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# The Federal Government and Tripartism Le gouvernement fédéral et le tripartisme

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### Résumé de l'article

Depuis la deuxième guerre mondiale, la plupart des pays occidentaux ont établi un système de prise de décision tripartite qui regroupe les syndicats, les associations d'employeurs et l'État en vue de rechercher un consensus en matière de politique économique et sociale. Ce système est fondé sur la conviction que la structure et le processus de prise de décision est un facteur décisif dans la poursuite des objectifs socio-économiques. Sans l'appui du monde du travail et du milieu des affaires, l'action unilatérale de l'État, se fondant sur la seule théorie économique, ne peut guère être fructueuse. Les pays d'Europe qui ont instauré des systèmes tripartites (notamment le Danemark, la Norvège, la Suède, la Hollande et la Belgique) ont mieux réussi durant la dernière décennie que les États-Unis et le Canada où le tripartisme est sous-développé.

Apparemment, le gouvernement fédéral canadien se rend compte de la désirabilité de s'orienter vers une politique de consensus comme le laissent entendre les déclarations des ministres et du premier ministre lui-même. Le gouvernement fédéral n'a pas voulu cependant prendre les mesures nécessaires pour instituer un système tripartite efficace. Dans de tels systèmes qui fonctionnent bien, l'État négocie fondamentalement la politique socio-économique avec les principaux représentants du monde du travail et du milieu des affaires et il s'engage à mener à bonne fin les décisions consensuelles qui résultent du processus de négociation. Le gouvernement canadien, toutefois, refuse de négocier avec les syndicats et les associations d'employeurs et veut absolument que tout processus de recherche d'un consensus soit multipartite et de nature consultative. De plus, il refuse de s'engager à mettre en vigueur quelque décision consensuelle. En règle générale, il consulte les différents groupes d'intéressés mais, par la suite, il applique des politiques qui, le plus souvent qu'autrement, ignorent au lieu d'incorporer les points de vue qui ont été exprimés. À cause de la répugnance du gouvernement à faire des concessions valables et à poursuivre une action efficace, on retrouve dans le monde du travail et le milieu des affaires la conviction que l'État ne désire pas sincèrement réaliser de consensus, mais plutôt les consulter en vue d'obtenir leur acquiescement à ses projets déjà arrêtés.

En outre de la volonté du gouvernement de s'en tenir à un multipartisme consultatif et à son insistance, effectivement fautive, à affirmer que « la Couronne ne négocie pas », il y a plusieurs autres aspects du contexte canadien qui militent contre un tripartisme efficace.

Le monde du travail et le milieu des affaires sont divisés et on trouve beaucoup de réticence à l'intérieur de ces groupes à donner aux organisations centrales le mandat de négocier la politique socio-économique. Nombre de sujets importants exigent par ailleurs la coopération fédérale-provinciale pour qu'on puisse passer aux actes.

Pour ces motifs, il n'est nullement certain qu'un tripartisme efficace en résulterait, même si le gouvernement acceptait de négocier de bonne foi avec les représentants des organismes centraux des salariés et des employeurs. À moins que l'on ne s'entende pour le faire, cependant, il n'y a véritablement aucune chance qu'un tel système puisse être institué. Si l'affirmation selon laquelle le consensus du monde du travail, du milieu des affaires et de l'État est juste, tel qu'incite à le penser l'expérience de plusieurs pays occidentaux, le Canada est peut-être mûr pour des jours difficiles.

# The Federal Government and Tripartism

Roy J. Adams

*Some of the most highly developed tripartite systems have been established in the Scandinavian countries, in Holland and in Belgium. The difficulties in implementing such a system in Canada are examined.*

Like other industrialized, democratic countries Canada is in the midst of difficult times. The challenge is how to effectively address the problems of high inflation, energy shortfalls, unemployment, and low productivity growth, in a milieu of rising aspiration for security and participation<sup>1</sup>. Economists, the main source historically for economic guidance on such problems as unemployment, productivity and inflation have split into three more or less hostile camps: The Neo-Keynesians, the Monetarists and the Supply-siders. Each camp has a fairly rigid formula for economic policy but none of the formulas seem to be working with great success. The economists, moreover, have no guidance to offer on the social side of the equation. They remain bound by their atomistic imagery which they continue to apply to societies which have become characterized by strong interest groups rather than by independent economic maximizers.

