

Accountable to Whom? Trends in Management-Labour Relations in Local Government

Miriam Edelson

This paper begins with a discussion of the growing financial problems facing local governments at a time when senior levels of government are intent upon following policies of fiscal restraint. It looks at the connection between the labour-intensive character of services in this sector and the attempt by local government employers to reduce costs through the development of new collective bargaining strategies. Public sector accreditation in legislation and the establishment of a public sector employers' council in British Columbia are examined in detail. The argument is that labour conflicts provoked by recent changes in the bargaining structure require unions to take a new approach which entails the building of alliances between civic workers and the consumers of public and social services.

Cet article s'ouvre sur une discussion des problèmes financiers auxquels font de plus en plus face les gouvernements locaux au moment où les niveaux supérieurs de gouvernement appliquent des politiques de restriction fiscale. Le lien entre le caractère intensif du travail dans ces secteurs et la tentative des gouvernements locaux de développer de nouvelles stratégies de négociation collective afin de réduire les coûts, est mis en évidence. L'examen détaillé de la législation sur l'accréditation et de l'établissement d'un conseil des employeurs du secteur public en Colombie-Britannique, amène l'argument que les conflits de travail provoqués par les changements récents dans la structure de négociation imposent aux syndicats d'adopter une nouvelle approche favorisant les alliances entre les employés de ces secteurs et les consommateurs de services publics et sociaux.

Introduction

In late January of 1981, civic workers in British Columbia's Lower Mainland region went on strike. Public employers asserted that they could not meet workers' demands because of inadequate funding. Private employers complained of potential spill-over effects to their enterprises if the workers' demands were met. Neither protest was without some justification. They did little, however, to illuminate the issues which were really at stake.

In recent years, pressure for the restraint of government spending has grown dramatically. Cutbacks have occurred in a wide range of public services. Restraint policies have also had a profound impact on public sector labour relations. It is the purpose of this paper to examine developments which have taken place in state workers' bargaining as a result of the changing economic and political climate of the past decade. What constraints do employers face? What interests are actually served via public sector settlements? How should public sector bargaining evolve in the future?

A satisfactory answer to questions such as these would require a comprehensive historical and economic analysis of public sector bargaining. Such a study might include, for example, an investigation into labour legislation and the impact of widespread unionization. Further, it would have to look at the development of the state sector and at how certain responsibilities have been shifted between jurisdictions. The focus of the present text is, of necessity, more modest. In an attempt to assess more precisely what changes public

sector collective bargaining has undergone, the paper begins with an investigation of local state finances and the constraints facing employers at this level. Two trends exemplified in British Columbia, toward employer accreditation and public sector employers' councils, are then considered. Specific reference is made to why, in political, ideological and economic terms, the state and capital have initiated changes in the bargaining system. Of particular interest is how the balance of class forces has conditioned the state's ability to transform its structures. The paper concludes with an inquiry into the 1981 civic strike in British Columbia and some speculation as to how public sector workers and their unions may respond to the disturbing trends highlighted in this study.

The crisis of local government finance

While all levels of government have experienced financial problems in recent years, it appears that such problems have been most severe at the municipal level, a major reason for this being the disparity that exists between the constitutional responsibility of local school boards and municipalities to provide public services and their ability to raise revenues. Local governments are expected to provide a wide variety of services, including primary and secondary education, police, fire and ambulance services, social services and daycare, among others. Unlike provincial and federal governments, however, local taxes are derived from only two sources: corporate and property taxes and school taxes. In 1978, these taxes accounted for 39 per cent of the total gross general revenue. Another

source of municipal revenue is the sale of goods and services, especially water, license and permit fees, and fines. In 1978, these accounted for some 10.5 per cent of total gross general revenues.¹

The major source of revenue to municipal governments, accounting for over half of total revenue, is transfers from higher levels of government. In 1980, the federal government transferred 296 million dollars directly to municipal governments, primarily as payment in lieu of local property taxes. The provinces transferred 11,475 million to local governments, part of which came indirectly from federal transfers to the provinces. The provinces also transferred an additional 7,741 million dollars to pay for the hospital system (Statistics Canada, 1977).

During the same year, local government expenditures amounted to 21,335 million dollars. The combined federal and provincial transfers accounted for 55.2 per cent of local government expenditure.² This figure has risen since 1970, when federal and provincial government transfers as a proportion of total local government expenditure was 47.8 per cent (Statistics Canada, 1977:12). Even with an increasing proportion of total local expenditure paid for by transfers from higher levels of government, local governments have consistently faced budget deficits. In 1978, the local government deficit (for all Canada), even including intergovernmental transfers, was 565 million dollars. If the intergovernmental transfers are excluded from the deficit calculation, the figure would be 10,062 million dollars (Provincial and Municipal Finances, 1979:4). Clearly,

even with substantial support through transfers from other levels of government, local expenditure far outstrips revenues.

The share of total government spending by local governments has decreased in recent years. In 1965, local government expenditures constituted 27.3 per cent of total government expenditures. Fifteen years later, in 1980, they accounted for only 21.3 per cent.³ At the local government level, education is by far the largest expenditure item. In 1978, it accounted for almost 42 per cent of total gross general municipal expenditure. Expenditure on health and welfare amounted to 7.4 per cent in the same year (Provincial and Municipal Finances, 1979:46). These services fulfill a function which is not of a particularly "local" nature. Schools and health clinics, for example, are among the public institutions for which local governments are particularly responsible. Although administered by the local state, they meet economic, political and social requirements not limited by municipal boundaries.

