

## ARTICLE

# Organized Labour, Campaign Finance, and the Politics of Strategic Voting in Ontario

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IN THE LAST TWENTY YEARS, unions in Ontario have become increasingly active in electoral politics. The nature of that electoral activity, however, has shifted in significant ways over the course of the last six provincial elections. For example, during the 1995 Ontario provincial election campaign, 96 per cent of all union contributions to political parties, candidates, and riding associations went to the New Democratic Party (NDP), organized labour's traditional electoral vehicle. By 2003, however, the Ontario Liberal Party had eclipsed the provincial NDP as the primary recipient of union campaign contributions. In the three election campaigns that followed, unions donated unprecedented amounts to both the NDP and the Liberals as unions increasingly embraced multi-partisan strategic voting tactics in an effort to block the election of anti-union Progressive Conservative (PC) candidates.

This article is concerned with explaining the changing landscape of union approaches to electoral politics and party-union relations in Ontario. It is clear that a growing number of unions have abandoned exclusive electoral alliances with the social democratic NDP in the context of growing union support for strategic voting. We demonstrate this trend through an analysis of campaign finance data coupled with secondary literature on unions and electoral politics. Specifically, we argue that unions' increased level of participation in Ontario election campaigns has been driven primarily by a focus on electoral harm reduction in the form of anti-Conservative, multi-party strategic voting. Nowhere is the shift towards strategic multi-partisanship more evident than in the realm of campaign finance. While strategic political spending and strategic voting campaigns are two different things, they are also inextricably linked in terms of unions' overall electoral strategies. Union campaign contributions

in Ontario provincial elections have increasingly been deployed tactically in an effort to support strategic voting campaigns designed to block the election of PC candidates.

Union campaign contribution data used in this article was retrieved from Elections Ontario. The authors manually calculated totals by combining campaign finance data during election periods using three separate collections of financial statements for each election campaign dating back to 1995: *CR-1 Candidate Campaign*; *CR-3 Constituency Association*; and *CR-4 Political Party*.<sup>1</sup> After extracting relevant data from each individual constituency association and candidate campaign statement, we combined that data with the total direct union contributions to political parties in order to uncover the clearest possible picture of union political financing activity during campaign periods, recognizing that money flows not just to central party coffers, but also to local candidates and constituency associations. We also relied on TPAR-1 financial statements, which document third-party campaign spending (available since the 2007 provincial election), in order to demonstrate how unions have exploited other avenues for influencing election outcomes. We begin our analysis with the 1995 provincial election, which saw the Harris Conservatives sweep the NDP from power. This was a watershed election for the labour movement in terms of political strategy because it set the stage for strategic voting to emerge as the dominant electoral tactic employed by unions in each successive campaign. We focus exclusively on campaign periods in order to capture how unions engage with parties and individual candidates during these intense electoral events when the stakes are highest and political interest is at its peak.

Dubbed the “Wild West of fundraising” by *Toronto Star* columnist Martin Regg Cohn,<sup>2</sup> Ontario’s campaign finance rules came under intense fire in 2016 after Cohn exposed fundraising schemes and loopholes that, while completely legal, cast doubt on the integrity of the province’s political system. Before sweeping reforms to the system were tabled in October 2016 in response to Cohn’s investigation, the law stipulated that in any given year, individuals, corporations, and unions could contribute up to \$9,975 to registered political parties. On top of this amount, donors could contribute an additional \$1,330 to individual constituency associations, as long as contributions from a single donor to multiple constituency associations did not exceed \$6,650.<sup>3</sup> In effect, the rules afforded individuals, unions, and corporations with the opportunity to donate up to \$16,625 per year. Moreover, the province’s *Election Finances*

1. The financial statements were accessed through the Elections Ontario website as well as in person.

2. Martin Regg Cohn, “Escalating Fundraising Demands Part of ‘the System’ at Queen’s Park: Cohn,” *Toronto Star*, 29 March 2016, <https://www.thestar.com/news/queenspark/2016/03/29/escalating-fundraising-demands-part-of-the-system-at-queens-park-cohn.html>.

3. Election Finances Act, *Revised Statutes of Ontario* 1990, c. E.7, historical version for the period June 1, 2011 to December 2, 2015, <https://www.ontario.ca/laws/statute/90e07>.

*Act* permitted donors to treat campaign periods as an additional calendar year, thereby providing an opportunity to contribute an additional \$16,625.<sup>4</sup> In short, during election years, registered political parties could effectively receive \$33,250 in contributions from an individual, union, or corporation. To compound matters further, these comparatively large sums could be made even larger by exploiting regulatory loopholes in the law. For example, the act allowed corporate subsidiaries and union locals to contribute as separate legal entities, thereby providing donors with multiple opportunities to donate the maximum amount.<sup>5</sup>

Beyond direct contributions to parties, candidates, and constituency associations, Ontario also had no limit on third-party advertising. Third parties, defined as any “entity who is not a registered candidate, political party, or constituency association,” could secure donations and spend on political advertisements without limits during Ontario elections.<sup>6</sup> Unions in the province have increasingly taken full advantage of these lax third-party political activity rules.<sup>7</sup>

