

**Spring 2006
Don Wood Lecture
in Industrial Relations**

**The State of the Union Movement in Canada:
The Challenges We Face and the Innovations
We Must Undertake**

Buzz Hargrove

The Don Wood Visiting Lectureship in Industrial Relations was established in 1987 by the many friends of Dr. W. Donald (Don) Wood to honour his role in building an outstanding research, teaching and continuing education program at Queen's, and to recognize his accomplishments in the wider industrial relations community. Dr. Wood was Director of the Industrial Relations Centre from 1960 to 1985, as well as the first Director of the School of Industrial Relations from 1983 until 1985. Over his long and distinguished career, Dr. Wood's efforts served to bridge the gap between the academic world and the policy and practice of industrial relations in Canada. In keeping with these achievements, the terms of the Lectureship expressly state that its purpose is to bring to Queen's University "a distinguished individual who has made an important contribution to industrial relations in Canada, or in other countries."

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Buzz Hargrove

CAW-TCA Canada

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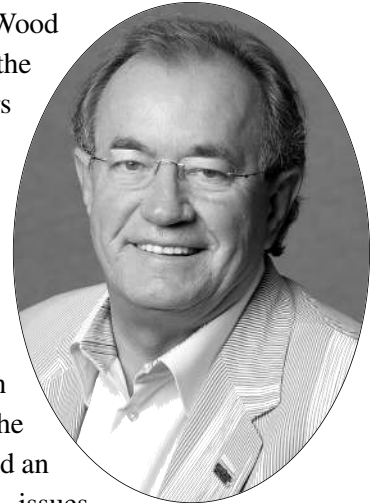
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Basil “Buzz” Hargrove, recipient of the Spring 2006 Don Wood Visiting Lectureship in Industrial Relations, is National President of the National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-TCA Canada). He was elected to this position in 1992 by acclamation and has been re-elected every three years. He is also a Vice-President on the executive committee of the Canadian Labour Congress.



Buzz began his career as an autoworker with Windsor’s Local 444 and held several elected local positions before joining the union’s staff in 1975. In 1978, he became assistant to Bob White, then the Canadian director of the United Auto Workers (UAW). Buzz has extensive bargaining experience and an understanding of, and commitment to, economic, social and political issues affecting workers and their families in Canada and internationally. During his years as President, his action-oriented leadership style has led him to be a regular guest on many television programs and a frequently requested lecturer at universities.

In 1998, Buzz co-authored (with Wayne Skene) the book *Labour of Love: The Fight to Create a More Humane Canada*. In recognition of his contribution to society, Buzz was honoured by Brock University with a Doctorate of Laws degree in 1998. He also received an honorary doctorate from the University of Windsor in 2003 and Wilfred Laurier University in 2004.

Other prominent Don Wood Lecturers have included John Dunlop, Harvard University; Jean Sexton, Laval University; John Fryer, National Union of Provincial Government Employees (NUPGE); Tom Kochan, Massachusetts Institute of Technology (MIT); Nancy Adler, McGill University; Lee Dyer, Cornell University; Robert McKersie, Massachusetts Institute of Technology (MIT); Harry W. Arthurs, York University; Paula Voos, Rutgers University; John Crispo, University of Toronto; Francine Blau, Cornell University; Leo Gerard, United Steelworkers of America; and, Linda Duxbury, Carleton University.

The State of the Union Movement in Canada: The Challenges We Face and the Innovations We Must Undertake

It is a tremendous honour for me to join you at Queen's University today, to deliver the annual Don Wood Lecture. Your Industrial Relations Centre here at Queen's makes such an outstanding contribution to the entire labour relations community in Canada, by training new practitioners and conducting crucial research. This is in large part due to the legacy of Don Wood and the outstanding faculty members who have followed him. I am very honoured to speak to you today, in his name.

My talk today is titled, "The State of the Union Movement" which is like the speech that George Bush gives to Congress every year, except with "movement" added to the title. I plan to review the challenging situation in which the Canadian labour movement finds itself today. I will tally our strengths and weaknesses and I will stress that the movement needs to become more innovative in addressing those challenges and weaknesses. We must continually search for new and more effective ways of defending the interests of working people. Without that spirit of innovation, I think our movement—which is still strong, and still has many accomplishments to be proud of—will nevertheless see its power ebb over time. It is working people and their families and communities who will pay the price.

In this context, I do want to recognize the path-breaking research of your own Pradeep Kumar, in partnership with Gregor Murray, who has conducted a fascinating study of union innovation in Canada, identifying the key areas in which unions are being forced to be innovative, and thinking about what works and what does not (Kumar and Murray 2002; Kumar and Murray 2006). The CAW was an active part of that study and we learned a lot from it.