The logic of the capitalist system requires that the state, at some level, provide these services because they play a central role in reproducing the labour force. In essence, state-funded programs amount to costs incurred by the public for private benefit. They ensure the stability of the system and perpetuate labour's subordinate position to capital. That education, health and welfare are among the services most dependent upon funding from senior levels of government is not surprising, given their general importance to the system. In 1976, they represented 63.5, 80.3 and 54.5 per cent, respectively, of local governments' specific purpose transfers.⁴

The degree to which these services are funded by the provincial governments points to one of the most difficult problems facing local governments. As demand for local services has increased, higher levels of government have had to step in to help fund these programs. In addition, local government has been used to implement programs, especially social services, initiated at the provincial level. As policy and funding is increasingly centralized at higher levels of government, local officials find themselves inundated with extensive policy guidelines. Although local representatives are charged with providing their communities with certain services, they have less and less autonomy in terms of program design and the specific details of their operations.

Yet, it is precisely the locally elected municipal councils and school boards which are seen as responsible for the extent and quality of services and which feel the pressure most directly from local residents. For example, provincial governments' decisions to reduce the level of daycare spending have serious repercussions for local communities; yet, public protests are most often directed at municipal and regional councils which administer the actual cutbacks in services. This fact points to two problems: First, under current cost-sharing arrangements, there is a great deal of confusion as to who is responsible for providing what services and, moreover, where the political "buck" ultimately stops. Second, because it is most accessible to community residents and is viewed as responsible for local services, the local state is open to considerable public criticism for decisions over which it has little control.

Local governments are, then, caught in a financial squeeze. Even, where the will to do so exists, they have a limited ability to raise the revenue they need to fund programs properly. They do not control the levels of grants made available by the provincial and federal governments. To raise additional revenues, they must increase local property taxes, something they are reluctant to do for fear of repercussions from the electorate and the business community. Even councils not entirely controlled by developers and small business interests tend to be fearful of increasing taxes since they do not want to discourage private investment in their communities. The resulting revenue shortfall, coupled with the structural problems outlined above, points to the serious nature of the fiscal crisis facing the local state.

1. The local state as employer

The fact that a considerable number of decisions regarding local government services are made by senior levels of government has a profound impact upon municipal budgets. It also has a direct effect upon the size and composition of the local labour force. This is because approximately 70 per cent of Canadian local government revenues (excluding spending requirements for debt service and education) are devoted to the employment of personnel (McAllister, 1979:13).

Since 1976, federal and provincial governments across Canada have been following restraint policies and, by reducing the level of transfers to municipalities, they have been able to enforce these policies at the local level as well. Keeping down wage costs is one way that public administrators try

to keep expenditure levels in line with revenues. Public sector bargaining becomes an arena in which governments attempt to "manage" the crisis. Employers face many constraints peculiar to the state sector. These constraints, or, more precisely, structural problems, are two-fold: First, unlike private companies, public institutions are unable to pass on the cost of wage increases by raising prices.⁵ Their revenues originate primarily in the form of taxes and raising taxes is a delicate undertaking, particularly in terms of a potential electorate backlash. Public officials tend to consider such repercussions during contract negotiations with their employees. Second, work in this sector is largely labour intensive. Productivity increases tend to be low and unit labour costs high. It is very difficult to bring about significant increases in productivity or to reduce spending on wages and benefits by introducing new technology. Teaching is not readily automated. Health and social services require human contact. Consequently, the cost of public services tends to rise faster than in the private sector where technology can more easily be substituted for labour.

Public employers at all levels face these constraints in attempting to meet their labour costs. Widespread unionization of public employees has had a double-edged impact upon municipal management practices. Although workers unionize in order to improve their wages and conditions of employment, unionization has also entailed certain advantages for public employers. Formalized labour relations, generally, ensures a degree of standardization which may be helpful to the elected officials'

task of managing public funds. For example, collective bargaining in the Canadian legal framework (e.g. the grievance procedure and job evaluation and reclassification) leads to certain forms of workplace regulation which promotes labour discipline. Bargaining at regular intervals according to predetermined rules also provides public officials with reliable and centralized administrative procedures.

At the local state level, however, the advantages which unionization affords employers are mitigated by the very character of the services workers provide. If we distinguish between the traditional services provided by local government (e.g. sewage systems, roads, land-use planning and public utilities) and the more recent expansion of services directed more precisely to community residents (e.g. welfare programmes, recreation and child care facilities) this point becomes especially meaningful. The explicitly reproductive character of this latter group of services presupposes a substantial amount of direct contact between employees and the public they serve. The parent who drops her/his child off at the community daycare centre each morning, for example, is likely to be familiar with the problems which the staff and centre face. It is less likely that an unemployment insurance recipient would be aware of the problems confronting workers in the Unemployment Insurance Commission offices.

This kind of contact creates the possibility for the people who provide services to work together with those who use them against threats to their community's social programs. Further, local politicians have traditionally been responsive

to interest groups represented in their communities due, in part, to the short length of their terms of office. The combined effect of these two factors is that the elected officials, as employers, are potentially vulnerable to pressures from public service workers in coalition with users of services. This is not to suggest that municipal employers are at the mercy of the unions, although it would be a mistake to underestimate the potential of campaigns organized by public employees in conjunction with the public they serve. The existence of such "pressure points" within the local state reflects its distinct quality among public employers.

It is this distinctive quality, however, which poses a further problem for both union and management. When the workers are able to force local governments to accede to their demands, the latter must often attempt to obtain additional funding from higher levels of government. Where this has been possible, substantial gains have been made (e.g. Ottawa-Carleton battles for daycare funding during 1980). But, where no additional funding is forthcoming from provincial or federal coffers, or where funding has been cut, demands by workers and the users of services are less likely to be acceded to by locally-elected representatives. During the last five years, the latter pattern has become increasingly common. Yet, the challenge presented by well organized union and community political campaigns remains a potent one.

The task of attempting to manage the fiscal crisis, coupled with labour's access to certain pressure points, has forced public employers to develop new collective bargaining strategies.

Contract negotiations have been more coordinated and centralized. New structures have been established to assist local government employers in resisting campaigns mounted by unions. The effects which unionization of the Canadian municipal sector have had on public budgets and labour relation practices, explored briefly below, will provide a basis for analyzing the character of the state's response.