In contrast, campaign contributions from unions and corporations to political parties at the federal level in Canada have been banned since 2006. As of 2017, individuals could donate a maximum of \$1,550 to federal political parties and an additional \$1,550 to all candidates or constituency associations.<sup>8</sup> Moreover, third parties are subject to strict election advertising expense limits during federal election campaigns. For example, a third party can spend a base limit of \$150,000 during a campaign and, of that amount, no more than a base limit of \$3,000 can be used to promote or discourage voting for a specific candidate in a local constituency race.<sup>9</sup> Much of the third-party campaign advertising in Ontario over the last fifteen years has been not so subtly designed to encourage strategic voting for non-PC candidates. Since 1999, these efforts, bankrolled by labour unions, have become an increasingly important feature of Ontario election campaigns.

4. Election Finances Act, *Revised Statutes of Ontario* 1990, c. E.7.

5. Martin Regg Cohn, “How Ontario Cabinet Ministers Moonlight for Money: Cohn,” *Toronto Star*, 12 January 2016, <https://www.thestar.com/news/canada/2016/01/12/how-ontario-cabinet-ministers-moonlight-for-money-cohn.html>.

6. Ontario, *The Ontario Gazette*, 144-31 (30 July 2011): 2599, accessed 22 July 2017, <https://files.ontario.ca/books/144-31.pdf>.

7. Adrian Morrow, “Ontario Teachers’ Unions Backed Provincial Liberal Campaigns,” *Globe & Mail*, 26 October 2015, <http://www.theglobeandmail.com/news/national/education/teachers-union-payouts-an-investment-ontario-minister-says/article26983218/>.

8. Elections Canada, *Limits on Contributions*, accessed 12 July 2017, <http://www.elections.ca/content.aspx?section=pol&document=index&dir=lim&lang=e>.

9. Elections Canada, *Third Party Advertising Expenses Limits*, accessed 12 July 2017, <http://www.elections.ca/content.aspx?section=pol&document=index&dir=thi/limits&lang=e>.

## Strategic Voting and the Crisis of Social Democratic Electoralism

THE PHENOMENON OF STRATEGIC voting predates modern social sciences. While not explicitly labelled “strategic voting” or tied to any specific voting system, social inquiry into the strategic dimensions of elections can be traced back to ancient Rome and the writings of Pliny the Younger.<sup>10</sup> In contemporary political science, the study of strategic voting emerged out of the work of Maurice Duverger and his observation that single-member plurality voting systems favour and tend to produce two-party systems.<sup>11</sup> Most formal explanations of “Duverger’s Law” rely on strategic voting.<sup>12</sup> Blais, Nadeau, Gidengil, and Nevitte define a strategic vote as “a vote for a party (candidate) that is not the preferred one, motivated by the intention to affect the outcome of the election” and explain that “this definition drives home the idea that a strategic vote is based on a combination of preferences and of expectations about the outcome of the election and on the belief that one’s vote may be decisive.”<sup>13</sup>

Ontario offers an interesting case study for students of strategic voting. Seemingly contrary to Duverger’s Law, the province’s single-member plurality voting system has not produced a typical two-party system. Since 1985, each of the three main parties (Liberal, PC, and NDP) has formed government and official opposition, although the NDP has been in the third-party position since 1995.

There is a growing literature on strategic voting in the Canadian context concerned with gauging whether or not it actually occurs and at what rate.<sup>14</sup> Individual studies have concluded that strategic voting on an individual basis might not be as widespread in Canada as is popularly believed.<sup>15</sup> This research demonstrates that voters who support minor parties like the NDP might have a distorted view of their preferred party’s chance of winning, or may truly

10. Gary Cox, *Making Votes Count: Strategic Coordination in the World’s Electoral Systems* (Cambridge: Cambridge University Press, 1997), 69.

11. Maurice Duverger, *Political Parties* (London: Lowe and Brydone, 1954).

12. William H. Riker, “The Two-Party System and Duverger’s Law: An Essay on the History of Political Science,” *The American Political Science Review* 76, 4 (1982): 753–766; Thomas Fujiwara, “A Regression Discontinuity Test of Strategic Voting and Duverger’s Law,” *Quarterly Journal of Political Science* 6, 3–4 (2011): 197–233.

13. André Blais, Richard Nadeau, Elisabeth Gidengil, and Neil Nevitte, “Measuring Strategic Voting in Multiparty Plurality Elections,” *Electoral Studies* 20, 3 (2001): 343.

14. William A. Cross, Jonathan Malloy, Tamara A. Small, and Laura B. Stephenson, *Fighting for Votes: Parties, the Media, and Voters in an Ontario Election* (Vancouver: University of British Columbia Press, 2015), 171–173; Tim Fowler, “Coordinated Strategic Voting in the 2008 Federal Election,” *American Review of Canadian Studies* 42, 1 (2012): 21–22.

