



Auto Negotiations

Pattern bargaining yields gains for workers

Collective bargaining in Canada addresses a wide range of social issues, in addition to those of basic wages and working conditions. Against a backdrop of weak legislation around hours of work, time off, health and safety and income protection for the unemployed and inadequate public pensions and health care coverage, collective bargaining has served to build on minimum conditions, raise standards for workers and push for new solutions on emerging issues.

Negotiations in Canada's auto industry are conducted for each unionized company at the national level, typically every three years. Separate master collective agreements for General Motors, Ford and Chrysler establish common wages, basic working conditions and benefits. Plant-by-plant local issues are negotiated at the same time, and address specific working conditions.

Bargaining goals will be set at the union's Constitutional and Collective Bargaining Convention, taking place this year in Toronto August 20-24 at the Sheraton Centre. After preliminary discussions, one company is chosen as the target and will be the focus of collective bargaining efforts. The target is normally announced after Labour Day.

A deadline is established and after the deadline a strike could commence, if an agreement cannot be reached. The last strike at the one of the auto companies occurred in 1996 at General Motors, around outsourcing and work ownership language. The strike lasted three weeks, along with a plant occupation in Oshawa.

Once an agreement is reached it is brought for ratification to the full membership. If the agreement is successfully endorsed, bargaining will commence with the next company (as selected by the union). The terms and conditions negotiated in the first agreement serves as a pattern for subsequent rounds of negotiations.

In 2008, going into negotiations, the auto companies demanded two-tier wage structures which they had successfully obtained in the United States, in addition to a number of other cuts. The CAW determinedly resisted this downward pressure. The auto industry was already in the midst of a difficult downturn. The CAW commenced negotiations earlier than usual, picking Ford as the target.

Although successful in resisting major concessions, the negotiations also brought very bad news - the announced closure of the General Motors Transmission plant in Windsor, as well as Ford's St. Thomas Assembly plant. General Motors also announced the closure of its Oshawa Truck plant only two weeks after signing the new contract, resulting in a 12-day blockade of GM's Canadian headquarters.

In 2009, the CAW was forced back into negotiations with the auto companies as General Motors and Chrysler faced bankruptcy. Thanks, in large part, to government loan support and the sacrifices made by both active and retired workers, the companies have since recovered.

Today, Canada's production share of overall North American sales has actually increased since the global financial crisis and resulting recession. Output and exports have partly rebounded. Vehicle sales are growing, suggesting more opportunity (and huge corporate profits) in the years ahead.