

WATERSHEDS

The Ontario Social Contract of 1993

by Carla Lipsig-Mummé

The political turmoil arising out of the so-called social contract — the Rae government's legislation to reduce the deficit by reopening public sector contracts, cutting wages, jobs and programs — has raised a number of questions about the relation of unions to political parties, the state, and each other. This social contract summer of 1993 has been a watershed on several fronts: collective bargaining in the public sector may never again be taken for granted, the labour movement is divided by the government's differential treatment of public and private sector workers, and the unions are profoundly disenchanted with their own political party now that it has become the government.

Together, these conflicts have pushed analysts to reflect on the uniqueness — or lack of it — of the Ontario situation, and to ask what might have been avoided, and how the community can move on. Comparisons are to be made with the Parti québécois in 1982 and with the Australian and New Zealand Labour parties in power in the late 1980s. Do democratic socialist governments inevitably end up in confrontation with the labour segment of their support? And hasn't the Quebec experience in 1982 shown that cutting public sector wages does not reduce the deficit over the long term?

A favourite parlour game in June and July was to ask when, and why, Bob Rae had suffered a conversion on the road to Damascus: how was it that cutting the deficit radically, in one year, had come to take priority over social justice objectives, job

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creation goals, and the protection of the social safety net? But there are more profound industrial relations matters and political issues that had already become evident in June.

PUBLIC SECTOR COLLECTIVE BARGAINING MADE UNWORKABLE

First, in order to reduce the deficit, the Rae government passed legislation that obviated the traditional structures of union accreditation and collective bargaining in the public sector, but replaced these with no clear cut alternative system. From a professional point of view, the system of collective representation in the public sector is perilously close to incoherence, although its unworkability will not become fully clear until after the three-year period of the *Social Contract Act*.

To give just one example, whereas in the past a union seeking accreditation for a given group of workers had to make an application that would

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pass through a review process, and only after the union was shown to represent a majority of the workers in the proposed bargaining unit could it negotiate for its members, the *Social Contract Act* allowed the minister of labour to accredit any group of workers by ministerial decision alone. In July, in order to obtain local agreements before the August deadline, or so that the government could declare a sectoral agreement in sectors where existing unions were recalcitrant, a bizarre array of managerial personnel and others hitherto

uninterested in joining unions — and hitherto not-accreditable — were recognized as bargaining units by a lightning-speed minister of labour. The results were often as bizarre: it was possible for the minister to declare a "sectoral social contract" in a sector where only a tiny fraction of managerial personnel had made an agreement with their employer, and then use that agreement to set conditions for the vast majority of other workers for three years. Examples abound.

Second, the conflict that pitted public employees against the government had repercussions within the labour movement as well as within the larger political arena.

SOME PRIVATE SECTOR UNIONS OPPOSED

Within the labour movement, opinion was, and remains, divided about how to respond to the provincial NDP government. The division is not, however, along simple public versus private sector lines. Important private sector unions like the Canadian Autoworkers have been supporting the public sector unions with concrete aid, political clout, and now the decision to withdraw all but minimum financial support for the provincial NDP, while increasing support to the federal NDP. But while equally influential private sector unions, such as the United Steelworkers and the United Food and Commercial Workers, have protested to Rae about the suppression of collective bargaining in the public sector, they have remained fundamentally sympathetic to a government that has responded to their particular needs with the 1992 *Labour Law Reform Act*, and a range of other legislation geared to protecting embattled manufacturing and retail jobs.

Continued, see "Watersheds" on page 20.

*"Watersheds,"
continued from page 19.*

PUBLIC SECTOR UNIONS UNDER STRAIN

Unity among the public sector unions has also proved taxing to maintain. Not only are they without experience in "common front" coalition bargaining — to use the Quebec term — but the intense political stress in May and June to stop the government from passing the social contract legislation was succeeded by a breakdown of coordinated strategy in July. Some unions bargained local agreements, some refused, and some said they were refusing while

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quietly returning to the table. In several of the biggest unions, this conflict has revealed the severe structural weaknesses inherent in the union's organization. Internally, all the public sector unions will be grappling for some time to come with what their inability to stop this legislation has to tell them: about their internal structures, about their ability to mobilize their members, about the effectiveness of getting their message out to the public.

UNIONISTS DIVIDED ABOUT NDP LINK

Where union members are concerned, opinion seems to divide into three groups: those who, appalled by what they see as betrayal, will simply turn their backs and walk away from the NDP; those who feel that the party has suffered an unexpected hijacking, and changing the provincial leadership will return it to being the party of labour; and

finally, those who point to Quebec in 1982, to federal politics in Australia and New Zealand in the late 1980s and early 1990s. This last group wonders whether something is not inherently flawed in the relationship of labour's party to its constituency once it attains electoral power. They wonder why it is that when social democrats obtain the governance of capitalist economies they so often attempt to solve the inevitable budgetary crises they have inherited, at the expense of public employees, and why they so often seem both inadequate at financial management and so easily converted to economic neo-conservatism.

Although some union members are looking at new structures of group representation and accountability within the NDP as a corrective here, some of the hardest questions remain: how to integrate the political and industrial representation of an increasingly fragmented working class, how to constrain a party to remain accountable to its collective as well as individual constituents, and how to keep social democratic parties true to their vision in the increasingly chilly climate for social democracy. In Quebec, these questions surfaced, and they deformed the political and trade union links in 1982-83. It looks very much like 1993 will be the year of rupture in Ontario.

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DOING POLITICS DIFFERENTLY

Ordinary Canadians and the federal election

by Jamie Cameron

A federal parliamentary election has been called for October 25, 1993, one year less a day after a referendum vote yielded a resounding "no" to proposals for constitutional change on October 26, 1992. To what extent has that exercise in "direct democracy" altered "the way we do politics," as Kim Campbell once put it?

Last year's process of constitutional reform brought "ordinary Canadians" onstage for perhaps the first time in our political history. The voices of those Canadians played a prominent role in public debate throughout that process.

The term figured prominently during the Renewal of Canada Conferences, which took place early in 1992, months before the Charlottetown Accord was negotiated. In nationally televised sessions, "ordinary Canadians" shared the limelight with various members of the "chattering classes."

Then *Maclean's* magazine decided to conduct its own experiment in constitutional negotiation. The magazine joined a team of ordinary Canadians, representative of all regions of the country, with a handful of prominent citizens and an American expert on negotiating skills. At the time, the differences separating provincial and federal officials conducting the formal negotiations seemed intractable.

Maclean's wondered whether ordinary Canadians, with a little guidance, could achieve an agreement our elected officials had failed to produce. Their report gave us reason to believe they could.

When the Charlottetown Accord was reached, our parliamentary representatives concluded that its propos-