# ORGANIZED LABOUR AND THE QUEBEC STATE

Neo-Corporatism, Nationalism and Trade Union Consensus: 1988-1998

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#### Abstract

"Organized Labour and the Quebec State: Neo-Corporatism, Nationalism and Trade Union Consensus - 1988-1998."

by

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Over the 1988-1998 period, the Quebec labour movement made a number of proposals geared towards ensuring its survival and creating an environment in which it might better represent its constituents. Taken as a whole, these proposals represent a call for the centralization and enhanced institutionalization of relations between employers, organized labour and the Quebec state. The 1990s have also seen enthusiastic trade union support for Quebec independence. This in turn has meant support for the Parti Québécois, despite the fact that it has as a governing party adopted an agenda that runs contrary to that put forward by the province's labour movement. Indeed trade union commitment to Quebec sovereignty has had a negative impact on organized labour's ability to speak with credibility when facing the state (as employer or otherwise), bringing into question the compatibility of the labour movement's nationalist and class objectives.

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### Introduction

The primary role of any workers' organization is to protect and ameliorate the working conditions of its constituents.<sup>1</sup> However, the way in which this goal might best be achieved has been the subject of much debate in both labour and academic circles since the very advent of trade unionism. In much of the industrialized world, the debate has largely been over whether to participate in the existing (socio-political-economic) system, and if so how much and in what capacity? This thesis analyses this debate in the context of the Canadian province of Quebec, particularly with regard to organized labour's relationship with the state over the 1988-1998 era.

The study of trade unionism is not new to Canada. However, it should be pointed out that, with few exceptions, trade unionism in the Quebec context is a topic to which little attention has been paid outside the province. Organized labour carries much weight in Quebec: over 40% of the province's workforce is unionized, thus labour leaders can (and do) claim to speak on behalf of a substantial segment of the province's population. (Gouvernement du Québec, Sept. 1998) Furthermore, the trade union federations that dominate the labour movement have on occasion used their resources to telling effect in mobilizing members around key issues.

Considering the role labour has played in shaping the province's social and economic climate, it is surprising that Canadians outside the province have not examined more fully the trade union movement in Ouebec.

This says much about the current debate surrounding the province's place within

While the purpose of trade unions has been and continues to be the subject of much debate, the traditional one provided by Beatrice and Sidney Webb is employed here - perhaps more than anything because it is arguably the most rudimentary, and it has stood the test of time. (Webb & Webb 1965:1)

confederation, for there is a general lack of understanding about Quebec on the part of what is generally called 'English Canada'. This thesis will shed some light on an integral component of the province's social, economic and political fabric and hopes to enhance in some capacity Canadian understanding with regards to the province of Quebec. This is also true of workplace relations in the province, which are somewhat unique to the North American experience.

In terms of analytical framework, the state is understood as employer (in the case of the public sector) and the ultimate authority in determining both the structure in which labour and capital operate under its jurisdiction and the conditions under which its citizens work. It is also understood as being both political and administrative in composition.<sup>2</sup> There is some emphasis on the public sector, for several reasons. First, the province's public sector is much more densely unionized in comparison to the private sector, and it is workers in the public sector who have proven to be more militant in terms of political and workplace action. In this sense, public sector unions have traditionally played a leadership role, leading some scholars to refer to them as the 'vanguard' of the Quebec labour movement.(Lipsig-Mummé, 1990) Second, through a centralized bargaining structure, labour organizations representing the vast majority of the province's unionized workers have combined to form one unit known as the 'Common Front' when engaged in public sector contract negotiation. It is via this phenomenon that congruencies between the federations and independent unions might best be identified. Third, the public sector represents in many ways the nexus at which workers and the state meet. Put simply, one of the best ways to determine how a particular government or political party view the role of the

<sup>&</sup>lt;sup>2</sup> For in-depth analysis regarding the dual and sometimes contradictory nature of the capitalist state, see Bauby (1991).

working class and their employers is to consider how it deals with its own employees and their organizations.<sup>3</sup> Finally, unlike their cohorts in the private sector (the cooperative sector notwithstanding), public sector workers are in the unique position under a democratic system of being able to choose or at least influence who their employer is. Thus industrial relations in the public sector are inherently political in nature.

The structure of organized labour in Quebec is unique within the Canadian context in that it is generally divided into four federations known as 'centrals': the Fédération des Travailleurs du Québec (FTQ), the Confédération des Syndicats Nationaux (CSN), the Centrale de l'Enseignement du Québec (CEQ) and the Centrale des Syndicats Démocratiques (CSD). Founded in 1957, the FTQ is the province's largest labour organization and consists mainly of so-called international (American and pan-Canadian) unions. As a result, it is the more decentralized of the four. Furthermore, the FTQ is the only central affiliated with the Canadian Labour Congress, though it does have a relatively autonomous status within the organization. The CSN is a direct descendant of the province's once prominent Catholic trade union movement and consists mainly of Quebec based unions, the majority of which are in the public sector. The CEQ, as its name suggests, consists almost entirely of public sector unions, most of which are connected in some capacity with education. The Centrale des Syndicats Démocratiques (CSD) came into being in 1972 as a result of a split within the CSN and is the smallest of the four. Because of both its size and its status as a somewhat apolitical union, its socio-political impact on the province has

<sup>&</sup>lt;sup>3</sup>Working class being defined in this case as "all those who make their living earning a wage or salary in non-managerial positions".(Laxer 1997: 219) Thus class is understood here in non-Weberian terms as being based almost exclusively on economic power. This definition is particularly appropriate in the Quebec context in that many of the province's unionized workers are professionals and/or skilled workers who might otherwise be considered 'middle' or even 'upper-middle' class.

been marginal in comparison to the other three centrals. In total, the four major centrals represent roughly eighty percent of unionized workers in the province, the rest being represented by so-called 'independent' unions. The most significant of the latter in terms of membership and influence are the Syndicat de la Fonction Publique du Québec (SFPQ) and the Fédération des Infirmières et Infirmiers du Québec (FIIQ), both of which are public sector based. (Human Resources Development Canada, 1998) Yet in spite of this structural fragmentation, the Quebec labour movement has put forward a clear agenda throughout the 1990s, the cornerstone of which being a call for the centralization and enhanced institutionalization of relations between employers, labour and the state.

The focus is on the provincial, primarily because industrial relations in Canada fall predominantly under provincial jurisdiction. As a result trade union activity in the province tends to take place (though not exclusively) at the provincial level. Furthermore, as Roch and Serge Denis have pointed out,

.. the provincial dimension is of greater significance in Quebec than in many other provinces: many economic, social and cultural projects, and the very life of (the labour movement's) organizations, are defined by Quebec's specific institutional and cultural context..... (therefore) when it is confronted with the issue of where and how to commit its own forces, the primary focus is provincial. (Denis & Denis 1995: 212)

This 'specific' nature and the sense of national mission that has come to accompany it is of paramount importance since the province's nationalist temperament has been a critical factor behind the various strategies that have been adopted by trade union leaders throughout the 1990s.

The 1988-1998 period has been selected for two reasons. First, the late 1980s marked the beginning of a new era of consensus amongst trade union leadership in Quebec, so that by the

early 1990s all of the province's major labour organizations were able to unite behind a coherent and unitary agenda regarding economic and industrial relations in the province. Second, the Quebec labour movement formally endorsed Quebec independence from the Canadian federation in 1990, a move that has had a highly significant impact on organized labour's relationship with the state. In dedicating itself wholeheartedly to the cause of Quebec independence the Quebec labour movement has, because of the province's partisan political structure, committed itself to supporting (either directly and/or indirectly) the province's only separatist party: the Parti Québécois, which has held office since 1994.

Much has been written as of late regarding the shift in trade union strategy across the industrialized world towards a more cooperative or integrationist approach with the employer (both public and private). The 1990s have witnessed the emergence of this trend in Quebec, spurred on in some ways by the labour movement's nationalist orientation. Yet this phenomenon has not proven particularly beneficial to the province's workers, for while academics and sovereigntist politicians have referred to the 'Quebec model' of social-economic governance as being neo-corporatist and/or social democratic, in truth it is neither. Instead labour leaders have allied themselves with proponents of an agenda that runs contrary to that put forward by the labour movement consistently throughout the 1990s. Indeed organized labour's commitment to an independent Quebec has served as an impediment to the realization of its reformist project, for it has led to alliances that compromise its ability to provide its constituents with credible representation vis-à-vis the state.

The organization of the thesis will be as follows: chapter one places Quebec's unionized workers in the context of the economic and industrial restructuring that has come with the

increasing globalization of capital over the past twenty-five years; chapter two defines the relationship that exists between the province's trade unions and the state; chapter three examines the socio-economic agenda put forward by the province's labour organizations over the course of the 1990s; and chapter four explores the reasons behind the Quebec labour movement's support for Quebec independence and its impact on labour-state relations.

## Chapter One: Economic Change and the "Crisis of the Working Class".

The socio-economic framework within which organized labour operates has changed considerably over the last two decades of the twentieth century. While there is no doubt that conditions differed to varying degrees across the industrialized world, there was some consensus prior to the late 1970s regarding the role to be played by labour, capital and the state in the management of the national and sub-national economies in which they functioned. These roles were defined largely along Keynesian lines, in that stable aggregate demand was seen as essential to economic growth, which in turn was to be achieved via cooperation and constant dialogue among the three major economic players (labour, capital and the state), a phenomenon otherwise known as the 'Fordist compromise'.

While there is some debate about its specifics, there is a general understanding among scholars that, at the macroeconomic level, Fordism represents a cycle of perpetual growth wherein mass production and mass consumption, operating within relatively closed economies, result in rising wages, profits, and thus increased demand and re-investment. This cycle is maintained in various ways: by the separation of ownership and control in large corporations with a distinctive multi-divisional, decentralized organization subject to central controls; by monopoly pricing; by union recognition and collective bargaining and wages indexed to productivity growth and retail price inflation. (Jessop 1994:253) In addition to contributing to the system through both the creation of a favourable legal and monetary environment and direct economic participation in

the form of state-owned enterprise and investment, the Fordist/ Keynesian model calls for the development of universal social programs, or a social 'safety net'. From a social perspective, this is a product of the sense of collective responsibility that the system engenders, while in economic terms, steps must be taken to ensure that the aggregate demand that is vital for stable economic growth is maintained.

Once again, these ideas were not adopted universally or in a uniform manner during the post-war era<sup>4</sup>. Nevertheless, in the vast majority of industrialized states, economic and public policy were formulated with an eye to achieving stable economic growth via full employment and some form of market regulation, while at the commercial level, good labour relations and the fair treatment of employees were seen as paramount to profitability, organizational expansion and the accumulation of capital. Indeed, the period during which these concepts were pervasive proved highly beneficial for organized labour for several reasons.

State policies of a Keynesian nature regarding employment and social protection have a positive impact on worker security and bargaining power. Should something comparable to full employment be achieved, the subsequent shrinking of the pool of labour available to employers puts workers and their organizations at a distinct advantage in that their labour increases in value. It also means that workers' reliance on specific jobs (and subsequently the menace of dismissal) is greatly reduced, which in turn serves to bolster militancy and the credibility of strike threats. This is also true of state-provided universal and comprehensive social programs, which curb workers' dependence on specific employers for fringe benefits. (Martin 1994:64). The Fordist/Keynesian

<sup>&</sup>lt;sup>4</sup> Nor at the same time. In Quebec, the first vestiges of Fordist economic and industrial policies would not appear until the early 1960s. (Boucher 1992: 109)

emphasis on aggregate demand also puts labour in a favourable position, for a steady increase in both demand and consumption requires periodic augmentation of worker income and thus wages.

Furthermore, because the stable enhancement of working class buying power is central to the system, employers in both the public and private sector tend to make for a more receptive audience for trade union demands. Finally, Keynesianism promotes trade union cooperation and working class solidarity in that it generally calls for "a single, institutionally homogeneous labour market".(Baragar 1995:46)

In Canada, the acceptance of trade unionism and the need for a more balanced and structured approach to industrial relations led in 1944 to P.C. 1003, a federal order-in-council establishing legal recognition of trade unions, collective bargaining and the right to strike. In Quebec, a similar legislative framework was created the same year with the Labour Relations Act.<sup>5</sup>

The adoption of many of these concepts led to an era of unprecedented growth in the power of organized labour in Canada and elsewhere in the industrialized world following the Second World War. This in turn was accompanied by an increase in the standard of living, employment, and a more equitable distribution of income. However, the oil crisis of the mid-1970s, and the escalating inflation, unemployment and public debt that succeeded it, made Fordist industrial and economic systems increasingly difficult to sustain, provoking a shift in employer and

<sup>&</sup>lt;sup>5</sup> While this will be dealt with more extensively in Chapter 2, it should be pointed here that although the Labour Relations Act recognized workers' right to organize, bargain and strike, a number of amendments were made under the Duplessis regime (1944-1959) giving the state the power to revoke those rights at will - which it did on a great many occasions. Thus workers were not able to enjoy the rights granted under the Act in any real sense until the early 1960s. Furthermore, the Act did not extend the right to strike to workers employed by the state.

state policy priorities at both the macro and microeconomic levels. The result has been the emergence of something markedly different, what Drache and Glasbeek have dubbed a "new order of capitalism", one in which the balance of power has shifted considerably away from workers in favour of their employers.(Drache & Glasbeek 1992:1) There are a number of reasons for this.

In its 1997-98 World Labour Report, the International Labour Office cites two fundamental changes that have impacted the economic conditions in which capital and labour operate: financial globalization and the intensification of international trade competition. With regard to the former, "(w)ith the collapse of the Bretton Woods system of fixed-exchange rates in the 1970s, and the progressive elimination of national capital and exchange controls, the world has witnessed a stunning growth in international financial markets and the proliferation of new financial instruments".(ILO 1997:9) Furthermore, with the emergence of the General Agreement on Trade and Tariffs and other comparable international agreements (including, in the Canadian/Québécois case, the Free Trade Agreement and the North American Free Trade Agreement), trade barriers have been systematically eliminated to create an increasingly integrated global economy. This opening up of previously protected national and sub-national markets to outside capital, and the subsequent desegregation and boom in international trade that followed, has led to much stiffer national and international competition.(ILO 1997:9) This in turn has led to a transformation in both state and employer priorities, in that there has been a shift away from "demand-side concern, as if it had become irrelevant, because internationalization has made it unmanageable".(Lipietz 1995:351)

The increasingly inter and/or multi-national character of capital has, to varying degrees,

altered the state's capacity to formulate macro-economic policy. The ability to move capital elsewhere, and the subsequent loss of jobs and tax revenue that result from such a move, has led to 'competitive detaxation' and 'competitive deregulation' between states in an effort to woo potential investors and employers from other jurisdictions, and to keep native ones from moving away. As a result of these phenomena, the 1990s have witnessed a substantive increase in capital flow within industrial nations (ILO 1997 & World Bank 1995:52), and while there has been a decrease with regard to the state's playing a direct role in the economy via public expenditure in terms of consumption and investment, capital luring incentives such as subsidies have grown amongst OECD countries. (World Bank 1997:23) In light of these changes, there can be little doubt that a shift has occurred in the relationship between state and capital, for this decrease in counter-cyclical spending lends itself to growing state dependency on private firms for job creation, and at the same time generates hesitation to tax or regulate those firms.(ILO 1997:70) Indeed, Strange has argued that

..the impersonal forces of world markets, integrated over the postwar period, are now more powerful than the states to whom ultimate political authority over society and economy are supposed to belong. Where states were once the masters of markets, now it is the markets which, on many crucial issues, are the masters over the governments of states. (Strange 1996:4)

While it may be premature to depict states as utterly powerless in the face of global markets and capital mobility, the priorities of states have changed significantly since the 1970s, and much of this can be attributed to globalization and the changing priorities of employers.

Under the pretext of the need to be competitive in the 'global marketplace', employer emphasis has moved from stable, long-term growth to short-term profit maximization via cost

reduction and structural 'flexibility'. It is largely this quest to reduce costs that has changed the way in which employers and the managerial business class have come to see both themselves and those they manage and employ. As Laxer has pointed out, "leading companies have adopted the strategy of squeezing their employees through layoffs and pay cuts. At work in (such) companies is a management mind set which insists that, even though they are already profitable, they have a right to shed workers to make themselves still more profitable." (Laxer, 1999) Mass lavoffs or 'downsizing' is a strategy that has been widely accepted as a means for achieving cost reduction, particularly in North America. For instance, the Canadian Centre for Policy Alternatives has indicated that between 1988 and 1996, thirty-three major business entities in Canada cut their personnel for a combined amount of 216,000 jobs or 35 percent of their workforce, despite the fact that their total earnings grew by over \$40 million.(CCPA, 1997) In addition to downsizing and restructuring, layoffs are often the product of other attempts at cutting labour costs through a return to 'core competencies' (otherwise known as outsourcing or contracting out to other firms), the moving of operations to other jurisdictions, or the introduction of new production methods such 'lean' or 'just in time' production.6

Despite the integrationist tendencies that come with the consolidation of markets into the global economy, these aforementioned changes have led to economic fragmentation over the last two decades. At the workplace level, firm size is in decline in Canada, while there is a growing number of small firms that are increasingly integrated into transnational corporations. Indeed, more than one-third of Canadian workers are employed in firms with under 20 employees, while

<sup>&</sup>lt;sup>6</sup> For detailed analysis regarding recent changes in production methods and their impact on workers, see Rinehart, Huxley and Robertson (1997).

another one-third work in firms with 20 to 99 employees. (Lipsig-Mummé & Laxer, 1997)

Fragmentation has also impacted labour markets, where competitive pressures and employer emphasis on the need for 'flexibility' has led to changes in the terms under which workers are employed. As a result, precarious terms of employment are on the rise throughout the industrialized world, largely at the expense of full-time salary positions.