2. Canadian municipalities

Public employers have developed a more sophisticated approach to labour relations as part of their attempt to manage the fiscal crisis. Centralizing compensation data and coordinating bargaining strategies for employers in certain sectors has been part of the effort to rationalize public services. As early as 1962, the Canadian Federation of Mayors and Municipalities (CFMM) conducted a wage survey of employees in that sector. Their findings emphasized municipal employers' need for better negotiating information. The unionization of many of their employees had required that they be better prepared. As the forward to the CFMM wage survey (1962:12) outlined:

The widespread introduction of collective bargaining in the municipal public service has, from the point of view of municipal governments, made the matter of municipal personnel administration infinitely more complex. Questions relative to wages, salaries and conditions of employment, formerly decided by unilateral action, must now be resolved through the process of collective bargaining. This development has made it necessary for municipal governments to become fully conversant with the skills and techniques involved in negotiations between employer and employee organizations. Moreover, the nature of this bargaining process is such that municipal governments, as employers, must have available a wide variety of comparative information

on wages, salaries and working conditions.

Evidently, municipal employers were aware that they would encounter more formidable opposition with the advent of widespread collective bargaining. What was perhaps less clear then was how increased labour costs, combined with their inability to raise revenues independently, would affect their budgets. By 1971, the CFMM was calling upon the federal government for substantial increases in municipal funding. In a brief presented to the Prime Minister that year it argued:

A general goal must be to attain a proportionately larger allocation of the nation's revenue resources for municipal governments. Where municipal governments have attained the capacity to initiate, plan and carry out comprehensive community building programs -- programs aimed at a sound balance of social, economic and physical development -- substantial increases in unconditioned grants should become general practice.

Its message was clear, if unheeded. Rising expenditures and increasing directions from senior levels of government as to how monies were to be spent were becoming a source of contention. The creation of new bureaucratic labour relations structures is one means by which the state has attempted to lessen the impact which fiscal constraints have had on local governments and communities.

How the state responds: the British Columbia example

British Columbia is the Canadian province in which the state and capital's strategy for managing the economic crisis has been least subtle. This is especially obvious with respect to public sector bargaining. British Columbia's economic and historic background explain in large part why the struggle there between labour and capital is so little disguised.

The province's economy is primarily resource-based, with Canadian, American and Japanese ownership of the mining and forest industries. In 1979, these two industries accounted for just over 40 per cent of the provincial Gross Domestic Product.⁶ Markets in the United States, Japan and Europe are supplied with coal, industrial metals and paper. Labour has historically been powerful with 49.2 per cent of the non-agricultural work force unionized as of 1980. In the same year, the total for all of Canada was only 37.6 per cent (Wood and Kumar, 1980).

That capital's moves to counter workers' bargaining power would be most sophisticated in the North American jurisdiction with the most highly organized workforce comes as no surprise. During the 1970's, for example, two significant additions were made to the public sector bargaining scene in British Columbia: public employer accreditation and the establishment of an employers' organization for the public sector. Each of these attest to the seriousness with which both capital and the state have responded to labour's challenge. I will comment on each of these initiatives in turn, with specific reference to how and why new bargaining structures have emerged in the present political and economic context.

1. Accreditation

British Columbia is the only Canadian province which has legislation providing for employer accreditation outside the construction industry. Accreditation means that workers no longer bargain exclusively with their own employer. Rather, the legal relationship in a collective agreement is between

the employers' organization and the employees of each of its members. An accredited organization has the right to make policy which is binding on all of its members. Individual employers may even decide to relinquish the day-to-day enforcement and administration of their collective agreements to the "expertise" of the accredited body. British Columbia is the only province where public sector employers may form accredited organizations.

Unions such as the Canadian Union of Public Employees (CUPE) have argued that employer accreditation is inappropriate for the public sector. They suggest that public sector officials abdicate all responsibility for decision-making when they join an accredited organization (CUPE,1978)⁷. Labour relations is removed from local jurisdiction and taken over by a body created expressly for that purpose. That accredited body, staffed by hired labour relations experts, is one step further removed from the electorate. As such, it is less susceptible to public concern or pressure.

One of the most vocal advocates for employer accreditation to be generalized beyond the construction industry was the British Columbia Employers' Council. Formed in 1965, this association is composed of both private and public sector members (CUPE,1978:51). In November 1979, it had about 150 members in total, including 110 corporate members, crown corporations, and 27 major bargaining associations (List,1979: 88). It makes no attempt to conceal the fact that accreditation enhances the bargaining strength of employers. The Council's 1970 annual report was blunt:

Early in the year the Council strongly supported legislation to enable employers' accreditation. Subsequently enacted in the B.C. Legislature it has resulted in considerable strengthening of the bargaining position of many of our member associations (CUPE,1978:51).

For the public sector specifically, the implications of accreditation are profound.

Accreditation of public employers has one central objective, the establishment of bargaining structures designed to strengthen employers, especially those historically weak due to lack of negotiating expertise or their responsiveness to public opinion. The state, by adopting labour legislation to allow public employers to form accredited bodies, effectively maximizes the employer's advantage. The private sector's ability to influence municipal and school board bargaining through accreditation is evident in the following ways: First, the establishment of centralized, professionally administered accredited organizations enhances its ability to place pressure on public employers to keep public sector settlements in line with or below those in the private sector. Private sector employers want to keep public sector wages depressed as this will improve their competitive position in the labour market making it easier for private employers to attract skilled people. More important is the determination of capital to keep the global costs of public services down. It seeks to avoid increased tax burdens which might erode its profits. Low public settlements, in the view of capital, contribute to minimizing the drain on public coffers and they have a significant impact on the overall level of wage settlements, some tending to depress private sector increases as well. By restructuring public

sector bargaining, accreditation served to meet these objectives.