There is still more work to be done in this area. I am especially interested in Pradeep's research on the factors that go into making a strong local union, versus a weak one. We have some fabulous local unions in the CAW. It is at the local level, after all, where our power is rooted. Then we have some not-so-strong locals. We invest a huge amount of resources in leadership and activist training and membership education. We need to know why it does not always work, and how we can further strengthen our

union where it really matters - at our base. So please keep on with that very important work. I also want to acknowledge Pradeep and Chris Schenk of the Ontario Federation of Labour for their work of the recent book, *The Path to Union Renewal* (Kumar and Schenk 2006). I would recommend that book to the labour leadership who are here today as one that people should look at when you are thinking about the future. I also look forward to working with your other faculty and graduate students here at Queen's on other research projects in the years to come.

The Challenges Facing Labour

I do not think that I am saying anything shocking when I point out that the labour movement faces some pretty formidable obstacles these days. For a quarter-century now, it has become gradually apparent that we are living under a new social and economic regime. Call it what you want — the corporate-agenda, the neo-conservatives, or neo-liberalism. It began in Canada and other developed economies back in the early 1980s when governments first explicitly abandoned full-employment as their main economic goal. The new era arrived in Canada with a real “bang” in the early 1980s, in the form of sky-high interest rates. It proceeded with other big changes in policy direction including deregulation, privatization, tax cuts, the leaning and refocusing of government programs, and of course, globalization.

This broad U-turn in our social and economic policies followed three decades of strong growth, more-or-less full employment, mass prosperity for working people, and perhaps most importantly, rising *expectations* among working people. It is a dangerous thing indeed for the rich and powerful of the world, when common folk get the idea that things can and should get a little bit better every year. That was the idea we had back then, the idea that our children would be better off than we were and their children would be better off still.

Neo-liberalism was motivated by the financial difficulties which companies and investors experienced in the 1970s; by their irritation at the growing power of public institutions, regulations, and unions; and by their shared desire to put business back in the driver's seat, this time on a global scale. The overarching goal of that whole regime has been to reinforce the leading power of private business over our economy and indeed, over our lives and to shock those positive expectations that working people used to have. To destroy the idea that things can and should get better and to replace it with the idea that you are lucky just to hang onto what you have.

By this measure, the neo-liberal plan has “worked”, not in the sense of actually improving peoples’ day-to-day living conditions. By that measure, it has clearly failed. But there is no doubt that private business has more power, economically, politically, and culturally, than it has in decades. There is no doubt that working people feel incredibly insecure, even when the unemployment rate is relatively low. That insecurity breeds passivity and that is the whole idea.

The proof is in the pudding. Look at Statistics Canada’s data on the division of national income. The labour share of Gross Domestic Product (GDP) has been declining more or less steadily since the late 1970s as the post-war “Golden Age” was coming to a close. The corporate profit share, after a slow start, has been rebounding dramatically. In fact, last year the profit share of GDP reached its highest level since Statistics Canada began recording this data back in 1926. Not coincidentally, the labour share fell below 50 percent of GDP last year, for the first time since the 1950s. In other words, workers now take home less than half of the economic pie that they produce. There is no other single indicator that reveals both the motivation for this neo-liberal grand plan, nor its economic effects.

A key part of the business strategy for re-asserting economic and political power has been an emphasis on so-called “labour market flexibility.” Their idea of flexibility usually means forcing workers to bend right over backwards, bend over backwards to keep the employer happy, and bend over backwards to keep your job. That is not the kind of flexibility I want. A key part of building a so-called “flexible labour market” means undermining the role and influence of unions. I do not believe that unions are inherently “inflexible.” In the common-sense meaning of the term, which means being able to adapt to change, I believe that our movement can be very flexible and innovative as I will discuss further today.

However, when the “change” in question is simply about rolling back past gains, then of course unions will resist. That is not genuine change. That is just having your pocket picked. It is no coincidence that when Mike Harris was elected in Ontario, the very first piece of legislation he brought in was an omnibus bill aimed at disempowering the labour movement, cancelling the anti-scab law, eliminating card-based certification procedures, and facilitating decertification efforts. Those initiatives continue to work their painful magic on Ontario’s labour market even today, more than a decade later. Parallel policies in other jurisdictions, all aimed at tilting the labour relations playing field in favour of business, have also had a toll. Union penetration in most jurisdictions has declined. In some cases, such as Australia, that decline has been precipitous.