Quebec is a prime example of this phenomenon. From 1976 to 1995, full-time employment has grown in Quebec as a whole by a mere 8.6%, while part-time work has increased by 126.7%. Of the 670,000 jobs created over the period in question, only 26.7% were full-time salary positions. Furthermore, while voluntary part-time work has grown by 50.9%, involuntary part-time work has increased by 524.2%. The self-employed have also grown by 100.7%, representing 14.3% of the province's total workforce, while in 1994 temporary or contract workers represented 10.4% of the province's workforce, representing a 16% increase over five years - 76% of whom would prefer permanent employment. Young workers (ages 15-24) perhaps best represent the new labour market: for them self-employment has grown by 42.4%, while full-time salary positions have dropped by 23%. At the current rate, atypical (i.e. non-salary, part-time, autonomous, temporary or contract) work will in fact become typical in Quebec by 2017. (Gouvernement du Québec, Mai 1998)

In addition to workplace and labour market fragmentation, the new global economy has led to the repositioning of various sectors within national and sub-national economies. Brought on by this propensity to move production to jurisdictions with lower labour costs, in tandem with rapid technological change, a gradual restructuring of western economies is taking place.

Whereas manufacturing and the industrial model were central to most advanced capitalist

economies during the post-war era, those same economies are increasingly taking on a post-industrial character. For example, as of 1995, 42% of jobs in the world's high income nations were to be found in the service sector, while the industrial sector accounted for a mere 19%.(World Bank 1995:10)

Changes in emphasis and structure are not by any means limited to the private sector.

Indeed, the state-employer has come to adopt many of the strategies currently in vogue with its private sector counterparts.

Public administration is feeling the effects of economic constraints, particularly on employment, whose costs represent a major part of public expenditures. There is increasing pressure for productivity and efficiency in order to reduce labour costs and at the same time to meet growing demands for social services. Pay policies have become a controversial issue, not only because of the efforts to reduce labour costs, but also because of the impact that wage rates in the public service may have on national income policies pursued by many governments. (Treu 1987:2)

Many states have eschewed the need to ensure stable aggregate demand for expenditure reduction and the maximization of productivity from reduced workforces. Furthermore, the private sector propensity for cost cutting via downsizing and outsourcing has been adopted by states across the industrialized world in the form of privatisation and commercialization. The former represents the elimination of expenditures through the selling off of state enterprises or the contracting out to the private sector of services previously provided by the state; the latter entails subjecting public sector workers to the forces of the market by opening up sectors formerly managed by the state to private sector competitors. In the case of Quebec, these tactics were embraced by both the Canadian federal government and the provincial governments throughout the 1980s and well into

the 1990s.<sup>7</sup> (Stewart, 1998 & L. Bernier, 1995) Yet another means increasingly employed by governments in an effort to offset public expenditures is the introduction of user fees for services provided by the state, which means that such services are no longer universally accessible. Regarding the terms under which workers are employed, the pattern in the public sector at virtually all levels in Canada is comparable to that of the private sector. In a recent survey of unions in Canada, 84% of the public sector respondents reported an increase in the use of temporary workers, 72.2% an increase in part-time workers, 61.8% an increase in volunteer labour and over 68% a decrease in full-time employment.(Kumar, Murray & Schetagne, 1998)

As was the case with the Keynesian welfare state, these changes have not taken hold to the same degree throughout the industrialized world. At the same time it is clear that state and employer priorities in both the public and private sectors have changed considerably over the last two decades. The state has in many cases abandoned the goal of achieving stable aggregate demand through full employment, macroeconomic management and universally accessible social programs. Instead, policy is formulated with an eye to providing a propitious place to invest capital and undertake production (this was certainly the case with the Parti Québécois government of 1994-98, as will be later argued). With regard to employers, the notion that a well paid, stable workforce is vital to the firm's success and well-being has largely been replaced by the belief that workers and their wages are merely additional costs of production to be eliminated if at all possible. Globalization, in tandem with the transformation in state and employer priorities, workplace structure and labour market practices, has led to what Moody has called a "crisis of the working class" (Moody, 1997).

<sup>&</sup>lt;sup>7</sup> Privatisation in Quebec will be dealt with more extensively in Chapter 4.

The drive by employers both public and private to cut labour costs, coupled with a lack of commitment on the part of many governments to implement policy geared towards full employment, has had a negative impact on workers across the industrialized world. Unemployment in the OECD rose between 1970 and 1996 from under 10 million to over 36 million or 7.6% of the workforce - and this does not include those who have stopped looking for work, possibly and additional 15 million.(Britton 1997:293) In addition to this rise in unemployment, the pace of nominal wage growth in manufacturing has dropped to half or less of what it was everywhere in the industrial North, while wage rate growth as a whole has come to a virtual standstill throughout OECD countries, despite relatively low inflation. (Moody 1997:189) Earnings for the average Canadian male worker, in constant 1994 Canadian dollars, dropped between 1974 and 1994 from \$31.242 to \$31.087, and while female real incomes did increase from \$14,813 to \$19,359, they were still well below those of men. (Laxer, 1998 & Statistics Canada, 1997b) Yet between 1989 and 1996, average total after tax incomes in Canada have fallen consistently, from C\$39,300 in 1989 to C\$36,900 in 1996.(Globe & Mail, Oct. 13 1998) These changes are coincident with a decline in the power of the organizations that represent working class interests: trade unions.

The economic framework that has emerged with the demise of the Fordist compromise has proven highly problematic for trade unions. A prime indication of this is decline in trade union membership. Between 1985 and 1995, many of the world's leading economic nations experienced a significant drop in trade union membership: France by 31.2%, United Kingdom - 25.2%, Germany - 20.3%, Australia - 12.6%, Italy - 6.8% United States - 3.7%.(ILO 1997:236) In Canada's case, while density has remained relatively stable since the 1960s at just above 30%,

between 1992 and 1997 alone there was a 7% drop in total membership (Statistics Canada. 1997a). During the same period, the rate of union density dropped consistently in Quebec, from 49.7% in 1992 to 40.3% in 1997.(Gouvernement du Québec, Sept. 1998:9)

Changes in workplace and sectoral structures symptomatic of the new global economy have had a negative impact on organized labour in a number of ways. For example, trade union membership is considerably higher in the public sector in Quebec (70.2%) and Canada as a whole (73%) than in the private sector (28.6% and 22% respectively). Yet as is the case throughout much of the industrialized world, it is in the private sector that jobs are being created and/or preserved in Canada, at the expense of the public sector. Indeed public employees in Canada represent a mere 18% of the workforce today. Furthermore, trade union presence in Quebec has dropped consistently in both sectors since 1992: from 73.8% to 70.2% in the public and from 36.9% to 28.6% in the private. (Statistics Canada, 1997a & Gouvernement du Québec, Sept. 1998).

Having flourished under the class homogeneity inherent to the Fordist system, worker's organizations are having difficulty adapting to the increasingly fragmented and individualist nature of advanced capitalist economies. In Canada, the rise in small workplaces, as well as part-time, contract, temporary and home work have contributed to some degree to the decline in trade union membership: full-time workers are one and a half times more likely to belong to a union than part-time workers, union density tends to increase with firm size (12% in firms with less than 20 employees to 58% in firms with over 500), and low job tenure tends to mean low union density rates (a mere 13% of workers with 12 months or less of tenure are unionized to 60% of those of over 14 years tenure). As with the labour market in general, young workers perhaps best

represent emerging trends: only 10% of Canadian workers between the ages of 15-24 are members of a trade union. (Statistics Canada, 1997a).

The state is not alone in feeling the debilitating effects of capital mobility; trade union bargaining power too has been impacted by the desegregation of world markets. As Sachs has indicated: "Union wage premia are driven down by the openness of the world financial system and the ability of capital to move offshore really does pose limits on the wage-setting or wage-bargaining strategies of trade unions which are restrained in their wage demands by the higher elasticity of labour demand". (Sachs 1997:10) As previously stated, employer emphasis on the need for cost reduction and flexibility has come largely at the expense of working class wages and job security.

While the ease with which capital moves across national and sub-national boundaries has increased steadily, the same cannot be said of labour. This gives employers an advantage at the bargaining table, for should workers not prove sufficiently compliant, the employer can threaten to move operations elsewhere. This, coupled with the high levels of under- and unemployment that have become the norm in the post-Fordist world has led to increasing inflexibility on the part of the employer, and concession bargaining on the part of worker's organizations. For example, while increasing wages and benefits are often assumed as primary trade union priorities, a 1998 survey of Canadian trade unions conducted for Human Resources Development Canada found that protection from lay-offs and cuts to current wages and benefits were the only high priorities identified by a majority of respondents; thus there has been a marked shift from making gains to protection of current conditions.(Kumar, Murray & Schetagne, 1998).

This imperious attitude towards worker's organizations has emerged in the public sector

as well, in that the state imposed contract has gained ground at the expense of the negotiated collective agreement. With regard to Quebec, this trend began at the federal level with the imposition of wage controls and especially punitive back-to-work legislation under the Liberal governments of the 1970s. Similar disregard for free collective bargaining in the public sector manifested itself shortly thereafter at the provincial level, as the Parti Québécois government of René Lévesque imposed drastic cuts on its workforce via legislation and 'special decrees' in 1982 and 1983, threatening dissenting workers with immense fines and imprisonment. This new position regarding public sector workers was institutionalized with Bill 37, an amendment to the province's Labour Code passed by the same PQ government in 1985, which introduced considerable restrictions on public sector workers' right to strike. Since that period, special decrees and back-to-work legislation have been a regular feature of public sector industrial relations in the province, which has led some to argue that Quebec public sector collective bargaining died in 1982. (Hébert, 1995) While this will be later discussed at some length, it should be noted that private sector employer strategies harmful to workers and their organizations have been mirrored and, where possible, encouraged by the Quebec state. Both federal and provincial governments have served to enhance and have been willing accomplices in the shift in power away from workers in favour of employers. Yet at the provincial level, labour leaders have for much of the 1990s cooperated and on numerous occasions allied themselves with those who have perpetuated this post-Fordist agenda. To better illustrate this paradox, some consideration of the relationship between labour and the state is necessary.

## Chapter Two: Labour, the State and the 'Quebec Model'

While social, environmental and other concerns are occasionally voiced by organized labour, trade unions are primarily concerned with economic and industrial matters. And despite the increasingly precarious condition in which the state finds itself with the globalization of capital, it is still ultimately with the state that the power to effect change in these areas rests. It is the state that determines the minimum conditions under which its constituents work and are paid. It is the state that sets economic policy, including whether or not to sign international trade agreements, introduce mechanisms to regulate distribution of wealth, privatize or nationalize, and so on. Thus the key to determining the power that organized labour holds is clearly related to its relationship with the state, including whether or not it can affect its orientation. In this regard, the Quebec state has taken steps towards developing an integrationist relationship with the province's major labour organizations. However contrary to assertions made by a number of the province's politicians and academics, the power to make key economic and industrial decisions remains exclusively with government officials, with labour and employer organizations playing essentially a consultative and advisory role. It will be argued here that while trade unions have responded to the state's overtures by actively participating in state sponsored fora where policy options are discussed, this has not led to growth in terms of working class power.

The Quebec state is considerably more interventionist in comparison to most other jurisdictions in North America. (Bergeron & Bourque, 1996) Much of this can be attributed to the province's unique cultural disposition; namely, that Quebec is a predominantly French

speaking society in a country and continent that is largely English speaking and grounded in a different cultural heritage. Quebec's particular judicial tradition provides the state with possibilities that are to some extent unavailable to its counterparts elsewhere in Canada.

(t)he legislative backbone of Quebec society is not Common Law, but rather the Civil Code, directly inspired from the French Napoleonic Code. This implies various types of laws, many of these, especially in the last decades, establishing frameworks of general principles (loi-cadre) and leaving many subjects to the regulatory powers of government. Although this approach has the advantage of being flexible, in that it is always easier to change a regulation than to change a law, many observers have argued that it takes away from the legislature many debates and that it favours lobbying by parties. (Sexton 1989:2)

As a result of this comparative regulatory freedom, combined with the province's minority status as the only French speaking province within Canada and the age-old fear of assimilation that has come with that status, the state has come to be seen by French-speaking Québécois society not as an unwelcome intruder, but as a representative and defender and/or promoter of the Québécois national identity (the very fact that the provincial legislature is known as the 'National Assembly' is indicative of this). This in turn has affected government policy on numerous fronts, including both the economy and industrial relations.

Prior to the 1960s, the Quebec state looked upon organized labour as something to be tolerated at best - or subverted at worst. The province's labour movement was divided essentially between international unions affiliated with the American Federation of Labour<sup>8</sup> (AFL) and Quebec based organizations affiliated with the Confédération des travailleurs catholiques du

The AFL's affiliates in Canada belonged to the Trades and Labour Congress of Canada (TLC) founded in 1886 by the AFL's predecessor, the Knights of Labour. As was the case in the United States, industrial unions split from the TLC in 1937 to form the Canadian Congress of Labour (the Congress of Industrial Organization's Canadian affiliates) - only to reunite again in 1957 to form the Canadian Labour Congress, the FTQ being its Quebec section. Prior to the 1960s, international unions generally represented two-thirds of Quebec's unionized workers.

Canada (CTCC), with each adhering to a different philosophy in terms of labour/capital relations and the state. International unions generally subscribed to 'business unionism', a concept developed by AFL President Samuel Gompers that entailed embracing capitalism and using it to the workers' advantage, with the role of the trade union being to extract as many concessions as possible from employers via the maximization of bargaining power (including militant strike action). In terms of political activism, Gompers believed in enhancing workers' rights via a non-partisan policy of 'rewarding friends and punishing enemies'.

Having been created primarily in response to the confrontational and non-sectarian disposition of the AFL, the CTCC promoted a brand of trade unionism that was grounded in French-Canadian nationalism and the papal doctrine that workers' interests were secondary to the need for hierarchical order and social stability, an approach perhaps best exemplified in Abbé Fortin's assertion that, where the CTCC was concerned, "notre fonds de grève à nous, c'est le prêtre!" (Dionne 1991:35) For the CTCC the ultimate goal was to avoid industrial conflict by fostering consensus between employers and their workers, with the Church serving as intermediary.

Yet in spite of these ideological differences, it is clear that during the pre and immediate post-war eras many of the province's unionized workers understood that the Quebec state was reluctant to guarantee workers rights by introducing a system of free collective bargaining.

Indeed, breakthroughs in this area were in most cases the product of struggle and conflict. The first piece of legislation allowing workers to freely associate - the Quebec Factory Act, introduced

<sup>&</sup>lt;sup>9</sup> Despite the church's efforts, a number of unions affiliated with the CTCC engaged in strike activity. CTCC affiliates would take part in a total of thirty-two strikes over the first ten years after the organization's establishment in 1921. (CSN-CEQ 1987: 92)

in 1885<sup>10</sup> - was largely in response to a wave of strikes and mass protests centred around the Montreal area in the early 1880s. However it would be another sixty years before the Labour Relations Act was introduced, granting the province's trade unions legal recognition and providing the right to strike (following a conciliation and arbitration process), employer obligation to negotiate in good faith, grievance procedures and a Labour Relations Board to oversee the application of the Act.

In the interim, the CTCC's quest to achieve socio-economic stability via a more quiescent form of trade unionism led its leadership to urge Liberal governments under the Taschereau regime of the 1920s and 30s to introduce measures favourable to that end. This resulted in the passing of two significant pieces of labour legislation, both of which were condemned by the province's international unions for 'domesticating' trade unions and granting the state excessive power over trade union activities. The Professional Syndicates Act (1924) allowed for any trade union to be legally recognized by the state as an incorporated association should they request it, though the granting of said status was purely at the state's discretion. Based on similar arrangements in France and Belgium, the Labour Decrees Act (1934) allowed for collective agreements negotiated by a union to be applied to all workers employed in the same sector, unionized or not. As with the Syndicates Act, how and/or whether or not these agreements were applied were up to the state. Neither act recognized workers' right to strike.

<sup>&</sup>lt;sup>10</sup>Comparable legislation was passed at the federal level in the Trade Union Act of 1872. Like the Quebec Factory Act, it was introduced in response to widespread labour unrest, in this case the Toronto printers' strike, which started at the offices of the Toronto Globe newspaper (owned by George Brown, then Leader of the Opposition in the federal parliament). The strike culminated in a mass protest of over 10 000 people, with support from workers across the country.(CSN-CEQ 1987:48)

<sup>&</sup>lt;sup>11</sup>The Act is still in force today, though decisions regarding when and how these provisions are to be used remain at the discretion of the state.(J. Bernier, 1993)

Yet the Labour Relations Act of 1944 was not the product of CTCC lobbying efforts, but of intense labour unrest. This was particularly true of the early 1940s when, in contrast with the preceding years of economic depression, the Canadian war effort resulted in heightened production and widespread labour shortages - conditions that served to strengthen trade union expansion and bargaining power. The war years also bore witness to increased government intervention in the economic affairs of the province (largely via wage controls and the extension of federal jurisdiction over most Canadian industries), which to some degree brought the state into more direct contact with the Quebec labour movement and its demands. By early 1941, wage freezes coupled with a rise in the cost of living and extended work hours in a number of industries culminated in a provincial strike wave that would persist for over three years. <sup>12</sup> In addition to the Labour Relations Act, trade union militancy during the Second World War brought other significant victories, including unemployment insurance (1940), paid vacations (1946), family allowances (1945) and vocational training programs (1945).