Public employer accreditation, with its explicit anti-worker bias, is not, however, always easily achievable in political terms. In certain communities the result of extensive union campaigns bringing public pressure on municipal councils has been that councils have refused to participate in accredited bodies. In November 1978, for example, Vancouver City Council voted 8 to 1 against the Greater Vancouver Regional District (GVRD) Labour Relations Committee proposal to join an accredited organization. Vancouver's decision followed similar actions taken in Burnaby and Surrey (CUPE, 1978:1). Elected officials were made accountable for their decisions regarding labour relations. Local councils, vulnerable to pressure brought to bear upon them by their constituents, were forced to reject proposals which might have proven useful in the short term.

This example is interesting because it illustrates how pressure points within the local state may be manipulated. Moreover, it demonstrates the contradictions which rest within "the state", most broadly defined. In this specific instance, popular pressure forced the municipal government to take an autonomous stand by rejecting initiatives emanating from the private sector and higher levels of government (i.e. the GVRD). In essence, it shows how the state's ability to adapt its structures, even when bolstered by the demands of capital, is conditioned by the balance of class forces.

2. Public employers of British Columbia

A second illustration of how the state adapts its

structures to meet challenges posed by a highly organized labour force was the creation by the British Columbia Government in June, 1977 of the Council of Public Sector Employers (Calvert, 1979:165-167). Established just before the 1975 wage controls program ended, the Council's main function was to keep public sector wage settlements in line with those in the private sector. Modelled along the lines of the British Columbia's Employers Council, it was the first (and remains the only) provincial council of public employers in Canada. On June 7, 1977, British Columbia Finance Minister, Evan Wolfe, announced that the new council would be given a budget of 1.25 million dollars and would command a staff of fifty people (Vancouver Sun, July 28, 1977:21). It would be a voluntary organization, including the Greater Vancouver Regional District, the British Columbia School Trustees Association, Health Labour Relations Association and British Columbia Hydro, in addition to provincial government employees. In a speech given in January 1977 Wolfe stated:

In the area of wage increases, governments have a special responsibility to ensure that compensation levels for public employees do not run away from those in the private sector... I wish to announce the establishment of a new organization -- the British Columbia Council of Public Sector Employers -- to provide better coordination and exchange of information of public sector wages among public service employers in the province. This is not a new bargaining agency. Its purpose is to encourage the development of a fair and equitable correlation between private and public sector compensation packages in B.C." (CUPE, 1977:25)²³

By April of 1979 the Council boasted that its members employed 200,000 workers or 45 per cent, of the province's unionized workforce (Calvert, 1979:165-167). In addition to the direct grant of public funds, they were given unlimited access to

government-paid computer facilities. Brian Foley, who had worked as Director of the Job Evaluation Department for the Public Service Alliance of Canada, and then headed the Public Sector Compensation Division of the Anti-Inflation Board, was hired as Executive Director of the Council (Calvert,1979:165).

The Council has three main functions: to conduct research on collective bargaining, to coordinate the negotiating strategy for its members and to foster cooperation between public and private employers. In its research capacity, data on every public sector wage settlement in British Columbia is collected. In cooperation with the British Columbia Employers Council, it also collects data on key private sector settlements. Settlements are analyzed, using the Average Comparability on Total Compensation (ACTC), a concept devised by the federal Anti-Inflation Board to help employers compare the costs of every component of their collective agreement with other agreements throughout the province.

In its coordinating capacity, the Council holds regular monthly meetings to exchange information, conducts training programs to ensure that their negotiators are conversant with the latest bargaining techniques, and formulates a province-wide bargaining strategy for its members. It also attempts to coordinate the timing of negotiations so that the strongest employers establish pace-setting agreements (Calvert,1979:165-167).

It is not surprising that employers would seek to strengthen their position in anticipation of demands they expect labour to make during the post-controls period. That the British Columbia government took explicit steps in that direction,

demonstrates their cognizance that British Columbia labour had some ability to make its demands stick. The decision to set up the Council also reflects, in two ways, the state's capacity to adapt its structures to meet the corporate sector's unmitigated demand for conditions favourable to the accumulation of capital.

First, the notion of employers councils relies fundamentally upon pluralist ideology which assigns equal strength to labour and management. In this framework, the two sides confront one another with the same resources and authority. Bargaining is merely a technical exercise, with equally-matched opponents vying for points. The British Columbia government's decision to devote public funds to the creation of such an organization was publicly justified in terms of the need to rectify an alleged imbalance between the two sides, an objective broadly embraced as beneficial to society at large.

A closer look at the logic employed suggests, however, that the two sides are not equal. Labour does not control public budgets, set taxes, dictate production standards or working conditions. Neither does it make investment decisions, control how the workplace is organized or decide how new technology is implemented. In all of these areas, and most others with the exception of what the union is able to explicitly limit through the terms of the collective agreement, management alone has control.

The notion of management control is at present no different in the public sector than that exercised by private employers. Acting (not surprisingly) without any critique of

the dominant pluralist ideology, the British Columbia government set up a council which could only serve to institutionalize and further entrench habitual managerial practices. Its primary effect was that public employers were urged, and indeed compelled, to drive hard bargains with public service workers. All conceivable research and negotiating techniques were placed at the employer's disposal. The government's readiness to devote public funds to the Council, apparently without any regard for its questionable effects in terms of labour relations, demonstrates clearly how the state socializes costs in order to guarantee private benefits.

The state's penchant for incurring public costs to ensure private benefits and its readiness to adapt its structures in order to bring this about is revealed in a second way. The existence of a Public Sector Employers' Council means that locally-elected representatives no longer make decisions at the bargaining table. Instead, labour relations decisions are shifted to a purely technocratic realm. Hired experts, appointed rather than elected, make crucial decisions regarding the disposition of community funds. One result is that a local government's accountability to its constituents is severely undermined. The Council's experts, rather than elected officials, may decide to minimize labour costs and significantly alter the character of public services which a community offers.

