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**Canadian Industrial Relations Today:
And the Prognosis Is?**

An Interview with John Crispo

Interviewed by Mary Lou Coates

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Canadian Industrial Relations Today: And the Prognosis Is?

An Interview with John Crispo

What have been the greatest pressures on the Canadian industrial relations system?

Two things. First is globalization—free trade, NAFTA, the WTO, all of which have been debated ad nauseum. The second is the convergence of communications and computerization technology, although the impact is not as great on industrial relations because unions are weak in these sectors. You can talk about ups and downs in the economy etc., but globalization and convergence are the two biggest pressures and trendsetters.

How has Canada fared in the last decade of free trade?

We have fared extremely well. But we did get off to a bad start, which allowed anti-free trade elements in our society to have a field day condemning the Free Trade Agreement. It wasn't the fault of the Agreement that we lost jobs; we lost jobs because the same federal government that introduced free trade was running massive deficits and borrowing heavily abroad, with the result that interest rates went up. Our interest rates went five full percentage points higher than American interest rates. And the dollar went up from about 82 to 92 cents. People forget that the dollar went up before it collapsed. As a result of the high interest rates and the high dollar, Canadian industry couldn't compete and took a real beating—it wasn't because of free trade, it was because of the fiscal and monetary policies of the federal government.

How well can the effects of free trade be separated out from other pressures?

It's very difficult to sort out. My quarrel is with the simplistic notion that everything that went wrong is due to free trade. We knew when we signed the Free Trade Agreement that certain industries were going to lose. But there were surprises. Two of the big surprises are wood and furniture, and wine—two industries we thought would lose. Wood and furniture hasn't come back as much as wine. Wine is the biggest surprise of all. We were producing junk before free trade, but wine producers in the Okanagan, Niagara and some other parts of the country decided that they were going to go high quality to survive free trade. Now, I am told, we have some of the best wine in the world and are winning prizes all over the world. So, even in areas where we were expected to lose, we've won. But I'm not denying that there were some difficult adjustments.

In your book, *Making Canada Work*, you stated that in a more competitive world, 'industrial relations is either going to remain part of the problem or become part of the solution' (Crispo 1992). What are your thoughts on what has happened?

John Crispo is an Emeritus Professor of Political Economy and Industrial Relations at the University of Toronto. He has written several books, most recently *Making Canada Work*. He writes a biweekly article for the Saturday edition of the Toronto Sun.

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Industrial relations is still more part of the problem than the solution. I don't know how we change that. We will never get away from adversarial collective bargaining because someone has to figure out how to divide the pie. There are no rules to sort that out. Later we will talk about how unfair this division of income has become in this country.

We have to get away from adversarial relations and toward more complementary relations by cooperating in those areas where it makes sense. For example, we should cooperate in increasing the size of the pie, even if we fight over who gets what share. There are huge obstacles to this. Probably the biggest is management's refusal to be open and transparent. You can't ask workers and unions to work with you unless you put everything on the table. Meanwhile, the unions are using rhetoric from, what, the sixteenth century? I'm exaggerating, but they are still fighting wars that are no longer relevant, given the pressures created by globalization and convergence. Unions and workers must realize that the only meaningful form of income and job security today is to work for an enterprise that is competitive. That is their only hope but they don't recognize it, or so it would seem from their rhetoric. Once in a while you do see unions making concessions at the plant level, concessions that can save the plant.

Is ideology a part of it?

Yes, for both sides. Management still thinks it knows best—'don't think, do as you're told.' Unions, as I mentioned, are still fighting battles that are not the most relevant ones in today's world.

One union official has stated that this 'spiral of competitiveness has us competing with one another to lower our standards, to steal jobs from one another' (Hargrove 1998). How would you respond to that statement?

It could happen if we don't respond appropriately. Because of globalization, there is going to be realignment in production all over the world. Comparative advantage means that labour-intensive activities are going to go to lower wage countries. Activities that are less labour intensive and more capital intensive could be ours—activities in the high-paying industries—if we get our act together in terms of a framework of public policies that makes us an attractive country in which to invest capital. We can sentence ourselves to a lower standard of living or we can take measures to ensure that our standard of living stays one of the highest in the world.

What changes do management and unions have to make in order to have a more competitive Canada?

Where do you start? Let's start in the non-labour relations arena. We have to be very creative, innovative and productive. We have to recognize that the customer is king and that price, quality and service are everything. And we have to get web-wise and net-wise.