In Canada, our movement has been more successful than most in preserving our membership base. I believe that is in large part thanks to our institutional structures and to the leadership of the CAW and some other unions in resisting concessions and showing that union membership still has its rewards. Nevertheless, here too, union penetration is slipping gradually. At last count, it was below 30 percent of the paid labour force and below 20 per cent in the private sector. I am always challenged, especially when I talk to a business group, about whether or not workers should voluntarily have the right to belong or not belong to a union. I always argue that they should have the right to voluntarily belong or not belong to a union. In the private sector, 80 percent of the jobs are non-union. If you want to work for less, get less vacation, less pension, and less time off the job, then go work in those 80 percent of jobs. You have a great opportunity because four out of five jobs will give you exactly what you want and they are non-union.

We cannot wait until the labour movement's influence in society shrinks to the levels of other countries, like the United States, the United Kingdom, Australia, or New Zealand. If it does, then we are probably too late. The membership change in the United States has been the most disastrous thing that has happened in the lives of working people around the world. Canadian unions need to move quickly to evaluate what we are doing and to determine new strategies and approaches that reflect the times we live in. That is what the old CIO unions did in the 1930s. I believe we need just as radical a re-think about our movement and how we do our work today.

I stress that union activists must not feel disempowered or victimized. Yes, we face some incredible obstacles. But we also still have real power, if we are prepared to build it and use it intelligently and selectively. Yes, global corporations have incredible power. But they still need workers. They still need consumers and they still need governments.

We cannot allow any sense of defeatism to creep into our movement because once rank-and-file working people conclude that unions have been defeated, they will lose their motivation to join, pay dues, and get involved. We have to use our leadership to show that unions can concretely improve the lives of working people today and help lay the groundwork for a fairer, more prosperous and more inclusive society tomorrow. In the words of our CAW slogan, we have to show that "Fighting Back Makes a Difference."

The Declining Moral Credibility of Business

Part of the labour movement's power comes from our continuing moral authority to speak as a voice for all workers' interests. Part of our opportunity is the continuing and widening gap in the moral credibility of business.

For a quarter-century, we have been remaking our entire society to conform to their vision of a hospitable, flexible, competitive, and business-led world. We have tamed inflation. We have eliminated the deficit. We have cut taxes and changed those that are left. We have globalized. We have privatized. We have deregulated. We have restrained compensation except, of course, for executive compensation. That is one form of compensation that shows no restraint whatsoever.

Every one of those changes exacted painful costs from the people in this country who work for a living. Every time, we were promised that by getting the "fundamentals" right, by improving conditions at the top, we would all benefit. It is the old trickle-down theory. Every time, the promise was broken. Even though working hours have actually gotten longer for the average family, the real purchasing power of Canadian workers is no higher today than a quarter-century ago when neo-liberalism began. That is despite the productivity growth and the incredible technological change that has occurred during those 25 years.

Incredibly, some commentators still blame this on government. I read a wonderful article recently by Neil Brooks in the CCPA publication on taxes, on why taxes should be paid and why we should be happy about paying them (Brooks 2006). I strongly recommend the article. But the business community does not buy that. They blame taxes and CPP premiums for the stagnation in after-tax real earnings. But what they never acknowledge is that the stagnation is equally visible in *before-tax* real earnings. How can you blame government for the fact that workers have not received a real wage increase in 25 years, long before the taxman ever turns his eye toward your pay packet?

Business profits, as I mentioned, are at record levels as a share of our GDP. Corporate taxes have been cut dramatically since 2001, including a full one-quarter reduction in the federal capital income tax and the complete elimination of the capital tax. All this was supposed to motivate booming investment.

The reality is very disappointing. Business investment has been utterly stagnant since 1999 as a share of GDP. In fact, if you strip out the mega-

spending on oil sands plants and other energy-related mega-projects, business is investing *less* in new structures and equipment as a share of GDP than they were in the last recession. That is an incredible failure.

Now do not get me wrong. I love business investment and I love profits. There is nothing I love to see more than a company making money and investing it back into new projects. Those new projects create new jobs and those profits give me something to aim for in collective bargaining.

That is my idea of “profit-sharing.” I reject the various gimmicks, like performance-based compensation, that are all aimed at tricking workers to accept less. When profits are high, we will share them the old-fashioned way. Our union will negotiate a decent wage increase. But right now, the profits are not being shared. Real compensation is dead flat, despite profits and despite a relatively low unemployment rate. Profits are not being reinvested. In a growing economy, companies typically reinvest over 100 percent of their after-tax cash flow in new projects (they get the extra money they need from new financing on the stock market and other financial institutions).

However, today in Canada, companies are reinvesting just 70 percent of their after-tax cash flow in new projects. The rest is paid out in fat dividends, or relocated to projects in foreign jurisdictions, or it just sits there in corporate coffers. Companies are making more money than ever. Their taxes have been cut deeply. Their wage costs are flat-lined. Where is the “trickle-down”? It simply does not exist.