A realization is beginning to take hold that future socioeconomic success is more likely to depend upon the structure and process of decision-making than on adherence to preconceived formulas. Since World War II most of the countries of the industrialized world have moved towards a system of decision-making which includes labour, management and the state in a search for consensus regarding major socioeconomic issues. This development was predicated on the belief that "the traditional constitutional framework of political decision-making no longer appeared capable, by

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\*\* This paper has benefited from comments by Joe Rose on an earlier draft.

<sup>1</sup> See Harold L. WILENSKY, "Leftism, Catholicism and Democratic Corporatism: The Role of Political Parties in Welfare State Development", in Flora, Peter and A.J. Heidenheimer, eds., *The Development of Welfare States in Europe and America*, New Brunswick, N.J., Transaction Books, 1981.

itself, of dealing with the complexities of post-war industrialized societies, but needed the co-operation and involvement of the main economic interest groups in the decision-making process.”<sup>2</sup>

Some of the most highly developed tripartite systems have been established in the Scandinavian countries of Denmark, Norway and Sweden and the low countries of Holland and Belgium. While all of these countries have had many problems during the past decade their collective socioeconomic performance compared to Canada and the U.S. has been noteworthy. They have had a lower level and incidence of industrial conflict which is very impressive considering that their labour forces are much more highly unionized and thus there is apparently more opportunity for conflict<sup>3</sup>. They have experienced a lower level of unemployment and have strong job security laws<sup>4</sup>. Essentially the entire work force is covered by collective agreements and workers have been granted the right to participate in management through some combination of works councils, local shop floor unions and participation on boards of directors<sup>5</sup>. Welfare state economic security schemes are well developed<sup>6</sup>.

These countries have also outperformed Canada and the U.S. on such key economic indicators as GNP and productivity growth. Between 1969-1979 GNP per capita increased by approximately \$9,000 U.S. in these countries compared to \$6,000 U.S. in Canada and the United States<sup>7</sup>. Manufacturing productivity advanced on average by about 5% per year compared to 2% in North America between 1973-1980<sup>8</sup>.

<sup>2</sup> Paul MALLES, “The Road to Consensus Policies: Challenges and Realities”, Conference Board in Canada Occasional Paper No. 4, Ottawa, Conference Board in Canada, 1976.

<sup>3</sup> See Roy J. ADAMS, “Industrial Relations Systems in Europe and North America”, in Anderson, John and Morley Gunderson, eds., *Union-Management Relations in Canada*, Don Mills, Ontario, Addison-Wesley, 1982 and Everett M. KASSALOW, “Industrial Conflict and Consensus in the U.S. and Western Europe”, in Martin, Benjamin and Everett M. Kassalow, eds., *Labor Relations in Advanced Industrial Societies*, New York, Carnegie Endowment for International Peace, 1980.

<sup>4</sup> See ADAMS, *op. cit.* and Michael RUBENSTEIN, “Dismissals and the Law: Britain and Europe”, in Derek Torrington, ed., *Comparative Industrial Relations in Europe*, Westport, Conn., Greenwood Press, 1978.

<sup>5</sup> ADAMS, *op. cit.* and Klaus VON BEYME, *Challenge to Power*, London, Sage, 1980.

<sup>6</sup> FLORA and HEIDENHEIMER, *op. cit.*

<sup>7</sup> OECD statistics. In terms of overall standard of living as measured by the purchasing power of wages and salaries Canada and the U.S. still lead the world but the North American advantage has been substantially decreased during the past decade. See ADAMS, *op. cit.*

<sup>8</sup> Patricia CAPDEVIELLE and Donato ALVAREZ, “International Comparisons of Trends in Productivity and Labor Costs”, *Monthly Labor Review*, vol. 104, no. 12, 1981, pp. 14-20.