However, with the election of Maurice Duplessis' Union Nationale in 1944 and the subsequent armistice of 1945, the Quebec state returned to the economic non-interventionism of the pre-war era and took steps to curb trade union activity in the province. Over the fifteen years of its reign, the Labour Relations Board (LRB) became the Duplessis government's primary tool for curtailing workers' rights. This was achieved via 'Regulation One', which held that the LRB could arbitrarily decertify any union not considered to be operating in "good faith" - a term that

The year 1943 marked the apogee in terms of wartime industrial conflict in the province, with nearly 80,000 workers employed in various industries engaged in strike action.(CSN - CEQ 1987: 136) Most of these strikes were in fact illegal, for the federal Industrial Disputes Investigation Act of 1907 effectively prohibited strikes in so-called "public interest" sectors by forcing unions to participate in a lengthy arbitration and conciliation process - a step often ignored during the war.

was never clearly defined by the administration. The Duplessis regime also implemented Bill 19, which gave the LRB the power to disband any organization suspected of having 'Communist' or 'Bolshevik' sympathies. Both these measures were used on countless occasions to intimidate or even eliminate workers' organizations. Other anti-union measures introduced by the Duplessis regime included immediate decertification of any public sector organization advocating strike action, as well as legislation making it easier for employers to use injunctions against striking workers.

Yet outside of using state power to thwart trade union activities, the Duplessis government advocated laissez-faire economic liberalism and opposed state economic intervention of any form. Much of this can be attributed to the close ties that existed between the state and the province's private economic interests. In *Quebec: Social Change and Political Crisis*, McRoberts illustrates the dynamics of this relationship:

...Duplessis was on good personal terms with most of the heads of the English-Canadian and American corporations operating in Quebec. These relationships were based on an acknowledged specialization of responsibilities. Duplessis was to enjoy full authority over the management of the province's political affairs. In return, Anglophone business leaders were to enjoy full freedom from government intrusion in the management of their enterprises and, for that matter, from intrusion by overly aggressive union leaders. (McRoberts 1988: 108)

Duplessis was not the first to enjoy such a relationship with the business community. It was customary among provincial governments up to that time to appoint a member of the Montreal financial community as Provincial Treasurer, while it was not unusual for provincial premiers to sit on the boards of private companies. (McRoberts 1988:107) Thus it is clear that, while

<sup>&</sup>lt;sup>13</sup> Indeed the Board decentified almost 200 unions in its first five years.(CSN - CEQ 1987:165)

organized labour operated outside of (and often in conflict with) the state, it was common for the province's business community to maintain strong links with the provincial government.

The blatant pro-employer bias of the Duplessis regime led to considerable labour strife, which came to include the participation of a growing number of CTCC affiliated unions. The Asbestos strike of 1949 marked a turning point in this regard, in that both the CTCC and the clergy abandoned their conservative rhetoric and chose to support workers engaged in an illegal strike at both the Asbestos and Thetford mines. 14 The following decade saw the CTCC undertake strike action on numerous occasions, including the Shipyards strike of 1951, the Louiseville and Dupuis Frères strikes of 1952, as well as strikes at Alcan (1957), La Presse (1958), and Sacré-Coeur Hospital in Hull (1958). Rioting and government intervention via decrees and provincial police acting as strike-breakers became a regular feature of these strikes which, combined with the government's legislative measures, led to vocal opposition to the Duplessis regime and a politicization of the CTCC, moving it away from its more collaborative roots towards a more militant brand of reform unionism (Rouillard, 1989) The Murdochville strike of 1957 (where the provincial government supported Noranda Mines by refusing to recognise its employees' right to associate and by providing police protection for replacement workers) had a comparable effect on the province's international unions, which in 1957 reunited to form the FTQ. As a result, both the CSN (as the CTCC was called following its deconfessionalization in 1960) and the FTQ supported the Liberal Party of Jean Lesage in the provincial election of June 1960, whose victory brought to an end the sixteen-year reign of the Union Nationale.

<sup>&</sup>lt;sup>14</sup> This was also due to a change in leadership (younger and more secular activists came to dominate the CTCC's executive by 1949) and in composition (the organization voted to admit non-Catholics in 1948).

The era in which the Lesage government introduced its reformist program is generally referred to as the 'Quiet Revolution', a period in which the Quebec state underwent a transformation of considerable magnitude. With regard to labour-state relations, the new regime took steps to persuade labour organizations to develop ties with the state apparatus, including involvement in state consultative bodies such as the Economic Planning Council. As Milner has pointed out,

As a major employer in its own right, as well as regulator of collective bargaining, the government saw the value of close collaboration with the unions, as long as they both operated within the same framework. In the early heady days of the Quiet Revolution, when union organizers, like other former "undesirables," enjoyed the long-awaited freedom to work proudly and openly, this appeared to be the case. (Milner 1979:178)

Part of this strategy to work with and legitimize the province's trade unions included replacing the initiatives of the Duplessis regime with a new Labour Code in 1964, followed in 1965 by the implementation of the Civil Service Act. Together these two pieces of legislation confirmed public sector workers' right to unionize and bargain, and granted the right to strike to all state workers, with the exception of prison guards, police officers and firefighters. In addition to this new approach to labour-state relations, the Quiet Revolution put in place an economic and social framework that exists to this day, a phenomenon that many in both academic and political circles refer to as the 'Quebec model'.

Much like the *dirigisme* of France, the Quebec model sees the state essentially as a catalyst for economic growth via cooperation with, and investment in the development of Quebec based firms - often referred to collectively as 'Quebec Inc.' (*The Economist*, June 5 1999) State

<sup>&</sup>lt;sup>15</sup> The 1965 legislation replaced the Act Respecting Disputes between Public Servants and their Employers of 1944, which stated that all public sector unions were subject to binding arbitration.

owned corporations and financial institutions are key to this strategy, arguably the most prominent of which is the Caisse de dépôt et placement du Québec. Created in 1965, it is responsible for investing public pension and insurance funds. In 1998 the Caisse held net assets worth CDN \$68.6 billion, making it the largest public fund manager in North America. While the Caisse de dépôt et placement is active on global stock markets (it is the largest stock market investor in Canada), its primary role is to "contribute by its activities to the vitality of the Quebec economy". (Caisse de depôt et placement, 1999) Thus the Caisse does a considerable amount of investing in Quebec firms. In addition, as part of its strategy to promote and to some degree achieve control over the pattern of economic growth in the province, the state has created, among others: the Quebec Stock Savings Plan, which provides tax benefits for provincial residents who invest in Quebec-based corporations; the Société de développement industriel, which provides loans and grants for industrial development; the Société générale de financement, an investment and holding company; and Hydro Québec, a hydro-electric company which in some instances provides subsidised rates to local suppliers and industrial users. The government has also over the years developed agreements with private, Quebec based financial institutions such as the Laurentian and National banks, and the credit union federation Mouvement Desjardins, to the same end. (Woodside, 1993) Furthermore, though there has been some privatisation in recent times (particularly over the first half of the 1990s), the province continues to own a considerable number of crown corporations.

The Quebec model and the role it has played in the development of Quebec Inc. is a source of nationalist pride in the province, in that the state is perceived as having played a key role in transforming the province since the 1960s from a parochial society rooted in a largely rural

based economy to a diverse and vibrant one where modern, home-grown industries can flourish. 
Indeed, this aspect of state industrial policy in the province has led some to view the Quebec model as a form of 'market nationalism'. (Balthazar, 1994 & Courchene, 1986) As Woodside points out: "Quebec's industrial policy is based upon a community of interest between business and government and gains much of its viability from the high degree of social homogeneity and consensual thinking among the Québécois". This notion of a socio-economic 'community of interest' has become central to nationalist thought in the province. The ultra-nationalist Bloc Québécois party makes reference to this phenomenon in its first manifesto, (released prior to the 1993 federal election), equating it with the province's propensity for 'concertationist' decision-making processes. 
17

...le Québec est une société plus apte à la concertation que l'est l'ensemble du Canada actuel. Et cela permet un mode de fonctionnement, un modèle économique qui ne sont pas accessibles à ce dernier. Au fil des ans, un modèle québécois a pris forme. Une cohésion sociale plutôt inédite sur ce continent s'est manifestée ici. Elle facilite la concertation et permet une coopération étroite entre les citoyens, entre l'État et le secteur privé, entre les institutions financières privées et publiques, entre les syndiqués et les administrations publiques. (Bloc Québécois 1993:78)

This 'consensual thinking' grounded in Québécois nationalist sentiment has since the 1960s influenced the state's approach to industrial relations and the formulating of economic policy in the province.

<sup>&</sup>lt;sup>16</sup>Though the state did effect considerable economic change during the Quiet Revolution of the 1960s, the idea that it led to the introduction of a modern industrial economy is largely mythical. By 1961 the primary sector employed a mere 11.6% of the province's workforce - thus the industrial and tertiary sectors had come to dominate the Quebec economy well before the early 1960s. (Fréchette 1992:31)

While 'concertation' in the Quebec context will be analysed later in the chapter, the term is generally used to describe the institutionalization of the process of negotiation and/or consultation between interest organizations and the state.(Harrison 1980, Lehmbruch 1984)

As part of its strategy of economic growth through optimized Québécois control and guidance, the state has taken steps to foster cooperation between workers, employers and other groups at both the micro and macro levels in an effort to achieve industrial and economic stability. Numerous initiatives have been implemented to this end by both Liberal and Parti Québécois governments.

One example of state orchestrated cooperation between producer groups was the creation of Corvée-Habitation. Implemented at the height of the 1980s recession, it represented a multipartite initiative geared towards the revitalization of the Quebec construction industry. The program was administered by a board comprised of representatives from each 'socio-economic partner' (4 each from labour, business and government, 3 from financial institutions, 2 from municipalities and 1 each representing corporate and consumer interests), with costs being shared amongst the various participants: labour, employers and the state contributed \$145 million, municipalities \$50 million, and financial institutions \$3 million. Corvée Habitation was a success in that it created well over 50 000 new housing units, 55 900 new jobs and injected \$2.7 billion into the Quebec economy.(Desrochers, 1999)

This notion of 'social partners' working together has been a regular feature of government strategy in the province, beginning largely with the first Parti Québécois government. As Charest points out, "during the first two mandates of the Parti Québécois government (1976-85), thirty-seven socioeconomic conferences were held, including three national summits, in addition to some twenty sectoral mini summits and regional conferences." (Charest 1998:132) The purpose of this new initiative was to have the socio-economic partners provide input and possibly take part in making economic decisions, though the exercise was not entirely successful, due largely to state

domination of the process. (Charest 1998:133) Comparable summits were encouraged under the Liberal government of 1989-94, including the Forum for Employment and the Estates-General for Rural Affairs, established in 1989 and 1991 respectively. The most recent such undertakings occurred during the first year of Lucien Bouchard's premiership, with the Conference on the Social and Economic Future of Quebec held in March 1996 and the Summit on the Economy and Employment held in October of the same year, their purpose being primarily to deal with the provincial debt and deficit, and to a lesser degree (from the perspective of both business and the state) the problem of chronic unemployment in the province. While the results of the 1996 encounters will be discussed later, the idea behind the exercise was to assemble "the broadest possible array of socio-economic stakeholders", for "with them the government establishes the priority initiatives that our society must undertake in order to redefine the social pact to prepare ourselves to meet the daunting challenges facing Quebec". (Ministère du Conseil Executif, 1996) Participants included (amongst others) representatives from the state, trade union organizations, the business and financial communities, women's groups, poverty groups, regional, municipal and other community organizations.

With regard to industrial relations, the state has taken steps to encourage workeremployer cooperation at both the micro and macro levels. One recent initiative is that of the
'social contract' instituted in 1991 to deal with the issue of organizational changes in the
workplace. First used by then Minister of Industry, Trade and Technology Gérald Tremblay, the
term 'social contract' refers to the signing of a partnership agreement between union and
employer that provides a long-term industrial peace pact (originally, this meant collective
agreements that extended beyond the maximum three years allowed under provincial law, though

the law has since been changed to apply the three year limit to first collective agreements only), a joint labour-management structure that allows for some form of contractual provision securing union participation in workplace management, and the striking of a committee mandated to improve workplace relations. Public corporations operating under the auspices of the Ministry of Industry, Trade and Technology were required to adopt such agreements over the first half of the 1990s, while in the private sector the state has been able to encourage their adoption by making them a prerequisite for the granting of industrial loans.(Bergeron & Bourque, 1996)

Also in an effort to foster worker-employer collaboration, the state has created two permanent institutions through which a constant dialogue can be maintained between the two groups, and wherein policy can be drafted and guidelines set down. In both cases, the state has to some degree delegated the authority to carry out these functions to said organizations.

The first such institution is the Commission de la santé et de la securité du travail (CSST).

Created by the Lévesque government in 1979, the CSST is responsible for both formulating and overseeing the implementation of occupational health and safety policy. Its governing board is comprised of representatives from both trade unions and employers, with a civil servant appointed by the state as chair. Though an independent body, its mandate requires that the CSST work in conjunction with other groups, including the Health and Services and Education ministries, medical organizations, and sector based associations.

This last group represents another entity created by the state with an eye to fostering worker-employer joint action: the Société québécoise de développement de la main-d'oeuvre (SQDM).

Created by the Bourassa government in 1991, the SQDM was possibly the most ambitious initiative undertaken by the state in this regard. Part of a strategy to deal with unemployment and

structural changes in the Quebec economy (and predicated to some degree on the framework put in place by the Decrees Act of 1934), the SQDM was based on the concept of 'industrial clusters', where the province's labour force and its employers are divided into sectoral administrative units - called tables de décideurs or 'decision-making committees' - operating under the direction of a board chaired by representatives of labour, employers and the state. There were numerous elements behind this initiative, as outlined in the government's policy statement "Partners for a Skilled and Competitive Quebec", including: moving labour force development measures towards a more 'active' approach; having the actors (i.e. business and labour) take responsibility for labour force deployment; giving labour market policy a more decentralized and regional focus; and relying on a sectoral approach involving both business and labour around issues relating to the labour force. (Charest, 1998:134-35) While parity was not essential in terms of the number of representatives from worker and employer groups, the sectoral committees were bipartite. State representatives were frequently involved in committee activities, but only as resource and information providers. The purpose of the committees was to "promote and consolidate partnerships on a sectoral basis in cooperation with regional corporations and government departments and agencies and other organizations concerned. The aim is to enable local control over development of key factors for the competitiveness of a sector's businesses and workforce". These include: developing training, finding solutions to sector specific problems related to human resource management and organization of work, developing measures geared towards stabilizing employment and reduce sectoral unemployment, and providing information to both business and labour groups operating in the sector concerned. (SQDM 1995:3) While not every sector was absorbed into the program, almost half of the province's private sector

industries had been covered by a committee by late 1995, (Charest 1998:143) while the SQDM declared that same year a commitment to introduce sectoral committees in "as many economic sectors as possible". (SQDM 1995:138) It should be pointed out however that areas that fall into the public sector such as government, education, health and social services did not participate in the program.

In terms of funding, the plan at its inception held that state contributions would gradually decrease on an annual basis, the end result being that business and labour would share the cost, thus keeping with the notion that the sector partners should eventually become self-sufficient and operate without state interference. However this changed with the Act to Foster the Development of Manpower Training brought in by the Parti Québécois government of Jacques Parizeau in 1995. This legislation saw the introduction of a minimum one percent tax on employers' wage costs to be placed into a provincial manpower training fund and dispensed by the SQDM. It was also decided at this juncture by the SQDM governing board that the formula requiring increasing contributions from labour and business be brought to an end and replaced with a more stable one featuring regular state funding. These changes were grounded in both practical and ideological concerns. With regard to the former, there had been some indication since the policy's implementation in the early 1990's that government financing provided the primary stimulus for the project in a number of sectors. (Bernier, Bilodeau & Grenier, 1996) This change in funding structure also served to solidify the government's commitment to the long-term viability of the institution, as well as to the perceived necessity of enhanced state involvement in the province's economic affairs.

Other changes soon followed. With the transfer of federal job-training programs to the

provincial level in 1997, a new entity was created - the Commission des partenaires du marché du travail - consolidating the former SQDM and its federal counterpart (HRDC councils) into a single organization. While sectoral responsibilities and the structure of the governing board are comparable to that of the SQDM (six members representing labour, six from business and industry, two from community organizations and two from the educational sector), it is fully integrated into the state as a branch of the Ministry of Employment and Solidarity. At the same time Emploi Québec was established, a government agency responsible for carrying out labour market development programs, including training, placement services and job information for both the employed and the unemployed. And as with the SQDM, Empoi Québec is broken down into smaller administrative units known as 'local employment centres'. The Commission and the Minister of Employment and Solidarity work together in managing the program, though any changes in this regard must be approved by the provincial government.

The Quebec model, with its emphasis on state economic intervention coupled with a strategy geared towards the promotion of a 'social pact' between the province's 'socio-economic stakeholders', has been a topic of some debate in Quebec and Canadian academic circles. Some regard organized labour's willingness to participate in these undertakings as part of a concertationist trend (Charest, 1998), with working class organizations being 'institutionalized' and integrated into the state apparatus, leaving their capacity to fight for working class interests as a movement for social change greatly diminished.(Gagnon 1994, Tardiff 1995, Denis & Denis 1994). If the Québécois system of socio-economic governance (and thus organized labour's relationship with the current provincial state) is to be properly analysed and defined, some of the different ideas regarding power relations between the state and groups operating under its

jurisdiction should be examined.

Much of the debate around the reciprocal relationships that have developed between the state and organized interests in most advanced capitalist societies has centred on the concept of 'corporatism', a term which connotes the integration of organizations representing different and often conflicting societal interests into the state via the delegation of state power to said organizations. The first corporatist systems to be recognized as such emerged during the 1920s and 30s under European fascist and authoritarian regimes such as Mussolini's Italy and Salazar's Portugal. This brand of corporatism - otherwise known as state corporatism - represents a system wherein organizations serve largely as tools to control and discipline their members and implement policy formulated exclusively by government officials. However during the post-World War Two era a new kind of corporatism emerged in a number of jurisdictions across the western world, one that bore little resemblance to its predecessor.