On the labour relations side, management has to recognize that if they don't treat their employees well, they, in turn, won't treat customers well. That's more obvious in some situations, such as salespeople, than in others. But even in an auto plant, if your employees aren't on side, you aren't going to produce good cars. If management wants workers to

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cooperate and be part of a team, they have to put everything on the table and they have to be much more open and transparent. Unions have to recognize the reality that competitiveness is the name of the game these days. That means they have to be, provided management is open and transparent, much more willing to work with management to make the enterprise more efficient. I'm not talking about lower wages, although in some cases, because of competition, that has been the result. I'm talking about getting rid of obsolete work rules and demarcation disputes. I've always said that if I were running a plant, I would do my best to run it nonunion, not because I'm anti-labour—I believe unions are critical in a free society—but because I couldn't stand the fine print in those collective agreements. It takes away all the flexibility and freedom needed to adapt, to be competitive in the global village.

All the ridiculous work rules, and jurisdictional or demarcation disputes, stand in the way of becoming more efficient, innovative and productive. In areas like construction, one trade can't touch another trade's work, and in plants, only the maintenance worker can fix something even though the unskilled worker might be able to fix it right on the spot. But I can see why work rules were put there. I don't blame labour, when they're dealing with a management that's holding their cards so close to their vest. And, the same management that told workers to restrain themselves in the name of competitiveness are the ones 'snuffling' everything out of the trough and leaving nothing for anybody else. These hypocrites still have the nerve to tell workers not to take any more because the country won't be competitive.

What role is public policy playing in today's IR system?

Let's start with the broader sphere. The role of government is much different today. Its role is to put in place a sane, sensible and sound collection of public policies within which the private sector can plan ahead with certainty and confidence. The best phrase I have ever come across is the 'Alberta advantage.' What is the Alberta advantage? Make it so attractive to invest here, to live here, to work here that we create a haven for investors, workers, and everything else that makes for a higher standard of living. That's how we have to think.

We are in a world war for capital. Capital is the most mobile thing on the face of the earth. It moves to the most hospitable place to conduct business. How do we create the 'Canada advantage'? How do we make Canada so attractive that people think of it as a place where they want to invest, to work, and so on? There are good and bad things about Canada, and we should be working on the bad things to strive for the 'Canada advantage.'

What is the role of government in industrial relations? I argue that there are three roles. First, government has to establish the rules of the game, the dos and don'ts of collective bargaining. Second, government has to make sure that industrial disputes don't get so out of hand that the public is harmed, not just threatened, but really harmed. And finally, government has to be sure that the results of collective bargaining don't get too inflationary.

What has been happening to workers?

The average worker hasn't had a real wage increase in more than two decades. It began with the wage and price controls imposed by Trudeau's government, which hit workers,

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but no one else. If you were a professional or a corporation, there were ways around them. Since then, except for a few groups such as auto workers, construction workers, and athletes and entertainers, there have been no real wage increases.

Furthermore, there are more feelings of fear and insecurity among workers because of rationalization, restructuring, realignment, downsizing. These fears have created problems for unions. Members are afraid to go on strike to fight for their share because they still remember the bad days of the late '80s and most of the '90s, when companies were laying off workers and doing whatever else they had to do to be competitive. The side effect was to put the fear of God into workers—'There, but for the grace of God, go I.' 'If we push too hard this plant won't be here and I won't be here.'

Would that be one of the reasons why more workers aren't joining unions today? Is there a future for unions in Canada?

I don't know of any free society without a free labour movement.

I hope there is a future for unions in Canada, because I don't know of any free society without a free labour movement. But our labour movement is in trouble on so many fronts. Start with numbers—unions are barely holding their own and their percentage of their market, if I can put it that way, has gone down. When I was a graduate student, it was about 40 percent, when I was active in the field, it was about 33 percent, and, now, I think it's below 30 percent. In the U.S. unionization is down to 13-14 percent. The only reason for higher figures in Canada is because of public service unions. In the private sector, unions are not doing any better here than in the U.S.

Why is this happening? I don't think labour laws are that unfair to unions, if at all. Management obviously is doing all in its power to keep unions out for reasons we discussed earlier, such as keeping their flexibility and freedom. With respect to union organizing, I don't know if there is anyone who can organize the new workers in the new economy. You are not going to organize them with old blue-collar organizers and with the rhetoric of old. Too many unions are now engaged in 'cannibalism.' There is less organizing going on in Canada than raiding—that's not healthy. For example, what are the fishers in Newfoundland, 40,000 of them, doing in the auto industry? That isn't organizing workers; it's just stealing them from other unions. But because the auto workers do so well, everybody wants to be an auto worker, even if they aren't in the auto industry.