The abject failure of the business-led model to truly develop our economy and improve the concrete living conditions of working class Canadians gives the labour movement a clear, moral reason for existence. We must position ourselves as the countervailing power to the current dominance of business. We must demand more from business. We must push governments to adopt more balanced policies in every realm including fiscal policy, trade policy, social policy, and labour market policy.

We must fight the gritty, day-to-day fight to win a better deal for workers in the workplace: better compensation, better benefits, better sharing of productivity improvements through shorter work time, better working conditions, and more dignity on the job. It just fascinates me every time I read an article in the major newspapers or magazines that says we are working longer hours today in spite of the incredible improvements in productivity and the massive new technologies in our workplaces. All it tells me is that we are not properly sharing that with the people who work in the workplaces.

In other words, Canada needs a strong and progressive labour movement as much as it ever did. Those analysts who argue that unions are a historical relic and that today's modern management is doing a good job without union interference are just apologists for an increasingly unbalanced status-quo. Defenders of unregulated capitalism have been arguing the same thing for centuries.

But just because there is a continuing *need* for unions and a continuing moral and economic role for us to play, does not automatically guarantee that we will be there to play it. That is where our activism, our leadership—our independent *agency*, if you like—comes into the picture. I want to stress that unions are fragile organizations at the best of times and this is not the best of times. It demands strong and aggressive leadership, well-thought out activism and a closer relationship with our members.

We need to get better at what we do. We need to recognize the new power of corporations under neo-liberalism, without justifying or legitimating it. We need to understand what we are up against and adjust our strategies accordingly. In this regard, I would like to review the crucial areas of union activity: organizing, bargaining, education, and politics. In each case, I will highlight what is currently working and what is not. I will lay out my own ideas for how the labour movement needs to innovate to more successfully face those challenges.

Organizing

One key factor, of course, in the erosion of union density in Canada has been the slow pace of new union organizing activity. Simply put, unions are not organizing enough new members to keep up with growth in the overall labour market, let alone to offset layoffs, restructuring and workplace closures in unionized sectors.

This does not reflect any lack of desire or commitment on the part of unorganized workers in Canada for union representation. Public opinion surveys consistently indicate that millions of unorganized Canadian workers wish they had a union and would join a union to represent their economic interests in bargaining and to protect them on a day-to-day basis in the workplace.

However, workers are held back in converting this desire into reality by several factors. Labour laws have been changed for the worse over recent decades, raising the hurdle which workers must overcome to become certified and providing employers with more opportunities to oppose and

intimidate organizing campaigns (including firing union activists with near-impunity and explicitly threatening job loss if workers unionize). Faced with a choice between a union and their jobs, most workers will choose their jobs.

We have to change this system. The decision to form a union should be a fair and democratic one and workers must be free to make that choice without intimidation or fear. Changes in the sectoral make-up and structure of the economy have also hampered organizing. More Canadians than ever work in small businesses where resistance to unions is most fierce and where the economic power of unions to make positive changes, even if they are certified, is weakest. The growing proportion of employment in fiercely competitive private service industries (such as small-scale retail or hospitality establishments) is also a barrier.

At the CAW, we have carefully reviewed our organizing record. We have much to be proud of. Our organizers are talented and passionate. They have the best “brand name” in the labour movement with which to recruit new members: the most-recognized union, with the best record of pushing the envelope in the fight for workers’ rights.

The CAW has organized more new members in Ontario since 1998 than any other union. Nevertheless, we are only organizing about 2,000 new members per year, on average. That is not nearly enough. Even without closures or layoffs in existing CAW-represented workplaces, that would not be sufficient to maintain our membership as a share of the Ontario workforce.

Clearly, we have to think bigger and imagine organizing strategies that are both more forceful and effective. We need to be more deliberate and systematic in our organizing drives. We need to become much more active in organizing among new Canadians and workers of colour, who are disproportionately non-unionized, but who will constitute the bulk of net labour force growth in coming decades.

We need to find leverage with employers to force them to stay neutral during organizing drives. Indeed, in our experience, employer opposition to unionization is the main barrier inhibiting union growth. We can use both a stick and a carrot to challenge employers to remain neutral in union drives, or even to accept voluntary recognition in cases where a majority of employees have demonstrated their desire (by voting, signing cards, or other means) to join a union.

We have had some success in extracting commitments to employer neutrality from companies by using any pressure point we can think of as a precursor to successful organizing drives. Other unions, like UNITE-HERE, are experimenting with the same strategy. Once we get a commitment to true neutrality, we typically have no problem at all signing up a clear majority of workers.