Phillippe Schmitter, one of the individuals generally recognised as having re-kindled the corporatist debate in the 1970s, defined corporatism as:

a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognised or licenced (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of

Ouebec was not entirely immune to this trend. The Decrees Act of 1934 was somewhat representative of a state corporatist approach to industrial relations, for while sectoral decrees were formulated by the state, their enforcement was the responsibility of union and management committees. The province's Catholic unions were particularly enthusiastic about developing a corporatist system comparable to those present in predominantly Catholic, Mediterranean countries of the era. The Church's corporatist ideology was encapsulated in the "Social Restoration Programme", a document produced by the CTCC in concert with the Church and French-Canadian nationalists calling for workers and employers to be organized together into associations (or corporations) based on industry or trade. However outside of the Decrees Act, the CTCC's corporatist efforts bore little fruit. (Dionne 1991 & Rouillard 1989)

demands and supports.(Schmitter 1979:13)

There is generally a consensus amongst scholars that there are essentially three 'differentiated categories' into which 'constituent units' fall under a modern capitalist system: workers and trade unions as the representatives of their interests; managers, employers and their associations; and the state.(Keller 1991:76) Many post-war corporatist arrangements are based on the "negotiation of policy between states and interest organizations arising from the division of labour in society"(Grant 1985:3). This notion of negotiation between the three main corporate actors is generally called tripartism and is seen as a vital element of what has come to be known as 'neo-corporatism'. (Lehmbruch 1984:64) The emphasis on tripartite negotiation and the need to acquire consent from their respective constituents are elements inherent to neo-corporatist systems wherein, unlike state corporatist systems, decisions

reflect the outcome of a bargaining process between corporate interests, which implies that each party is able independently to exercise some form of sanction. Power is thus neither pluralistically dispersed, nor concentrated, but polycentric within an overall hierarchy. The private economy cannot operate independent of the state, but the state does not control private capital. The state intervenes to safeguard and protect capital accumulation, but it must legitimate its intervention to both labour and capital. (Cawson & Sanders 1983:18)

In the modern capitalist context, neo-corporatist systems serve to enhance working class power, for unlike under a pluralist system where organized labour makes its case to the state via lobbying efforts, public awareness campaigns and so forth, or a state corporatist system where labour organizations represent repressive tools of a governing regime, the neo-corporatist system sees working class representatives playing a vital role in the decision making process, whose approval is necessary for policy to be implemented. Furthermore, neo-corporatism provides the

possibility of democratising the management of industrial affairs at both the macro and micro levels. Cameron has indicated that labour quiescence is one possible by-product of neo-corporate systems of governance (Cameron, 1984), yet as Goldthorpe has indicated:

Cameron finds no evidence that under corporatism labour loses out on factor shares and, if anything, the 'social wage' is higher. But from the standpoint of the working class as a whole, the major advantage must be reckoned as the preservation of high levels of employment, even if some groups within the working class are denied the gains that militancy could have brought. (Goldthorpe 1984:8)

Thus neo-corporatism has the potential of "changing the balance of power in favour of the weaker side in a capitalist market society (organized labour)". (Grant 1985:25) It is for this reason that neo-corporatism has often been viewed as synonymous with political parties with working class affiliation.

Countries with the most extensive and deeply-rooted neo-corporatist systems, such as Austria and Sweden, also tend to have a tradition of social-democratic governance. And, not coincidentally, these countries have traditionally witnessed higher levels of trade union membership, social programs, employment and equity in terms of income distribution, while at the same time enjoying lower levels of poverty and industrial unrest. (Mishra 1990, Cameron 1984)

The comparative scarcity in workplace action is a direct product of social-democratic government, in that it "allows a labour movement to shift its strategy from the use of industrial power, which is ineffective because of the superior economic power of capital, to the use of political power". (Fulcher 1991:24) Though it would certainly be a stretch to dub the countries across the industrialized world governed by social-democratic parties as 'worker's states', the neo-corporatist systems that have developed in many of these nations puts organized labour on a

more equitable footing with capital in terms of the formation and implementation of economic and industrial policy. This relationship between the two has led Jessop to view a social-democratic party as a "natural" party to govern in the corporatist context, in that

..it fuses several important political roles in one organization. It has close links with the labour movement whose participation in corporatist institutions is essential to their success; it has a relatively strong electoral base in the working class; it manages to integrate popular-democratic and economic corporate claims into a program that favours state intervention in the interests of accumulation.

Thus Jessop describes corporatism as "the highest form of social-democracy". (Jessop 1978:45).

Another component central (but not exclusive) to neo-corporatist systems is concertation, a practice given considerable emphasis in Quebec. Some scholars argue that this institutionalization of labour's relationship to the state and the integrationist tendencies it brings can lead to the system serving as a tool through which the capitalist state can control or subjugate the working class and their organizations (Panitch 1986, Crouch 1979). Indeed, Panitch has argued that "above all else, (corporatism) is a political structure designed to integrate the organized working class in the capitalist state" (Panitch 1980:75), and that "corporatist structures require of trade unions...not that they cut their ties with their base, but rather that they use those ties to legitimate state policy and elaborate their control over their members" (Panitch 1986:209). Schmitter has indicated that while organized interests have much to gain from corporatist arrangements, "what they have to fear is co-option, their transformation into dependent recipients of public favours and passive agents of state policy." (Schmitter 1985:45) Some have come to view the Quebec state's initiatives, either individually or taken as a whole, as representing a neo-corporatist approach to industrial relations and/or economic policy. (Coleman 1985, Tardiff 1995)

And while not totally in agreement on all fronts, there is some consensus amongst scholars in Quebec that the concertationist phenomenon of the institutionalization and integration of organized labour into the state is a reality in the province - and for many, it is seen as largely detrimental to labour's ability to fight for working class interests as a social movement.

Tardiff has pointed out that:

...l'intensification générale des liens et tout particulièrement les épisodes et éxperiences néocorporatistes ont généré des phénomenes de bureaucratisation, de professionalisation, d'intégration et d'institutionalization, au détriment de l'aspect mouvement social du syndicalisme. On observe au Québec, malgré des épisodes d'opposition, une tendence à l'intensification générale des liens entre l'État et le syndicalisme.(Tardiff 1995:5-6)

For her part, Gagnon has made the point that labour organizations have

achieved a previously unknown level of institutionalization. Union officials and representatives hold key positions on all advisory groups, committees and government task forces of any political significance. State funding for certain union activities is diverse and unquestioned; the state apparatus absorbs a great number of union veterans. (Gagnon 1992:65)

while Serge and Roch Denis have stated that:

Toujours est-il que l'orientation prédominante des syndicats semble, dans la conjoncture, pencher nettement vers une approche des relations avec le gouvernement et le patronat qui soit fondée sur la concertation, l'initiative économique, la contribution au développement sociale plutôt que sur l'affrontement. De même, on ne peut qu'être frappé par la nouvelle participation des syndicats aux initiatives de développement régional en concertation avec le patronat, le gouvernement et les autres partenaires économiques. (Denis & Denis 1994:173)

Organized labour's active participation in the Commission des partenaires du marché du travail, the Commission de la santé et de la securité du travail, 'social contract' agreements, numerous government commissions such as la Commission sur la fiscalité, the National Commission on the Future of Ouébec (1994-95), conferences leading up to the Belanger-Campeau report (1990-91),

and the socio-economic summits of 1996 are all evidence of a more cooperative approach to state and employer relations and indicates a willingness to participate in the state's concertationist initiatives. However, the Quebec system of socio-economic governance is not a neo-corporatist one, and thus while labour is moving towards a more integrationist and collaborative approach, it is seeing very few of the benefits that such activities would bring under a neo-corporatist system.

The CSST and sectoral initiatives such as the SQDM have been cited as examples of neocorporatist (or what Gagnon calls "truly social-democratic") structures in that labour, employers and the state create and implement policy as equal partners. (Coleman 1985, Gagnon 1994) In both cases representatives from worker and employer organizations sit on their governing boards; both have been granted by the state the authority to formulate and implement policy in their respective jurisdictions; costs are shared to some degree by the partners in both organizations; and both are permanent institutions. Yet their powers are limited. The CSST deals exclusively with health and safety issues and does not deal with larger economic or industrial matters. And while the Commission des partenaires du marché du travail and its committees do deal with some of these larger issues, its mandate allows only for the identification of problems related to the development and provision of manpower training and sector related information, as well as suggesting possible solutions to those problems. The Commission is concerned with labour force development through training and advice, but does not have the power to actively expand the labour force and create employment, nor does it have the authority to set sector-wide minimum standards with regards to remuneration or working conditions. Its mandate is to advise and participate in implementation; policy decisions still rest with the government. Indeed the act governing the Ministry of Employment and Solidarity, the Commission des partenaires du marché

du travail and Emploi-Québec states that: "every plan of regional action as regards manpower and employment shall be forwarded to the Minister by the Commission as soon as it has been approved by the Commission", after which "the Minister may disallow some or all of the plan, which shall cease to have effect from the date of disallowance". In terms of funding for the Commission and its programs, "the Government shall determine the date on which the fund begins to operate, its assets and liabilities and the nature of the costs that may be charged to the fund. The manner in which the fund is to be managed shall be determined by the Conseil du trésor". (Quebec National Assembly, 1997) Thus the Commission is largely an advisory body. What's more, members are selected by the government, as is the Commission's secretary general. Lastly, the public sector does not participate in the program, though it represents 25.2% of total employment in the province and its most densely unionized sector. (Charest 1998:146)

Yet in spite of their highly limited scope, the CSST and Commission des partenaires du marché du travail do represent to some degree a neo-corporatist approach to industrial management. However, as Crouch has indicated: "One example of political exchange, or a few instances of cooperative national industrial relations, bear the same relation to neo-corporatism as a single swallow does to summer. And even that analogy holds if the summer is an English one (i.e. it may fail to arrive at all)".(Crouch 1985:86)

Beyond these two institutions, no attempt has been made at developing neo-corporatist decision making structures in the province. One reason for this is the absence of a Quebec based social-democratic party. Though the Parti Québécois has referred to a number of its initiatives as being 'social- democratic' and has been endorsed either directly or indirectly by labour organizations on numerous occasions, it has no organic links with trade unions or their federations

- a key component to the establishment of a social democratic state. (Buci-Glucksmann & Therborn, 1981) While trade union activists have traditionally taken part in the party's activities and therefore provide labour with some presence within the party (though less so under the leadership of Lucien Bouchard), there is no formal mechanism through which working class organizations might take part in drafting and/or voting on party policy.

Another reason for the lack of neo-corporatist structure is that there is no predominant central body through which organized labour can make its voice heard. The concerns of the province's employers and their associations are voiced via one a central body, the Conseil du Patronat. (Delorme, Fortin & Gosselin, 1994) Yet there are four main centrals representing the province's trade unions, along with several large non-affiliated unions, and while alliances are formed for sectoral bargaining and regional and provincial summits and conferences, they are in most cases either temporary or relatively informal. Thus organized labour in the province has not as of yet been "organized into... a singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated" body. (Schmitter 1979:13)

In Quebec, the state alone formulates and implements macro-economic policy. When budgets are drafted and economic decisions are made, ultimate power rests with the government and only the government in this regard, though there is on occasion consultation with 'socio-economic partners'. One example of this phenomenon was the aforementioned 'Summit on employment and the Economy' held in the fall of 1996, the final outcome being among other things, a commitment to achieve a 'zero-deficit' by the year 2000, as well as a 'Declaration on Employment' (which provided little more than a moral obligation to create jobs) signed by both business leaders and leaders from Quebec's four labour centrals, as well as the union representing

the province's public servants. Indeed, the tripartite declaration led Premier Bouchard to state at the time that "this has not been a bad week for social democracy in Quebec. No one can say that we are doing nothing for social democracy".(Globe and Mail, Nov.2 1996) However, virtually every new measure adopted was to be implemented by the state. Furthermore, no consensus had been reached regarding the means by which the 'zero-deficit' was to be reached. As a result, the government proceeded with its plans to cut state spending dramatically, despite labour's vehement opposition; thus the withdrawal of the trade union federations from the plan the following year.

The point here is that organized labour's consent was desirable, but not necessary. Were Quebec a neo-corporatist state, not only would goals be agreed upon, but there would have to be some consensus with regard to how those goals are to be achieved. But in the Quebec context, with the exception of occupational health and safety and sectoral initiatives, economic and industrial decisions are made by government. None of the province's tools for economic management (such as state investment firms) feature governing structures in which labour, business and the state contribute to the decision-making process equally. In fact only two of the Caisse de dépôt et placement's eleven board members are trade union representatives, while the Société de développement industriel and the Société générale de financement are exclusively state run. Furthermore, for those state organizations in which labour does participate (with the exception of the CSST and the Commission des partenaires du marché du Travail) its participation is not by law, but by custom and tradition and is therefore at the discretion of the state. (Gagnon 1994:74) Thus working class organizations have little say in what form state economic intervention takes. And as Grant has indicated.

(neo) corporatism is not etatisme. (It) is interventionist, but it is indirectly

rather than directly interventionist; its character is, of course, action by the state in *conjunction* with the organizations that are based on the divisions of labour in society. In order for this to be possible, the state does, of course, have to modify its objectives, and the means of attaining them, in a way that would not be necessary if the state were taking direct action. (Grant 1985:8)

Clearly this is not the case in Quebec. Therefore, in light of the minimalist role organized labour plays in the economic and industrial management of the province, one could not describe Quebec as being a 'neo-corporatist' or 'social democratic' state. What is perhaps a more accurate description is what Atkinson and Coleman have dubbed 'sponsored pluralism', which represents "a system of privilege in which certain groups are accorded special status by virtue of their association with the activities of the state". This privileged relationship is secured through "political clout or having a monopoly on expertise". (Atkinson & Coleman 1985:25) There is little doubt that Quebec's trade union organizations are recognised by the state as being a "privileged" group and as such are "accorded a special status by virtue of their association with the activities of the state". As a result, organized labour is consulted regularly by the state, but outside of the limited range of the CSST, their exchange is restricted to consultation and collaboration - fundamentally, there is no sharing or delegating of powers. Yet there is a dialogue between organized labour and the state. Whether or not that dialogue and the structure within which it takes place has allowed the province's working class organizations to effect positive change for its constituents, and indeed whether or not there is some consensus amongst said organizations, can only be determined once their goals, and the means by which these goals are to be achieved, have been identified.

## Chapter Three: Labour Solidarity and the Projet de Société.

Trade unions and professional associations in Quebec have a number of options open to them in terms of structural representation. There are four 'centrals' with which unions are affiliated either individually or via their federation (either sectoral or regional) - approximately 80% of the province's unionized workers are affiliated with one of these organizations, the remainder choosing to operate independently.(HRDC, 1998) While structure and composition varies, it is largely through the central that economic and industrial policy proposals are formulated, campaigns to raise awareness are mounted, political orientation is devised, and various services are provided, including in some cases representation in collective bargaining with the employer (as is the case in the public sector). Because of ideological, cultural and structural differences, and because a trade union can be affiliated to any central (leading to a phenomenon known as 'raiding', wherein centrals try to lure trade unions away from other centrals to join their own), inter-central relations have proven to be discordant at times, to say the least. In addition, outside of the province's four centrals, trade unions may operate independently, as do unions representing many of the province's civil servants and healthcare providers.

This tradition of divergence has led some, such as labour historian Craig Heron, to state that the labour movement in Quebec represents "the most fragmented provincial labour movement in Canada". (Heron 1996:143) This is not entirely accurate in that the 1990s have seen a great many joint position papers produced by Quebec's larger and more active labour organizations.

Indeed this chapter will argue that though the labour movement is structurally divided, it has over the last decade become ideologically coherent and has developed a sound and unitary agenda, one that calls for the centralization and enhanced institutionalization of economic and industrial relations in Quebec.

As previously stated, trade unions in pre-Quiet Revolution Quebec generally fell into two camps: International and/or pan-Canadian unions, with those previously divided into AFL-affiliated craft unions and CIO-organized industrial unions following the lead of their North American counterparts and joining to form the Fédération des Travailleurs du Québec (FTQ) in 1957, or Quebec based unions, most of which were affiliated with the Catholic Church as members of the Confédération des travailleurs catholiques du Canada. As with so many of Quebec's institutions, the Quebec labour movement was radically transformed by the 'Quiet Revolution' launched by the Lesage government. During the first half of the 1960s, the government of the day was perceived by many of the province's labour leaders to be using state power to better the lives of Québécois workers and to build a more modern and equitable society. The CSN enjoyed a particularly close relationship with the new regime, with two of its leading activists - Jean Marchand and Gérard Pelletier - becoming key advisers to Liberal government.

The new legislative framework governing private and public sector labour relations, coupled with the significant expansion of the state sector that took place under the Lesage government, brought lasting change to the Quebec labour movement in two fundamental ways.

First, it led to a transformation in the size and composition of organized labour in the province.

From 1960 to 1968, the CSN would see its membership rise from 95,000 to 215,000, with government workers representing 106,000 of the new members. Thus the CSN would experience

a shift from being a central with a membership base almost entirely composed of private sector workers, to one wherein public sector workers represent nearly half of its affiliates and most of its newly acquired members. This new favourable legislative environment also led to the emergence of a third trade union central, the CEQ<sup>19</sup>, which saw its membership rise from 12,000 in 1959 to 68,000 in 1968 - and unlike the CSN and the FTQ, it was almost entirely public sector. As for the FTQ, it too experienced growth during this era (from 100,000 in 1960 to 215,000 in 1968), though this was accomplished largely through the absorption of new unions and locals affiliated to the Canadian Labour Congress and AFL-CIO, most of which were in the private sector. (Milner 1979:177)

By the end of the 1960s, the vast majority of Quebec's unionized workers were served by three well-established organizations, each one with its own unique configuration: the CSN representing Quebec based unions almost equally divided between the public and private sectors; the FTQ, comprised predominantly of private sector unions, most of which were affiliated to the Canadian Labour Congress (and thus had ties to the rest of Canada and the United States); and the CEQ, an entirely Quebec based, public sector central. Furthermore, state workers had by the end of the decade come to represent a substantial segment of the Quebec labour movement, with the public sector representing the province's most densely unionized sector (and, as indicated in Chapter 1, this has continued to be the case through to the present day).