Another problem, and not just in Canada, is that unions are trying to deal with multi-national corporations. It's total madness. You can't deal with multi-national corporations on a national basis. My good friend Buzz Hargrove¹ of the Canadian Auto Workers would say, 'Wait a minute, look at the deal I made with the Big Three in Canada without being part of the UAW.' But the Auto Workers are a very special case with managed trade, guarantees of production in Canada, lower exchange rates, and no medicare costs. The problem is that capital thinks internationally. Multi-national corporations have no loyalty and no nationality. But workers still have these loyalties, these nationalities, and this parochialism; they don't see why they should be in unions with the Spanish, the Germans, the Japanese, and the French. But how else are they going to deal effectively with multi-nationalism? Right now most multi-national corporations dual source—they produce critical parts in more than one country. If there is a strike in one country, they just put another shift on in the other country. Labour watches this happen, revels in its nationalism, and

¹ Basil 'Buzz' Hargrove is national president of the National Automobile, Aerospace, Transportation and General Workers of Canada (CAW-Canada).

makes itself more obsolete. I dream of the day when labour can say to, for example, General Motors, ‘We can shut you down worldwide.’ But that isn’t going to happen in my lifetime, or in your lifetime.

Do you see any unions moving in that direction?

No, but they would say, ‘We belong to the International Trade Secretariat’ or ‘We belong to the International Confederation of Free Trade Unions.’ That’s a wonderful excuse to go to Geneva once a year, but it’s not leading to true international bargaining. They share information—isn’t that wonderful? It’s useful but it does not solve the problem of imbalance of power between the world corporate sector and national unions.

If you could offer some prescriptions for good day-to-day union-management relations, what would they be?

Openness and transparency with the books, the plans, everything. I had the advantage some may say disadvantage—of working with the Scanlon Plan when I was a Scanlon Plan Fellow at MIT. I saw what labour and management could do together—and this was in unionized plants—when management is open and transparent. The workers see a different company with a different philosophy; they see a management that is willing to share everything. So why not sit down and talk to them about how they can both make the place more secure for everyone in the long run? If they make it more profitable for the company and the shareholders and more secure for the workers then it is ‘win-win.’ But, in my opinion, this can’t happen unless everything is on the table. Unions, in turn, have to be open-minded enough to accept that there is a chance for a new relationship, seize the opportunity and run with it.

Are more collaborative labour relations developing in some organizations?

Yes, there are many collaborative things going on in plants, even auto plants. I remember when the Auto Workers, before Buzz Hargrove I think, were ranting and raving against collaborative arrangements, while, at the time, many of their plants had working collaborative relationships. These arrangements were not necessarily on an ongoing basis but were to solve this or that problem. At a micro-level, if there are fairly good relations between labour and management, there can be collaboration, even if there is ‘a war’ at the top between the union leaders and the Big Three.

What are your thoughts on the institution of collective bargaining? How effective is collective bargaining in addressing the needs of labour and management? Is it in crisis?

Collective bargaining has not changed much—it is still a big game with the process more important than the results. That’s why I am so cynical and disillusioned about the whole business. There is so much game playing. But, in terms of the basics, it is still performing adequately, if not well. Workers are getting more, or at least protecting what they have, and we have industrial jurisprudence. People can’t be dealt with as arbitrarily as they once

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were. In terms of those fundamentals, then, I don't think collective bargaining has lost anything.

Is it still the most effective way to deal with certain issues such as dividing the economic pie?

I don't know any other way to do it. Some economists say to get rid of all institutions and let the labour market sort it out. Dream, dream, dream! Collective bargaining still has a role in sorting out relative worth. But it isn't doing it very well. In 1956, Chief Executive Officers in the United States were getting 20 times the average pay of their employees— it's now 400 times. Maybe collective bargaining is working within the unionized workforce to sort out their relative worth, but there is no way of restraining management 'fat cats.'

What about the strike? Is it effective?

There is no substitute. The strike, or more importantly, the threat of strike, is the catalyst that makes the bargaining system work. If management thinks its workers won't want to go on strike, why should they concede anything? I don't doubt that there are some strikes where the workers will never get back what was lost, but a strike is an investment in future bargaining power. A union that never strikes doesn't have much bargaining power. The strike is as vital as ever.

How about in terms of essential services?