This reveals the bankruptcy of employer claims that workplace votes are all about “democracy.” In fact, a compulsory workplace vote is about as democratic as an election in the old Albania. The vote is held on the employer’s premises. The employer can conduct compulsory “voter education sessions.” Only the employer has access to the voter’s list. It is not an election. It is an anti-union sham.

Meanwhile, we also have to fight vigorously in the political arena for labour laws which allow workers to make their democratic choice more fairly, free of employer intimidation or fear of job loss. In Ontario, for example, the government has recently restored card-based certification processes for workers in the construction sector with a dramatic, positive impact on certification rates. I would view the ongoing effort to extend that sensible approach to the broader economy as the labour movement’s top priority in provincial politics in the coming years.

The CAW will be conducting a fundamental review of our organizing efforts in the coming months, leading up to a special strategy paper to be discussed and adopted at our Constitutional Convention in Vancouver this summer. We plan to come up with some really innovative ideas for organizing new members.

Collective Bargaining

Once workers join a union, we face a crucial challenge to bargain a first agreement and deliver concrete, incremental improvements to union members. This progress validates their payment of union dues as an investment in their own economic well-being. In collective bargaining, too, unions need to become more sophisticated and innovative, in light of the unfolding economy.

In my experience, basic wages have become somewhat less important in recent years as a bargaining priority. Yes, every collective agreement has to start with a decent wage settlement. But basic wage rates are not necessarily the dominant complaint that workers experience, whether in organized or unorganized sectors.

In fact, the first thing that any sophisticated non-union employer does to discourage unionization is to offer their employees a union wage. We see this time and time again at companies like Toyota or Michelin Tire. In employers' eyes, the impact of unions in boosting compensation costs is not usually the main reason for opposing the union. They are generally more concerned with other ways that unions constrain their power such as negotiating better pensions and benefits, time off the job, job security, and day-to-day protections in the workplace.

In many sectors, the ability of unions to promise big wage increases has been constrained by the brutal nature of competition within our dog-eat-dog business environment. In some cases, collective bargaining does not just try to increase the level of compensation. It also tries to negotiate more fairness in things that can affect compensation as much as the wage rate — issues like scheduling and overtime. This is especially important in some of the new sectors we need to organize, like private services. In restaurants, for example, the most common complaint from workers is not usually the low wage rate. It is wanting more security and fairness in things like tips, hours, and scheduling, all of which can affect a worker's take-home pay more than a straight wage increase.

Our bargaining agenda also needs to emphasize other items, in addition to basic wages. Health and safety, training, seniority, job posting and transfer rights, and prevention of favouritism are very important concerns with newly unionized workers.

Basic benefits and pensions are also essential. Indeed, unionization is the key determinant of whether or not you have a pension plan at all. Only 27 percent of non-union workers have any form of workplace pension plan, versus 85 percent of union members. Employer resistance to defined benefit pensions and health benefits make it more difficult than ever these days to defend existing plans and extend and improve them.

Reducing hours of work is a critical component of CAW's collective bargaining program. How work hours are scheduled is another crucial priority. They are especially important in newly unionizing sectors, like hospitality, where winning some predictability in working hours and fairness in how hours of work are allocated is a key organizing and bargaining demand.

In addition to the *goals* of bargaining, I would also like to emphasize the *process* of bargaining which in my judgement is the democratic lifeblood of a union. There is no other event in union life which attracts as much attention from union members and their families and as much active participation as bargaining.

Elections to bargaining committees are typically more fiercely contested than election to union executive positions. Members participate actively in pre-bargaining opinion surveys and by submitting proposals. They must be prepared, of course, to take direct collective action in support of the union's demands in the event of a work stoppage. Whatever deal is ultimately reached must be approved by members in a ratification vote which, as anyone who has ever attended one knows, can be a very high test indeed. Members' expectations of their union are high and are expressed most forcefully at contract time and rightly so. These expectations are actually a source of power for union negotiators since even the employer knows that whatever is agreed to at the table must be ultimately voted up, or down, by the rank-and-file members.

In my view, collective bargaining, in a democratic union like the CAW, is a pinnacle of participatory democracy. The rank-and-file members truly "own" the process of bargaining, more than any other aspect of union life, and this is what forces the union to remain true to its members' interests and perspectives. In fact, I would like to extend this lesson to other areas of union activity, such as politics, but more on this later.

