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Sacrificing Workers' Rights to Cut Public Spending Ill Advised – New Book Says

Ottawa – Governments that respect their employees' collective bargaining rights can be just as effective in meeting their budget goals as governments that ignore those rights.

That's one key conclusion of a new book on public sector labour relations in the 1990s published by the Canadian Policy Research Networks and Oxford University Press.

Public Sector Labour Relations in an Era of Restraint and Restructuring is edited by Gene Swimmer, Professor of Public Administration at Carleton University. The book is a collection of case studies focussing on labour-management relations in six Canadian public sector jurisdictions. Five of them – Nova Scotia, Ontario, Manitoba, Alberta and the federal government – sponsored the research. The sixth case study focuses on British Columbia.

The last decade was probably the most stressful period for public sector industrial relations since the advent of collective bargaining 25 years earlier.

All governments were under pressure to deal with deficit and debt levels. All made use of wage concessions and job reductions to cut spending. But political choices influenced how they were applied.

"The major finding of this study is the almost ubiquitous disregard for the collective bargaining process," says Swimmer.

Only 3 of the 15 ruling governments in the 1990 to 1998 period (taking elections into account) were prepared to use collective bargaining to achieve their goals. Instead, most chose to impose their will on their employees through legislation.

But the studies show that legislated solutions were no more effective in dealing with deficits. By 1997, the majority of governments had balanced their budgets regardless of the labour relations strategy they used.

"Alberta, Saskatchewan and Quebec are examples of how you can be tough and still abide by the law," says Swimmer.

Governments that settled disputes with legislation may even have incurred hidden costs that have impaired performance – costs created by decreased morale and lost productivity.

And the experience of the 1990s is likely to have a lasting impact on future labour relations.

"The entire political calculus of how a government should address public labour relations has changed," Swimmer says. "With the political cost of legislation falling greatly, any rational government will use that policy instrument more often."

"That may be easier in the short term, but the hidden costs make it a questionable strategy for the long term. Certainly, for those of us who view collective bargaining as an extension of legal 'due process' to the workplace, it is not a change for the better."

This volume is part of CPRN's Human Resources in Government project. The case studies were prepared by academics with industrial relations expertise. Their work included extensive interviews. Each chapter explains a jurisdiction's fiscal and political environment, examines the government's efforts to restrain or restructure its public service, and details the response of the unions.

The studies also demonstrate the wide range of choices, short of legislation, available to governments in dealing with their employees.

"The range of bargaining strategies documented in the study shows that governments can achieve significant cost savings while preserving employee rights," says CPRN's President, Judith Maxwell.

"In the long run, governments will achieve greater efficiency gains if they pay attention to the quality of work life and if public employees participate in decisions about the realignment of services."

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