One should not infer from these figures that tripartism is a panacea. It is not easy to reach consensus and indeed in some years in these countries it has been impossible. Nor does tripartism ensure that the best decisions will be reached. For example, Sweden and Holland overextended their social welfare systems and were caught in a difficult bind when the large energy increases took effect in the 1970's. Both countries are now going through difficult times trying to adjust.

Obviously, one cannot draw firm conclusions from the experience of a small group of countries. It is quite clear, however, that tripartism has definite advantages over the system for socioeconomic decision-making that we now have in place in Canada. The career of the recent federal budget is a good example of the deficiencies of our system. Developed behind closed doors by bureaucrats, it was announced in November, 1981. Immediately it was met with a storm of criticism by all concerned groups. Since then the government has had to expend considerable energy revising the package so that it might move into the range of the politically acceptable. Had a system of tripartite consensus been in effect it is very unlikely that so much valuable effort would have been wasted on such a politically unacceptable scheme. As Malles as noted "it is perfectly clear — without searching for Utopian solutions — that Canada's economic problems would be greatly diminished, and economic and social tensions eased, if somehow Canadians could learn to work together in unison, toward commonly agreed-upon goals, harnessing the energies of all three of the social partners in a co-operative effort towards mutually advantageous objectives."<sup>9</sup>

Numerous statements made by spokesmen for the federal government of the past decade suggest that there is an awareness of the problem and a desire to move towards consensus. In his speech to the founding convention of the new Canadian Federation of Labour Prime Minister Trudeau stated that "we live in such a complex society that it's impossible to make it work without co-operation among the main economic decision makers."<sup>10</sup> Instead Trudeau expressed a preference for a system where labour, business and government would "share the responsibility for governing"<sup>11</sup>.

Both business and labour have strong views about how the economy should be managed. For example, the Canadian Labour Congress (CLC) has recently come out with a plan for economic recovery which calls for interest rates pegged at no more than 2% above the inflation rate, a morato-

<sup>9</sup> MALLES, *op. cit.*

<sup>10</sup> Transcript of the Prime Minister's Remarks at the Founding Convention of the Canadian Federation of Labour, Skyline Hotel, Ottawa, March 31, 1982, p. 4.

<sup>11</sup> *Ibid.*, p. 6. During the past decade similar comments have been made periodically by federal ministers of Finance, Labour and Employment and Immigration.

rium on mortgage foreclosures, no immediate change regarding taxation of employee benefits and transfer payments to the provinces, large increases in expenditures on job creation, tax reductions for low income earners, subsidies for wheat and milk, and better pensions for senior citizens<sup>12</sup>.

The Business Council on National Issues (BCNI) also believes that it knows what should be done. The Council thinks that annual wage increases should be held below 7%. Although it doesn't want across-the-board mandatory controls it does want to control public sector wages and salaries to set an example for private industry. It also wants the government to "reaffirm with new policy initiatives its claimed support of the private sector as the principal engine of economic growth" and to dispel the notion that "government is philosophically committed to intervention"<sup>13</sup>. The BCNI also wants to see a revision of the National Energy Program. Canadianization rules should be relaxed and better incentives for all energy companies (national and international) should be provided.

Although both labour and business believe they know what should be done neither business nor labour is unequivocally willing to take up Trudeau's offer to "share the responsibility for governing". CLC president Dennis McDermott, for example, recently said that labour was unwilling to get involved in a "social contract" because within such schemes labour always had to moderate wage demands and doing so implied that labour was responsible for inflation, a proposition the CLC denies<sup>14</sup>. It's hard to find a single authoritative spokesman for the wide business community but a recent editorial in the *Financial Times* probably summarizes the predominant business view as well as anything. According to the *Times* business should not "share the responsibility" because doing so would confuse the electorate who at election time must make up its mind "whether the government deserves to be thrown out or given another chance"<sup>15</sup>.

