). But this prognosis did not stop a blossoming of studies in the later 1990s on a so-called New Economy of the information age that predicted an expansion of good jobs based on new information and communication technologies (ICTs), following earlier post-industrial society themes of writers like Daniel Bell (1973). The prognosis was that Canada, along with other First World countries, would witness a boom in New Economy jobs, and there was, in fact, an emergence of good jobs in ICT areas, but there was also a growth of many more drone jobs in this New Economy as well, not to mention the continuing loss

of jobs that new technologies often brings (Broad and Antony, 2006). Some authors questioned the actual significance of the New Economy, and pronounced it dead with the dot-com crash of 2000-2001 (Henwood, 2003). The introduction of ICTs did, however, contribute to a trend of employment polarization and a declining of middle incomes and jobs, which also became a research theme in the 1990s. And while some workers benefited from the ICT boom for a time, Ross (2004), for example, provides case studies of the fallout for the favoured high tech workers when New Economy industries crashed, followed by the subsequent casualization of many of these jobs (Ross, 2009). Much high tech work like computer programming is now outsourced to Eastern Europe, the Third World, where workers are paid wage much lower than in centre states of the world economy.

Neoliberal Politics

In 1988, when I was writing the original article for *Alternate Routes*, the political trends of the time were being referred to as neoconservative, based on a so-called new conservatism epitomized by the regimes of Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States. But because the political economics of this movement showed more affinity for classical liberalism than classical conservatism, neoliberalism soon became the term globally applied to the restructuring programs, which drew heavily on classical liberal thinkers like Adam Smith (1776).

There has been much discussion in the era of neoliberal globalization about the changing role of the capitalist state (McBride, 2005; Teeple, 2000). What we might call the *neocon con* was that the state would be shrunk. However, we have seen that, under neoliberalism, the state has not been downsized, but rather has assumed different emphases. In my article I had discussed the shift from liberal democracy to authoritarianism, from the Keynesian welfare state to free market policies. At the time (1988), Canada had signed a major free-trade agreement with the United States, which was followed by the North American Free Trade Agreement (NAFTA), formally incorporating Mexico in 1994. Clearly the rule of free enterprise was to be fully unleashed, with privatization, deregulation and cuts to social services being the order of the day, many governments announcing that they were “open for business”. General Pinochet’s Chile served as a model for Grant Devine’s Tory government in Saskatchewan in the 1980s, based on Milton Friedman’s Chicago school of economics. And despite obvious failures of liberalism and neoliberalism around the world (Wallerstein, 1995), the belief in neoliberalism persists. In the wake of the 2007 financial crisis we saw state bailouts of the failing finance sector, along with some other industries such as automobile manufacturing. But as state deficits have predictably mounted, we now see neoliberal politicians, economists and businesspeople calling for cutbacks to state spending on public

programs. So once again, market economics are being used as an excuse to attack programs for the working class, while the wealthy have literally laughed all the way to the banks.

With regards to work, we have seen a shift from welfare to workfare policies in Western states (Peck, 1996; Vosko, 2000; Broad and Hunter, 2009). Social assistance programs have been cut back, made more difficult to access, and restructured to emphasize promotion of labour market attachment, sometimes even for those mentally or physically unable to participate in the labour market. Unemployment insurance programs have also been restructured and made more difficult to access, and treated more like social assistance programs than social insurance programs, with the Canadian system being euphemistically renamed “Employment Insurance”.

As for the shift to a more authoritarian state discussed in my original article, we still have the trappings of democracy in Canada, though it is too often observed in the breach. Political commentators have noted for some time now that Western governments have moved to more executive decision-making, bypassing parliamentary procedures, and Canada is no exception. An example was the negotiations for the Multilateral Agreement on Investments (MAI) through the Organization for Economic Co-operation and Development (OECD) in 1995-1998, which bypassed parliamentary processes in Canada and other countries. This move to executive rule has become especially obvious under the reign of Steven Harper, who assumes the persona of an emperor. *The Globe and Mail* even ran a political cartoon on its editorial page after Harper’s first 100 days in office likening him to Napoleon. Harper’s successive minority governments have taken Canada further down the path to a military state, the case of Canada’s participation in Afghanistan being a prime example. Prior to the Afghan engagement, Canada had a formal reputation as a peacekeeper, serving mainly under United Nations auspices. But under Harper, Canada has become more clearly a puppet of US foreign policy.