Secondly, the 1964-65 legislation led to a transformation in organized labour's orientation,

<sup>&</sup>lt;sup>19</sup> Prior to 1967, the CEQ was known as the Corporation des instituteurs et institutrices catholiques du Québec (CIC). A confessional organization, the CIC stayed true to the conciliatory doctrines of the church until the early 1960s. Due to the fact that many of the province's educators were priests and nuns - and because the Duplessis regime introduced legislation effectively eliminating teachers' unions in rural Quebec - the CIC's membership remained relatively small before the onset of the Quiet Revolution (CSN - CEQ, 1987)

in that collective bargaining with the state-employer has shaped labour's relationship with and understanding of the state ever since. This period saw the development of a system of industrial relations unique to North America, in that public sector collective bargaining became a highly centralized process, wherein the province's public sector collective agreements are negotiated at the same time. This process of province-wide, centralized bargaining has often served to galvanize the labour movement, with rounds of negotiation serving on occasion as a catalyst for either enhanced or renewed unity of purpose, or for ideological division.

The first round of public sector bargaining in the province - involving government and hospital employees in 1966 - is a prime example of this phenomenon. Prior to these negotiations, the CSN explained its rationale behind organizing public workers in both obliging and administrative terms.

La CSN est convaincue que la présence d'un syndicat libre, travaillant en conjoncture avec la Commission du Service Civil, pourrait aider grandement le gouvernement à mettre de l'ordre dans les conditions de travail, les salaires, la définition et les hiérarchies des emplois de son personnel. Graduellement, le patronage serait éliminé et la fonction publique revalorisée.(CSN 1966:14)

However once negotiations were underway in 1966, CSN president Marcel Pépin stated that the state-employer is

often at least as harsh as private enterprise....(copying their) worst practices. The negotiations take place under the watchful eye of private enterprise to ensure that the government adopt a no more socially progressive attitude toward its employees than it (private enterprise) is disposed to take toward its own employees.(CSN in Milner 1979:178)

The 1966 negotiations led to a great deal of strike activity, including teachers, hospital workers, civil servants, and workers at both the provincial Liquor Board and Hydro-Québec. The

following year saw a newly elected Union Nationale government introduce legislation forcing striking school teachers back to work and imposing an 18 month suspension on their right to strike. Indeed, the state came to view court injunctions and legislative powers as an increasingly attractive means for dealing with its striking employees.

This phenomenon, coupled with chronic disputes with the state-employer, contributed to the development of a general disillusionment with the achievements of the Quiet Revolution, and led to a radicalization of trade union ideology. By the late 1960s, the province's major labour organizations came to employ increasingly Marxist-syndicalist rhetoric, with many labour leaders denouncing the Quebec state as being a tool for 'capitalist' and 'imperialist' interests. The October Crisis of 1970 (when civil liberties were temporarily suspended by the federal government at the request of Quebec Premier Robert Bourassa, resulting in the temporary incarceration of numerous labour activists), and a brutal attack by riot police on trade unionists demonstrating in support of striking La Presse workers a year later, served to confirm suspicions in this regard. This same period saw each central release a 'manifesto' outlining its position vis-àvis the state. The CSN's Let US Rely Solely on Our Own Means (1971), the CEQ's Phase One (1971) and the FTQ's The State is our Exploiter (1972) called for an end to capitalism in Quebec and the establishment of a worker's state. (Drache, 1972)

It was in this climate of labour solidarity and ideological unity that the province's three centrals united to form a 'Common Front', presenting a uniform set of demands on behalf of all of the province's public sector workers in contract negotiations with the state-employer in 1971. Following months of ineffectual talks, the Common Front called a two-week strike in April 1972, culminating in the government's passing of Bill 19, which in effect forced negotiators back to the

bargaining table under the threat of heavy fines. At the same time, the leaders of all three centrals were sentenced to one year in prison for calling on members to defy injunctions issued under the province's Labour Code (i.e. essential services). The strike came to a halt shortly thereafter.

The first Common Front strike represented the culmination of fermenting dissatisfaction with social, economic and political conditions in the province. For many trade unionists, the Quiet Revolution was perceived as not having produced desired results: unemployment had not been eliminated<sup>20</sup>, the province's economy was not brought under the control of the francophone community<sup>21</sup>, nor had there been a thorough democratization of state institutions. However, while this discontent leading up to the 1972 strike served to foster solidarity and ideological unity among the three centrals that dominated the labour movement, the next fifteen years would be marked by division and fragmentation.

At the structural level, the CSN's radical leadership led to the disaffiliation of a number of its affiliate unions. In 1972, approximately 27,000 private sector members were lost to a newly formed central - the Centrale des Syndicats Démocratiques (CSD) - organized by dissident executive members frustrated with the perceived public sector dominance and increasingly political nature of the central's activities (the CSD remains a relatively apolitical organization to the present day). Later that same year, because of displeasure regarding its lack of representation during the Common Front negotiations, the Syndicat de la Fonction Publique du Québec voted to

While the Quebec labour market expanded considerably over the first half of the 1960s, unemployment began to rise again after 1967. In fact, the province's unemployment rate has not fallen under 5% since that time. (Fréchette 1992:34)

<sup>&</sup>lt;sup>21</sup>Only 26 of the 165 enterprises in the province worth over \$10 million were owned by French Canadians by the late 1960s.(McRoberts 1988:71)

disaffiliate from the central and function independently, taking with it 30,000 civil servants. The aftermath of the first Common Front strike thus brought structural change to the provincial labour movement, in that a new central was created, while the majority of the province's civil servants were no longer represented by any trade union central. The post-strike era also saw a decline in the inter-central solidarity of the first Common Front, with the CSN, CEQ and FTQ engaged in extensive raiding on one another's membership.

At the ideological level, the FTQ was the first to shed the Marxist rhetoric of the 1968-72 era. Unlike the CSN and the CEQ, the FTQ had endorsed the New Democratic Party federally since its inception in the early 1960s, while provincially it had called on its members to support the Parti Québécois in the 1970 election. It would continue to do the same throughout the 1970s in both cases, with particular emphasis on the PQ. As Lipsig-Mummé has pointed out:

Links to the PQ seemed to offer the FTQ the possibility of legislative protection against raiding and an opportunity for bettering labour legislation in areas such as health and safety and minimum wages. In the wake of 1972, the federation returned to the (social unionist) tradition, to distinguishing between friendly and un-friendly governments. (Lipsig-Mummé 1991:93)

Thus for the FTQ, the radical discourse of the first Common Front proved to some degree to be an aberration from a more moderate, social-democratic path. However, this was not the case with the CSN and CEQ, which preferred to emphasize extra-parliamentary activity in pursuit of a socialist Quebec.

The CSN and CEQ, watching the supposedly pro-union PQ, which touted its préjugé favorable aux travailleurs while supporting anti-union legislation, concluded that any alliance with a mainstream political party ... could not but lead to the loss of union autonomy and radicalism. The denial of politics, or, as it is fetchingly called in Quebec, trade union autonomy, continued to dominate these two

centrals. (Lipsig-Mummé 1991:91)

Yet despite this commitment to a syndicalist eradication of capitalism in Quebec, the rank-andfile membership of both organizations were generally avid PQ supporters. For example, a study carried out by the CEQ in the late 1980s found that 1/8 of its membership had held office in the Parti Québécois between 1970 and 1983.(Lipsig Mummé 1991:106) This support (which will be examined in Chapter 4) in turn seriously hindered the third Common Front's ability to mobilize its members in negotiations with the PQ government of the day. (Demers, 1982) Yet in spite of this groundswell of support for the party, leadership at the CEQ and CSN were equally harsh in their criticism of the PQ as a tool for subjugating the Quebec working class to capitalist interests. Their distaste for the party and its social-reformist platform was such that, though both were committed to Quebec independence, the CSN did not formally endorse sovereignty during the 1980 referendum campaign for fear that it might be interpreted as an endorsement of the Parti Québécois. The CEQ did the same, though it was largely the result of moderate activists who feared that support for independence could be used by the central's more radical elements as a platform for yet another attack on the PQ. (Guntzel, 1993 & 1999) Also integral to this strategy was the fact that the province's public sector unions were either gearing up for or engaged in contract negotiations with the state employer at the time - thus support for the Lévesque government's separatist project could have further hindered the centrals' efforts in mobilizing their membership, at a time when union leadership in the public sector was already experiencing difficulties in this regard due to rank and file sympathy for the governing party. It is for this same reason that the CEQ, despite increasing pressure from its more moderate wing, refused to participate in the second socio-economic conference organized by the PQ government in March

of 1979 (Denis & Denis 1994)

However, change came in the early 1980s with the CEQ easing its militant position and adopting a more reformist stance at its 1982 annual convention. As Rouillard has stated of the event,

..on assiste alors à une révision des positions de la centrale. Il n'est plus question d'abolition du système capitaliste, ni d'opposition irréductible entre l'État et les travailleurs.. (L)a CEQ refuse de se définir en système économico-politique; elle conçoit son action dans le sens de "l'obtention de réformes sociales, économiques et politiques", tout en ajoutant qu'elle poursuit "la transformation des rapports sociaux dans le sens des intérêts des travailleurs". Elle se veut donc à la fois réformiste tout en recherchant à transformer à plus long terme la société. (Rouillard 1989:370)

Thus the CEQ came to adopt a reformist stance analogous to that of the FTQ. Yet this new, more moderate outlook did not translate into outright support for the PQ, for shortly thereafter the government of the day struck a serious blow to public sector workers and trade union solidarity in the province.

Upon re-election in 1981, the PQ government found itself faced with a public debt of \$11.9 billion and an annual deficit of \$2,869 million.(Hébert 1995:221) The situation was further exacerbated by the fact that the province was in the grip of an economic recession of some magnitude. In an effort to curb public expenditure, the Lévesque government passed Bill 70 in June 1982, imposing an average 19.5% reduction in pay for public sector workers<sup>22</sup>, followed by Bill 105, which decreed that the provisions set out in Bill 70 would be in place until December of 1983 and rendered strike action in the public sector illegal. Furthermore, Bill 105 included 109 decrees rewriting collective agreement terms in such areas as seniority, working conditions, hiring

<sup>&</sup>lt;sup>22</sup> It should also be noted that public sector workers were subjected to these cuts in pay during a period when inflation had reached 12.4%.(Hébert 1995:221)

procedures and job security. These measures were introduced well in advance of the December 1982 expiration date for the existing agreements, which stipulated a pay increase to come into effect in the spring of that year. When the Common Front mounted an illegal strike in January of 1983, the government responded with Bill 111, threatening strikers with large fines, immediate dismissal and decertification of bargaining units. (Panitch & Swartz 1993:34-35) Thus a governing party known for its *préjugé favorable aux travailleurs* took steps to effectively eliminate the collective bargaining process in the public sector. The government's strategy also had a significant impact on trade union solidarity, for while the CEQ and CSN were vitriolic in their denunciation of the PQ measures, the FTQ was largely silent. In addition, the CSN's Federation of Social Affairs chose to withdraw from the conflict, leaving its counterparts in both the CEQ and other CSN federations feeling betrayed, the end result being the collapse of the Common Front a definite split between labour and the PQ at all levels.

The events of 1982-83 left the provincial labour movement in a state of disarray, each organization pursuing what Lipsig-Mummé has dubbed "a strategy of organizational survival", wherein the province's centrals set aside pursuits related to socio-economic change and focussed almost exclusively on growth via organizing, the absorption of independent unions and raiding amongst one another. (Lipsig-Mummé 1990:31) In their negotiations with the Bourassa government during the 1985-86 round of public sector bargaining, the CEQ and FTQ proved docile, while the CSN's legal walkout was met with immediate back-to-work legislation revoking health workers' right to strike. The Quebec labour movement went through this divided isolationism for much of the 1980s, their only tangible effort being the establishment of Solidarité Populaire Québec, a largely ineffectual, extra-parliamentary coalition with other progressive

organizations that had been marginalised by the Parti Québécois' virage.

Thus in light of the goals set and the strategies pursued by the province's three main centrals prior to 1990, one can see a certain pattern developing. With the exception of the first Common Front strike of 1972, the disposition of each organization can generally be interpreted as follows: the CSN became an organization committed to the creation in Quebec of an independent worker's state to be achieved via extra-parliamentary means; the CEQ represented something comparable, though with a moderate, more reformist contingent active in competition with more radical elements at the leadership level. The FTQ endorsed a more moderate project that viewed labour working with the state and within the capitalist, free-market system as the best means by which to better the lot of its constituents.

Some of these differences can no doubt be attributed to the fact that public sector workers have always represented a substantial portion of the CSN's membership and virtually all of the CEQ's - therefore they have tended to view the state in a different light. As Blais, Blake and Dion have stated with regard to public workers,

(b)ecause they are employed by government, their social position is within the state. As a consequence, their own interests are directly affected by government decisions. It is the government that decides how many employees it will hire, what their wages will be, and what kind of rights they will have in the workplace as well as politics. (Blais, Blake & Dion, 1997)

The centralized structure within which collective bargaining takes place in Quebec provides the province's labour organizations with a unique forum in which to raise issues and, to some degree, set the agenda for industrial relations in the province. Consequently this has been a key component to trade union strategy in contract negotiations with the state-employer in

Quebec, in that demands have been formulated with an eye to setting a precedent for workers across the province, irrespective of their sector, unionized or not. A prime example of this phenomenon has been demands regarding the minimum wage for state employees. Throughout the 1970s and 80s, the Common Front negotiated with an eye to establishing a more egalitarian wage structure in the public sector, to be achieved primarily via increases in pay for those at the bottom of the pay scale. This, it was hoped, would impact upon remuneration elsewhere in the labour market, either via government policy, the mechanism of collective bargaining or market forces. (Beaucage, 1989) Though it is difficult to determine whether or not this strategy was a successful one, centralized bargaining in the public sector has allowed the province's main labour organizations to raise awareness and attempt to put its egalitarian ideology in concrete terms. Thus it could be argued that, because of their perceived role as standard-setting agents with regard to remuneration and provincial industrial relations in general, and because bargaining is centralized and carried out directly with the state (making it a highly political exercise), Quebec public sector unions have traditionally been more militant and politically sensitive than their private sector counterparts.

Yet outside of bargaining proposals, the two centrals with proportionately large public sector memberships were vague in terms of providing tangible proposals with regards to economic and social policy. As Guntzel points out, "the CSN and CEQ were most comprehensive in their critique of the market economy. Yet they were hesitant to elaborate upon any alternative vision of society".(Guntzel 1993:155) This failure to offer concrete alternatives would continue for much of the 1980s. However this would begin to change late in the decade, as the province's labour organizations examined different strategies to cope with rapid economic

restructuring, chronic unemployment and a state-employer beset with growing public debt. (Lipsig-Mummé, 1991) By the early 1990s, this re-thinking of industrial and political strategies led to all three centrals uniting behind a new agenda, one that presented a clear alternative to that being pursued by the state.

At a conference regarding the status of trade unionism in late 1987, CSN president Gérald Larose gave a talk regarding the need for a société négociée ('negotiated society'), wherein a more unified labour movement could speak with "moral authority" on behalf of the entire working class, which in turn would provide labour leaders with a mandate to 'negotiate' with both business and the state in order to find common solutions to the province's socio-economic problems through "compromise" and "consensus". (Larose, 1988) This marked a clear shift in thinking for the central's leadership, in that what Larose was proposing entailed both working within the framework of a market capitalist system, and cooperating with both state and capital interests. This new collaborative approach was a central theme at the CSN's 1990 biennial convention, where a nouveau partenariat (new partnership) was emphasized in which member unions would work with employers in an effort to achieve greater economic democracy and ensure economic competitiveness, while at the same time the central would actively participate in the state's consultative activities.(Lipsig-Mummé 1995 & CSN 1990). This new emphasis would be solidified in Prendre les Devants dans l'Organization du Travail, a document released by the central in 1992 outlining the need for labour-management cooperation, as well as driving home

<sup>&</sup>lt;sup>23</sup> It is likely that the CSN's decision to join the CEQ and FTQ in moving towards a more cooperative approach was influenced by the neo-corporatist experiences of both Austria and Sweden. Both represented jurisdictions similar in size to Quebec, and both Austrian and Swedish trade union federations had proven to be comparatively successful in weathering the economic and industrial changes of the 1980s by adopting a consensual strategy towards employers and the state.(Mishra, 1990)

the notion that profitability is an integral component in stimulating job creation and ensuring job security.(CSN, 1992)

The CSN's acceptance of the market as an engine for job creation and economic growth coincided with the ideological bent supported by the CEQ since 1982 and the FTQ virtually since its inception. Indeed in the case of the latter, a pool of investment capital based on worker's contributions and controlled by the central was set up in 1983. Called the Fonds de solidarité des travailleurs du Quebec, its primary purpose was and continues to be both job creation and/or protection and pension contribution largely through investment in Quebec based enterprises. The CSN would follow the FTQ's lead and set up its own labour sponsored fund (Fondaction) in 1996. Organized labour's rejection of confrontation for concertation in the early 1990s also manifested itself via active participation in the government of the day's sectoral initiatives (SQDM), 'social contract' partnership agreements, as well as commissions and other consultative activities. The same can be said of relations in the public sector, for while the 1980s saw three rounds of collective bargaining, the last (1989) resulting in walkouts by workers affiliated with the CEQ, CSN and nurses union (FIIQ), the first half of the 1990s saw three negotiated extensions of the 1989 contract (in 1991, 1992 and 1993), all of which were accomplished with comparatively little job action, if any. (Hébert 1995:228)

Labour's willingness to engage in open dialogue with the state and private sector employers, combined with the ideological coherence it has experienced throughout much of the 1990s, has given rise to a number of proposals advanced either individually or conjointly through various mediums, including: the Commission on Taxation of 1993, Solidarité Populaire Quebec (an organization encompassing the three main centrals and other progressive organizations), the

Common Front, and perhaps most importantly the "Conference on the Social and Economic Future of Quebec" and the "Summit on the Economy and Employment" of 1996. From these proposals a consistent picture develops, with the province's labour movement suggesting concrete initiatives in a number of areas.