This unique degree of activity and participation around bargaining is the crucial reason why the CAW, alone among industrial unions, has taken such a firm stand against long-term collective agreements. I always find it ironic that corporate representatives, who are constantly demanding more "flexibility" in the workplace, also demand increasingly lengthy contracts of four years, six years, or even longer. This is the exact opposite of "flexibility," of course, locking in key contract terms for extended periods of time. But they crave the production stability that comes with having a locked-in labour agreement. They also, secretly, appreciate the apathy and non-participation that tends to accompany long-term contracts, knowing that they ultimately spell death to the shop-floor strength of the union.

There is nothing that disengages the union more than a long-term contract. Ten percent of the members are engaged in the union constantly. They attend union meetings and participate in the campaigns that we have. You do not see most of the other 90 percent until bargaining comes around. If you have a vote in the workplace, they will support their union but what engages them in their union is collective bargaining, the fact that you are at the table. They want to have their input and they want to be part of that process. If you extend that to four- or five- or six-year agreements, it undermines your ability to have solidarity between the leadership of the union and the members that we represent. We have taken a principled stand against long-term contracts in our democratically-approved collective bargaining program. Our local unions limit their contracts to three years in length, virtually without exception.

Our collective bargaining program is worth reading. It is approved every three years at our Collective Bargaining and Political Action convention, and is freely available on our web site. I especially draw your attention to Chapter 4 of that document, which summarizes the CAW's "Bargaining Philosophy" (CAW 2005). Our approach explains, in my view, why the CAW has been so successful both in bargaining better contracts and in ensuring a higher level of rank-and-file participation in the union.

That chapter spells out several other principles in our bargaining strategy. First, our members must own the process through democratic oversight. Second, our elected bargaining committees must take responsibility for what they bargain. We want to put our stamp on the contracts we negotiate.

In fact, we will do almost anything to avoid having a settlement imposed on our members by arbitration. That is a recipe for long-run alienation of union members and a cop-out for union negotiators. Rather than taking responsibility for difficult choices and trade-offs and then justifying those judgements before the members, negotiators in some other unions will simply "blame the arbitrator."

Another key principle is that we do not go backwards as a union, even in tough times. We do not always make as much progress as we hope for. But we cannot accept concessions in wages, pensions and core benefits, no matter what the circumstances facing any particular employer. Some people will say that means that the union is dogmatic and it is not into change. That is not so, at all. We bargain change in recognition of the changing environment, changing technologies, and other changes going on in our workplaces. It is not going backwards when you are dealing with real issues on a real and upfront basis with the companies and your members. This no-concessions principle is hard-wired into the CAW's DNA. It is the key reason we were founded as an independent Canadian union back in 1985. Our founding leader, the great Bob White, said at the time: "You don't need a union to walk backward." That is still our view and the guiding principle in our bargaining.

Education and Training

I once heard Jeffrey Simpson, the renowned Globe and Mail columnist, say that the CAW is the only union in Canada that truly takes training issues seriously. I am grateful for that compliment and I think, frankly, it is deserved.

We have always put a lot of emphasis on negotiating access to training and education opportunities, both educational programs run directly by the

union and access to education and training through other channels for our members. If anything, as our economy continues to evolve, that emphasis will need to become even stronger.

We always hear about the need for more skills in the so-called information economy. Knowledge and training have become the new buzz-words. Some of this argument is overstated. So many Canadians are working in menial jobs that do not fully utilize their existing knowledge base that I find it hard to believe that our economy is truly held back by a skills shortage.

We need a greater commitment from the corporations to investment in hiring and we should not accept their logic that we have a skills shortage. We have so many people that just need some help in getting into these programs within our own plants. As a union, we have to continue our education programs. We are bargaining more and more with all our companies for opportunities in the workplace for off-the-job training. We do a lot of training on human rights and about respectful workplaces in order to give people a sense of the diversity of our workplaces. The diversity of our society has to be recognized as a strength as opposed to something that should divide us. Believe me, it works and it works extremely well.

These complaints which we regularly hear from business leaders about the looming shortage of skilled workers must also be taken with a very big grain of salt. Their idea of a skills shortage is when they place an ad for a skilled position one day and do not get 100 applicants the next, with most of them offering to work for 10 percent below the advertised wage. That is what employers came to expect during the lean and mean 1990s. Now, labour markets are tighter. So, surprise surprise, employers will once again have to begin investing in a little on-the-job training and apprenticeships.

Union-run education programs are important, not just for building our skill base but also for building our movement. We have an incredible education program that we have developed over the years at CAW. Anyone who has had the opportunity to visit our education centre at Port Elgin knows that.

We continue to build that program in innovative ways. We have a new skilled-trades education program implemented over the last decade that has been incredibly important at integrating skilled trades workers more effectively into the union and enhancing their capacities in the workplace. We have a new workplace education program that gives every single Big Three employee a chance for a week in workplace, union-run training once every three years.

