

# THE CONTRADICTIONS OF PUBLIC EMPLOYEE UNIONISM

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## Introduction

Sporadic social rebellions during the 1960s, which claimed the attention of the mass media and radical theorists alike, greatly over-shadowed a revival of militancy among public employees which had long been dormant. This renewed unionism was widespread throughout the western capitalist world, but in North America it assumed a special importance. Occurring in the context of a "labour movement" which, in too many cases, had become inextricably integrated with the monopolistic corporations in a conservative business unionism, the public employee represented an apparently new and progressive force. In Canada, the rapid unionization of the public sector made the difference between a stagnating and an expanding union movement. During the early 1970s, with the Front Commune in Quebec and the rapid increase of public sector strikes, it appeared that long range developments had propelled state workers into the forefront of the class struggle.

The increasing importance of the state in economic and social life has been a consistent phenomenon among the advanced capitalist nations. While the state had been heavily involved in facilitating industrial capitalism prior to this century, and the conception of 'laissez faire nineteenth' and 'state twentieth century capitalism' are both exaggerations, there have been significant changes in the scope and intensity of state management of the economy, particularly with the implementation of neo-Keynesian manipulations and welfare measures.

In Canada, the statistics alone are impressive. Total expenditures of all levels of government, expressed comparatively as a proportion of the gross national product, increased more than five-fold between 1870 and 1974, from about seven percent of G.N.P. to about forty percent. The 1974 figure, moreover, was nearly double that of 1950: much of this growth has been a post-World War Two phenomenon (Bird, 1974: 54; Gonick, 1976: 26). The greatest growth occurred in the spending financed more directly from personal taxation, with education, health and welfare being the major growth sectors (Bird, 1974: 59-65).

The administration of this enlarged public sector and the labour-intensive nature of the service roles appropriated by the state have combined to emphasise the importance of the government as an employer. While the Canadian population increased about seventy percent between 1945 and 1970, employment in all three levels of government increased over 400 percent (Hodgetts and Dwivedi, 1974: 2-11; see Miller and Isbester, 1971: 10-11). The growth was highest among provincial and municipal employees since the expanding sectors were not under federal jurisdiction, although transfer payments from the central government underwrote the programmes. In 1967 public bodies

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employed about twelve percent of the Canadian workforce, a figure which grew to sixteen by the middle of the seventies (Bird, 1974: 62; Gonick, 1976: 25; see Gow, 1971: 150). This enlarged workforce catapulted the various levels of government into large-scale labour-management relations and gave support to the labour movement which had been in relative decline. While government employment encompasses a wide range of manual and non-manual occupations, the various levels of the state are among the largest employers of white-collar workers. Much of the transformation of the occupational structure since 1945, particularly the predominance of non-manual groupings, is associated with the growth of public sector employment of clerical and professional labour. Although in the private sector such employees have been difficult to organise, this has been less true in government employment where white-collar workers are more likely to join or form unions than their private sector counterparts (Sturmthal, 1967: 378). In Canada most public employees are organised in some form of association or union, reaching an overall completeness level of 90 percent (Levine, 1977: 117). The unionisation of the public employee in Canada has proceeded at a more rapid rate than the growth of government employment and has made for an increasing rather than stagnating or declining proportion of union membership among the labour force as a whole. Three of the four largest unions in Canada organise, respectively, municipal, provincial and federal employees. Teachers and nurses, organised in unaffiliated provincial associations, would swell the labour movement by about four hundred thousand members.

Not only has organisation increased dramatically, but the character of unionism has changed perhaps to a greater degree. In the mid-1960s there occurred a revival of militance, which had long been dormant, among public sector workers. Taking the trade union form of struggles over remuneration and working conditions, these disputes were new because they involved such occupations as teaching, nursing and the civil service -- groups which had been relatively quiescent and perceived as 'middle class'. As a consequence of this activity, the public sector worker is often regarded as "exceptionally militant" (Johnston, 1978: 3). What is especially significant is the spread of trade unionism among members of a social category previously regarded as paragons of middle class complacency: securely rooted trees in a protected forest.

This new unionism was widespread throughout the capitalist world, but in North America it assumed a special importance. The public employee apparently represented an apparently progressive force which had political overtones. It appeared that long range developments had propelled the state workers into the forefront of the class struggle, a circumstance which analysts explained by focussing on the special characteristics of the current economic crisis and the contradictions of the Keynesian

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solution to chronic under-utilisation as they affected state budgets, government services and inevitably public workers. By defining the role of state workers as being uniquely reproductive, such analysts theorized that they were well placed to comprehend the contradictions of capitalism and therefore had the greatest potential for adopting a socialist perspective (Johnston, 1978).

In contrast, the traditional Marxist theory of the state, which regards the state as an instrument of control exercised on behalf of the ruling capitalist class, implies the opposite to these conclusions. As functionaries of an institution of reproduction, state workers become agents of social control directed at the working class thereby ensuring the long-run hegemony of the capitalist class. Rather than having a special interest in the victory of socialism, state workers have a material interest in the perpetuation of capitalist relations of production (Lindsay, 1980).

As traditionally anti-union and then as 'new unionists', public employees have occupied a special place in the political economy of advanced capitalism. The expansion of the economic and social role of the capitalist state inevitably meant the growth of public sector employment and the development of social services -- with specific definitions of 'service' -- which these employees provided. This was all predicated on an expanding economy, a growing economic surplus which the government could tap through taxation. Through a partial semi-rationalisation, within the framework of the expansion of private capital, the government could set the necessary conditions for the continued expansion of this surplus.

With the gradual surfacing of the contradictions of this new type of government intervention -- the postponement of an economic crisis of the traditional kind -- the state was thrust into a new role. As chief economic architect, the state was charged with both causing the crisis which materialised (especially with respect to the effect of the state budget and deficit, on inflation and the bank rate), and simultaneously with being the instrument to solve the crisis. This meant, first, that it would be taken out of the hides of public workers and the weakest sectors of the population who would have their services cut. Furthermore, an increasing share of the taxation burden would fall on individual taxpayers rather than on incorporated businesses.

The public employee, then, seemed to be directly on the fault line of the contradictions of monopoly state capitalism. Logically, this would seem to suggest that public employees may represent the most progressive force in the country and, some might suggest, the new revolutionary vanguard. While the latter position is clearly illegitimate, there may be some evidence in the last decade that would support the less sweeping of these generalisations. With respect to employee militancy and the endorsement of a fight-back campaign for organised labour, public employees seem to

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have been in the forefront. Public employees have been one of the groups receiving the brunt of the relative restrictions.

This notion of relativity needs to be stressed in the current conjuncture, however. While security is emerging as a central problem, it is not of an equal magnitude for the sector as a whole as for many other industries. One of the consequences of the earlier relationship with the state in the period of Keynesian prosperity was that state workers enjoyed a superior position, if not with respect to wages, at least with respect to security, benefits and often working conditions. And they had traditionally been imbued with an ideology of service -- of essential service -- that set them apart from other workers. The obverse of this special position, however, was the public perception of government bureaucrats as being very inefficient, of government workers as being lazy and having too many perquisites. Public employees were portrayed in the media and by governments and business organisations as being even more selfish than most trade unionists, as directly putting their own interests ahead of a dependent public. There is a campaign to single out government workers, subject them to special sanctions and repressive laws, and reinforce negative public perceptions. This depends for its success on dividing public from private sector workers, on creating an ideological atmosphere in which public sector demands are seen as illegitimate.