If one were to rely only on public statements then one would have to conclude that we do not have tripartism in Canada because, even though the federal government is willing to share power and responsibility, business and labour are both unwilling to accept the challenge and opportunity. Such a conclusion would be premature. The experience of the past decade suggests that business and labour are more willing to negotiate over issues of concern than their public statements would indicate. It also suggests that the

<sup>12</sup> See Charles BAUER, "Canada — Let's Make it Work", *Canadian Labour*, March, 1982.

<sup>13</sup> Reported in Ron ANDERSON, "Meach Lake Thinkers Skirt Economic Issues", *Globe and Mail*, April 27, 1982.

<sup>14</sup> Reported in *Hamilton Spectator*, April 20, 1982.

<sup>15</sup> *Financial Times*, April 5, 1982.

federal government is not willing to take the steps necessary for tripartism to have a sporting chance of success.

There can be no tripartism unless the government is willing to negotiate with business and labour and follow through on consensus decisions. All tripartite systems have some mechanism for meeting this condition. In the Netherlands, for example, representatives of labour, management and the state sit on a National Social and Economic Council which by law must be accorded the opportunity to consider all major socioeconomic issues. Consensus decisions reached by the council are, almost without exception, quickly implemented via legislation or government decree<sup>16</sup>. In Sweden tripartite commissions are established to investigate major issues. Again, consensus decisions are almost always followed up with enabling government action<sup>17</sup>.

Canada has no such process. We do make use of tripartite commissions but consensus recommendations from such agencies are often ignored or set aside. For example, all of the recommendations of the Commission on Educational Leave and Productivity, established by Labour Canada in 1978, were consensus decisions. None of the recommendations have yet been put into effect. Indeed, one of its major recommendations — the establishment of a levy-credit training scheme — seems not to have been given serious consideration despite considerable concern over a training problem of crisis dimensions<sup>18</sup>.

The Educational Leave Commission was a small operation and its conclusions might not have been reflective of a true national tripartite consensus, but other developments cannot be dismissed as easily. The behavior of the federal government during the controls era of the mid-70's is especially indicative of its unwillingness to negotiate seriously. In 1974 when percentage wage increases began to run ahead of price increases the federal government took under consideration the possibility of wage and price controls. Realizing that controls would, in effect, neutralize the decentralized collective bargaining system formally supported by public policy the government

<sup>16</sup> See John WINDMULLER, *Labor Relations in the Netherlands*, Ithaca, Cornell University Press, 1969.

<sup>17</sup> See Christopher WHEELER, *White-Collar Power*, Urbana, University of Illinois Press, 1975. Tripartite commissions are only one element of the system in Sweden. Other important facets of the system include national negotiations regarding wage adjustments, tripartite administration of employment policy, and legally mandated worker participation in enterprise decisions.

<sup>18</sup> R.J. ADAMS, P.M. DRAPER and Claude DUCHARME, *Education and Working Canadians*, Ottawa, Labour Canada, 1979. The Dodge Report (*Labour Market Development in the 1980s*, Ottawa, Employment and Immigration Canada, July, 1981) made no mention of the levy-credit scheme developed by the Commission on Educational Leave and Productivity.

decided to consult with business and labour in pursuit of a national consensus. In tripartite systems the positions of all three parties often are made known so that they may be assessed and judged by the general public. Such a process constrains the parties to demonstrate how their proposals would serve the overall public interest.

Instead of open negotiations on alternative policy options, the Canadian discussions of 1974/75 were held primarily behind closed doors. Both business and labour expressed disagreement with various aspects of the tentative program put forth by government and no consensus was reached<sup>19</sup>. Nevertheless, the federal government, in 1975, put into effect a controls program essentially identical to the one rejected by business and labour<sup>20</sup>. By doing so it created the impression that the consultation process had been designed only to win support for a preordained policy decision rather than to achieve a mutually acceptable consensus.

Although incensed at this turn of events the CLC did not engage in a policy of pure protest. Instead it developed a set of positive proposals and expressed a willingness to negotiate a total socioeconomic package with the government<sup>21</sup>. One of its proposals was the establishment of a tripartite Council for Social and Economic Planning very similar to the one in Holland. Congress wanted assurances that consensus decisions reached in the council would be followed up with effective government action. In short, the CLC indicated a willingness to "share the responsibility", but the government, when directly confronted with the reality of sharing power, quickly backed away.