Creating a publicly-funded, but unaccountable, organization of public employers constitutes a transference of authority within the state, away from elected officials into administrative

or technocratic hands. In the process, local officials are stripped of an important governing function. The long term repercussions, in terms of local control over the quality of social programs are considerable. Once again the state's policy, motivated by its preparedness to act on behalf of private over public interest, contributes to the weakening of local democracy. With labour relations removed to a strictly technical level, the local community's ability to put pressure on elected officials is eroded. Relieving the local state of its vulnerable position vis-à-vis the electorate is an effective means of forestalling the potential threat that labour wields.

In effect the British Columbia government had committed itself, at public expense, to erect a more sophisticated collective bargaining system for the public sector. Judging from its structure, mandate, and choice of Executive Director, the Council's purpose was obvious: to place pressure on employers to keep public sector settlements in line with, or below, those in the private sector. Using the same rationale outlined in the previous section regarding comparability of the two sectors and the determination to keep the global costs of public services down, this aspect of the Council's thrust was paramount. Employer's positions would be bolstered at the bargaining table and the threat posed by a highly organized labour force reduced. Labour's ability to represent its members effectively would be minimized, thereby encouraging disillusion in the ranks and threatening union solidarity. Acting with such a pernicious mandate, it could only be expected that the

Council would dramatically affect the negotiating process.

In February 1979, Executive Director, Brian Foley, suggested in the Council's newsletter that public employers be wary of unions' ability to produce "colourful and eye-catching comparison charts/graphs that 'demonstrate' the inferior position 'suffered' by their membership" (Foley,1979:18,19). Foley, writing with more than a bit of cynicism, was familiar with these practices from his days at the Public Service Alliance. He went on to explain that the public employer must not "be swayed by the simplicity of the data presented and he must especially not allow his elected representatives to develop opinions based solely on the data presented by the union" (Foley,1979). His obvious intent was to counter the ability of the union to educate and thus, to influence, local state representatives.

In 1979, the Council changed its name to the "Public Employers of B.C." Early that year, the Minister of Finance for the province, Evan Wolfe, sent a memorandum to all public sector employers in the province in which he reiterated Council's purpose of devising coordinated bargaining strategies and centralized collective bargaining information and research. He emphasized the need to rationalize employers' labour relations activities and to avoid unnecessary duplication. Wolfe also stipulated that Council would receive full funding of 400,000 dollars in 1979 but would be urged to move to a cost-sharing arrangement to ensure that it be "fully effective, responsible and accountable to its members" (Olsen,1979). The letter ended with a reaffirmation of the Minister's support

of Council's mandate to "enable public sector employers ... to attain fair and equitable levels of compensation relative to the private sector and to each other" (Wolfe, 1978). Stated explicitly in a covering letter from the PEBC Chairperson, J.N. Olsen, was the government's desire to: "allay mistaken fears that the Council (would) function either as a post controls monitoring agency, or participate in the collective bargaining process" (Olsen, 1979).

The 1979 decision by the British Columbia government, ostensibly to withdraw as Council's funding source, points to some interesting trends. The impact of the PEBC in terms of shifting responsibility for labour relations decisions and the effect on local democracy is not unlike that of the accreditation legislation described previously. The Council, due to its facilitating role and voluntary nature, was perhaps more palatable in political terms but, in a fashion similar to the controversy surrounding public sector accreditation, the PEBC was unable to escape criticism.

The British Columbia Canadian Union of Public Employees research bulletin documents specific cases in which municipal councils, subject to extensive union and public pressure, rejected requests that they affiliate to the PEBC. CUPE further suggested that Council was trying to reduce its dependence upon the provincial government for fear that, under a future New Democratic Party government, it would be dismantled (CUPE, 1979:4). On one level, such fears may have constituted ample reason for the government's decision to reduce its funding commitment. More significantly, however, is the state's

demonstrated tendency to withdraw itself from any role which might leave it isolated in political terms. Reacting in part to public pressure, the state had to create the appearance that it was not culpable.

Once again, such trends illustrate how state initiatives to establish bargaining structures designed to strengthen employers are conditioned by the ability of the working class to effectively press its own interests. Like employer accreditation, the creation of the PEBC was a means by which the bargaining power of local state employers, in particular, could be expanded. As suggested above, maximizing advantage for public employers fulfills certain objectives held dear in the private sector. That the provincial government established the Council is testimony both to the challenge posed by a highly organized workforce and to the heightened stakes between labour and capital in a period of economic crisis.

British Columbia Lower Mainland civic strike, 1981

The main concern of this paper has been to demonstrate how the state has had to adapt its approach to public sector labour relations in order to counter both labour's bargaining power and its potential for engaging in explicitly political struggles. The 1981 British Columbia Lower Mainland civic strike illustrated many aspects of the trends pointed to in the foregoing analysis. In the following pages we will explore the main strike issues and evaluate their significance in terms of the exigencies of capital and their consequent impact upon the local state's negotiating position.

1. The demands

In late January, 1981, more than 11,000 civic, library and school board workers went on strike. Lasting up to 15 weeks in some jurisdictions, the strike revolved around three main issues. The first was a substantial wage increase for all employees. The second issue was a much more radical demand for "equal pay for work of equal value" between the predominantly female clerical workers and mainly male outside municipal workers. The union argued (but did not, with a few exceptions win), that the base rate for outside and clerical workers be the same. They demanded further that the current practice whereby clerical workers have to pass through extensive increment steps to reach full pay be abolished (CUPE, 1980). The third issue was put forward by the employers. It was to replace the existing sick leave plan with a weekly indemnity plan. This would have had the effect of forcing employees to pay for short term sick leave costs. And it would have allowed private insurance companies to profit from providing insurance coverage.