The second part of this campaign is to single out the weakest sections among the recipients of state services and subject them to cut-backs. The traditional thrust of this propaganda has been directed at the unemployed and welfare clients. With the recent ballooning of unemployment and with the large numbers of people who have tumbled from the U.I. rolls to welfare after 50 weeks, they are less plausible targets. Nevertheless, among the conservatively inclined, the traditional argument continues to have considerable validity: governments are wasteful and many people on social assistance are simply 'ripping off' the taxpayers. This has translated into some popular support for right wing positions on law reform and for cut-backs in specific areas.

In this situation, public employees would seem to be in the best position to defend these services. In general, their employment depends on the provision of services by the government. If anyone has a material interest in the maintenance of the social democratic welfare state, it would seem to be public sector workers. They ought to be in the forefront of the social battle to prevent loss of services.

The determination of interests, however, is not this simple. The phenomenon of employee lay-offs in the public sector has threatened individual jobs. Attempts to make this employment secure have not so far taken the form of a massive campaign to link the quality of services with secure employment, thereby generating some worker-client unity around specific issues. The actual response has been largely sectional with each union

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attempting to secure the interests of its own members and negotiation restraint and lay-offs. This is predictable since the most likely response in times of trouble would be along the lines of immediately perceivable interests.

To begin to understand this transformation in the response of government employees, and its apparently ambivalent nature, an analysis should begin with a discussion of the specificity of state employment. The analysis of the opposite evaluations of the nature of government employee militancy--its progressive or reactionary character--should be sought first in the characteristics of the state and second in the manner through which these ambiguities affect state employment. The state in bourgeois democratic societies should be seen as a contradictory instrument of class domination with respect to the relations between the state and the social formation and with respect to its own internal contradictions, rather than as a direct organ of the ruling class. This perspective supplements the conventional functional analysis of the state with an emphasis on the creative nature of class struggle.

The specificity of government employment is a structural question related to the contradictions of the state in general and to the characteristics of the state as an instrument of social reproduction. It is within the more or less flexible boundaries of these determinants that class struggle emerges as a force with some creative potential. The contemporary crisis is facilitative of militant action, given the attack on the living standards and employment prospects of government workers. Throughout the post-war decades the contradictions of Keynesianism have been maturing to the point at which the current crisis poses a new problem for the labour movement. Although earlier views, which assumed that the public sector was the unique focal point of the crisis, had inflated one significant aspect of a more pervasive crisis of capitalism to the role of a single determinant, it remains true that public employees now bear a considerable portion of ruling class pressure. Nevertheless the offensive against the state worker is only one aspect of a much wider campaign aimed to control the labour movement as a whole.

The structural context of this increased militancy among public workers set definite problems. Given the important socially reproductive role of government and the provision of necessary social services, the withdrawal of labour immediately affects wide sections of the population dependent on the state. The crucial point, however, is that the outcome of this process is variable for more than one reason. Structural factors are different at different times and places. Furthermore, the process is inherently contradictory. Both these factors are importantly related to factors of consciousness and struggle. Structural conditions and contradictions are both constraining and facilitating and the class struggle which occurs within them has the potential to reinforce or transcend these limits.

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In this respect, a third factor is especially important to the actual response of public workers: local traditions and the specific conditions of action. An impetus towards militancy is affected by the residues of the traditional conservatism of government employees, particularly civil servants, and the organizational forms and leadership adopted to meet their definition of collective interests. In short, the response of government workers is affected by the structural conditions of employment, the specific practices of the government, and the history of organization.

### **The state**

Consistent with its primary purpose as the organization of class power and with its expanding role in the political economy of contemporary capitalism, the state has become the focus for considerable debate among neo-Marxists. Whether they adopt an approach which stresses the structural determinants of state action or the instrumental manipulations of the ruling class, these analysts assume a one-way determination which not only begins and ends with what is admittedly the most essential quality of the state, its class character, but which in the process ignores the importance of the struggle between classes and thereby implies that the proletariat is an object of control rather than a social actor (Carchedi, 1977). The weakness of this view is neither its foundation nor conclusion but its all-embracing formulation. Class struggle is confined to the realm of the (potential if not actual) competing hegemonic movements for power while the daily operation of the state is seen simply in functional terms as meeting the ruling class interests of coercion, legitimacy, and accumulation. What is often left out of this account is the important, creative, and pervasive role of class struggle, a role which must be integrated into the analysis of the capitalist state which, nevertheless, still begins with the state as an organ of the dominant class and ends with the 'functional' consequences so correctly identified. In order to do this and avoid mere pluralism the state should be seen as a contradictory apparatus of domination rather than as a monolithic instrument of class control.

In his early writings on the state Marx accepted the general distinction between the state and civil society, although he disputed the assertion that the state could transcend the individual interests in society and, acting as a universal class, secure the common interests (Marx, 1975: 45-46). In Marx's conception, this split arose historically with private property and the consequent separation of society into numerous economically based particular interests, the most important of which were antagonistic 'class' interests<sup>1</sup>. The

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<sup>1</sup> All possessors of commodities have specific interests of their own and seek to maximize their returns on the market or strike an advantageous bargain. This

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state arose in civil society as the principal form through which the dominant class constituted its political power. Given this development, the real 'communal interest' became an abstraction since its realization necessitated the dissolution of the antagonistic interests dividing civil society. The most fundamental contradiction, then, was not between the state and civil society, but between the state as the organ of power of the dominant class and the subordinate class subject to power.

While fundamental, this assertion does not exhaust the contradictions of the state. While the 'real communal interest' has been dissolved by private property, there remains a material basis for a general interest within civil society itself based on the necessary interdependence of the division of labour, which becomes simultaneously an 'illusory general interest' because the division occurs within an exploitative productive system. There is a contradiction between necessary social coordination, expressed unavoidably by the state in class societies, and the definition of the form and content of this coordination within the general interest of the dominant class (Jessop 1978: 55). The state is an organ superimposed upon society while being at the same time the mode of organization of that society. It becomes a mechanism for the reproduction of the power and position of the dominant class and simultaneously for the reproduction of 'society in general'. The state, then, becomes a principal focus of struggle for the subordinate class not only in the long run with respect to conditions prevailing within the 'illusory general interest.'

From its inception there is no absolute distinction between the state and civil society. There have been important differences in the extent and character of this split and under some conditions of economic life, for example manorial relationships, civil society appeared to be largely 'emancipated' from politics and Marx sometimes exaggerated the extent to which the nineteenth century British state was shut out from any influence on the development of property (Marx 1971: 102-105; Marx and Engels 1938: 59). Clearly, however, the variations in the form of the political penetration of the economic, no less than the economic penetration of the political among specific states located in time and

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represents a differentiation of interests which is fundamentally different from class distinctions.

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space, are important to specify (Patankar and Omvedt 1980: 27).

It was in the 'classical' form of competitive capitalism, with its corresponding institutions of bourgeois democracy, that the distinction between the state and civil society gained the greatest currency. In general, the will or interests of the dominant class are given expression through law which defines the 'illusory common interest' within the framework of its own. Under competitive capitalism, however, there was an automatization of law with class relations, for example, being the appearance of free contracts between individuals rather than directly as relations of power between classes (Picciotto 1979: 166). The institutions of bourgeois democracy provide an institutionalized framework within which the subordinate classes may influence laws within the definition of the 'illusory communal interest.'. The state, then, is enmeshed in the most explicitly contradictory distinction in capitalist society: between social production and private appropriation.