Instead of a tripartite council it proposed instead a multipartite forum of 30 to 50 members which would have had representation from farmers, fishermen, consumers, professions and other groups in addition to labour and business<sup>22</sup>. Instead of negotiating socioeconomic policy the forum would have had only an advisory role. In its green paper *Agenda for Co-operation* the government explicitly stated that it would not "bind itself to adopt any consensus decision", because to do so "would pose a challenge

19 Thomas K. SHOGAMA, "A Federal Perspective", in William Dodge, ed., *Consultation and Consensus: A New Era in Policy Formulation*, Ottawa, Conference Board in Canada, 1978. For more detailed discussions of the controls era see MASLÖVE, Allan and Gene SWIMMER, *Wage Controls in Canada, 1975-78*, Montreal Institute for Research on Public Policy, 1980 and Anthony GILES, "The Canadian Labour Congress and Tripartism", *Relations industrielles*, vol. 37, no 1, 1982, pp. 93-125.

20 *Attack on Inflation*, Ottawa, Government of Canada, 1975.

21 Ron LANG, "Labour's Manifesto for Canada: A New Independence?", Proceedings of the Annual Meeting of the Industrial Relations Research Association, Atlantic City, New Jersey, September, 1976.

22 *Agenda for Co-operation*, Ottawa, Government of Canada, 1977.

to the supremacy of Parliament and raise fundamental constitutional problems"<sup>23</sup>.

These positions are major stumbling blocks on the road to consensus. Few would argue against the proposition that the government must maintain its sovereign right to decide in the last resort. On the other hand it is factually incorrect to hold the position today, as Jean Lesage once did, that "the Crown does not negotiate". This is the same argument which was used by governments for decades to deny bargaining rights to civil servants. But today the governments does negotiate, not only with civil servants but also with foreign governments, provincial governments, and many other parties with which it has dealings. Collective negotiations are an integral part of our complex, organized society of the late twentieth century. To insist that government will not or may not negotiate is to maintain a posture characteristic of an authoritarian age which is quickly fading into history.

In principal, the multipartite proposition appears to be reasonable and equitable. It would allow all groups concerned with socioeconomic policy to participate formally in the quest for consensus. In spite of its apparent attractiveness, however, it has several drawbacks. First, while business and labour must be concerned with the full panoply of socioeconomic policy, the other groups are interested in a smaller range of issues. It is very doubtful that their representatives would be willing or able to address the problems at hand from the holistic perspective of the overall public interest. As a result it is very unlikely that multipartism could achieve consensus. The most probable outcome would be the continuation of the present system rather than a meaningful change in the system. In countries with effectively functioning tripartism government is expected to consult with and take into account the narrower interests of sectoral groups in its discussions with labour and business. Second, from the perspective of labour, multipartism is viewed as a technique designed to maintain a low level of labour influence. Because of considerable dissension within the ranks of labour regarding the desirability and potential efficacy of tripartism, the multipartite proposal makes it essentially impossible for labour leaders to achieve a mandate to pursue consensus. In short, although multipartism is theoretically appealing it effectively ensures the continuation of dissensus.

Because of its stand on these issues the government, according to a top level business spokesman, "squandered a real opportunity in 1977 to enlist the sincere co-operation of both business and labour in terms of voluntary restraint in the post-controls period" and reinforced the suspicion that it had no real desire to engage in a meaningful search for consensus<sup>24</sup>.

<sup>23</sup> *Ibid.*, p. 33, 30.

<sup>24</sup> Alfred POWIS, "A Viewpoint from Business", in Dodge, Ed., *Consultation and Consensus*, *op. cit.*, p. 30.



Since the mid-70's the federal government has continued along the path of consulting with various interest groups and then devising policies which as often as not ignore rather than incorporate the views expressed. In many cases the federal bureaucracy obviously has more influence over elected officials than do the views of business and labour. A recent example is indicative.