"Equal pay for work of equal value" (EPWEV) is an issue which has, in recent years, reached the forefront of human rights legislation. Its supporters argue that work traditionally performed by women is low-paid and will continue to be, so long as women are crowded into a few occupational ghettos and employers can offer low salaries with the knowledge that women will take these jobs. Especially in a period of high unemployment, the ghettoization of women in low-paid work will continue. At this time, only the federal and Quebec governments have

enacted legislation that requires employers to pay workers EPWEV. The contentious element of the issue is the basis on which "equal value" is determined. The Canadian Human Rights Act, section II (2) stipulates that:

In assessing the value of work performed by employees employed in the same establishment, the criteria to be applied is the composite of the skill, effort, and responsibility in the performance of the work and the conditions under which the work is performed.

Job evaluation systems can be used to assess value according to these criteria, but such systems are not, themselves, free of bias. They were not established with an aim to eliminate sex discrimination. For example, a system may give skill points for driving a car, but not for preparing food, though both skills are learned off the job (Bell, 1981). Further, as long as employers retain the right to define and modify what tasks and responsibilities are included in particular jobs, attempts to compare dissimilar jobs may be easily thwarted. The union's demand, supported by both clerical and outside workers, was to redress the discrimination where it begins, at the entry level to the workforce.

The employer's proposal that the workers' benefit plan be restructured was a "take-away" demand. In effect, the GVRD requested that workers give up their severance pay and sick leave banks in return for a combination of three insurance plans: Medium Term Sick Leave, Long Term Sick Leave, and Long Term Disability Insurance. The employer offered to increase the coverage of these insurance plans and to pay the full cost of the latter two. In return, workers would have to pay the

full costs of short term sick leave. The GVRD estimated, but could not guarantee, that the new sick leave fund would cost employees approximately two per cent of their gross earnings.

Research by the Canadian Union of Public Employees claimed that the cost to workers would be closer to six per cent of their gross earnings. CUPE argued further that the loss of the present sick leave plan, whereby workers receive full payment of wages from the first day of illness, would be a major disadvantage not outweighed by the other components of the employer's benefit proposal. Specifically, the real cost of sick leave is the replacement cost of workers hired to fill in for ill employees. Since employers frequently do not replace absent workers, however, the actual cost is often zero. Under the GVRD scheme workers would automatically pay an absent employees' wages, even if the employer did not hire a replacement. In financial terms the employers would stand to make substantial gains. In non-monetary terms, the employer would also benefit from having engineered a system whereby workers would end up policing each others' use of sick leave (CUPE,1981:4-6). Management's control would be enhanced and union solidarity effectively threatened. That CUPE completely rejected the GVRD proposal is not surprising. It seems possible that the employer, aware that the union would never give in on sick leave, left it on the table until the very last minute in order to ensure that the strike was prolonged.

2. What was really at stake

A careful examination of these demands suggests that more was at stake in this strike than first meets the eye.

In both cases, the extent to which private business articulated its interests and thereby influenced public employers' deliberations was notable. Equally striking was the provincial Ministry of Labour's virtual silence during the controversy. Further, the PEBC had a relatively low profile during the strike, even though it was one of the most significant public sector disputes since the Council's inception. Observations such as these raise important issues in terms of management practices in the public sector and the question as to whom local state representatives are actually accountable.

With respect to the sick leave demand, two problems stand out. First, central to the GVRD benefit proposal was the fact that private insurance companies stood to make substantial profits because a great deal of new business would be generated. The GVRD stated explicitly in a memo drafted on October 29, 1981, that total administrative control over benefits would be placed in the hands of the employer. They also would decide which insurance carriers to use (CUPE, 1981:11). Second, one of the major public justifications for the restructured benefits package was the GVRD's own estimate that it would save taxpayers 1.3 million dollars (Vancouver Sun, Jan. 29, 1981). By means of a high profile advertising campaign in the local media, the employer used its budgetary woes to justify regressive bargaining demands. In essence, the employer's sick leave demand amounted to two things: the taxpayers were promised savings and the insurance companies were promised profits.

Private interests were also at stake in the dispute over "equal pay for work of equal value". CUPE's strongest

opposition came from the British Columbia Employers' Council. William Hamilton, President and Chief Executive Officer of the Council, sent letters to municipal and school board employers throughout the Lower Mainland area. In a letter to GVRD Labour Relations Committee member, John Parks, dated March 12, Hamilton made clear his organization's concern over the EPWEV issue. He was quite frank in writing:

To grant these inside workers similar starting rates as outside workers without having an exhaustive examination (of whether the jobs are equal) will have a serious rippling effect throughout your administration and thereby a negative impact upon taxpayers and other employers.

He closed by offering the GVRD (and other public employers) any assistance they might require and reaffirming "the support of the members of (the) council in rejecting this union demand" (Hamilton, 1981).

It is not surprising that the private sector feared EPWEV. No doubt the potential costs involved gave impetus to the direct involvement of the Employers' Council. Disseminating their views widely in a high profile campaign, the Council was the Union's single most vocal opponent. They strongly endorsed the GVRD position, notwithstanding broad-based support for CUPE's demand among trade unions and women's organizations. Constant pressure through letters and newspaper advertisements was put on public employers not to enshrine the EPWEV principle in their settlements.