The state is also contradictory because of the distinction between the narrower interests of particular groupings and the general interests of their class. Because the struggle of the particular interests 'really' run counter to the communal and illusory communal interests', they make 'practical intervention and control necessary through the illusory "general interest" in the form of the state' (Marx and Engels 1938: 24). Since the 'will' of individuals in their specific relationships is egotistical, this necessitates some 'self denial in the case of particular egos as opposed to the self-assertion of their interests in the common case (Marx and Engels 1938: 2). This implies, in principle, a divorce between the dominant class as a whole and its political representatives in the sense that the latter are given power to override specific interests among members of the dominant class within a legal framework which is designed to facilitate the articulation of the general class interest.

This structural separation makes the state in principle susceptible to pressures from the dominated classes especially in bourgeois democracies (Patankar and Omvedt 1980: 166), while confining reforms to the specific boundaries defined by the 'illusory general interest' secured by the state. The struggle within the state reflects 'the real struggles of the different classes' (Marx and Engels 1938: 23). Under bourgeois democracy the working class is accorded the widest latitude to initiate reforms. Insofar as the demands of this class take for granted the essential prerogatives of private appropriation, reforms which are demanded from below remain within the limits of the normal 'revolutionizing' of capitalist society (Sasson 1978: 4). To the extent that the proletariat has not organized into a competing hegemonic class which articulates a new and 'communal interest' in contradistinction to the illusory general interest represented by the bourgeoisie and its state, then its interests will remain 'corporatist', narrow and in principle capable of resolution by state action. Reforms occur in circumstances where the particularistic



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demands of the working class, or segments within it, can be met within the context of the general interests of the capitalist class, and when these demands are accompanied by some actualization of political power. It is this necessity for mobilization and struggle which creates the dual nature of reforms since the inherent potential for reformism strengthens bourgeois hegemony.

Finally, if we understand by legitimacy the notion that social relations are perceived by the subordinate classes to be relatively just, there is a structural contradiction of legitimacy in the capitalist state. In the context of an exploitative mode of production there is a necessary discrepancy between the long-term interests of the competing classes which is denied by the illusory general definition of interests represented by the state. A potential crisis of legitimacy is omnipresent in such a situation, however, this illusion is not based on mere imagination but on a real foundation of interdependence. As the expression of necessary coordination and the mechanism for social reproduction, the state provides essential services and meets some immediate interests of the subordinate classes which form part of the foundation of the legitimacy of the state. Second there is an important distinction between the legitimacy of the state and the more frail legitimacy of government parties and policies. These institutions and practices of the state can be shown to be class specific but this need not implicate the state as a whole. De-legitimation occurs within the bounds of the general legitimacy of the state, a process which is more likely to occur to the extent there is a separation between the institutions of the state, a situation particularly characteristic of bourgeois democracy.

The degree of independence of the political from the economic makes the state, in principle, susceptible to pressures from the dominated classes and other groups. One of the chief objections to an entirely functional analysis at state actions is the implication that the working class is an object of control rather than a social actor. Class struggle becomes a concept which is confined to the competing hegemonic forces of ultimate class control over the state which daily state actions (whether seen as structurally determined or dependent on the instrumental manipulations of the ruling class) simply serve to reproduce capitalism.

The foundation of this view is fundamental in the Marxist theory of the state: the state serves the interests of the ruling class to the best of its ability. Secondly, the result of reforms extracted from the state have tended, as one of their consequences, to consolidate in the short run the interests of the dominant class. What needs to be emphasized, in addition to the complexity of this process in practice, is that reforms are extracted by working class and other group's collective organization and pressure in what they perceive to be in their interests. This view is important tactically in the present effort to maintain services. An emphasis on the creative rather than the determined side of class struggle

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highlights the often conflicting or contradictory interests which inform organizational, ideological and political action.

The state, it is argued, is the instrument of reproduction not only of capitalism, but of society itself. In this respect, education, health, recreation, even welfare are things that vitally affect the working class. Having these services and resources is in their interests, if by 'interests' is understood a definition confined to short-term, immediate concerns. There are more abstract and possibly longer term implication of the content of these services for the general maintenance of capitalism.

The separate organizational existence and coordinating role of the state creates opportunities for organized opposition to have an effect on short-term policies. This is especially true of the quasi-democratic form of the state in western capitalism. There has been room for considerable reform within the boundaries of the general interests of capitalism which, if part of a movement of transformation, can have important implications in the long and short run. Government workers in the institutions of the state, then, can be allies or protagonists of this struggle and their position is not determined solely by the functional importance of their roles as instruments of capitalist reproduction.

More generally, state workers share an interest in the expansion of government services. These can take the form of the growth of repressive agencies or of institutions providing more positive needs -- a factor which indicates that different types of government employees have somewhat different relations to some of the goals of mass struggles. It should be noted, however, that even the repressive agents serve some of the general needs of the population in their present circumstances. This can be seen in sharp focus in relation to foreign intervention, and more locally in police strikes. The distinction between agencies producing repression and those producing legitimacy is not at all clear. Nor are the abstract functions easy to separate in practice.

Both the issue of the provision of essential services and the possibility of some political influence over policy-making (which is more important in the organized effort to obtain the reform than in the longer-run consequences of achieving it), help to generate legitimacy for the state. It should, however, be noted that there is a distinction between the legitimacy of the state per se and the much more frail legitimacy of the governing political party. Disillusionment with the latter often occurs within the context of the accepted legitimacy of the state. In Nova Scotia workers talk about "never voting for the Buchanan government again". One of the consequences of the greater personalization of politics is that people identify policies with individuals. Since they come and go and have relatively short political careers, the policies are to a degree divorced from the parties.

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It is important not to over emphasize the cognitive components of the stability of the state, which is not synonymous with its legitimacy. The general acceptance of the form of the state as a mass phenomenon rests, initially, on the immediate interests of the population. State provision of many of these needs may be unnecessary in any absolute sense, but immediate interests are not absolutes either and they change with respect to expectations and what is termed 'objecting to reality'. Social stability is also maintained by sheer habituation, by privatization, by the hidden nature of exploitation and by coercion. Normative considerations are important and acceptance of the status quo may more reasonably be interpreted as acquiescence to what is defined as normal and regarded as inevitable. Undermining the cognitive legitimacy of the state may be an indispensable element in developing a radical alternative, but by itself it is insufficient. The general acceptance of cynical 'knowledge' may be a more predictable outcome of attempts to delegitimize the state. These issues need to be considered when debating the depth of the crisis of legitimacy in advanced capitalism.

We are very far from a situation in Canada where the state can no longer rule in the old way. The state may be prepared to jettison some of the basics of the democratic traditions, but it will be done in the context of competing claims for legitimacy on the grounds of defending the national interest or the general welfare against sectional interests. Public employees are particularly vulnerable targets of this process, especially when apparently pursuing sectional ends.