In order to address the training crisis mentioned earlier the CLC and the BCNI came to agreement regarding the appropriate policy initiative. They jointly recommended the establishment of an Industrial Labour Market Institute "composed largely of volunteers from the labour and business communities supported by a small professional staff"<sup>25</sup>. The job of the Institute would be to develop inventories of labour market requirements and make recommendations regarding training, adjustment assistance, mobility, immigration and unemployment insurance.

This proposal was a much more moderate one than a similar "demand" made by the CLC during the controls era. In 1976 Congress proposed a Labour Market Board to be "established by legislation with the necessary funding and delegated authority to oversee and administer the labour force on a national basis"<sup>26</sup>. The Board would "have authority for" forecasting, training, mobility grants, regulating immigration and unemployment insurance. In essence this agency would have assumed responsibility for most of the functions now carried out by the Canadian Employment and Immigration Commission. For Canada that would have been a major departure from past practice. The proposal was not, however, a radical social innovation. Similar boards have operated successfully for decades in several European countries including West Germany and Sweden<sup>27</sup>. The Commission bureaucracy was appalled by the proposal and it went nowhere. Whereas the 1976 Board would have been an authoritative body with power to administer policy the 1981 Institute would have been only an advisory organization<sup>28</sup>. In industrial relations terms the CLC lowered its demand in the five year interim and in doing so won support from the business community. But the federal government was still unwilling to make concessions.

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<sup>25</sup> Minutes of Proceedings and Evidence of the Special Committee on Employment Opportunities for the 80s, February 6, 1981, Ottawa, House of Commons, 1981.

<sup>26</sup> "Position Paper on the Practical Application of Labour's Manifesto for Canada", *Canadian Labour Comment*, November 26, 1976.

<sup>27</sup> See J. STINGL, "Role and Structure of the German Federal Employment Institution", *International Labour Review*, Sept.-Oct., 1977, pp. 197-208 and Lennart FORSEBACK, *Industrial Relations and Employment in Sweden*, Stockholm, The Swedish Institute, 1976.

<sup>28</sup> Minutes of Evidence, *op. cit.*

The institute proposal apparently received very little serious attention. At the time it was made an internal task force of the Canadian Employment and Immigration Commission (CEIC), composed entirely of bureaucrats, was in the process of developing federal government labour market strategy for the 1980's. Its report entitled *Labour Market Development in the 1980s* seems to have become the blueprint for federal policy<sup>29</sup>. Not only did the task force fail to address the joint CLC/BCNI proposal, it also misread the evidence provided by the CLC and the BCNI to the Parliamentary Committee on Employment Opportunities for the 1980s. Jointly the CLC and the BCNI proposed the Industrial Labour Market Institute but separately the CLC proposed a levy-grant funding system. In its report the CEIC task force rejected the grant-levy proposal which it attributed jointly to the CLC and BCNI<sup>30</sup>. However, in the presentation to the Parliamentary Committee the Chairman of the BCNI Task Force on Employment and Immigration stated, "We would like to keep the grant-levy program aspect of this thing separate from these discussions, because it is not a program which has been addressed for study by the BCNI committee concerned with this, so we would not want to be associated with that particular aspect."<sup>31</sup> Not only do we not have tripartism we have not even been able to develop social mechanisms which provide for effective communication among the national actors in the system.

Subsequent to the report of the Dodge Commission CEIC did take the Labour Market Institute proposal under consideration and rejected it on the basis that it was not multipartite in composition<sup>32</sup>.

In addition to the unwillingness of federal government to negotiate there are many other impediments to the establishment of tripartism in Canada. In other countries with successfully functioning tripartite systems both labour and business have organizations which are considered to speak authoritatively for the two viewpoints but in Canada the voices of both business and labour are more diffuse. On the labour side there are, in addition to the CLC, other labour organizations of importance such as the new Canadian Federation of Labour, the Quebec-based Confederation of National Trade Unions and independent bodies representing teachers and nurses, for example. The business perspective is represented notably by the BCNI but also by the Chamber of Commerce, the Canadian Manufacturers

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<sup>29</sup> *Labour Market Development in the 1980s*, Ottawa, Employment and Immigration Canada, July, 1981.

