

## Rebuilding our Power: Organising Precarious Warehouse Workers in Canada

By Mostafa Henaway

The logistics revolution over the past twenty-five years has become a central feature of globalisation, leading to the rise of global corporate retail giants such as Walmart, Amazon and Sports Direct. This revolution is fuelled by their ability to move goods as quickly and as cheaply as possible from the global South to the global North. 'Wal-Mart may be widely known as a mammoth retailer, but in the world of business management it is known as a logistics company' (Cowen 2014: 192).

The increasingly complex supply chains which source cheaper goods are based on just-in-time production and deregulated labour markets, so the modern corporation has also restructured its logistics, creating a flexible, low-wage and exploitable workforce across warehouses and distribution centres. According to the Financial Times,

The people here are not day labourers looking for an odd job from a passing contractor. They are regular employees of temp agencies working in the supply chain of many of America's largest companies – Walmart, Macy's, Nike, Frito-Lay. They unload clothing and toys made overseas and pack them to fill our store shelves. They are as important to the global economy as shipping containers and Asian garment workers. (Gabrell 2013)

These precarious and often non-unionised workers work at the 'choke-points' of capitalism (Allen 2015). Yet realising their immense power to halt the global economy will require a new strategy amongst labour activists and trade unions. An example is the Immigrant Workers' Centre (IWC), which organises precarious migrant workers in the warehouses of Dollarama, the largest discount retailer in Canada.

### Dollarama in Canada

According to Industry Canada,

The sharp increase in international trade in Canada since the early 1990s has boosted the expansion of global supply chains and propelled logistics activities to the forefront of business strategy. This can be seen in Canada's West Coast container port traffic, which increased by 592% between 1990 and 2010. (Industry Canada 2011)

Managing logistics networks and profit by lowering labour standards across the board has led to an explosion of both precarious work and extreme wealth in Canada. As inequality has increased in an era of neoliberalism, so has the growth of retailers who cater for the wealthy been accompanied by the growth of retailers catering for low-income clientele. This has enabled the stellar growth of Dollarama, a Montreal-based corporation.

Once a small chain of discount dollar stores, Dollarama Inc. has become the largest discount retailer in Canada. It has net sales of US\$745 million annually. With more than 1 000 outlets, it has a workforce of 17 000, mainly part-time, minimum-wage workers (Dollarama, 2014).

Dollarama has built its extreme wealth on a simple model: sourcing the cheapest possible commodities from the global South, centralising its distribution network at the lowest possible price, and an unorganised, low-cost, flexible workforce. According to Dollarama's annual report, its greatest financial risks are disruptions to distribution, labour costs, and unionisation (2014). Like Walmart, its business model relies on moving a large volume of goods rapidly, because profit margins are extremely low. Dollarama's distribution network is vital to its operations. It has five warehouses, and uses one central distribution centre. It claims that 90% of all of its commodities pass through the distribution centre directly to its retail outlets.

Dollarama adopted a labour regime of 'permanent temps' to control labour costs. Workers are managed by temporary agencies regardless of how long they have worked for Dollarama, limiting unions' options for organising and creating structural insecurity. Dollarama's innovation has been to contract five different agencies to provide 1 000 to 1 400 workers to make sure its distribution centre and warehouses operate 24 hours a day. It can make productivity gains by simply placing immense pressure on its workers. As one worker said about the conditions, 'I was surprised that in an industrialised country like Canada, you could have places where people work more than machines' (Koch 2013).

Dollarama gives no health and safety training and denies its warehouse workers basic rights to health and safety equipment, whose costs are downloading workers via agencies, which charge workers for the equipment - which is illegal under Quebec labour law. Workers work into their break, fearing that they could be let go if they do not reach their quotas. Basic labour standards regarding dismissals are disregarded because workers are tricked into believing they are 'day labourers' without rights.

Employers are able to act with a sense of impunity towards their workers because the workers are, overwhelmingly, new immigrants. Agencies have tailored recruitment to migration patterns to fill their need for cheap labour power. For new immigrants, temporary agencies become a quick entry point into the labour market, which allows them to circumvent structural barriers such as temporary

immigration status and non-recognition of previous work experience, but then traps them into low-wage precarious work.

Such conditions are not peculiar to Dollarama but prevail across warehouses and the logistics sector in Canada. As corporations require a cheaper flexible workforce, agencies have become vital in this sector.

### Organising the nodal points

As capital develops new strategies, unions also need new strategies. The labour movement needs to be willing to change course to develop forms of organisation that can bring about a labour renewal relevant to new layers of workers.

The IWC in Montreal is one of several recent attempts to develop new models of organising to build a collective leadership amongst precarious sections of the working class.

Major top-down union campaigns and traditional methods of organising individual workplaces have not dented the corporations' strength in the retail and its supply chains. The 'Our Walmart' campaign gained international media attention and tapped the resources of unions, but has not succeeded in organising a single Walmart site. So the labour movement needs to focus on building workers' power where it can, and acting like a movement again.

The IWC has focused its approach on building membership-based worker-led organisations beyond the workplace, such as the Temporary Agency Workers' Association, and Temporary Foreign Workers' Association. Workers decide the demands themselves, and this has led to campaigns such as the right to permanent work, enforcement of health and safety for warehouse workers, raising the minimum wage to CDN\$15 an hour, the right to legal status, and access to all state services for undocumented workers. This focus gives workers the ability to organise around common issues in this sector, and challenges the structural pillars of precarious work. Campaigns to limit precarious labour regimes limit the power of employers to stifle union organisation. Such campaigns are essential to build conditions which facilitate the eventual organisation of individual workplaces. Workplace organising is the long-term goal, to create a real base to change the conditions inside workplaces which at the same time can affect workers across entire supply chains. With patience, consistency and building on-the-ground leadership first, this strategy has borne fruit, organising individual workplace committees in particular warehouses. Such measures are critical for the association to be relevant to the needs of warehouse workers. It has been encouraged by training workers in labour rights and equipping them with tools to share their experiences such as publishing a newspaper, hosting a radio show, and establishing outreach strategies. The IWC also fights collectively to directly support workers whose rights have been violated. Such initiatives have helped to break isolation and to recruit other workers.

The strategy has made gains for workers, forcing agencies to pay workers vacation pay and over-time. It has also brought about collective actions to hold employers and agencies co-responsible for wage theft.

The most critical gain is that, through establishing a coalition of precarious workers which has been mobilising since 2012, precarious work was forced onto the agenda of the government in 2014. The coalition still needs to broaden the movement, to translate the visibility created towards further gains and victory. This will need further organising of agency workers and building deeper links with traditionally organised labour.

A more concerted effort is needed from the labour movement to support the demands of precarious workers. The critical focus now must be to compel the broader labour movement which truly seeks to give leadership to low-wage immigrant workers, who are at the heart of the choke points of global capitalism, to support a campaign that can begin to turn the tide against the Walmarts, Amazons and the Dollaramas.

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