The stance taken by the GVRD and ably supported by the province's representative of capital is interesting in two ways. As mentioned earlier, the federal government and the province of Quebec have already legislated (if imperfectly)

equal pay for work of equal value. Other provincial and local governments have been reluctant to follow suit. It seems that state employers, divided in terms of jurisdiction, lack a cohesive position on the question. This point is instructive in that it belies the notion that the state sector "at large" operates in a homogeneous fashion. In the case of public sector labour relations, the interplay of class forces with the limits set by employers' fiscal constraints, is critical. In certain instances, pressure applied by unions may bring about progressive changes in legislation. In others, workers are unable to compel their employers to accede to similar demands. While it is likely that gains made in certain sectors eventually become generalized, the timing of such a process is not predetermined. equal pay for work of equal value legislation is currently inconsistent from one jurisdiction to another. The civic workers in the Lower Mainland did not fully succeed in this strike. Their ability to make employers confront the issue directly during the next round of negotiations will depend in part upon whether the union decides to sustain a broad-based campaign dealing with the issue. Moreover, labour's ability to force capital to pay the costs involved directly out of their own surpluses, and not through some scheme that socializes the cost of their wage bill, is even less predictable.

The second point of speculation regarding the EPWEV controversy deals more with the mechanics of the negotiations. The GVRD is a member of the British Columbia Employers' Council. It is also a member of the PERC. Representatives of the GVRD

Labour Relations Committee normally attend weekly negotiators' coordinating meetings sponsored by the private sector council (Thompson, 1981). During the strike, these meetings would have provided for valuable information-sharing and strategy discussions. Clearly evident is the intimate involvement of representatives of private capital in public employers' deliberations. Moreover it suggests a plausible explanation as to why the GVRD's negotiating stance was so consonant with managerial practices typical of the private sector. As discussed in a previous section of this paper, normal managerial practices can serve to deny the uniqueness of the public employer's role. The accountability of the GVRD Labour Relations Committee (an appointed body) to its constituents is uncertain. At minimum, the close interplay between the GVRD's negotiators and the British Columbia Employers' Council during the strike raises the question as to whom the civic officials were really answerable.

The rather autonomous role played by the employers' negotiators had very specific effects on the character of negotiations. In one case, evidence suggests that GVRD negotiator, Graham Leslie, intervened directly in one municipality's negotiations. Surrey, which is not a member of the GVRD was poised for a settlement in early March which would have enshrined the EPWEV principle. At the last moment, management's proposal was pulled from the table (Ward,1981; Thompson,1981b). The fact that an independent municipality which was prepared to accede to the union's demands would be subjected to such pressures is a graphic revelation of the most pernicious aspect

of local state's new bargaining's character. Elected representatives, stripped of the political responsibility integral to their function as employers, were hindered from taking a progressive step in meeting the union's demands. In jeopardy, as a result, was the representative character of the civic government. Considering the trends outlined throughout this paper such threats to local state democracy can only be expected to increase.

In closing this discussion of the civic strike, a series of questions emerge. Why was the PERC virtually silent on the EPWEV issue during the strike? What positive role might the provincial government have played in resolving the dispute? Could the provincial human rights commission have been instructed to intervene? Would a New Democratic Party government have taken the same (non) position as the Socreds? The answers to these questions are not, for the moment, obvious. What is clear is that the stakes involved in the civic strike were considerable. As the PEBC's Reference Report of May 29, 1981 stated:

the issue of equal pay for work of equal value will certainly cause changes in the economic, and no doubt, the social fabric of the country...unions are not waiting for legislation but are demanding action already. The issue is upon us. The time for preparation is now.

The character which the preparation will take, for either labour or capital, is not entirely predictable. But in light of the present fiscal crisis and its consequent impact upon the nature of public sector bargaining, the struggle can be expected to be a bitter one.

Conclusion

Throughout this paper, public sector collective bargaining has been viewed in terms of its location in the struggle between labour and capital. Forces giving impetus to state initiatives and those provoking popular protest have also been considered from this perspective. In each instance, our central concern has been to demonstrate the existence of a dynamic relationship between the hegemony of capital and the ability of workers to advance their interests successfully.

If we judge labour relations in the state sector as a coherent or static process, it is difficult to foresee many improvements for public sector members. Although there has been no paucity of defeats in recent years, as suggested above, such a pessimistic judgement would be a mistake. Since the state does not operate in strict accordance with some infallible internal logic struggles against attempts to dismantle the public sector must have many independent, if related, facets.

In the current context, British Columbia labour was unable to block the establishment of the Public Employers of British Columbia. Neither were they effectively able to counter the British Columbia Employers' Council's highly-orchestrated onslaught during the civic strike. Such losses need not remain etched in stone. Earlier in this paper, I posited the notion of "pressure points" within the local state. These may be manipulated toward specific reforms by popular movements. Though admittedly circumscribed, the local state does command a degree of political leverage. Popular-based struggles in

defense of public services can be generalized beyond city limits. In the absence of an alternate economic strategy, such efforts will have only limited consequences. In conjunction, however, with a broader program for reform including specific measures to overhaul the municipal tax structure and the election of municipal officials who are critical of senior governments' restraint policies, conflicts at the local state level would take on greater meaning.

Unions may not be prepared to extend their sights beyond narrowly-defined collective bargaining issues. Clearly, technical approaches to bargaining are not exclusive to the management contingent. Reforms sought through political action, demanding both quality public services and improved conditions for workers, can be threatening to a union's own entrenched bureaucracy. But the presence of such resistance (and it is there) does not make such struggles inconceivable.

Campaigns for equal pay for work of equal value, for example, will require systematic pressure on many fronts. Employers must continue to be confronted at the bargaining table. Human rights commissions in all provinces must be pressured to develop enforceable policy. Unions will have to devote substantial resources to building active and broad-based coalitions including working people, women's organizations and citizen groups. Governments must be compelled not to assume through public funds the costs of correcting sex-based wage discrimination.

There is no guarantee that strategies to defend the public sector designed along these lines will be successful.

In fact, the odds in the short run seem pretty heavily stacked. As the examples cited in this study have suggested, however, the state's ability to adapt its structures is not absolute. The process of transforming public sector bargaining, just one aspect of the state's attempt to manage the present economic crisis, is not invulnerable to counter vailing pressures. How, in precise terms, labour will exploit the potential avenues open to it is not yet certain. As the losses at stake for public service workers and their organizations become even more ominous, it can only be hoped that they will not retreat from a most formidable challenge.