I also believe that unions will have a growing role to play in negotiating access to more basic and work-related training opportunities. It is an incredible failure of our deregulated labour market that employers are investing so little in training, just when our economy needs more skills than ever. To some extent, this reflects the failure of the logic of the private market. Why should one single employer invest in training, when the trained worker may then leave for another job at a competing firm?

Ultimately, we need better training policies such as a refundable training tax to address this market failure. But unions can play a role too, by negotiating sector-wide training initiatives, transferable credentials, and other tools to help workers build their skills, even when individual employers refuse to make the necessary investments.

This may in fact be a new role for unions in some of those gritty sectors where we need to organize, like private service industries. Employers there are especially reluctant to invest in training, given low profit margins and wicked competition. Perhaps unionization, by solving this coordination problem and negotiating access to sector-wide training initiatives that help both individual workers and the industry as a whole, could play a key role in overcoming this private-sector failure to train.

Politics

Another area where unions are long overdue for a makeover is in their political activism. The traditional approach, in English Canada anyway, was to view the NDP as the natural and automatic expression of the labour movement's hopes and dreams in the political arena. The NDP, after all, was co-founded by the labour movement and the old CCF. For years, shop-floor union leaders were also expected to be party agitators in the workplace. The union's political action committees, in essence, were branches of the party. We even sold party memberships through our education programs.

Whether some union and NDP leaders like it or not, those days are long gone. Union members are no more likely to support the NDP than other Canadians and union leaders who position themselves as automatic spokespersons for the party are wasting their political credibility with their own members.

The CAW is the one union in Canada which has taken the shift in political attitudes among union members seriously. We conducted an unprecedented consultation with randomly-selected members, called our

“Task Force on Working Class Politics.” We found, to our pleasure, that our rank-and-file members strongly supported their union becoming involved in broader political issues and debates. This is, after all, a hallmark of our tradition of *social unionism*. The problems of working people cannot be solved at the bargaining table alone but require broader interventions in the political and social arenas.

However, there were some conditions attached to that support for the union’s ongoing political activism. First, the issues involved had to be directly relevant to the workplace and to workers’ day-to-day concerns. Second, the union’s political activism could not be conducted strictly in the name of a political party. It had to be conducted in the name of the union.

If we simply go to our members today and tell them, as we did for decades, “We recommend the NDP, and if they get elected, everything will be OK,” they will laugh at us. In the first place, we have learned the hard way that electing the NDP does not solve all our problems. We need an active, demanding and independent labour movement to push the envelope and hold government accountable, whatever party is in power. There is nothing that can replace a strong and independent labour movement. Governments come and go. The labour movement, as long as it does its work, will continue for many years to come. Second, our members are far more sophisticated and independent-minded in their politics today. They do not want to be told how to vote.

It is now essential that unions begin to rebuild an *independent* political capacity. We can no longer have our political hopes and dreams symbolized in the fortunes of one political party. This is not to say that we do not take stands on political issues, including taking sides during elections. Anyone who read a newspaper at any time during the last federal election knows full well that we did not sit on the sidelines.

But it does mean that our interventions must become more strategic, more deliberate and above all, more independent. In the CAW, our innovations in this area have involved replacing our former NDP-affiliated political education committees with non-partisan political action committees. We call them the Union in Politics Committees (UPCs), to reflect the twin truths that the union must be present in the political arena, but as the *union*, not as a party.

The UPCs will conduct all forms of political activity, including education, participation in issue campaigns in the workplace and in the community, and participation in elections at all levels. Our participation in elections

will be determined on a case-by-case basis depending on what, in our strategic judgement, would best advance the interests of our members and other working people and only after a debate and decision by the elected local union leadership of CAW. The debate around my involvement in the last election has completely ignored the fact that the way I carried out my campaign was completely consistent with elected delegates to the CAW Council, which is the Parliament of our union. Its decisions are mandates for the President. My role in the election was carrying out the mandate that was given to me by 85 percent of over 900 elected delegates from every community that our union is involved in across Canada.

As you know, we followed exactly that strategy in the last federal election. We learned some tough lessons about the media feeding-frenzy that can get going during an election campaign. We will learn from those lessons and get better at what we do. But our strategic judgement was 100 percent right. We recognized the good progress that had finally been made under the former Liberal minority government, on a number of issues such as child care, health care funding, Kyoto, bankruptcy protections for workers, investment support for key industries, and others. We recognized the risks posed by a resurgent, united, business-backed Conservative Party. We recognized that the best chance for working people was to stop the Conservatives and re-elect a Liberal minority, backed by a larger NDP caucus.

