Explaining Varieties of Labour Market Deregulation

‘Post-Democracy’ and Policy in British Columbia and Newfoundland and Labrador

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Key Points

1. Labour Market Deregulation
2. Traditional Explanations for Variation
3. Cases: NL and BC variations
Labour Market Deregulation

- Neoliberal public policy ‘package’
- Includes:
  - ‘Flexibility’: increased temporary and pt-time work
  - ‘Wage rigidity’: watering down of collective bargaining; limits on union rights, employment standards
Traditional Explanations of Labour Market Deregulation Variation

1. Production type: high quality (Western Europe) vs. low-cost (N. America)

2. Partisan differences between Left and Right gov’ts

3. Differences in levels of unionization

4. Political institutional differences
   - Proportional representation and coalition governments vs First-Past the Post and ‘exclusive’ governments
## Canadian Provincial Variation

<table>
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<tr>
<th>NL – ‘Stasis’</th>
<th>BC – ‘Conversion’/Deregulation</th>
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<tr>
<td>- Renewal of ‘Special Order’ legisl’n for centralized bargaining on major oil construction jobs</td>
<td>- Repeal of sectoral bargaining in construction.</td>
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<td>- Retain centralized/sectoral bargaining with public sector unions</td>
<td>- Major contracting out provisions introduced and privatization in public sector</td>
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<td>- No deregulation of employment standards</td>
<td>- 42 changes to Employment Standards Act to allow greater ‘flexibility’ and ‘competitiveness’</td>
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<td>- Initiate union-led apprenticeship programs</td>
<td>- New voting procedures for union representation and reforms to unfair labour practices.</td>
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<td>- New poverty programs</td>
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Variation in Non-Standard Employment

NL – No Increase

BC - Increase
Variation in Unionization

NL - Steady

BC – Sharp Decline

[Graph showing unionization data for NL and BC]
New Conceptual Framework

The Politics of Labour Deregulation

Post-Democracy (Crouch 2005, 2011)
1. Rise in business/affluent influence in politics
   • Political contributions; lobbying; 3Ps; revolving door; publicity campaigns; ‘astroturf’ organizations; think tanks
2. Transformation of parties to favour business/affluent interests
   • Increasingly reliance on corporate donations and media connections for financial and electoral support
3. Decline of civil society organizations and political power
4. Decline of union economic and political power
5. Increasing inequality (which leads to even further political marginalization and decline in voter turnout)

Longterm fallout
• Rise in business policy skewed to right; entrenching neoliberalism and inequality
## Case Comparison of ‘Post-Democracy’

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<th><strong>Newfoundland/Labrador</strong></th>
<th><strong>British Columbia</strong></th>
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<tr>
<td><strong>Firms/Employers</strong></td>
<td>Oil – low royalties for local unionized constn jobs</td>
<td>FIRE, Natural gas, and construction seek non-unionized jobs.</td>
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<td><strong>Political Parties</strong></td>
<td>Traditional Brokerage Parties</td>
<td>Liberal Party recruits businessmen, targets affluent ridings.</td>
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<td><strong>Civil Society/Institutions</strong></td>
<td>Dense local social networks/reg’l development councils</td>
<td>Decline and marginalization of community/political input</td>
</tr>
<tr>
<td><strong>Union Bargaining/Policies</strong></td>
<td>Unions apolitical but coordinate well. Militant traditions of protest, stoppages</td>
<td>Unions largely support NDP; advocacy and organizing campaigns.</td>
</tr>
<tr>
<td><strong>Inequality/Citizen Engagement</strong></td>
<td>No increase in inequality and voter turnout steady</td>
<td>Increase in inequality, and fast drop in turnout</td>
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Conclusions & Implications

- Traditional explanations for variation in labour market deregulation don’t explain variation.
- Post-democracy framework provides a way for unions and civil society organizations to ‘map’ changes in politics and policy – and subsequently strategize.
Thanks

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Problems with Explanations about Variation in Labour Market Deregulation

- Employer, partisan and institutional frameworks cannot explain divergence in disposable income inequality, levels of poverty, and extent of low-wage work.

- Have seen diversity in policies and unionization; degree of temporary work flexibility; reform of EI and employment related social programmes; and public sector restructuring.
The Liberals not only regularly gained more than 97 percent of all business support, they used business donations to regularly outspend the NDP on a 2-to-1 basis during election years.

In 2005, business donations to the Liberals doubled to $10.1 million (the highest level in all provincial jurisdictions), making up 45 percent of all political party revenues,
Business and NL Conservatives

- Conserviates also take 97 percent of all business support.
- Business donations to Conservative 3 X higher than all other party revenue combined. Make up 50 percent of all party donations.
Varieties of Citizen and Voter Marginalization
How Did Business in NL Influence Politics

- Big Oil dominates. But stays out of direct provincial politics.
- Construction industry works with government to retain centralized collective bargaining frameworks in construction.
- PC parties fundraise heavily from business, but do so from all businesses across province.
- Business does not establish think tanks or advocacy coalitions to lobby for deregulation.
The Decline of Middle-class and Labour Organizations in BC

- mass-membership organizations with true grassroots presence have atrophied. In their place have arisen advocacy groups with professional management teams and mailinglist memberships

- Decline of organized labour

- Fragmentation of civil society groups and loss of economic focus

- Rising income inequality favors wealthy who turn against income redistribution
No Decline of Middle Class Organizations or Unions

- Municipal and regional organizations proliferate for regional economic development
- PC party relies on small business associations, community organizations, and voluntary government boards and councils
- Cross-interest associations in communities – business, construction, fishermen, tourism
- Unions active in community and in capital
Political Differences Matter

- Changes to business, political parties, and electoral mobilization are critical factors in accounting for alternative reform paths.

- BC – construction, mining, and real estate industries very active in pushing for labour market reform; BC Liberal Party relies on wealthiest and business; and with widespread voter disengagement, opens way for government to push major deregulation effort
In Newfoundland and Labrador (2003-2010), the Conservative government strongly supported MNCs in the offshore oil industry, but it also upheld long-standing industrial relations frameworks for the construction industry and trades, as business supported this. The PC government also made modest attempts to improve employment standards and alleviate poverty in the province.

Active role of community organizations, regional economic development boards, and unions influence policy making.