Within Canada, the state has continued a generally anti-labour stance previously identified by writers like Panitch and Swartz (1985).¹⁰ This stance is sometimes obscured if we view only the federal level, because Canada’s provinces have jurisdiction over much labour policy. Looking at the provincial level, we have seen numerous neoliberal programs of deregulation, privatization and anti-labour legislation since the 1980s. Most recently, in my home province of Saskatchewan the government of Brad Wall has passed Bill 80, allowing more non-union hiring in the building trades, and since taking office has persistently taken an anti-labour approach of attacking trade union rights and deeming many jobs to be “essential services,” therefore not allowing strike action. Federal, provincial and municipal

¹⁰ Panitch and Swartz’ book *From Consent To Coercion: The Assault On Trade Union Freedoms* was updated and expanded twice, most recently as Panitch and Swartz, 1993.

governments have also shown their teeth with strong police presences at recent events such as protests against the Winter Olympics in Vancouver and the G20 meetings in Toronto.

The essence of parties and governments like that of Harper is anti-democratic, despite frequent self-proclamations to be saviours of the people from the state. There is a libertarian populist streak to these governments, but very much tempered by right-wing ideology, and a strong “law and order” streak. Ideology clearly trumps democracy, as we have seen with the recent debate over the Canadian Census, with the Harper government wanting to shorten and gut the Census. Ostensibly this is because the mandatory long-form Census is a state intrusion on citizens’ lives. But critics have argued that the stance taken really reveals the Harper government wanting to dispense with a data source that provides information that can be used to counter the Tories’ very ideological positions taken on political and social issues like crime and poverty. Fortunately, significant numbers of Canadians have come out in opposition to the Harper government on this issue.

Overall, working and living conditions have continued to deteriorate for many people since the 1980s (Jackson, 2009). In the labour market we see continuing high levels of unemployment and underemployment, with the latter often masking the former. The numbers of unemployed and underemployed youth are especially high, and many aboriginal people and immigrants are either marginalized or superexploited in the formal and informal economies. In western Canada we see frequent reporting of deplorable conditions for migrant workers in the meat-packing industry which, for example, led to an important union drive in Brooks, Alberta.

Women in Canada have made some gains, but continue to be found in inferior positions in the labour market, and subject to the double day of formal and domestic work. One area that is still sadly neglected in Canada is child day care, despite the significant research that shows both the need for, and benefits of child care for families, women workers and for children’s development.¹¹ Despite a 1989 all-party vote in the Canadian Parliament to eradicate child poverty by the year 2000, the fact that one in five Canadian children live in poverty is an international disgrace.¹² The situation of Aboriginal children in Canada is especially disgraceful, and certainly warrants Third World comparisons. And the Harper government has further embarrassed Canadians by being one of only four governments in the world to vote against the United Nations Declaration on the Rights of Indigenous Peoples.¹³

¹¹ The Child Care Resource and Research Unit at the University of Toronto is a good source for materials on child day care. See www.childcarecanada.org.

¹² The Canadian Centre for Policy Alternatives provides useful studies on employment, poverty and other social issues in Canada. See www.policyalternatives.ca.

¹³ The four governments were Canada, the United States, Australia, and New Zealand, but with the subsequent election of a labour government Australia ratified the Declaration.

Global Resistance

In my original article, I would have to say I was a bit too sanguine regarding the probable success of opposition struggles. But there have been successes, not least of which is the ability of the labour movement in Canada to maintain a fairly high union density. While US labour is now only 12 percent unionized, a third of Canada's workers are still unionized. Activists were successful in thwarting the undemocratic behind-closed-doors negotiations of the Multilateral Agreement on Investments, and were also successful in fights against plans to expand private-public partnerships (PPPs) in Canada (Loxley and Loxley, 2010). The Council of Canadians and others have persistently fought the privatization of Canadian water. Anti-poverty and social activists have shown a strong presence in opposition to authoritarian and inequalitarian thrusts of G8 and G20 meetings in Quebec City and Toronto, and the Winter Olympics in Vancouver. In these struggles we have seen the state trying to implement anti-insurgency tactics that have been the norm in the Third World, including the struggle for "hearts and minds" through ideological means. There has not been the same level of oppression here, but the Canadian government has certainly been guilty of complicity in extreme repression in its participation in conflicts such as that in Afghanistan, promoting warfare, not welfare. Fortunately, Canadian activists have also been involved in global rights struggles, including participation in the World Social Forum, the global movement of movements. Trade unionists have been active in making linkages with Third World workers with, for example, the United Steelworkers, which represents 850,000 workers in Canada, the Caribbean and the United States, recently announcing plans to form an international union with the National Union of Miners and Metal Workers, which represents 180,000 workers in Mexico (La Botz, 2010).

I noted in my original article that the biggest obstacle in the fight to improve living and working conditions globally is the ideology of liberal individualism, and this is still the case. The neoliberals have been quite successful at appealing to people as individuals, using ideological and practical attacks on the welfare state, trade unions and so-called special interest groups, meaning any group that opposes their right-wing views. But despite right-wing efforts in Canada, and despite the disarray of formal opposition parties and informal opposition political groups, the Harper government has not managed to win a majority government in Canada after three elections. This in itself is a good sign for those of us interested in promoting social justice, and bodes well for continuing struggles against both the peripheralization of the centre and for global rights generally.

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