I believe in the universal right to strike. The 1968 federal government Task Force on Labour Relations,² which I believe filed the best report in industrial relations that's ever been prepared anywhere in the world, came down very hard for free collective bargaining and the right to strike. The task force said to get rid of the Public Service Staff Relations Board and put everything under one act, the **Canada Labour Relations Act**. It recommended establishing a Public Interests Disputes Commission, which would be a part-time body—we don't need any more full-time bureaucratic bodies in this country. The Commission would be available at the call of the government, if people thought a strike were going to cause harm. This approach would have real political advantages, because part of the problem in the essential industries is that the opposition cries national crisis and demands that something be done. In such a case, the government would be in a position to agree with the opposition that the situation looks difficult and therefore should be referred to the Public Interests Disputes Commission for their opinion on whether it is really going to do any harm. If the Commission's judgment is yes, it is doing or going to do harm, then the government could ask the Commission for some ideas on what to do about the situation.

I hate compulsory arbitration. I believe that the best solution in many cases is partial operation. For example, I love what they did during the Montreal transit strike. They

² Canada, Task Force on Labour Relations, **Canadian industrial relations: The report of the Task Force on Labour Relations**, H.D. Woods, chairman (Ottawa: Privy Council Office, 1968). John Crispo was a member of the Task Force.

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ordered the workers to run the subway during rush hour but they didn't have to run the buses; there was transportation running during rush hour to get people to and from work. Another example is the case of Vancouver General Hospital, where the labour board allowed the strike but required that the emergency wards and chronic care wards be kept open. None of the house cleaning, laundry or food preparation had to be done by union members—management had to do that, and find out what it's like to really work. I love stuff like that—allow the strike but make sure that whatever component is essential is operating. With police and firefighters, it is more difficult, but I would still avoid compulsory arbitration like the plague.

Any reasons for your feelings about compulsory arbitration?

Compulsory arbitration has so many adverse effects on the parties. If both parties know they are going to be sent to compulsory arbitration, why should they bargain? The arbitrator is going to split the difference, so why bargain in good faith? Final offer selection is a little better and might encourage a little more bargaining. The other problem with compulsory arbitration is that it takes union leaders off the hook. When the union leaders know that there is an arbitrator at the end of the line, why should they make decisions that some of the members will like and others won't? They can let the arbitrators make the decision and take the blame.

Arbitrators usually look at cost of living/inflation, productivity in and out of the firm, and internal and external relativity, but not ability to pay. In Alberta when the arbitrators were rendering unbelievably generous awards in police and firefighter disputes, the government told them to also look at the employer's ability to pay and look at the state of the labour market for the workers in question. For example, has the employer a retention or recruitment problem? If not, then that's significant. Arbitrators still would not look at those things.

What would you say has been the biggest change in your way of thinking about industrial relations over the past 10, 20 years?

I have become very cynical and disillusioned about the games people play. My other concern is, and I blame both sides for this, labour and management are not responding to the new reality of globalization and the convergence of technology. They are not being very realistic.

Do you have a more cynical attitude than you did 10 years ago?

No. I was most cynical about 15 years ago. I stopped concentrating on labour-management relations and foolishly got involved in public policy issues such as free trade, competitiveness, debts, and deficits. It did not cure my cynicism. Politics makes you just as cynical as industrial relations. Industrial relations is politics, I just didn't know it at the time.

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What individuals or events have shaped industrial relations as we know it today?

I think that the Depression, the *National Industrial Recovery Act* and the beginnings of the labour relations board in the United States were probably the greatest events shaping industrial relations. For the first time, the government said that unions had the legitimate right to exist and that it was going to put in place a procedure whereby they could get certified. Since then, we have been refining industrial relations and making it more sophisticated. You can talk about the Winnipeg General Strike, the sit-down strikes, the Stelco strike after World War II, the common front in Quebec (which made a big difference in public service bargaining), but if you are talking about global events that shaped industrial relations, I can't think of anything more important than the Roosevelt changes. We were moving in that direction, but these changes gave us great impetus to move on.

Among individuals I have known, the person I always admired was Walter Reuther, who was president of the UAW from 1946 until his death in 1970. I worked for the United Auto Workers for a short period when I was a summer student doing research on the UAW. There was never a union leader like him, except perhaps John L. Lewis. He was a great orator. Where are the Walter Reuthers and John L. Lewises today? I can't think of one labour leader in the United States that I admire for anything. I like and respect Buzz Hargrove but he's not a Reuther or a Lewis. I would say unions are bereft of good leadership today.

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Why do you admire Reuther and Lewis?