Postscript: April, 1982

In the period since this paper was written, the situation facing British Columbia labour has become more acute. Most noteworthy, of course, is the Provincial Government's imposition of wage controls on public sector workers. It is no accident that such a move coincides with the attempt by large numbers of female workers to achieve substantial "catch-up" wage increases, based on the principle of equal pay for work of equal value. The Hospital Employees Union, representing some 24,000 workers across the province, has made the issue a central bargaining demand in its current round of negotiations. The 40,000-member British Columbia Government Employees Union is also entering negotiations with a similar demand for its lowest paid clerical workers (The Pacific Tribune, March 5, 1982:3). Also, the GVRD workers' contract expires at the end of this year. With controls holding wage increases below the rate of

inflation and no provision for allowing settlements that would end wage discrimination, it is unlikely that these demands from workers will be met in the short term. Initial indications from the unions, however, are that they will continue to fight for equal pay for work of equal value, wage controls notwithstanding. The direction and form that this struggle takes will warrant our attention in the coming months.

NOTES

1. Figures based on calculations from data found in Provincial and Municipal Finances (Toronto, Canada Tax Foundation, 1979), Table 3-7 "Gross General Revenue Estimates of Local Governments by Province, 1978:45.
2. Excluding a very small amount (.03 and .01 per cent of total local government expenditure) paid by local governments to provinces and hospitals, respectively.
3. Department of Finance, Economic Review (Ottawa: Ministry of Supply and Services, April 1981), Reference Table 70, "Allocation of Expenditures by Level of Government Before and After Transfer Payments 1926-1980: 194.
4. My calculations are based on Provincial and Municipal Finances (1979 ed.) tables regarding Education, Health and Welfare Spending by Local Governments: 216,202 and 243.
5. Publicly-owned corporations and the institution of user-fees are exceptions to this. In addition, local utilities exercise some discretion with respect to hydro-electric power and the sale of water.
6. Central Statistics Bureau, Ministry of Industry and Development of Small Business, Victoria, British Columbia.
7. Research Department, Canadian Union of Public Employees, "Employer Accreditation in the Public Sector", submitted to the British Columbia Ministry of Labour (February, 1978). CUPE has a series of briefs dealing with this subject which provide historical data concerning accreditation, in addition to critical analysis.

REFERENCES

- Bell, Gail
1981 "Equal Pay: Nothing to do with Need".
Vancouver Sun, April 15, 1981.
- Calvert, John
1979 "B.C. Council of Public Sector Employers:
Using our Money to Cut our Wages". The Facts,
Canadian Union of Public Employees, Ottawa,
April, 1979, vol. 1, no.10: 165-167.
- Canada Tax Foundation
1979 Provincial and Municipal Finances 1979.
Toronto.
- Canadian Federation of Mayors and Municipalities
1962 Survey of Wages and Working Conditions of
Municipal Employees.
- 1971 Brief to the Government of Canada . April 26,
1971.
- Canadian Union of Public Employees
1977 Employer Accreditation in the Public Sector.
- 1978 Employer Accreditation in the Public Sector.
- 1979 B.C. Council of Public Sector Employers
Gets Facelift, but Policies Remain the Same.
June, 1979, vol.2, no.4.
- 1981 "Raises not Roses: Vancouver Clerical Workers
Strike for Equal Pay." The Public Employee,
spring, 1981.
- Foley, Brian
1979 "The problem Faced by the Public Sector
Employer -- Determining where He Really
Stands." Newsletter, B.C. Council of Public
Sector Employers, February 2, 1979, vol.2,
no. 4.
- Hamilton, William
1981 Letter to John Parks. March 12, 1981.
- List, Wilfred
1979 "B.C. Employers' Council: Model of Co-operation".
The Globe and Mail, October 12, 1979:88.

- McAllister, Anne
1979 An Approach to Manpower Planning and Management Development in Canadian Municipal Government. Toronto, The Institute for Public Administration in Canada.
- Olsen, J.N.
1979 Memorandum to all Public Sector Employers, Province of British Columbia. January, 1979.
- Public Employers of British Columbia (PERC)
1981 Reference Report, no. 67, May 29, 1981.
- Statistics Canada
1977/1981 National Income and Expenditure Accounts. Catalogue 13-001, Ottawa, Ministry of Supply and Services, August, 1977 and april 1981.
- The Pacific Tribune
1982 Equal Pay a Victim of Bennett Wage Control. March, 5, 1982:3.
- The Vancouver Sun
1977 New Government Group Rapped by Volrich. July, 1977:21.
- 1981 CUPE Hints at B.C.-wide Strike. January 29, 1981.
- 1981 The Facts about the Civic Workers' Strike. GVRD advertisement, February 10, 1981.
- Thompson, Joey
1981a "GVRD Strikers Gear for long Fight". Vancouver Province, February 17, 1981.
- 1981b "Talks Fail and Civic Dispute Drags On." Vancouver Province, March 17, 1981.
- Wolfe, Evan
1978 Concerning the Goals and Objectives of the British Columbia Council of Public Sector Employers. Letter to all British Columbia Public Sector Employers. December, 1978.
- Wood, W.D and Pradeep Kumar (eds)
1980 The Canadian Industrial Relations Scene. Kingston, Queen's University Press.

Community Colleges and the Division Between Mental and Manual Labour

David Robinson

Poulantzas' (1978) analysis of the contribution of the educational apparatus to the reproduction of the division between mental and manual labour is elaborated upon to provide a theoretical framework for examining community colleges in terms of their relationship to the capitalist labour process. The thesis is that community colleges legitimize political relations in the labour process by defining the knowledge of graduates as inferior to the knowledge of university-educated workers trained in comparable specialities. Community college programs designed for engineering technicians are discussed in some detail and a number of suggestions for future research are advanced.