I am now very worried that the 2006 election will prove to have been a historic turning point for Canadian politics. I see much in our situation that resembles the experience in Australia, following the first, narrow victory of John Howard a decade ago and we all know where that country has gone since.

Despite all the controversy and criticism, I am 100 percent convinced that the CAW's independent approach to the federal election was fundamentally correct. The unfortunate decision of the NDP to expel me from the party will, if anything, cement our union's determination to build an independent, union-based politics. The party is forcing CAW activists to make a choice between the party and the union. Most of them will choose their union.

The warning to other unions and social movement partners is also clear from the NDP's rather chilling decision. If your organization takes an independent, democratic decision on an issue that puts you at odds with the official party line, then your leaders can be thrown out for implementing that policy. That is an incredible slap in the face. It violates the principle of democracy on which the labour movement and social

movements must be based and it will ultimately destroy the possibility of a partnership between the NDP and independent labour and social movements.

Do not get me wrong. I am not bitter about this. I still support the NDP as the most progressive voice for the aspirations of working people in English Canada. But the party's leadership needs to be more careful that its decisions and actions enhance working people's interests, rather than detract from them. The timing of the 2006 election and the primary focus of the NDP campaign on attacking the Liberals, clearly undermined working peoples' interests, regardless of the fact that the NDP elected 10 more MPs. The party needs to be far more respectful of the independence of the labour and social movements which it claims to want to represent.

Guiding Principles

I have touched on many of the new challenges facing unions under twenty-first century global capitalism and some of the innovations that I believe are essential if the movement is to maintain and regain both its internal vitality and its broader moral credibility as the expression of working class hopes and dreams. Many unions and many union leaders resist recognizing the new realities we face and want to keep doing things the old way, whether or not those traditional methods are paying off. Unions cannot afford to be complacent in this regard.

I sincerely believe that we are fighting for the life of our movement and we have to act as if that was true. That means ruthlessly reviewing what is working and what is not working in our current organizing, bargaining, education, and political activism. It means being willing to fearlessly innovate and to try new approaches where old ones are not working.

This will inherently be a painful and controversial process. As anyone who knows me understands well, I have never been one to shy away from controversy. Someone in a recent magazine commentary on the federal election criticized me, saying that "at some point or other, Buzz Hargrove has pissed off just about everyone in the labour movement." But I do not necessarily take that as a criticism. Perhaps it reflects that I am doing a good job in challenging the movement to innovate and to get better. This is not a popularity contest, after all. It is a fight for the heart and soul of society.

Indeed, our movement should be far more willing to debate, to take on those tough issues, to call it like it is, rather than thinking we can iron out

our differences under some blanket of phoney consensus. Meanwhile, the power of the labour movement continues to erode under our feet.

However, as we go through this process of reflection and innovation, there are also some things that *do not* change, some crucial guiding principles that ground us and that keep us anchored as we grapple to deal with the challenges of the neo-liberal grand plan.

One of those principles must be our commitment to *democratic unionism*. I always believe that the workers know best. Our movement must be rooted in democratic forums, where the mind-set of average rank-and-file working people reigns supreme. This is not to say we do not want to lead our members. Surely, we must. But we must remain grounded in their beliefs and aspirations and a thoroughly democratic structure is the way to do that.

The CAW's emphasis on democratic participation is the most important factor explaining our success. Our CAW Council meets three times a year, bringing up to 1,000 elected rank-and-file delegates together to hear what is happening and decide where we are going. Anyone who heard our magnificent debate over election strategy at our December Council meeting knows that we have a democracy at work in our union that both inspires us and makes us powerful.

Another bedrock for our movement must be the principle of *social unionism*, the idea that the labour movement's moral credibility rests on our claim to speak for all working people, not just our dues-paying members. This motivates our efforts to organize new members. It motivates our participation in politics and it motivates the policies and proposals we advance between elections.

We have to position ourselves as a social movement, not a vested interest, to retain that moral credibility. When we develop and express our positions and proposals, it must be in a manner that promotes the well-being of the whole working-class.

Finally, our faith in the value of *collective action* will also continue to guide us. In the CAW, we say that you do not win every fight you undertake but if you do not fight, you will not win a thing. Whatever the situation we are in, we must show that collective action can incrementally and concretely, improve the outcome for workers relative to what would have occurred without that collective action. Collective action can take infinite forms, from a good old-fashioned strike (such as we are currently involved in at Sterling Trucks in London) to all kinds of other actions in the workplace or in the community.

The ultimate lesson is that, whatever the challenge thrown at us in this brave new corporate-dominated world, unions will have a reason for existence so long as we are organizing and mobilizing masses of working people and their families to fight for a better outcome. As long as we are doing that, then I am confident that fighting back will, indeed, make a difference.

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