In order to curb and eventually eliminate the provincial debt, and to ensure that social programs are both adequately funded and accessible to all Quebecers, the province's labour movement has placed emphasis on the state's acquisition of additional revenue. A number of position papers have been produced during the 1990s pertaining to this topic, including the *Plate-forme sur la fiscalité* (CEQ-CSN-FTQ, 1992), *Une bonne fiscalité*, *ça se peut* (CSN, 1992), *La fiscalité autrement* (CSN, 1994), *À l'horizon 2000: un nouveau pacte fiscal pour le Québec* (CEQ, 1996) and *Pour un financement équitable et adéquat des services publiques* (CEQ-CSN-FTQ, 1997), all of which propose, with surprisingly little variation, measures through which the government might accomplish these goals. A common theme throughout is that the provincial system of taxation lacks balance in that it favours large enterprises over workers and small and medium size businesses. Thus the fiscal program put forward by Quebec's main labour organizations is also geared towards putting the province on a more equitable footing with regard to financial contribution to state activities. It includes:

- a minimum tax on profit;
- an end to the practice of deferring the paying of business taxes;
- an intensification of measures geared towards discouraging all forms of tax evasion (though both Liberal and PQ governments have taken steps in this area, the centrals have made it clear that these have been half-hearted and wholly insufficient);
- the abolition of the 25% exemption on capital gains;
- the elimination of tax credits for research and development;
- the collecting of all unpaid business taxes;

- the 'nationalization' of the provincial debt (i.e. taking steps to move debt into the province);
- increased taxation of financial institutions:
- repatriation of tax system to the province;
- a tax on financial transactions;
- elimination of the 'entertainment allowance' for businesses and a reduction for the selfemployed;
- subjecting commercial cooperatives to a capital gains tax;
- a tax on financial institutions;
- more transparency with regards to how tax dollars are collected and where they are spent;
- job creation.

This last area has been given particular emphasis, with 1997's *Pour un financement* equitable et adéquat des services publics (CEQ-CSN-CEQ) asserting that "l'emploi est au coeur de la lutte au déficit". In response to the argument that cutting public spending be part of the province's deficit-reducing strategy, the document indicates that such an undertaking is counterproductive, in that for every \$1 billion in reduced government spending on social programs, 13 500 jobs are lost, while raising the equivalent in taxes is three times less damaging to job creation. Furthermore, it points out that every one percentage point drop in unemployment brings an additional \$449 million in government revenue.

Increased employment is also central to organized labour's proposals regarding poverty in the province. While issues around both forms and levels of income security provided by the state are discussed, the paper La réforme de la sécurité du revenu - Des responsablilités collectives envers les plus démunis (CEQ-CSN-FTQ, 1997) deals largely with integration into the workforce and remuneration. Consequently when presenting the document to the Commission on Social Affairs, the centrals' 1996 Pour une forte réduction du taux de chômage was included as an appendix, the reason being that "nous sommes convaincus qu'une véritable réforme de la sécurité du revenu est indissociable d'une stratégie de lutte contre le chômage".(CEQ-CSN-FTQ 1997:3)

Thus for the Quebec labour movement, the province's indebtedness, poverty rate and ability to provide services are directly linked to unemployment. And as with taxation, debt and social programs, the province's major labour organizations have been consistent throughout the 1990s in providing solutions to the problem of chronic unemployment in Quebec. All three centrals have produced a number of proposals on the topic, outlined in such policy papers as L'emploi est notre affaire: le maintien et le développement de l'emploi: un objectif national (FTQ, 1992), En campagne pour les services publics et l'emploi (CSN, 1994), Pour une forte réduction du taux de chômage, 1997-2002 (CEQ-CSN-FTQ), and Conjugons nos efforts:

l'urgence, c'est l'emploi (CEQ-CSN-FTQ). The last two, presented at the 1996 "Summit on the Economy and Employment". included a 'national strategy for employment' with the goal of creating 176 658 jobs over six years. Through these policy proposals, the Quebec labour movement has consistently put forward a number of job creation measures throughout the 1990s, the most prominent of which are:

- a reduction in hours of work, to be achieved via a reduced legal work-week, the regulation of overtime work, an extension of parental leave and vacation time, earlier retirement age, and local agreements geared towards work sharing, with tax incentives, within the framework of the Commission des partenaires du marché du travail;
- an increased recognition of the role of trade unions in workplace reorganization, coupled with enhanced cooperation and decision-making power at the industrial and sectoral levels;
- reversal of layoffs in the public sector;
- a system of taxation that favours the hiring of full-time employees (both public and private);
- enhanced support for regional development;
- financial and legislative support for the non-profit and cooperative sectors (économie sociale);

- an income-security program that emphasizes re-integration into the labour market;
- expansion of professional development, training and apprenticeship programs;
- encouragement for the development and expansion of labour-sponsored funds geared towards job creation (i.e. Fonds de solidarité and Fondaction);
- the use of state investment to encourage the hiring of new employees.

In addition to formulating initiatives, the province's major labour organizations have been clear as to how they are to be implemented.

Il ne peut y avoir de lutte efficace contre le chômage sans un engagement ferme des milieux politiques, des millieux d'affaires, des associations patronales, des syndicats, du movement coopératif, des millieux associatifs et communautaires. Dans ce sens, le mouvement syndical réitère sa volonté d'apporter toute sa contribution pour développer l'emploi et faire échec au chômage. Le concertation entre les diverses composantes de la société québécoise constitute une base nécessaire au développement social et économique du Québec. (Conjugons nos éfforts, l'urgence, c'est l'emploi, CEO-CSN-FTO 1996: 4)

Therefore cooperation between the province's 'socio-economic partners' is seen as vital if the labour movement's proposals are to be successful. With regard to employers, there must be a willingness to work with labour, and a recognition that employment is intricately linked to profitability and the socio-economic well being of the province, while *La Charte d'un Québec populaire: Le Québec qu'on veut bâtir* (Solidarité Populaire Québec, 1994) outlines the state's primary responsibilities, including collaboration with the province's 'social actors', the redistribution of wealth, and the regulation and democratisation of the economy.

Thus the Quebec labour movement, though structurally divided, is unified in that it has put forward a clear agenda, both in terms of what changes are needed and how they are to be

introduced. Indeed, based on the proposals it has made in such areas as taxation, social programs, poverty, job creation and policy implementation, organized labour's projet de société is largely a Keynesian one grounded in a neo-corporatist system of governance. It is not revolutionary, Marxist nor syndicalist. It is reformist, in that it sees social change as attainable within a market capitalist system, wherein working class empowerment is enhanced via constant negotiation with the employer (be they state or capitalist) at virtually every level: from the workplace, to the sectoral, to the provincial. Key to this strategy is centralisation and the integration of constituent bodies into individual units, or what Schmitter has called in the neo-corporatist context "singular, non-competitive, hierarchically ordered and functionally differentiated categories".(Schmitter 1979:13) Further evidence of this can be found in proposed amendments to the provincial Labour Code put forward by organized labour in the province. In 1998, both the FTQ's Pour le bien public and the CSN's Nos principales positions pour modifier le Code du travail called for the introduction of a system of coordinated collective bargaining at numerous levels, such as industry-wide and 'combined' bargaining. At the practical level these changes are designed to allow the labour movement to better adapt to changes in the labour market, while at the same time maximizing strike power, resource allocation and worker representation (as in the public sector). However, to some degree they also represent labour's new cooperative ethos that holds that all common interests are best served through collective action, be they labour or capital. For example, the CSN argues that collective agreements bargained at the sectoral level would be beneficial not only to workers (be they contract or salary), but also 'independent' or 'selfemployed' workers, and owners of small or medium size businesses. Thus trade union proposals in this area are seen as benefiting both those they represent and those with whom they are

bargaining.

This notion of consensus building via collective discourse is central to the Quebec labour movement's *projet de société* of the 1990s, and while the province's major labour organizations have worked towards its constituent reforms through collective bargaining, lobbying and public awareness campaigns, there is one prerequisite that labour leaders have contended is essential for the realisation of their socio-economic project: Quebec independence from the Canadian federation.

## Chapter Four: Organized Labour and Quebec Sovereignty

Throughout the 1990s, the Quebec labour movement has demonstrated a profound commitment to Quebec independence from the Canadian federation. Despite nationalist rhetoric regarding the Quebec people's right to self determination, the rationale behind this commitment has largely been economic and political, for the province's labour organizations have made it clear that sovereignty is essential for the realization of their socio-economic project, to the degree that "le progrès social est indissociable du projet souverainiste".(Partenaires pour la souverainété 1996) Over the first half of the 1990s, this commitment to Quebec independence led to both integration into a renewed nationalist alliance and support for the electoral wing of the Quebec sovereigntist movement, the Parti Québécois. Yet this support for the PQ brings into question the compatibility of the labour movement's socio-economic goals and its nationalist aspirations, for while Parti Québécois policies have not proven to be in the perceived interests of organized labour's constituents (particularly under the Bouchard regime), it is only under a PQ government that sovereignty can be achieved.

In June 1990 the Meech Lake Accord collapsed when two premiers failed to secure legislative ratification. The agreement, negotiated by the federal government and Canada's ten provinces, granted Quebec a number of powers and constitutional recognition as a 'distinct society'. The accord's collapse was widely interpreted within Quebec as a rejection by English

Canada of the province's historic demands and a manifestation of English Canadian intolerance. It was in this climate of renewed nationalist fervour that the governing bodies of Quebec's major labour organizations officially endorsed Quebec sovereignty. While this was largely a reaffirmation in the case of the FTQ, it was a first for the CEQ and CSN, though nationalism had traditionally played a role in the orientation of both organizations.

As previously stated, the CSN's roots can be found in the French Canadian nationalism espoused by the Catholic Church in Quebec over the first half of the 20<sup>th</sup> century. Following deconfessionalization in 1960, the central was an active participant in the nationalist awakening that took place under the Lesage regime. Since that time, the CSN has taken pride in and promoted itself as being a central of purely Québécois origins. (Gagnon, 1998) The CEQ's background is much the same, having deconfesionalized in the mid-1960s, though the occupation of its membership has to some degree served to intensify the organization's nationalist leanings.

(a)s teachers using the French language as a medium of instruction, CIC-CEQ members reproduced an essential element of the French-Canadian identity. Many of them approached constitutional issues from a point of view that betrayed their preoccupation with their community's survival. Thus, although they did not directly support the movement, many CIC-CEQ members appeared to be somewhat sympathetic to the emergence of Quebec separatism. (Guntzel 1999:63)

With the state emerging during the Quiet Revolution as the defender and promoter of the French Canadian (i.e. Québécois) nation, pressure for increased provincial powers or outright sovereignty for Quebec gained momentum in the late 1960s. The CEQ showed particular initiative in this area, for when the Union Nationale government introduced Bill 63 in 1968 (providing

English language education where requested), the CEQ responded by taking a leadership role in organizing mass protests and establishing the *Front pour un Québec français* with the CSN and FTQ. The central also undertook a province-wide campaign calling for a unilingual Quebec during the 1970 provincial election.

As for the FTQ, its affiliate unions increasingly came to view their central's relationship with the Canadian Labour Congress as inhibiting. As a result, delegates at its 1969 annual convention called for a renegotiation of its status within the CLC, on the basis that Quebec represented a nation and therefore its affiliate federation in Quebec should be recognised accordingly with increased autonomy.

In addition to nationalist considerations, the labour movement also developed political and economic reasons for an increase in Québécois autonomy. The Trudeau government's tactics during the October crisis of 1970, including the incarceration of a number of trade union activists, intensified organized labour's antipathy towards the federal system and its proponents in Quebec City. English Canada increasingly became the focus of anti-imperialist rhetoric, with the Canadian federal state being viewed as a tool for 'foreign capitalists', a category which included 'Anglo-Canadian' business. The manifestoes of all three centrals released during the Common Front era take this position. The CEQ's *Phase One* states that "the wealth that Quebecers produce is not within their grasp", and that "Quebec is being robbed of what it rightly possesses".

Each day the people of Quebec see another part of their heritage taken away from them. Political power as it is constituted at present can only preside helplessly over this unacceptable state of affairs.... The Quebec government hasn't the constitutional powers to bring about a profound change in the fiscal policies as a whole. Nor does it have the power to legislate autonomously with regard to justice, work, and manpower

problems, or with regard to any problem of a social character. If the Quebec government has so few powers and if its areas of actual decision-making are so poorly delineated, can we really expect that just by bringing certain demands to its attention we can solve all our problems? (CEQ 1972:128)

According to this logic, the political framework within which Quebec finds itself must be altered in such a way that it allows for "profound change" at the social and economic levels. This emphasis on 'Anglo' control had class ramifications within the province as well. Ethnic, linguistic and class lines often blurred in that English speaking workers frequently held superior positions in the workplace - a situation that in many cases was perpetuated by a management dominated by Anglophones. (Mc Roberts 1988:205) Therefore the development of class consciousness in the province coincided with the emergence of neo-nationalism. This phenomenon was reflected not only in trade union rhetoric of the late 1960s and early 1970s, but also in the language of the separatist Parti Québécois, founded by former Liberal minister René Lévesque in 1968. Indeed, the collectivist tenets of trade unionism were (and continue to be) compatible in many ways with the nationalist doctrine of the sovereigntist movement in Quebec.

In Social Stratification and Trade Unionism, Bain, Coats and Ellis examine Kenneth Prandy's 'class ideology' theory as it relates to trade unionism: "those who posses a 'class ideology' see society as being stratified according to the possession or non-possession of power; they reject the claims of those with power and believe that this power must be challenged". (Bain et al 1973:12) Under Prandy's definition, both the Quebec labour movement and the Parti Québécois can be seen as having to some degree developed 'class ideologies', for each was interested in changing a hierarchical power structure in order to obtain power on behalf of those

they represent. In the case of the Parti Québécois, it is the people of Quebec; in the case of the labour movement, it is the working class which, for labour leaders of the late 1960s and 1970s, represented the vast majority of French-speaking Québécois (and thus the Quebec 'nation'). Therefore both the labour movement and the separatist movement shared the identity of being disadvantaged within each of their respective power structures.

Evidence of this can be found in the literature put out by both organized labour and the PQ during the late 1960s and early 1970s. In both cases, collective struggle is a constant theme. In the case of the Parti Québécois, it is a struggle for national independence, to become *maîtres* chez nous, while for the labour movement, it is a struggle for working people to "become owners of their own labour and receive the full benefit of their own labour".(CEQ 1972:58)

Bain et al cite fraternalism and solidaristic collectivism as constituting established elements of the 'social imagery' that is central to trade union culture. Once again, these attributes are consistent with nationalist culture in Quebec. For example, the theme of collective action resonates throughout René Lévesque's 1968 manifesto An Option for Quebec. The people of Quebec are referred to as a "human group" who should suffer the "collective catastrophe of an immobilized society" should they not achieve sovereignty.(Lévesque 1968:19) Furthermore, in Quand nous serons vraiment chez nous, sovereignty itself is seen as the realisation of "la securité de notre être collectif" (PO 1972:16).

The two groups were brought even closer together by the fact that they both shared a sense of exploitation by the same outside source. For the PQ,

Le Québec est... la 'colonie de l'intérieur' d'une métropole qui est le Canada anglais. C'est cette majorité métropolitaine qui garde en

mains tous les principaux leviers des affairs internes et des rapports avec l'extérieur et ses représentants chez nous tiennent en bloc le haut du pauvé comme l'ont toujours fait les minorités de 'colons' métropolitains. Que le Canada soit lui-même à la veille de ne plus être qu'un appendice de l'empire économique américain, cela ne fait que nous éloigner davantage des vrais centres de décision. (PO 1972:20)

Thus for the Parti Québécois, as with the labour movement during this period. Quebec is a colony to be exploited by English Canada, which represents in essence a branch of the 'American economic empire'. Consequently, to achieve sovereignty is tantamount to national emancipation, the shedding of colonial status.

However, while both organized labour and the Parti Québécois continue to agree on the need for a radical restructuring of Quebec's relationship with the rest of Canada, they do not share the same motives. The Parti Québécois continues to view sovereignty as the next logical step in the natural evolution of a 'mature people', that Québécois as a people have the right to self-determination. For organized labour, though cultural nationalism has played a role, sovereignty has traditionally been desirable because "the Quebec government hasn't the constitutional powers to bring about a profound change in the fiscal policies as a whole." (CEQ 1972:127) Thus it is the need to change Quebec's political and economic framework that is central to trade union support for sovereignty: independence was and is not the goal, but merely a necessary step in achieving the economic restructuring of Quebec - the realisation of its *projet de société*. It is here that the Parti Québécois and the trade union movement have differed, in that for the PQ, sovereignty represents the ends: for the labour movement, it represents the means to an end.

While the nationalist ethos does lend itself to the collectivist ideals inherent to the class ideology of trade unionism, these common cultural characteristics do not mean that labour and the PQ share the same objectives. Unlike the PQ, socio-economic issues have provided the primary impetus behind labour's support for independence. This difference in philosophy first came to the fore under the Lévesque regime of 1976-85.

The 1976 provincial election saw tremendous working class support for the Parti Québécois: a mid campaign poll gave the PQ well over 50% support among working class francophone voters (more than double that of the Liberals), while voting day proved that PQ support was strongest in ridings where unionized, working class voters were predominant. (McRoberts 1988:238) The election also saw a great deal of trade union support for the party: the FTQ formally endorsed the Parti Québécois and called on its members to get actively involved in the campaign, while a number of CEQ members were elected as PQ members of the National Assembly. Though ideologically opposed, the CSN leadership called on its members to vote for the party "closest to our interests" - which in most ridings meant the Parti Québécois. (Denis & Denis 1994, pg.164) This identification with the party was largely a product of its platform, often described at the time as préjugé favorable aux travailleurs.