Walter Reuther and John L. Lewis were lucky in a sense because workers were so abused for so long that a day of reckoning was due. Lewis formed the Congress of Industrial Organizations, the CIO, in 1938 and was its outstanding leader until 1940. Reuther became president of the CIO in 1952. They just happened to be there at the right time with the right talents. Who in the Canadian labour movement today can make the difference Reuther or Lewis made? I must confess I was disappointed in Bob White. He was a good leader of the Auto Workers in Canada. And I was one of those who told him he should be the president of the Canadian Labour Congress; I thought it was time that the CLC had an articulate spokesman, which Bob was. But he died in the job. I think he probably regrets it more than anything he ever did in his life. Buzz Hargrove gets far more publicity than Bob. But Buzz is lucky because he is in an industry where he can get an increase like no one else. It's a big industry so when there is a strike, the media is there. He knows how to play to the media like no one on the face of the earth. He stands out. When I had my afternoon talk show during the second to last round of auto negotiations, Buzz would be on the phone every Sunday. One day, he arrived at the studio unannounced; I looked up and there was his face in the doorway. He had just come from the plane and wanted to boast about the Chrysler ratification meeting. He was wonderful.

And he likes a debate?

Oh yes, he is a great debater. But I can't debate with him anymore because I can't condemn the workers for trying to get a bit of the loot too.

Turning to the study and teaching of industrial relations, there has been recent discussion about a ‘narrowing or hollowing out of the IR field’ and a shift in emphasis from IR to business school/HR programs at many universities (O’Brien 1999; Kaufman 1992). Do you see this happening?

Although I’m not close enough to advise, I sense things are going wrong. I think industrial relations, as far as possible, should be an independent study. When industrial relations departments are in business schools, the union perception is that it’s part of the business school program, and the students are all learning how to avoid unions and how to beat them up once they have them. I wish the concentration were more on old fashioned industrial relations, labour-management relations and less on human resources management, which I think is just manipulation.

Most centres today are too academically oriented. They don’t want to have anything to do with reality. When I founded the Centre for Industrial Relations at the University of Toronto, we ran conferences and built up an information service. We had huge conferences on public policy for up to 700 participants. The academics took over and turned it into an academic enclave that pays no attention to reality. For example, where was our Centre, your Centre, any Centre when the NDP government under Bob Rae, and, following that, the Conservatives under Mike Harris changed Ontario’s labour laws?

The Industrial Relations Centre makes money from management programs, but where are your union programs? If there can’t be union programs, where are your balanced programs? It is too bad you don’t work with the unions for more programs for them. Even better is a joint program, or even some programs where they are in together for half of the week and separately for the other half. That would be very healthy. Your Centre is good at this. Toronto’s Centre should be running conferences on major industrial relations issues of the day. Where there is a big fight going on about labour law changes, why isn’t the Toronto Centre right at the forefront with the Minister of Labour and the major spokespersons for both sides, debating so that people can really understand what the issues are about? Think what it would do for the students. They would get a chance to attend debates with real live participants.

My model of a Centre is long gone. Mine was too policy oriented. There is no Centre in Canada that is a model for me because I want this mix of the policy side, the academic side, and the community side.

What is in store for those involved in the study and practice of IR?

Wherever there is a union, you are still going to have some industrial relations people. I wish all applied areas in the universities had established a whole undergraduate section in industrial relations. Why couldn’t we get corporations and unions to adopt students for a while, in a similar way to the University of Waterloo’s cooperative programs? The best thing for industrial relations students would be to work with the union for a term and with management for a term so they get an understanding of both sides. I think if unions knew that there were students available free to help them with research or organizing, they wouldn’t say no. But it would require some effort. It would be easier on the management side because your Centre has contacts in the business community from all the seminars you hold.

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Any closing remarks or areas you would like to expand upon?

I hate interferences—for example, compulsory arbitration and wage and price controls. However, I know there is a need to do something. We talked earlier about the federal Task Force’s recommendation for a Public Interests Disputes Commission to help government deal with disputes that were going to hurt the public. The Task Force also called for a Costs and Income Review Board to avoid wage and price controls, which deal only with symptoms. The problem is that some groups have too much power in society and have to be curbed. We wanted a monitoring body that would be full time—watching every group in society, comparing wage movements, industry profits. Why are some groups of workers, auto workers and construction workers for example, getting so much more than others? Is it a market phenomenon, where suddenly there is a huge demand for that group, or is it because there is a problem with recruitment or retention? What special powers do these groups have that allows them to get so much ahead of the others? What groups have the power to shut down an industry? Why are profits unduly high in one industry—is it innovation or some special protection? If you care about equity and non-inflationary settlements, you better take away such powers, not only from employee groups but also from corporations and marketing boards.

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