### **Expansion and Austerity**

At the end of the Second World War, the capitalist state in Canada was faced with a crisis which has been interpreted as a crisis in the legitimacy of the state (Whitaker 1977: 58-59). The limits to accumulation, which had become apparent during the depression, had been overcome temporarily by the government-directed war mobilization. A national version of Keynesian intervention had been catapulted into dominant positions in the form of federal government control over investments, employment, wages, prices, and savings (Pentland 1968: 193-194). The theory and experience of Keynesian economics changed the conception of the proper economic role of the state. With the relaxing of this direct government role at the termination of the war, the sudden inflationary pressure, buttressed by the attitudes formed during the full employment years of the war and the liberal collective bargaining legislation passed on the basis of working class strength, combined to precipitate an upsurge in labour militancy and a demand for government policies of welfarism and nationalization (Whitaker 1977: 58-59). In this conjuncture, the Liberal government undercut left-wing appeals by incorporating economic policies

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consistent with Keynesianism with the traditional philosophy of welfarism and intervention propounded, if largely unimplemented, by Mackenzie King. The Federal government became more consciously and more directly the manager of the Canadian economy (Hodgetts, McCloskey, Whitaker and Wilson 1972: 217).

Nationalization has had a long-standing legitimacy in Canada -- a factor associated more with the specificity of the Canadian state than with the abstract theory of the state. Welfare measures the immediate benefit to the working population were, however, another matter. Events were to show that the government would move in the direction of welfare reforms only on the basis of substantial pressure from below, and it is the absence of this pressure which can account for Canada's late development of welfarism (Panitch 1977: 9-13). Given this slow development, Panitch is correct in saying that the Canadian state has been slow to develop its 'legitimation function' only if the term implies the narrow sense of welfarism. Since class struggle from below is essential to winning reforms, the absence of this struggle until relatively late reflects the success of the state in achieving legitimacy through the prosperous years of the 1950s and early 1960s<sup>2</sup> when Keynesianism had apparently provided a lasting solution to the problems of capitalist profitability. It was on the dual cornerstones of government intervention and some state welfarism that the traditional problems of legitimacy and accumulation were solved. And it is out of the contradictions of this intervention that the roots of the new militancy of public sector workers must be sought.

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<sup>2</sup> Trade union militancy is not necessarily an indication of a legitimation crisis. Just as legitimation must be related to the context of the beliefs and justifications, so too must overt conflict be in terms of political delegitimation. The rationalization of collective bargaining indicates that much conflict has been institutionalized.

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There is a complex relationship between this expansion of the state sector as the necessary arm of government management of the economy, and the capitalist private sector. Massive amounts of resources were diverted to an institution which had been seen hitherto as a drain on investment, a necessary body which, nevertheless, was to be restricted to traditional auxiliary purposes as much as feasible (see Gough 1979). The question which arises here is whether the growth of the state occurs at the expense of capital accumulation, and therefore diminishes the amount of surplus value available for investment, or whether it argues capital accumulation. One position holds that state expenditures are appropriated from private capital and therefore represents a drain on the amount of surplus available for accumulation. The government, then, inhibits investment since unproductive workers are supported out of the surplus which amounts to so much waste. It follows that an increase of the proportion of such workers entails a diminution of potential future surplus.

If, however, the state's 'social capital' expenditures are indirectly productive and rationalize the production of surplus value on a society-wide scale, then the entire state sector does not grow at the expense of private production and, at least in part, acts to reduce the total resources required (Mosley 1978: 56). As O'Connor argued: since 'social capital lowers the reproduction costs of labour power in various indirect ways..., in the absence of compensating class struggle which results in higher wages or shorter hours, social capital indirectly expands surplus value as a whole' (O'Connor 1978: 56).

Services are provided above the necessary minimum requirements of the narrow interests of the reproduction of capital a situation which arises from the wider purposes of the state in social reproduction. These can more cogently be conceived to be 'non-productive'. Given their provision on behalf of a capitalist state, they are not unnecessary in a larger sense. Obviously social reproduction is to the interests of the dominant class, but it also serves the short-term interests of the subordinate classes. It is very difficult to distinguish empirically between the productive, unproductive, and essential service components of state expenditures. In the example of highways, construction constitutes social capital investment, a means to rationalize (within a culturally narrow definition) the transportation of goods, and they provide means for public transportation and leisure, although the need for their use is socially defined. State expenditures, in sum, are in part a rationalization of accumulation and in part a drain on surplus value, although they provide necessary reproductive services.

It is just such government expenditures, seen as unproductive and as constituting a drain on private capitals, that are threatened by the state response to the contemporary crisis. Keynesian manipulations necessitated an enormous increase in state institutions, personnel and inevitably budget appropriations. Taxes are more complexly mediated

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forms through which surplus value is utilized by the state in the interests of further accumulation and social reproduction. As for surplus value in general, government revenue is dependent upon economic production and realization, and a shortfall will inevitably be felt in state budgets. This general result is compounded by the fact that taxation policies are a matter of struggle. This forms through which revenue is raised, the distribution between social purposes and private accumulation, and the uses to which revenue are put, are all in part political questions. In the early 1970s it appeared that the crisis was uniquely centred in the state and that the new militancy of government employees represented their important position at the apex of the contradictions of monopoly capitalism. It was within such a context that the theory of the fiscal crisis of the state appeared.

The fiscal crisis has been defined by O'Connor as 'the tendency for government expenditures to outrace revenues' (O'Connor 1973: 3) and explained by the asymmetry between the increasing socialisation of production and the continuing private appropriation of wealth. Since state expenditures involve social capital as well as 'social expenses' -- the unproductive state utilization of surplus value for the purpose legitimation -- the self-expansion of private capital becomes increasingly dependent on social overhead costs.

Whether this fiscal crisis is a necessary or contingent phenomenon is an ambiguity in O'Connor's formulation. On the one hand, he claims that the growing concentration of production requires an increased capital expenditure by the state, and simultaneously threatens other capitals, in the process generating more social distress and the need for increased social expenditures (O'Connor 1973: 36). Yet this is not a fundamentally structural argument because it does not necessarily imply a widening gap between expenditures and revenues. To the extent that the changes in the concentration of capital increases productivity, and these gains provide the basis for increased state revenue, there is no necessary fiscal crisis.

On the other hand, according to O'Connor, while the structural need for expenditures may increase in the interests of capitalism (although not exclusively since needs are mediated through social reproduction), the question of tapping this potential revenue is problematic and is 'primarily subject to political restraints' (O'Connor 1973: 37-38; see Mosley 1978: 44). The level and character of social service spending is similarly affected by political power and the potential organization of consumers groups to demand improved services. The questions of who pays and for what purpose are political issues. Consequently the fiscal crisis of the state, founded on the refusal of corporations to pay what, in the national interest, is their legitimate tax burden (that is, defined within the bounds of the capitalist mode of production, but taking into consideration the need for

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social expenditures), and is expressed as a crisis in the service part of the state (Bodenheimer 1972: 7-18), in a diminution of social expenses and a decline in the quantity and quality of services rendered the public (Levi 1980: 49).

This is, however, a further structural argument. It is just such expenditures, simultaneously providing social services and serving as one means to legitimate the state and its economic foundation, which are deemed to be unproductive and induce an immediate decline in the amount of surplus value available for accumulation. A substantial part of these expenditures goes to pay the wages and salaries of those employed to provide the services. If we conclude that unproductive expenditures come from surplus value, then the amount of money so spent depends on the vagaries of capital accumulation. When there is a general crisis of capitalism there is a decline in the generation of surplus value which, logically, would be manifest in part by undercutting the economic basis of state expenditures. The Keynesian solution to this had been deficit spending -- essentially funding current projects on the basis of anticipated surplus value. The presupposition of welfare capitalism remains the expansion of capitalism.