<sup>30</sup> *Ibid.*, p. 221.

<sup>31</sup> Minutes of Proceedings..., *op. cit.*

<sup>32</sup> Comments of the Minister of Employment and Immigration to the Canadian Industrial Relations Association, June 4, 1982.

Association, the Canadian Federation of Independent Business and other important industry and provincial associations. Critics of tripartite proposals argue that this multiplicity combined with weak internal controls render labour market organizations incompetent to commit their constituents. The federal form of government is also an impediment. In order to move to effective action on many issues there is a need for federal-provincial agreement as well as tripartite consensus. There is also an absence of unanimity in regard to the desirability of moving towards a new decision-making system. Many within the ranks of business and labour do not accept the logic of tripartism<sup>33</sup>. Those on the labour left see it as class collusion and those on the right are unwilling to see any decline in the autonomy of national and international unions. Many labour leaders fear that effective tripartism would reduce the attractiveness of the New Democratic Party whose program the CLC endorses. Similar objections exist within the business community. Some business executives are afraid that the formation of a comprehensive and authoritative business federation would affirm a classist, in contrast to a pluralist, interpretation of society. Others are unwilling to recognize the legitimacy of union claims to speak for the working population as a whole<sup>34</sup>. Most top corporate officers are loath to transfer significant power to business associations.

Finally there is the problem of the bureaucracy. Federal bureaucrats have a privileged position in regard to the elected government and, quite naturally, they do not want to see their position compromised by a rise in business and labour influence<sup>35</sup>.

Although these Canadian realities make the achievement of consensus more difficult than in other countries one should not conclude that resignation to the status quo is the only option. There is much that the federal government could do to ease the constraints. The evidence reviewed here suggests that the organizations which are perhaps most representative of labour and business — the CLC and the BCNI — are prepared to negotiate on some range of issues. To date, however, they have a poor record of concrete achievement. Despite public statements to the contrary, the government has displayed a persistent unwillingness to reach accommodation. Should the government revise its policy and reach accord with the CLC and the BCNI on issues over which it has effective control then strong pressures towards

<sup>33</sup> MALLES, *op. cit.*

<sup>34</sup> During the controls era some business executives insisted that if any national forum was established the "unorganized" should be represented on it. See Shirley CARR, "Replace Controls with National Forum", Toronto, *Globe and Mail*, March 5, 1977.

<sup>35</sup> See Wilfred LIST, "Bureaucracy Blocking Labour-Business Forum Morris Says", Toronto, *Globe and Mail*, February 22, 1977 and Deborah MCGREGOR, "Debate, Consensus Bypassed by a Coterie of Mandarins", *Financial Times*, January 18, 1982.

effective tripartism would be set in motion. One of the main bases of rank and file opposition to tripartism is the belief, supported by experience to date, that the government is more interested in selling preconceived policies than in reaching accord. Examples of successful achievement by the CLC and the BCNI would do much to overcome this basis of opposition. Successful achievement on some issues could also be expected to set in motion pressures for more unity and stronger organizational competence to negotiate additional aspects of socioeconomic policy. Fragmentation of the labour and business communities existed at the outset in several of the countries which now have effectively functioning tripartite systems. In all of them the long term trend has been towards more business and labour unity. These actors found that when they speak with one voice they are more effective than when they speak with many voices. However, in a situation where "the Crown does not negotiate" the forces for disunity are more likely to exceed contrary pressures.