Throughout the 1970s, the PQ proposed a number of initiatives commonly associated with social democratic parties of the period.<sup>24</sup> In term of policy formation, its platform called for regular socio-economic conferences (both national and regional) at which labour, capital and the state would work together in an effort to formulate policy and achieve consensus on economic

<sup>&</sup>lt;sup>24</sup> For a detailed analysis of the close relationship between western social-democratic parties and neo-corporatism, see Jessop (1978), Cameron (1984) and Mishra (1990).

objectives. Also on the economic front, the PQ called for increased state intervention in the province's economic activities, as well as a more planned and regulated provincial economy. Its program also called for an increase in social spending and the expansion of state provided social programs, such as subsidised housing, universal health care coverage, early retirement and a fully subsidised day care system.(PQ, 1970 & 1973) Lastly (and perhaps most importantly from the perspective of organized labour), the PQ platform included reforms in such areas as workers rights and industrial relations.

The first Lévesque government introduced changes to the provincial Labour Code in 1977. These included the adoption of the Rand formula (mandatory checkoff), banning of replacement workers during labour disputes, first contract arbitration, and a new certification process that facilitated unionisation. In 1979, the PQ brought in the Health and Safety Act, establishing the *Commission de la santé et de la securité du travail*. Thus organized labour made significant gains under the first Lévésque government of 1976-81. Yet the PQ never did achieve social democratic status, for while these social, economic and nationalist initiatives led to widespread worker support for the party, they did not lead to the establishment of any formal ties between the province's labour movement and the Parti Québécois. There are a number of reasons for this.

Roch and Serge Denis have given a three-pronged explanation as to why formal links were never established in the 1970s. First, because of the economic crisis that emerged during the mid-1970s, the PQ government was never able to fully implement it concertationist program. Second, because public sector unions were either preparing for or were engaged in negotiations with the

government. Third because over time the labour movement came to lose its faith in the PQ, in that it had wanted the Lévesque government to introduce policies geared towards a democratisation of the state, a direction in which the regime was never prepared to go. (Denis & Denis, 1994) There were additional reasons. Throughout the 1970s, leadership at both CSN and CEQ were hostile to the capitalist state, irrespective of the shape it took. Indeed, the CSN biennial convention of 1976 (the year of the first PQ victory) adopted a report from out-going president Marcel Pépin, which included the assertion that: "(i)t is no longer the abuses of capitalism that we must fight but capitalism itself, for it is by its very nature the source of injustice. That is the basic distinction between business unionism and a unionism of struggle". (CSN in Milner, 1977) Therefore the ideological orientation of both the CSN and CEQ rendered formal support for the Parti Québécois and its social-reformist project out of the question.

With regard to the PQ, its leadership headed off a number of attempts at formal ties by labour activists within its ranks by holding that it was a party representing all of Québécois society, from the working class to rural communities to new urban middle classes - thus ensuring the broad electoral base necessary to win and retain power. (Murray 1976:205) Lévesque made the party's position clear on this issue as early as 1971:

With the unions and their organs, we share a fundamental objective of changing and humanizing the social and economic situation. But we must never forget - and the unions must not forget it - that our deadlines are not the same, nor are our means; that their approach remains essentially one of making demands, whereas ours is essentially persuasive; and above all, that union action is most often fragmented and sectoral whereas ours must be as global as possible. (McRoberts 1988:155)

This notion of being "as global as possible", coupled with the fact that the PQ evolved not out of

working class origins but from a broad-based coalition of nationalist interests, has led observers to view the party not as social democratic but as representing a 'popular front' (Denis & Denis 1992) or as a 'nationalist populist' party, in which the "national collectivity takes precedence over all social divisions". (McRoberts 1988) This in turn has allowed the party to attack working class organizations and their constituents when deemed necessary in the interest of the perceived collective good.

The Lévesque government's arbitrary re-opening of public sector agreements in 1982 to introduce drastic pay cuts and slash employee benefits is a prime example. Its refusal to negotiate with its workers, and the especially punitive measures introduced when employees refused to adhere to the imposed 'agreements', are a clear indication of the PQ's determination to deal with what it felt represented a threat to national interests (in this case the indebtedness of the Quebec state), even if its measures were to the detriment of a substantial segment of the provincial workforce and traditional party supporters. And for this decision it paid dearly, for while the FTQ and rank-and-file members from the province's other labour organizations backed the Parti Québécois in the 1981 election, few would do so in the 1985 provincial election. On the contrary, the CSN and CEQ called on their members to punish PQ incumbents at the polls, while the FTQ withdrew its support for the party for the first time since the 1970 election.

The five years that followed represented a period of division and, in the case of the CSN, ideological reflection. The era also saw a waning of nationalist fervour in the province, for with the election of a Liberal government in 1985 (and a new federal government the year before featuring a number of Quebec nationalists), the tone was conciliatory, with a renewed emphasis

on accommodation with the rest of Canada. The defeat of the sovereignty-association option in the 1980 referendum, combined with the shift in policy undertaken by the PQ in the early 1980s, led to both the demoralization and marginalisation of the province's independence movement.

Former 1st Vice President of the CSN (and later PQ caucus member) Monique Simard described the movement during the 1980s as "dominated by cynicism and deceit", with "the loss of the 1980 referendum provoking a turpitude of such magnitude" that sovereigntists suffered a "national breakdown". (Simard 1991:7)

The Liberal regime of 1985-1994 marked the continuation of a gradual shift on the economic front. Following the 1985 election, the government released three reports calling for deregulation, privatisation and the downsizing of the state apparatus. This program was only partially put into effect by the regime. There was government downsizing: the state laid off 14% of its civil servants from 1989 to 1994, while by 1994 the SFPQ (the province's civil service union) reported that 60% of its remaining members were working under precarious conditions. (*Le Devoir*, May 15 1994) There was also a good deal of privatisation: from 1986-1994, the Quebec government sold off 43 state owned enterprises for a total of over \$1.5 billion.

(L. Bernier, 1995) Yet this shift away from state ownership towards the promotion of private enterprise was largely a continuation of a plan being put in place by the former Parti Québécois government in 1985. As Bernier has pointed out, Jacques Parizeau in 1985 (former Finance Minister at the time, later to become party leader and Premier) asserted that many state enterprises had "outlived their policy usefulness", and that "the role of investment vehicles such as the Caisse de dépôt and Société générale de financement had to be reconsidered". Furthermore,

then PQ Finance Minister Yves Duhaime stated that the government was considering a number of changes, including the selling of its assets, moving into joint-ventures with the private sector, and both streamlining the operations of, and in some cases obtaining stock for, state-owned enterprises. His 1985 budget speech also made it clear that the role of the state sector was to be reconsidered, irrespective of the importance it had held in the past. (L. Bernier, 1995:196) Thus to label the Liberal party of the era as the party of privatisation and deregulation would be misleading, for the PQ had the same idea in mind. The same can be said of the parties' positions on foreign investment, for by the mid-1980s the PQ had shed its emphasis on protectionism and local development to join the Liberal party in supporting the Canada-US Free Trade Agreement being proposed by the federal Conservative government in 1987 and 1988, an agreement to which the labour movement was vehemently opposed.

These parallels between the PQ and the provincial Liberals during the late 1980s were not lost on the province's labour organizations. While the FTQ returned to its traditional support for the PQ in 1989, the resolution adopted by its convention in this regard was more of an attack on the policies of the Quebec Liberal party, its endorsement of the PQ being largely a grudging one.(FTQ, 1989) And the FTQ would be the only one - PQ efforts at reconciliation with the CEQ, CSN and SFPQ were met with incredulity, if not outright hostility.(*La Presse*, August 22, 1989) Yet five years later the province's labour movement would embrace the PQ, despite an electoral platform that was for all practical purposes identical to that of 1989 in terms of social, economic and industrial initiatives: both talk of achieving full employment via a more interventionist state and enhanced concertation with labour and capital; both call for increased

government spending in a number of areas, including manpower training, regional development and social programs; both call for a more equitable tax system; both offer little in the way of changes to the provincial Labour Code. (Parti Québécois, 1989 & 1994) The only major difference was that, unlike the Parti Québécois platform of 1989, the 1994 program puts Quebec independence "at the heart" of the PQ program and consequently calls for a referendum on Quebec sovereignty to be held sometime during the party's mandate. Thus, because the two platforms are largely the same in terms of social and economic initiatives, the PQ's commitment to hold a referendum in its first mandate was a decisive factor behind the Quebec labour movement's decision to support the party during the 1994 election. Organized labour's activities before and immediately after the 1994 election give further indication of this.

Shortly after the collapse of the Meech Lake Accord and labour's subsequent call for a sovereign Quebec in 1990, a federal by-election was called for the Quebec electoral district of Laurier-Ste-Marie. CSN staffer Gilles Duceppe was proposed by the central as a sovereigntist candidate, with backing from the CEQ and FTQ. Following negotiations with the Bloc Québécois (a new federal party formed under the leadership of Lucien Bouchard, a former Conservative cabinet minister), Duceppe ran and was elected as a BQ member, with trade union and Parti Québécois support. This signalled a new era of particularly close ties between organized labour, the PQ and its federal wing, the Bloc Québécois.

In 1992, the CEQ, CSN and FTQ joined the Regroupement des québécoises pour le NON and, along with both the PQ and BQ, contributed a significant amount of resources to defeating the Charlottetown Accord (an agreement comparable to that of Meech, put to a referendum and

defeated in October 1992). The federal election of 1993 saw further integration, with the FTQ officially endorsing the Bloc at a special meeting of its General Council, its primary reasons being that "there are Bloc candidates linked to the labour movement" and that the "Bloc Québécois' main objective and raison d'etre is Quebec sovereignty and it is prepared to work in conjunction with Quebec's nationalist and progressive forces to achieve that objective".(FTQ 1993:5 - author's translation) Though neither the CEQ nor the CSN gave their official endorsement, a significant number of their members took part in the campaign either as workers or candidates, with many being elected, including trade union staffers, civil servants and over a dozen educational workers.(Cornellier, 1995)

The following year saw a provincial election in Quebec, and as with the BQ, the Parti Québécois would receive an endorsement from the FTQ and, for arguably the first time in its history, considerable support from both the CSN and CEQ. This is particularly significant in light of the fact that then PQ leader Jacques Parizeau was the former minister of finance responsible for opening up public sector collective agreements to cut wages and benefits in 1983. During the 1994 campaign, CSN President Gérald Larose would state that, in addition to Parizeau's laudable commitment to independence, the PQ leader was a "man of state", while labelling Liberal leader Daniel Johnson a "company man" bent on weakening the union movement. (The Gazette, August 28, 1994) For her part, CEQ President Lorraine Pagé stated bluntly that the CEQ supports independence and that "the Liberals should not be re-elected". (The Gazette, August 28, 1994) The election also saw a number of labour activists running for the PQ, including former CSN 1st Vice President Monique Simard and FIIQ President Dianne Lavallée. Thus the province's labour

leaders viewed the 1994 PQ victory with satisfaction, with the CSN's Larose stating that "the people of Quebec chose a clean break with business domination and 'laissez-faire'". (Journal de Québec, 13 Sept. 1994 - author's translation)

Yet once elected, the Parizeau government's policies proved anything but satisfying for the labour movement. In March 1995, the Parizeau regime made it clear that it intended to continue with and even accelerate the privatisation campaign launched under the previous government.(La Presse, March 18, 1995) The government also proved hesitant to revoke Bill 102, introduced by the previous Liberal government freezing public sector wages, while its first budget tabled in May of 1995 saw a reduction in state spending, leading all three centrals to denounce the new government's strategy as analogous to that of the previous Liberal regime.(La Presse, 10 May 1995) Yet the province's labour organizations continued to take part in and give enthusiastic support for Parizeau's sovereigntist project. All three organizations submitted reports calling for an independent Quebec in the winter of 1994-95 to both regional commissions and the National Commission on the Future of Quebec. All three contributed activists to serve as members on these commissions set up by the PQ government; named activists in affiliate unions responsible for campaign issues; produced literature to be distributed amongst their memberships calling for an independent Quebec; and took part as active members in the Comité national du OUI, with all three presidents sitting on its executive committee. In an effort to ensure that labour was represented in a non-partisan fashion within the 1995 OUI campaign, a number of labour organizations, including the FTQ, CEQ, CSN, SFPQ and FIIQ, joined with other social groups to form the Partenaires pour la souveraineté. Yet while this step was taken to secure

labour's independence from the PQ, the coalition stated as early as April 1995 that it recognised the PQ's Jacques Parizeau as the *chef incontesté* (undisputed leader) of the province's sovereigntist movement, with whom lay the sole authority with regard to strategic orientation.(*Le Devoir*, April 11 1995) As for the reasons behind the unfailing trade union support for a OUI vote in the October 1995 referendum on Quebec sovereignty, the rationale remained largely the same as it had since the early 1970s - that sovereignty, while a legitimate goal in its own right, was essential to the realisation of organized labour's socio-economic project. For instance, in their proposal presented to the Commission nationale sur l'avenir du Québec in March of 1995, the FTO stated that:

..nous sommes persuadés que la souveraineté du Québec constitutera un terreau plus favorable à la concrétisation de notre projet de société social-démocrate. Un Québec souverain pourra, plus efficacement selon nous, se constuire autour d'objectifs de solidarité et de démocratie, par l'intermédiaire notamment d'une politique de plein emploi. Et le plus tôt sera mieux, en cette époque où l'ouragan néo-libérale imprègne tant des de sociétés de valeurs égoïstes et économistes. Nous pourrons aussi accorder une grande attention aux droits collectifs, que l'on tend souvent à oublier au profit des seuls droits individuels. (FTQ 1995:8)

As one would expect, Partenaires pour la souveraineté, representing the vast majority of the province's trade unions, took the same position:

Pour nous, la souveraineté n'est pas une fin mais bien un moyen. Un moyen de dévélopper une économie qui permette à l'ensemble des citoyens, et non à une minorité, de vivre dans la décence et dans la dignité; un moyen de faire en sorte que l'éducation chez nous soit toujours perçue comme un investissement et non comme une dépense; un moyen de dévélopper une véritable solidarité sociale.... (Boudreau 1995:1)

Yet there was never an indication that any of this would have come to fruition should the sovereigntist forces have won the 1995 referendum. Except for one sentence making vague

reference to more "spontaneous concertation", there is no mention of a post-referendum socioeconomic transformation in La Souveraineté: des réponses à vos questions, a 46 page document produced by the Parti Québécois in September 1995 to explain why sovereignty is necessary and what would transpire in the event of a vote in favour of sovereignty. (PQ, 1995) Nor does the final draft of the Act Respecting the Future of Quebec - which laid the framework for a sovereign Quebec and its relationship with Canada - make such a reference, nor the June 1995 Three-Party Agreement endorsing a sovereigntist vote in the October referendum. (Quebec National Assembly, 1995 & ADQ-BQ-PQ, 1995) Indeed none of the signatories to the latter, representing the political leadership on the OUI committee, had what could be called a pro-labour background: Parizeau, the individual who showed flagrant disregard for public sector worker's rights in 1982-83; Lucien Bouchard, a former Conservative and state representative at the bargaining table in 1979-80 and 1982; and Mario Dumont, leader of the Action Démocratique, a party calling for wholesale privatisation and economic de-regulation. These individuals would still have represented the province's political leadership after a vote in favour of sovereignty - there would have still been a Parti Québécois government in Quebec City the day after a OUI vote, with Jacques Parizeau as premier.

The sovereigntist option was defeated by a 51% margin in the referendum held October 30 1995, with Jacques Parizeau resigning as premier and leader of the Parti Québécois two days later. Lucien Bouchard resigned his post as BQ leader shortly thereafter and took over as premier and PQ leader in January 1996, and it is under this regime more than any other that the paradox of labour's commitment to sovereignty (and thus the Parti Québécois) has come to light.

Upon his accession as party leader, Bouchard made it clear that economic uncertainty was a decisive factor behind the NON vote in the 1995 referendum, therefore elimination of the provincial deficit and making the province more attractive to private investors were essential to gaining popular consent for independence. It was in this context that the Bouchard government called the "Conference on the Social and Economic Future of Quebec" of March 1996, at which both employers and organized labour agreed to the government's proposal that the provincial deficit be eliminated by the year 2000. Yet there was no consensus regarding the means by which this was to be achieved.

The government made clear its position on the issue in a paper released prior to the conference:

...nous devons adapter les services publics aux nouvelles réalités, tout comme nous devons faire en sorte que ces services soient offerts à un coût comparable à celui de nos partenaires commerciaux. C'est donc dire que le Québec doit redéfinir les frontières du secteur gouvernemental et ses modes d'intervention. Comme la santé, les services sociaux, l'éducation et les transferts aux personnes représentent le coeur de la mission gouvernementale, ce sont ces secteurs qui, en priorité, devront être remodelés.(Gouvernement du Québec 1996:7)

The government was also clear on what these changes meant: "Diminuer les dépenses administratives, adapter notre system de santé, revoir notre filet de sécurité sociale et réduire les subventions aux entreprises dans le context budgétaire et économique que nous traversons.."

(Gouvernement du Québec 1996:7) Thus the government was planning to achieve a 'zero deficit' via reduced state involvement in the economy and a reduction in state provided social services.