The contemporary crisis was initially characterized by a general economic stagnation coupled with an unprecedented continuation of high inflation. At the cost of a deepened recession, the state has been successful in correcting the latter problem. At the same time, the rise in prices has been linked in popular consciousness with the expansion of government spending, especially deficit financing, and particularly the less immediately productive aspects of this spending. Hence the dogmas of supply side economics: reduce government spending, lower the deficit and 'discipline' organized government workers. On both counts -- as expendable labour in the rush to cut back social services, and as the principal protagonists in causing the 'wage-push' inflation -- state workers became the initial focus of the contradictions of Keynesian state intervention and the government's attempts to solve the economic crisis. The public sector is regarded as a 'useful brake on inflation' which can be utilized in the first instance (Balfour 1972: 214).

Rather than reduce employer resistance, which may occur in a private company during inflationary periods when increases can be counteracted by productivity gains (Anderson and Kochan 1977: 288, 297), the resistance of the employer is increased in the case of a government charged simultaneously with both causing and reducing inflation. It has generally been argued that the rising cost of living, coupled with the political decision to make the public employee bear the brunt of the battle against inflation have, in combination, spurred government workers to act militantly in their own interest (Balfour 1972: 215). It should be noted, however, that the effect is two-fold. To the extent that the government is successful in legitimating its cutbacks, or in intimidating public employees (for example, by mass firings as in the case of the air traffic controllers in the United

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States), and there is no viable alternative social movement of protest, then the employee response will be ambivalent.

Just as the contemporary crisis is characterized by more than a shortfall of government revenue, so too has the special importance of public sector workers faded in relation to the international dimensions of the crisis. State workers remain an important and available focus of economic retrenchment and they provide a convenient scapegoat for 'stagflation', a situation sharply in contrast to their Keynesian role as an important ingredient in economic stimulation and as a necessary adjunct to the social wage. However, public employees did not remain alone in the front ranks of militant labour as they had initially seemed and the offensive against government workers is part of a more widespread assault on the labour movement as a whole, whether it takes the usual form of union-busting or more sophisticated forms of tri-partism. On the contrary, state workers face specific limitations to the effectiveness of traditional militancy as practised in North America, limitations which relate directly to the special characteristics of state employment. There have been widely different conclusions drawn as to the 'problems' or the 'promise' of public service unionism, all of which are predicted on the special characteristics and contradictions of government employment.

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The first issue is the specificity of government employment: to what extent public employees occupy a position which 'is qualitatively different from private sector workers' (Johnston 1978: 4). Johnston has asserted, unequivocally, that the public sector is a 'distinct productive mode' with a unique relationship to the productive process (Johnston 1979: 57). According to this view, the essential differences are: 1) in the private sphere labour is sold directly to capital, while public workers are directly employed by the state; 2) in the private sector, commodities are produced while the government produces use-values (Johnston 1978: 4); 3) profit is the motive of private but not public employment; 4) market forces determine the parameters of production in the private sector while what is produced in the public realm is determined politically (Katz 1979: 44); and 5) public sector workers are 'reproductive' (Johnston 1978: 5-7).

The first point is obvious, and is the limiting definition of public employment. However, this dichotomous distinction does not do justice to social reality. There is a large para-public sector in which Boards and Commissions intervene as the legal employer although in many cases revenue is ultimately obtained from the government. There is also a growing nationalized sector which is directly productive. And while only in the private sector is labour exchanged with private capital, in all these cases workers sell their labour power (Thompson 1979: 50-56).



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The state is in a unique position, however, because it is simultaneously an employer and a legislator. It is generally argued that the latter role is not challenged by the need for routine practices to determine the specifics of wages and working conditions for government employees. Unlike corporation managers, however, legislators elected in a liberal democracy are, in principle, subject to constituency pressures. To the extent that these officials are sensitive to pressure from below, and that an organized part of the electorate is able to influence an impending election, there is the possibility of affecting specific policies (Spizman 1980: 428) although effects depend on numerous other factors. Unions with high levels of completeness tend to be more effective in influencing policy (Freund 1974: 391-404; Quinn 1977: 1), although this apparent pluralism is achieved more often at the expense of the weaker unions or the unorganized (Spizman 1980: 428).

Finally, the state cannot legitimately play the role of third party arbitrator in the case of disputes involving its own employees, as it does in the private sector, because it is a directly interested party. The Civil Service Commission of Canada did at one time try to carve out such a role for itself, and institutions such as the Pay Research Bureau were conceived as organizations supplying supposedly neutral facts to negotiators on both sides. The definition of the former Wages and Prices Commission, the Staff Relations Board, as well as temporary arbitration tribunals, are all attempts to create, through government auspices, apparently neutral mechanisms. The success of these strategies, and their effectiveness or tactical use by unions depends on conjunctural factors, and each require specific de-legitimation.

With respect to the second difference, the distinction between commodities and use-values is also subject to qualification. Many state services are financed by consumers through user-pay schemes, and these are being extended as part of the fiscal restraint practised by government. Crown corporations are expected to recover their own costs as much as possible and aim to become individually profitable (in the absence of politically determined subsidies). In general, commodities process both use-value and exchange-value, and from this perspective the main difference between the private and public sectors is that in the former they are exchanged to augment capital while in the latter they may reflect necessary social services (defined in a way which, minimally, does not undermine the dominance of capitalist relations of production). However, such production is not confined to the state sector, and there is a large non-governmental sector producing use-values (Levi 1980:46-54), primarily located in domestic units of social reproduction. The distinction between use and exchange values has some currency, however, because it is an expression of this distinction between production for the purpose of exchange value and state production for (among other things) social needs regardless of the ability of any atomized individual to possess the purchasing it on the capitalist

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market. But this raises two further questions: the basis on which productive decisions are made, and the purpose of this production.

According to Levi, the difference between what is produced in the two sectors is less important than the purpose: in the private sector that purpose is to make a profit while in the public sector the purpose is to promote capitalism by assisting accumulation and providing legitimacy. The 'state functions' argument has been discussed above where it was argued that the state has a role in social reproduction which defines social needs within the frame of reference of the capitalist mode of production. With the exception of some state corporations, however, the basic point holds that profit is not the main criterion of evaluation. In the private sector profit is not only used as a measure of performance, but determines the actual viability of firms. With the decline of some of the Keynesian full employment props supporting unprofitable industries, private sector capitals face the increasing possibility of going bankrupt. This possibility, while not absent, is considerable more remote for most states (although municipal governments have been claiming bankruptcy in an effort to extract more funds from the national state). Nevertheless, in government services there is still the felt need for some correspondence between input and output measured in efficiency terms and while the absence of the profit figure means that a single, unequivocal measure is unavailable, many management techniques derived for use in the private sector have been utilized by government managers (Katz 1979: 44). Managers in the public sector are also motivated by a desire to gain promotion, and while they cannot point directly to a justifying rise in profit margins, in the contemporary context advancement rests on the ability to demonstrate reduced input cost (Johnson 1971: 237-238)<sup>3</sup>. The concept of 'efficiency', however, is conceptually distinct in the public sector because, in addition to the notion of 'administrative efficiency' which is common to all enterprises of comparable size, in the state there is an additional notion of 'allocative efficiency' which is different from similar measures in the private sector, and is a directly political issue (Kelly 1980: 6). That is, the question of how to distribute rationally the share

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<sup>3</sup> It is no longer true that the personal "ends" of public managers as well as the state's "legitimizing function", as Levi has argued (1980), are best served by having large numbers of public employees on the payrolls. On the contrary, such a condition may undermine careers.