Despite the anti-interventionist statements of recent years the public has come to hold government accountable for unemployment, inflation, and the overall standard of living. To influence these aspects of economic life government must intervene and thus it must crucially affect relations between management and labour. Collective bargaining has long since ceased to be an autonomous institution. A 10% wage increase is an effective decrease when prices are rising by 12% because of government policy. The value of fringe benefits change radically according to the way they are treated by the tax authorities. Government has become a "ghost at the bargaining table" not only in the public sector but also in the private sector. For these reasons business and labour have had to put more resources into political activity. From the government perspective it has become extremely difficult to manage the economy and thus achieve the objectives expected by the public without the co-operation of labour and business. As the experience of the recent federal budget suggests vociferous opposition to government policy makes it all but impossible to go about the business of economic management in a matter of fact manner. It is such observations which have led many of the countries of the industrialized world to conclude that the structure and process of decision-making is crucial to socioeconomic success. The performance of the countries which have developed the most effective tripartite mechanisms support that belief. Unless Canada is able to develop similar mechanisms we may be in for a period of extended hard times. Because of the impediments to tripartism it is by no means certain that a change of heart by the federal government would necessarily produce a smoothly operating tripartite system. On the other hand, consensus has essentially no chance of success unless the federal government takes the first step by offering to negotiate in good faith with labour and business.

## Le gouvernement fédéral et le tripartisme

Depuis la deuxième guerre mondiale, la plupart des pays occidentaux ont établi un système de prise de décision tripartite qui regroupe les syndicats, les associations d'employeurs et l'État en vue de rechercher un consensus en matière de politique économique et sociale. Ce système est fondé sur la conviction que la structure et le processus de prise de décision est un facteur décisif dans la poursuite des objectifs socio-économiques. Sans l'appui du monde du travail et du milieu des affaires, l'action unilatérale de l'État, se fondant sur la seule théorie économique, ne peut guère être fructueuse. Les pays d'Europe qui ont instauré des systèmes tripartites (notamment le Danemark, la Norvège, la Suède, la Hollande et la Belgique) ont mieux réussi durant la dernière décennie que les États-Unis et le Canada où le tripartisme est sous-développé.

Apparemment, le gouvernement fédéral canadien se rend compte de la désirabilité de s'orienter vers une politique de consensus comme le laissent entendre les déclarations des ministres et du premier ministre lui-même. Le gouvernement fédéral n'a pas voulu cependant prendre les mesures nécessaires pour instituer un système tripartite efficace. Dans de tels systèmes qui fonctionnent bien, l'État négocie fondamentalement la politique socio-économique avec les principaux représentants du monde du travail et du milieu des affaires et il s'engage à mener à bonne fin les décisions consensuelles qui résultent du processus de négociation. Le gouvernement canadien, toutefois, refuse de négocier avec les syndicats et les associations d'employeurs et veut absolument que tout processus de recherche d'un consensus soit multipartite et de nature consultative. De plus, il refuse de s'engager à mettre en vigueur quelque décision consensuelle. En règle générale, il consulte les différents groupes d'intérêts mais, par la suite, il applique des politiques qui, le plus souvent qu'autrement, ignorent au lieu d'incorporer les points de vue qui ont été exprimés. À cause de la répugnance du gouvernement à faire des concessions valables et à poursuivre une action efficace, on retrouve dans le monde du travail et le milieu des affaires la conviction que l'État ne désire pas sincèrement réaliser de consensus, mais plutôt les consulter en vue d'obtenir leur acquiescement à ses projets déjà arrêtés.

En outre de la volonté du gouvernement de s'en tenir à un multipartisme consultatif et à son insistance, effectivement fausse, à affirmer que «la Couronne ne négocie pas», il y a plusieurs autres aspects du contexte canadien qui militent contre un tripartisme efficace.

Le monde du travail et le milieu des affaires sont divisés et on trouve beaucoup de réticence à l'intérieur de ces groupes à donner aux organisations centrales le mandat de négocier la politique socio-économique. Nombre de sujets importants exigent par ailleurs la coopération fédérale-provinciale pour qu'on puisse passer aux actes.

Pour ces motifs, il n'est nullement certain qu'un tripartisme efficace en résulterait, même si le gouvernement acceptait de négocier de bonne foi avec les représentants des organismes centraux des salariés et des employeurs. À moins que l'on ne s'entende pour le faire, cependant, il n'y a véritablement aucune chance qu'un tel système puisse être institué. Si l'affirmation selon laquelle le consensus du monde du travail, du milieu des affaires et de l'État est juste, tel qu'incite à le penser l'expérience de plusieurs pays occidentaux, le Canada est peut-être mûr pour des jours difficiles.