Despite the number of proposals put forward by organized labour on numerous occasions calling for a different approach, the government proceeded with this plan: Quebec has cut state spending

by 7.8% since 1993, beginning largely in 1996. This puts it third in terms of amount cut per capita by province, behind only Ontario and Alberta, both of which are governed by self-professed neo-conservative regimes. The Liberal government prior to the PQ victory spent considerably more over its last term than did the Parizeau/Bouchard regime of 1994-98. Health spending peaked in 1993-94 at \$1,565 per capita; by 1997-98, it had dropped by almost 8% to \$1,450, well below the national average. As for post-secondary education (including community colleges or CEGEPS, roughly equivalent to upper year high school elsewhere in Canada), Quebec has cut 15%, dropping from \$500 per capita in 1995 to just under \$450 in 1998. In the case of social services spending, Quebec has been the leader throughout the 1990s, though here too there have been cuts: in 1990, the state spent \$980 per capita; by 1993-94 it had reached \$1,235; by 1998 it spent \$1,160.(Globe and Mail, January 11, 1999)

As one would expect, public sector workers have suffered as a result of the government's cuts and program restructuring. The 1996-97 period saw the number of full-time permanent public sector employees covered by agreements drop by over 19 000 positions, (Gouvernment du Québec 1998) while in terms of remuneration, the *Institut de recherche et d'information sur la rémuneration* announced in 1998 that for the first time workers employed by the state were behind their private sector counterparts - by 7.8%.(IRIR, 1998) Some 12 000 of the eliminated public sector jobs were forced early-retirements, agreed to by the province's public sector unions in March of 1997 after strenuous negotiations with the state-employer, culminating with the premier threatening all non-conformist unions with a unilateral 6% cut in pay.(Tremblay, 1997) Furthermore, the provincial budget tabled shortly thereafter saw the introduction of additional

spending cuts, coupled with tax cuts and user fees on a number of services provided by the state, setting the Bouchard government squarely on a different path from that proposed by the centrals since well before the PQ were elected in 1994.

With regard to compensation, public sector unions have not been able to negotiate an increase in pay since 1992, essentially because the state has either refused to bargain or reneged on collective agreements. Wage-freezes and imposed contracts have dominated the state's relationship with its employees throughout the 1990s (at the time of writing, workers represented by the Common Front are without a contract, the last one having expired in June 1998). While some groups were able to negotiate a 2% increase over two years in the 1995 round, those workers would never see it because the government imposed the equivalent of a 0.5% pay cut on workers not forced into retirement in 1997 (the year the increase was to take effect). Therefore unless an agreement is reached in the fall of 1999 that indicates otherwise, public sector workers in Quebec will not have experienced an increase in pay in real terms for almost seven years.

In light of the strategy for debt reduction and remodelling of the state espoused by the 1994-1998 Parti Québécois regime, it is clear that the PQ agenda runs contrary to that of the Quebec labour movement and has proven harmful to its constituents. These changes were implemented by a sovereigntist government, and in fact are seen as essential to achieving Quebec independence. And yet the province's trade unions continue to endorse Quebec sovereignty, even though it is clear that for the electoral wing of the Quebec sovereigntist movement, labour's projet de société has little to do with Quebec independence. Furthermore, if organized labour is reliant on a PQ government to achieve what it perceives to be a key prerequisite for its socio-

economic project (i.e. Quebec sovereignty), this can only serve to hinder its willingness to undertake activities that might reflect poorly on the government, such as strikes or other forms of labour unrest. Thus it could be argued that public sector trade union support for Quebec sovereignty in its current incarnation is to the detriment of its constituents, for it constrains their ability to effectively bargain with their employer. And because all of the province's major labour organizations are either partially or wholly public sector based, this applies to the movement as a whole.

It could also be argued that organized labour could use its support for sovereignty as a bargaining chip to extract concessions from a pro-sovereigntist government. There has been some evidence of this. When speaking in the context of premier Bouchard's reforms in 1997, then FTQ president Clément Godbout stated that: "Si la souveraineté veut dire qu'il faut s'appauvrir collectivement, se placer dans les situations où il n'y a même plus de programmes de santé et d'éducation qui ont du bons sens et désosser la fonction publique, je n'en veux pas". (Le Soleil, 22 février 1997) Furthermore, 1997 saw the FTQ (along with the CSN, CEQ and SFPQ) withdraw its support for the plan hammered out at the March and October 1996 conferences calling for a déficit-zéro by 1999-2000, as well as its official endorsement for the PQ in the 1998 provincial election. Yet none of the centrals, nor the province's non-affiliated public sector unions, have withdrawn their support for Quebec independence; and as long as the Quebec labour movement is pro-indépendentiste, it is, either directly or indirectly, pro-Parti Québécois - a party that, when viewed in contrast with the proposals put forward by the province's trade unions, has proven itself over the 1990s to be anything but pro-worker.

This paradox of nationalist vs. class interests, and the class based rationale so often given for sovereigntist support, raises the question of why the province's major labour organizations have not given more serious consideration to renouncing their unconditional support for Quebec independence.

In his 1956 essay Quebec on the Eve of the Asbestos Strike, Pierre Trudeau stated that up until that time "nationalism provided the pivot around which nearly all of the contemporary social thinking of French Canadians revolved".(Trudeau 1969:33) Trudeau's observation rings equally true today. All issues in Quebec - social, economic, political, industrial - are viewed through the nationalist lens. As institutions operating within this cultural reality, the province's labour organizations and their leaders are not and cannot be immune to nationalist considerations when adopting policy and formulating strategy. Nationalism has been a central feature of trade union thought virtually since the advent of Catholic unionism in the early 1920s. It played a role in trade union activities during the Quiet Revolution of the 1960s, and the first Common Front and pre-referendum era of the 1970s. It is largely due to nationalist concerns that the New Democratic Party (a social-democratic party with trade union affiliates across Canada) has never enjoyed widespread trade union support in Quebec.(Munn 1983, Denis & Denis 1992) And nationalism has provided the primary impetus behind support for the Parti Québécois and its federal counterpart the Bloc Québécois in the 1990's.

Because Quebec's trade unions and the organizations with which they are affiliated are democratic institutions, the province's labour leaders are responsible to those they have been elected to represent. It is clear through both internal surveys and decisions made by the elected,

governing bodies of all three institutions that a majority of workers affiliated with the CEQ, CSN and FTQ have supported sovereignty for much of the 1990s. Thus despite the fact that all of the province's major labour organizations produced pro-sovereigntist literature prior to the 1995 referendum for distribution amongst their respective memberships, it would be difficult to argue that labour's support for sovereignty has been a uniquely top-down initiative.

Yet the province's labour leaders have also been elected to defend their constituents' interests - including protecting their jobs, their incomes and working towards the amelioration of their working lives. The *projet de société* is designed to facilitate that process, and unconditional support for Quebec independence is hindering organized labour's ability to push for the realization of its constituent components. Nationalism is an emotive and irrational phenomenon, and perhaps trade unionists' commitment to Quebec independence runs deeper than simply the establishment of an environment within which a more equitable framework for labour-capital relations might operate. Nevertheless, trade unions have a responsibility to represent their constituents not only as Québécois, but as wage-earners. The two are not incompatible, but leadership is often about setting priorities - and for much of the last decade, trade union leaders in Quebec have to some degree over emphasized the former at the expense of the latter.

#### Conclusion

Organized labour is experiencing difficulty throughout the industrialized world, and Quebec is no exception. Increasingly fragmented labour markets, globalization and a new employer ethos grounded in cost cutting for short-term gain have had a negative impact on trade union bargaining power and membership retention. In an effort to counter this trend, the Quebec labour movement throughout the 1990s has made proposals that would contribute to its survival and in turn create an environment in which it might better represent its constituents. Taken as a whole, these proposals represent a call for the centralization and enhanced institutionalization of economic and industrial relations in Quebec. The implementation of 'social contracts', as well as the SQDM and its successor the Commission des partenaires du marché du travail, represent small steps in this direction, though there is little evidence to indicate that these changes are the result of trade union activities. Occasional state-sponsored socio-economic summits, consultative forums and other forms of dialogue have led to the government adopting few of the proposals put forward by the labour movement, and those it has adopted have largely been half-measures. For example, after years of pressure from the province's trade unions, the Bouchard government introduced pay equity legislation in 1996. However, the state has exempted itself from its own law, its rationale being that it had achieved equity via wage restructuring in the 1989 round of bargaining. Not surprisingly, a number of Quebec employers are taking steps to do the same, using the same reasoning. Another example is the initiative proposed by the labour movement and adopted at the October 1996 summit calling for a tax break for firms creating full-time jobs.

Though introduced by the PQ government in 1997, the definition of full-time employment was dropped from 30 to 26 hours a week, thus providing employers with tax breaks for creating what are essentially part-time jobs. (Paquette, 1997)

It could be argued that while these measures may be not have been as comprehensive as the labour movement might have liked, they are better than the status quo. PQ enthusiasts would no doubt point to progressive initiatives brought in under the Bouchard government, such as a heavily subsidized day-care system and substantial tax breaks for labour-sponsored funds such as the Fonds de solidarité. However, while they may be beneficial to working-class Québécois, these measures change little in terms of the power relationship that exists between organized labour and the state, in that these policies were devised and implemented by the state alone. Furthermore, it could also be argued that these measures represent aberrations from the over-all anti-worker PQ agenda. The state has proven itself an uncompromising employer and has acted in a fashion contrary to the labour movement's perceived interests - irrespective of the party at the helm. Both Liberal and Parti Québécois governments have re-opened collective agreements signed with their employees to either freeze or cut-back wages and/or benefits. Both have either introduced or threatened to use back to work legislation. Both have engaged in privatisation and/or the contracting out of state provided services (and consequently jobs). Both have scaled back the 'social wage' through cuts to social programs. Both have instituted measures that have led to an increasingly regressive tax regime. (Paquette 1997, Langlois 1998) Thus far the state has refused labour's call for a more uniform private sector collective bargaining structure, including campaigns (such as those launched by taxi and truck drivers in conjunction with the CSN and

FTQ) to encourage legislation that allows for independent or contract workers - the fastest growing classification in the Quebec labour market - to unionize and engage in collective bargaining. The same applies to appeals for sectoral bargaining or 'combined' bargaining, where employees of franchises of a given firm are represented as one unit, or all employees of a given industry. Some organizations have already taken steps in this direction. For example, unions representing hotel industry workers affiliated with the CSN engage in coordinated bargaining with the industry's employers. Yet despite the emergence of this phenomenon, successive governments have been hesitant to introduce legislation to facilitate this process. Indeed the initiatives pursued by the state, combined with its refusal to act on trade union proposals and alter the framework within which labour and capital operate, has proven harmful to its working class constituents.

Clearly then the Quebec labour movement has proven largely ineffectual in meeting the challenges posed by globalization and changes in the labour market. Many blame this on labour's willingness to engage in the state's concertationist activities. Some, such as SFPQ President Serge Roy, have called for an end to this practice, stating that "il faut rompre avec l'idée de partenariat".(Roy 1998:2) If this strategy were to be carried out with labour returning to a more confrontational relationship with its public and private employers, it might consider doing so with an eye to establishing a meaningful dialogue between the province's economic actors. Most of the ingredients necessary for Larose's société négociée are present in Quebec: employer's interests are represented by the Conseil du Patronat, while the labour movement has been consistent in speaking with one voice on economic and industrial issues - the consensus achieved

amongst the province's major labour organizations prior to, during and after the socio-economic summits of 1996 are a testament to this fact. The collapse of the 1996 agreements reached between the state and the province's labour and employer organizations are proof that such exercises are meaningless if they are not institutionalized, with each representative sitting at the table as an equal partner. What is required for labour's neo-corporatist vision to work is a state that is prepared to integrate the province's working class organizations into the decision-making process, and to look to these organizations as contributors in acting on those decisions once they are made; this has not been the case in Quebec. Those institutions where there is labour participation do not have the power necessary to effect meaningful change. As a result, unlike jurisdictions where macro-economic and industrial decisions have traditionally been made via binding tripartite negotiations (such as Austria, Belgium, Sweden and the Netherlands)<sup>25</sup>, workers in Quebec are still essentially at the mercy of their employers, be they public or private.

The state's refusal to cooperate in this regard is to some degree due to the province's nationalist disposition. The special status it is accorded as the representative and defender of the Quebec nation has served to reinforce the notion that those who are elected to shape the state's orientation must operate as an 'informal umpire', unfettered from various organized interests – though certainly this is not possible when dealing with its own employees. (Swimmer & Thompson 1995:1) This is particularly true of the Parti Québécois, which as a nationalist-populist party has in many ways embraced this idea. And it is because of this same idea that the PQ cannot be counted on to act regularly in the interests of the province's working class organizations and their

<sup>&</sup>lt;sup>25</sup> There is an exhaustive literature regarding tripartism in Europe. For extensive and varied analysis on the topic, see Berger (1981), Katzenstein (1985), Scholten (1987) and Mishra (1990).

constituents, for its core ideology is not class based, but nationalist.

In terms of trade union support for the PQ, many in the labour movement are calling for a total renunciation of support for the Parti Québécois, including what has traditionally been its staunchest ally in the labour movement, the FTQ. Yet if this is to be accomplished, the province's trade unions must consider withdrawing their unconditional support for Quebec sovereignty, the raison d'être of the Parti Québécois. Otherwise, denunciation of the party's agenda will mean little. Under its current partisan structure, the only means by which Quebec can achieve independence is via a referendum, which only the PQ is prepared to hold. Because of this, organized labour in the province loses a good deal of credibility when facing the state-employer. At the same time the PO has made it clear that it is not prepared to grant favours in an effort to solidify labour's support for independence (witness the Parizeau government's cuts to social spending and hesitancy to reform the Labour Code prior to the 1995 referendum). The 1990s have borne witness to heightened nationalist sentiment in the province and a highly cooperative labour movement in terms of its relationship with the PQ. Despite the Bouchard government's agenda and its failure to produce a counter-proposal to Common Front demands following the expiration of public sector collective agreements in June, the province's major labour organizations agreed in October 1998 not to disrupt the Parti Québécois campaign for reelection. (The Gazette, October 27, 1998) Yet this cooperation has if anything proven counterproductive, in that the 1990s have seen both unionization rates and public sector wages fall consistently. Thus the province's trade unions are to some degree faced with a choice between improving both the working conditions and standard of living of its constituents, or unconditional

support for Quebec sovereignty (and hence the Parti Québécois).

The labour movement's strategy of providing support to a political party in an effort to sway policy and establish a preferential relationship is not unique to Quebec; organized labour's relationship with the Democratic Party in the United States, or that of worker's organizations in France with the French Socialist and Communist parties, represent but two examples. The means by which trade union activity impacts industrial relations and state industrial and economic policy in these countries, and the effect their alliances have on those means, is an area where further research could be pursued. In addition, there are places elsewhere in the industrialized world where trade unions operate in an environment where nationalist independence movements are present, such as Catalonia, the Basque country and Belgium. Here too there is room for further research of a comparative nature.

Though there is extensive literature regarding relations between labour and the Parti Québécois, and relations between organized labour and the NDP elsewhere in Canada, very little work has been done to contrast the two phenomenons. Such an analysis would be useful for a number of reasons, not the least of which to determine the pros and cons of trade union affiliation to social-democratic parties (in contrast with support for a nationalist-populist party, or non-partisanship). Another area where little work has been done is the relationship that exists between leadership and the rank and file in the Quebec labour movement, particularly over the past ten years. Such an analysis would be instrumental in determining the effectiveness of organized labour's educational and mobilizing strategies in the province, while perhaps exposing the ways in

<sup>&</sup>lt;sup>26</sup> While Jean-Marc Piotte's *La communauté perdue* (1987) is excellent in terms of exploring the experiences of grass-roots activists in the Quebec labour movement, it is well over ten years old.

which the different democratic structures of each organization impact policy and orientation.

Lastly, reference has been made here to neo-corporatist, centralized bargaining structures elsewhere in the industrialized world. Some have argued that industrial relations in Quebec represent a combination of the centralized tradition of Europe with the more fragmented or 'voluntarist' tradition of North America and the UK.(Tardiff, 1995) Certainly there is some truth to this, in that certain areas of the economy engage in coordinated bargaining, while others do not. Comparative work in this area might help to determine whether industrial relations in Quebec are in fact unique, or whether comparable conditions exist elsewhere outside of North America.

However, unique or not, it is clear at the end of the 1990s that the Quebec labour movement is not fragmented, but united behind a specific agenda regarding economic and industrial relations in the province. The question is whether its leaders are prepared to make a clean break with those who have little interest in their agenda. Only once this is accomplished can their proposals be taken seriously - and only then might their project for economic and industrial reform come to fruition.

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### Research Methodology - A Brief Sketch

Though not Québécois, I did not come to this project entirely as an outsider. Having lived in Quebec for five years and having obtained an undergraduate degree at a bilingual school with a significant Francophone student population, it is safe to say that I do have some understanding of the province's culture and politics. Nevertheless I am on the outside in the sense that I am an Anglophone that has lived in English Canada all of my adolescent and adult life. This is also true in that I have been studying the topic of Quebec industrial relations for the better part of a year and a half at an Ontario university.

While looking at an issue from the outside does provide one with a certain objectivity that might not otherwise be present, it also renders it difficult to stay in touch with the various dynamics that would be easily accessible (if not unavoidable) when working at the epicentre. And as indicated at the outset of this thesis, very little work has been done on trade unionism in Quebec outside the province, which in turn affected both the number and the quality of Quebec based resource materials available. In an effort to overcome this dilemma, three trips to Quebec were undertaken to gather data. The first two involved visits to the Université de Montréal and the CSN, the third to the FTQ. As may be ascertained from the text and bibliographical sources listed, the research for this thesis was qualitative and grounded primarily in documentary analysis. However that being said, some time was spent talking with trade union activists and staff at the CSN and FTQ during each visit to the province. Thus the conclusions arrived at here are also to

some degree the product of one on one, personal contact with people who take part in and are directly impacted by decisions made by the province's labour federations. Though informal, these discussions provided valuable insight into understanding and locating the importance (and in some cases interconnectedness) of various identities: trade unionist, worker, French-speaking Québécois. I hope that this too comes across in my argument and throughout the text.