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of social wealth available to the state to the various social and private needs is determined by a political process which has a different content and goal from private sector pre-production planning (Johnson 1971). Productive decisions, then, or the allocation of funds between services, hand-outs, and subsidies, are different for a state charged with social reproduction and the long term health of important private capitals. It should be recalled that the state may act to the disadvantage of individual capitals in the interests of the many capitals.

Government decisions, then, are more immediately political. In the public sector the divorce between the economic and the political is reconciled and productive decisions become more directly issues of power. The provision of social services by the state provides clients and consumers with a centralized focus in pursuit of their immediate interests, and a political lever with which to exert pressure over issues of quality, quantity, and priority. These are issues of direct struggle which are only indirectly shielded by acceptance of the norms of supply and demand which affect production and prices in markets dominated by private capitals (Nova Scotia 1962). Though it must be immediately noted that not only do economic circumstances, seen as natural occurrences, legitimate government austerity, there is a structural link between government capability in a capitalist economy and the health of that economy. While it may be expected that to the extent social use-values produced by the state are perceived to be essential, the government will be constrained to continue production (Weiler 1973: 6-7), what is essential is in fact elastic and is subject to social interpretation which in turn is profoundly affected by state pronouncements.

While the state is more free of market determinations than are individual capitals, government revenues and capacity to borrow is limited by economic conditions especially in the current situation when large deficits are deemed unacceptably inflationary. Of course, oligopolistic capitalism also liberates large corporations from some of the immediate vagaries of the market economy (Kruger 1971: 107), a condition which implies that decisions on production and marketing can be more 'rational' in the narrow economic sense. In addition, private capital operate within a sphere delimited by the political decisions of the state. It receives subsidies and operates within laws which are both facilitating and constraining. The state's ability to meet the economic demands placed upon it may be more independent than that of the corporations, and considerably more independent than that of firms located in the more fiercely competitive sector<sup>1</sup>, but it is still limited in the ability to tax and borrow by the overall condition of the economy and by its own definition of the extent of the state's role as manager of the economy.

Public sector workers are also subject to some labour market forces (Canadian Labour Congress 1957: 100). In general, salary scales are determined by rates in the private

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sector, a process which the government hoped to institutionalize with the ACTC. Government workers, however, are subject to fewer insecurities. When any single category of public workers win salary rises relative to government workers overall, there is no automatic disemployment effects similar to those that prevail in the private economy (Hodgetts *et al.* 1972: 240-241). The principle of secure employment derives from association attempts to undermine patronage practices (Frankel 1962: 127-130; Woods 1968; Carruthers 1977).

The final argument for the specificity of state employment is based on the assertion that by producing use-values, public employees 'find themselves in direct, practical, working relationships to the collective needs of society.' The object of their labour is 'visibly society as a whole'. However, as Johnston notes (1978: 8), this reproductive role is wider than the state, narrowly defined, and is also characteristic of service work producing social commodities that directly augment capital (Balfour 1972: 222-227; Arthurs). With respect to state employees, the distinction drawn above between social reproduction and the reproduction of capitalism means that any simple notion that such employees are reproductive only of capitalist relations of production -- that they necessarily form an 'ideological class' opposed to the interests of the proletariat -- should be rejected. However, much the content of necessary social requirements is coloured by their insertion into capitalist relations, the question of the provision of essential services, beyond the requirements to ameliorate the abuses of capitalism, is rooted in needs which to beyond the capitalist character of these services. Furthermore, the conception of reproduction as a whole should not be confined to certain 'functional' institutions, for by definition capitalism, as a mode of production, is itself a system of reproduction and the necessity of the propertyless to sell their labour power to capital is daily reproductive of capitalist relations. State employees, then, are enmeshed within the contradictions of the capitalist state in general, and as such they do not constitute a special 'class' interest.

While public employees are not uniquely reproductive, the fact that many of them produce social services is an important characteristic for it establishes the relationship between clients and workers. What is special in government employment is the addition of a third member of this relationship -- the taxpayer who provides revenue for the service. The difficult and at times contradictory relationship between these three categories is high-lighted most strikingly in the case of public sector strikes, and it is on the tactical use of the various interests defined by this relationship that the success or failure of such strikes often depends.

Opponents of the strike in the public service have long held that the weapon is too strong given the necessity for continuing social services and the unlimited potential of

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government monies (Gough 1978)<sup>4</sup>. Ironically, the experiences of business unionism and the economic strike have led some trade unionists to a similar bottom line conclusion: that the strike is an inappropriate weapon in government employment. Arguing that the employer is too powerful because of the absence of economic loss implied by the mere withdrawal of labour, these critics have been accused of providing a 'left' support of the abolitionist position -- a sensitive argument in the current context of debate and legislative proposals which single out the public service sector for more restrictive laws.

It is important tactically to recognize the specific difficulties faced by public sector workers in their unionization and militancy. Yet the capacity to act in pursuit of economic or social benefits is the crucial element in the securing of reforms, or in the case of the state workers particular now, maintaining their wages and benefits, and indeed their jobs. For it is not only on the winning of new demands that the power of the membership is the best expressed in direct militant action. In the current situation, with labour increasingly on the defensive, maintaining the right to strike where it exists is a crucial objective of class struggle, as is the demand to secure the right to withdraw labour where it is still denied.

### **The strike in public service**

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<sup>4</sup> In 1962 Frankel wrote that: "The strike issue, although it has sinister implications, does not figure prominently in the present state of civil service staff relations. The staff associations do not regard the strike as a necessary or desirable instrument of policy (192: 16). Kruger also predicted that the strike would continue to be unacceptable for professionals and civil servants (1971: 107).

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The effectiveness of strikes in the government and service sectors is a controversial issue, with some claiming that use of the tactic gives too much power to public employees and others arguing that strikes are of more benefit to the employers than unions. Given the direct commodity form of production in the private sector, employees can exert economic pressure by withdrawing their labour, thereby halting the production process and interrupting the accumulation of capital (Johnston 1987: 9). This basic tactic is often held to be less relevant in the public sector because the government is not hampered in the same fashion by the loss of production. This line of reasoning needs to be qualified in many respects. Certain government services are commodity-like in that they return revenue, and strikes by employees in such areas as taxation or customs and excise departments can reduce government revenue. Only in some circumstances can it be claimed that during strikes public managers maintain their revenue, which is independent of the sale of commodities, while in both sectors, employees lose wages (Abbass 1979: 2).

Further, given the fiscal problems besetting state budgets, the strike benefits the employer by saving money normally spent on wages. Public employers may cause or prolong strikes in a conscious effort to balance the budget (Katz and McDermott 1978: 11-12). In the private sector, however, employers have acted in a similar manner when inventories are high since surplus value can be realized in the absence of continued production. Strikes in the public sector, furthermore, may affect services to the public, and the state may utilize the withdrawal of this social labour to legitimate its policies in defence of the general interest when faced with the apparently sectional, divisive and selfish interests represented by the workers. Unions have discovered that many 'essential' services can be maintained on a minimally adequate level through the use of supervisory personnel, that other services can be left undone for considerable periods, and that technological advances -- including simple items like plastic garbage bags (Stolee and Robinson 1975: 5) -- make the economic strike less effective as a bargaining tactic. For these and other reasons, it has been suggested that the public sector strike has been a failure.

Alternatively, opponents of the strike in public service have argued that the weapon is too strong. Given the continuation of much government revenue during a strike, there are no serious economic restraints on the ability of public sector unions to win expensive settlements. Since the government is more free of economic restraints, hard economic facts do not dictate policy to the same extent as in the private economy where there is some semblance of an absolute 'ability to pay' which cannot be exceeded. Furthermore, since public employees provide essential services, clients will pressure the government to settle quickly, on terms more in line with worker demands, allowing their employees to make rapid advances and win new concessions which are then generalized to the private sector

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in a reversal of 'normal practices with private employees in the lead (Levi 1980: 50-51). The same pressure will effectively force governments to meet demands before a strike begins (Nova Scotia 1962). Since there is no necessary immediate rise in the price of services, given the relative independence of revenue sources, there will only be a minimal consumer reaction, although an important political consideration is the extent to which the government can link tax increases with union settlements. In addition, the labour intensive nature of most public sector work hinders the government's ability to introduce labour-saving technology. The traditional security of employees means that lay-offs are also more difficult to effect. The upshot of these arguments is that essential service strikes should be banned and legal constraints placed on the size of awards because of the absence of any effective economic constraint (Weiler 1973: 6-7).

Clearly, the reaction of the public to a services strike is logically ambivalent, and it can not be assumed at the outset whether it will take the form of a denial of the union's right to disrupt services or of support for the demands of the workers. There is no simple means to determine the attitude of the public before or during a strike. In the public sector political pressure is more immediately important in determining the outcome of collective bargaining processes. Nevertheless, it can be thought that any strike in a national economy is a public issue, has an effect on the population, and hence is subject to political pressure by the citizens. The point is that, with the split between the economic and the political in capitalist society, government disputes are seen as more immediately political. Legitimacy is a terrain of struggle and union as well as state tactics are directed to establish their rights in the public perception. The public sector strike is subject to all the contradictions of the state in capitalist society and it can have a potential of undermining the legitimacy of the government or for the state as a whole (the latter requiring other presuppositions which cannot be discussed here). However, the fact that the government is the legislator, places it in a powerful initial position for, while illegal strikes can have considerable popular support, in many cases legitimacy is affected by the legal status of the strike. By denying its employees this elementary trade union right, governments approach the question of public employee strikes with a moral position in support of the 'rights' of the majority against the 'illegal actions' of the minority. So, while government employees have won many collective bargaining rights, the right to strike is not given automatically as part of the package.

With the exception of police and fire-fighters, municipal employees in Canada have long had the right to strike under legislation similar or identical to that for the private sector (Kruger 1971: 107). Saskatchewan was the first jurisdiction to grant its civil servants the right to strike, in 1944. During the 1950s, while federal workers demanded bargaining rights, only the postal workers included the strike weapon as part of these demands<sup>50</sup>.

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The C.L.C.'s Committee on Government Employees, in arguing in favour of collective bargaining, specifically included a reference to 'arbitration when necessary' and made no mention of the strike (C.L.C. 1957: 100). This was a concession to the expressed wishes of the executives of the civil service associations since Congress policy was officially opposed to arbitration.

In 1964 Quebec became the second province to extent the right to strike to its own employees. This action was followed by the federal government in 1967 and by New Brunswick one year later. The Federal Task Force studying bargaining rights had initially recommended arbitration as the sole dispute resolution practice, but a long, relatively popular and successful strike by postal workers in 1965 was instrumental in the government's decision to include a strike option in the Public Service Staff Relations Act. The spread of the right to strike has been uneven, with Ontario, Prince Edward Island, and Nova Scotia being the only provinces which have, as yet, not granted this bargaining right.

In Canada binding arbitration has been the most common alternative to the strike. Governments opposed arbitration for their own employees at first because it infringed on the sovereignty of parliament (Hodgetts *et al.* 1972: 240-241) and because it adversely affected management prerogatives. However, this attitude changed when militant unions made arbitration an alternative to the strike which seemed especially suitable for public and essential services. The practical experience with this alternative quickly indicated many short-comings (Frankel 1962: 1270-130) from the perspective of business unionism and public managers, while militant unions rejected the practice in principle as, among other things, removing the determination of the terms of the wage contract from the employees themselves (Woods 1968; Carruthers 1977). Unionization, in and of itself, need not lead to the bureaucratization of collective bargaining, this being a political question with unions differing in their degree of democratic control or absence of such control. Any procedure which removes the determination of collective agreements from the direct influence of the workers involved diminishes the probability of internal democracy, places more power in the hands of union officials who develop vested interests of their own, and diminishes the capacity of workers to struggle in their own best interests.

Many bargaining units in the public sector lack the economic strength to carry out a traditional, economic strike in which withdrawal of labour is sufficient to induce financial penalties on an employer faced with idle capital investment, eager creditors and avaricious competitors. Where employees are in strong economic positions, the strike tactic has more success. Air Traffic Controllers have been the best example of such a group, although the action of the Reagan administration in the United States reiterates the point that a single union is only as strong as the labour movement as a whole. While they



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were highly trained and 'essential', the controllers were fired and replaced by supervisors, trainees and military personnel. Smaller units in Canada have similarly been replaced despite the legal right to strike. Police strikes are undermined by the use of R.C.M.P. patrols in the towns. The larger the union, however, the more difficult the logistics of this tactic becomes.

Recognizing the objective difficulties faced by public employee strikes is important tactically if government workers are to maintain their wages and benefits and their jobs. In the long run, the power of the membership, expressed most directly through militant job action, is essential for winning new demands over such important issues as technological change or lay-offs. In the current situation, with unions being placed on the defensive by aggressive employer tactics, maintaining the right to strike or winning this right is a crucial objective of union struggles. When strikes occur, legally or illegally, they are complicated by the contradiction of public employment. The expectation that state employees can rely on pressure from clients to demand a return or continuation of services is subject to at least two important restraints. First, the public has learned to cope with relatively lengthy service inconvenience, and second, the unity of service worker and client is a political achievement based on partly contradictory interests and relationships.

### Worker/Client Unity

The special importance of public support for government service workers has been implicit in the arguments presented above. While it is true that the relationship between government workers and the consumers of state services represent an important contradiction in the contemporary political economy, no single political orientation necessarily follows from this distinction. In fact, successful public service strikes usually depend as much on the support of the public (both clients and taxpayers) as on employee solidarity. As an important component in the outcome of class struggle, the image of public sector employees has become important for both sides. The corporate-controlled media has launched a vigorous campaign to discredit public servants, an ideology that reflects a belief that the source of difficulty lies in the unproductiveness of government workers.<sup>5</sup>

Public employees occupy all three positions: state workers, clients of some government services, and taxpayers. This complicated combination makes for considerable ambiguity in attitude. While public employees may accept the proposition

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<sup>5</sup> The distinction between services used by clients and those they only pay for and do not use can create a sense of injustice and be used to support user-pay schemes, or forms of direct commodity exchange.

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that the government must cut back on its spending, they can believe simultaneously that they are the victims of speed-up and that their specific departments are under-manned. The areas deemed appropriate for austerity measures are normatively defined. Defence is regarded as costly but necessary while welfare or unemployment benefits are seen as more acceptable targets. To the extent that discriminatory cut-backs are seen as legitimate in departments other than the individual's own, the basis of intra-service unity is lessened.

The difficulties in developing the tactical unity of differentiated government employees, private sector workers and clients are founded on the characteristics which make government employment unique. This is so even without raising the larger questions about the strategic unity of the three positions within the working class as a whole. In the short run, the success of even conventional union goals is dependent on the creative mobilization of potential support. The strategic question, however, is not a case of this support writ large, but rather depends on a host of other qualitatively different questions concerning organization and leadership which is separate from the goals of public employee unionism.

## Conclusion

The functionalist approach to the analysis of the state in capitalist society needs to be rejected in the first instance because of its absolutist posture. Without doubt, reforms won by the working class have had as one consequence the strengthening of bourgeois hegemony; they have ultimately legitimated capitalist relations of production. A class struggle approach, however, emphasises first the necessity of popular, class struggles for the achievement of reforms and the creative capacity of working class action. For the functionalists, only the ruling class acts as a social agent. By concentrating on the outcome, the functionalist approach ignores the contradictory character of reforms within the structure of capitalism and clouds the distinction between reforms and reformism. Prior to a final summation of reforms as legitimations, other important questions must be answered: Who is leading the struggle? To what extent are members of the rank and file actively involved? What are the intentions of the reformers? In the case of social democratic and most trade unionist activity, the reformist outcome is not merely an unintended consequence but is fully conscious. Yet, in principle, a programme of reforms is hardly incompatible with the building of an independent and powerful rank and file movement led by wider political initiatives. Such a movement is a prerequisite for a longer range strategy for socialism, but in the Maritimes only a minimal basis exists. By concentrating on ultimate consequences, the functionalists inadvertently imply that only a

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hegemonic working class party has any meaning, a position which ignores the immediate task.

While the social democrats and full-time trade unionists are imbued with an entrenched reformism, it remains necessary to make political alliances with them on specific issues and campaigns while maintaining a critical independence. This is an impossible order in the long run, because a militant rank and file is a threat to their influence and position. The priority is to build a militant movement, independent of the union hierarchy, which dove-tails with the necessarily prolonged emergence of a socialist party. If this path is strewn with obstacles erected by still-born ultra-left grouplets, the longer range danger is still reformism. The functionalist perception of the class basis of the state provides a necessary antidote to this disease. The state is not a neutral mechanism but is structured to serve the interests of capitalism. Nothing must detract from this fundamental insight. In Nova Scotia the links between the state and private economic interests are not qualitatively different, but are only more blatant than in other parts of the country -- witness the Michelin Bill. Nevertheless, the character of the state must not provide the basis for the class placement of all those who work for it. As would be the case for any capitalist institution, the principal antagonistic relationship is between management and labour.

Although they do not represent a distinct class interest, public employees form a 'social category' with specific short-term interests. On the one hand, the government sector is itself an arena of class conflict with the state acting in its capacity of management. The public employee alienates his labour as does any other worker. On the other hand, the specific conditions of state work, especially in its service capacity, generate a contradictory set of interests, expectations and actions which have induced among civil servants the service ethic and a belief in the neutrality of the state. In no way can the argument be sustained that public employees have a fundamentally antagonistic interest vis-a-vis the privately employed working class. Neither of the arguments based on the reproductive role of public sector workers is valid: that government workers reproduce capitalism and therefore have interests opposed to the proletariat, or that public employees are inherently more progressive because they are reproductive of 'society as a whole'. The contradiction of public service work are more complicated than those assumed by either of these perspectives.

Of these two positions the former is immediately more problematic. The presumed reactionary character of government employees implies the divergence of the class interests of private and public sector workers, which is an unwarranted generalization from the class character of the capitalist state. This position directly opposes one of the important progressive demands of the period: the unity of public and private sector

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workers and the necessity for winning or maintaining the right to strike in the public sector. Such a coalition must be based on the unity of interests of the working class as a whole, an interest which nevertheless is in part contradicted by the characteristics of public sector work. Given this constellation, the role of creative leadership is essential in fostering the progressive potential inherent in a contradictory position while simultaneously minimizing the effects of the negative aspect of the contradiction.

The great economic celebration has been dramatically replaced by a reactionary 'realism' and a new potential for radical social movements. The contradictions inherent in the neo-Keynesian manipulations performed by the governments of the advanced capitalist states have precipitated a social crisis reminiscent of the depression of the '30s. The conservative response has been no less than a return to classical principles, to the remedy of the business cycle as the mechanism to restore prosperity. Whether this is practically possible, as the supply-side economists claim, is a controversial question and Baran and Sweezy may be right that the normal condition of monopoly capitalism is stagnation. The question whether a deep depression is politically possible is at least as difficult to answer, and the conservative government in Britain, for example, may yet be forced to implement that u-turn in economic policies which has long been anticipated. While union members face a sharp decline in their living standards, it is the unemployed, the newly arrived immigrants and the unorganized with the least protection who occupy the front lines of repression and who have reacted with spontaneous violence in Britain. In the absence of effective and organized left leadership, however, this will only reinforce the 'solution' of the radical right.

Given the increasing involvement of the state in the economic management of the economy, with government intervention being the principal internal source of the contemporary crisis, the public sector has become one focus of the contradictions of advanced capitalism. The policy of restraint and austerity usually begins and sometimes ends with the state sector. The economic base to support the level of services and benefits which have become normal and expected has been undermined by a diminishing tax base, by the refusal of private corporations to pay increased revenue and by the political decision to restrict deficit financing and balance the budget. Public employees bear much of the brunt of this ruling class pressure and face the immediate prospect of more wage cuts, repressive legislation and lay-offs. The battle to preserve the right to strike is one of the key issues which public workers face. At the same time, their position in the political economy of monopoly capitalism places them in an ambivalent relationship with private sector workers, clients of state services and taxpayers. The policy of contracting-out work in government institutions to private companies is a particularly insidious tactic aimed at isolating public workers from other members of their class.

## Contradictions of Public Employee Unionism

It is the manifestation of the current crisis in the state which has propelled government employees in the direction of militant trade unionism. Since the late 1960s the focal point of the contradictions of advanced capitalism has been in the state sector, and during the first half of the seventies, so too had been the centre of worker resistance. Since the experience of wage controls in Canada, the public worker has come under a sustained employer offensive aimed at a minimum to re-establish the traditional disparities, and aimed in the longer run to 'discipline' government unions. While public employees remain the most visibly militant body of workers in the country, relative to the organized part of the labour force they do not hold their own.

The gap between militant potential, determined by the selective effects of specific crises, and the actual strike statistics is partly brought about by the large non-manual component of state employment -- although clerical workers, for example, are more ready to strike than even five years ago -- partly by the consciously organized repression, and partly by the contradictions of government employment itself. Working for the state is different; essential service strikes are problematic; worker/client unity is a skilled political creation rather than merely a given on the basis of mutual interests in maintaining quality services. The threat of cut-backs, or indeed the elimination of programmes, especially in the less developed regions of the country dependent on federal transfer payments, provides the potential for a recognition of mutual interests and for the development of citizen-union coalitions on specific issues. This pre-supposes, however, a militant labour movement which is as yet not in existence. Instead, conservative responses predominate, including tripartite consultations, negotiated redundancies and acquiescence on the face of the 'economic necessity' of retrenchment. It is among some of the public sector unions in Canada that there remains a glimmer of progressive, militant unionism. Ultimately only when there is a militant movement originating from the shop and office floors capable of uniting workers in the public and private sectors -- a movement that is independent of the union hierarchy and guided by wider political initiatives and leadership -- will the potential for radical change inherent in the social crisis be realized.

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