15. Blais, Nadeau, Gidengil, and Nevitte, “Measuring Strategic Voting,” 345; André Blais and Richard Nadeau, “Measuring Strategic Voting: A Two-Step Procedure,” *Electoral Studies* 15, 1 (1996): 39–52; Jennifer Merolla and Laura Stephenson, “Strategic Voting in Canada: A Cross Time Analysis,” *Electoral Studies* 26, 2 (2007): 235–246.

believe that a vote for a third party can produce objective benefits in the form of influencing the policy direction and priorities of major parties in government. Others have simply argued that a vote for a third party can be justified as a protest vote.<sup>16</sup> In a union context, Jansen and Young have argued that labour leaders' "shared ideological commitment" to social democracy explains their enduring ties to the NDP, while Pilon, Ross, and Savage have argued that the relationship between labour and the NDP is in fact much more complex and variable.<sup>17</sup>

Recent Canadian research on strategic voting has revolved around the theoretical practicality of the tactic and whether it can have broad success if orchestrated at a community level as opposed to an individual one.<sup>18</sup> Labour unions have figured prominently in recent studies as a key electoral stakeholder promoting strategic voting. Contemporary union-led strategic voting campaigns are employed in order to prevent vote splitting among non-Conservative parties. As such, these campaigns have been understood as "ABC" or "Anything-but-Conservative" movements,<sup>19</sup> with most of the scholarly attention focused on organized labour's role in promoting such strategies. The tactic has often been misunderstood as a "vote Liberal" strategy.<sup>20</sup> Organized labour's approach, however, has been more complex. Although strategic voting typically takes the form of voting Liberal in ridings where the Conservatives are competitive and the New Democrats are weak, unions that have adopted strategic voting policies also typically advocate voting NDP in ridings where the party is competitive.

The findings in the literature are mixed but do point to a lack of evidence that union-led strategic voting campaigns have been successful. In separate studies

16. Merolla and Stephenson, "Strategic Voting in Canada," 245; André Blais and Mathieu Turgeon, "How Good Are Voters at Sorting Out the Weakest Candidate in Their Constituency?," *Electoral Studies* 23, 3 (2004): 458.

17. Harold Jansen and Lisa Young, "Solidarity Forever? The NDP, Organized Labour, and the Changing Face of Party Finance in Canada," *Canadian Journal of Political Science* 42, 3 (2009): 657–678; Dennis Pilon, Stephanie Ross, and Larry Savage, "Solidarity Revisited: Organized Labour and the New Democratic Party," *Canadian Political Science Review* 5, 1 (2011): 20–37.

18. Thomas Scotto and Frank LaFone, "A Possible Case of Strategically Targeted Strategic Voting?" Unpublished paper, CPSA annual meeting, York University, 2006; Henry Jacek and Brian Tanguay, "Can Strategic Voting Beat Mike Harris?" *Inroads: A Journal of Opinion* 10 (2001): 55; Fowler, "Coordinated Strategic Voting," 20–33; Larry Savage, "Organized Labour and the Politics of Strategic Voting," in Stephanie Ross and Larry Savage, eds., *Rethinking the Politics of Labour in Canada* (Halifax: Fernwood, 2012), 75–87; Brian Tanguay, "Parties, Organized Interests, and Electoral Democracy: The 1999 Ontario Provincial Election," in William Cross, ed., *Political Parties, Representation, and Electoral Democracy in Canada* (Toronto: Oxford University Press, 2001), 145–160.

19. Fowler, "Coordinated Strategic Voting," 22–24.

20. Yonatan Reshef and Sandra Rastin, *Unions in the Time of Revolution: Government Restructuring in Alberta and Ontario* (Toronto: University of Toronto Press, 2003).

of the 1999 Ontario provincial election, Scotto and LaFone and Tanguay conclude that it is difficult to gauge whether the coordination of strategic voting successfully altered individual voters' behaviour.<sup>21</sup> Savage goes a step further in his study of unions and strategic voting, concluding that union-led campaigns between 1999 and 2011 have not only been unsuccessful on the whole but have resulted in a severe watering down of organized labour's independent political vision.<sup>22</sup>

It is also important to look at the relative influence of such campaigns on the voting intentions of unions members. Studies of the 1965, 1968, 1974, and 1979 federal elections revealed that union membership did indeed influence individual voting behaviour, with union members twice as likely as non-union members to vote NDP.<sup>23</sup> Members of unions affiliated with the NDP were three times as likely to vote NDP. Still, even though union membership increased the likelihood of an NDP vote, more union members continued to vote Liberal than NDP in these campaigns, and this was the case even for unions affiliated to the NDP. In a more recent study of the 2011 Ontario provincial election, Cross, Malloy, Small, and Stephenson found that union households were more likely than the general population to vote Liberal or New Democrat but less likely to vote PC.<sup>24</sup>

We situate growing union support for multi-partisan strategic voting within the broader context of neoliberal restructuring and the global crisis in social democratic politics. We argue that some unions traditionally loyal to the NDP have come to embrace the tactic of strategic voting as primarily a form of electoral harm reduction – an effort to shield union members from the worst features of neoliberal public policy. Much of the literature on unions and electoral politics points to a crisis in social democratic electoralism as an explanation for the aggravated tension between labour unions and their traditional political allies.<sup>25</sup> Social democratic parties across the advanced capitalist world have undergone significant changes, re-evaluating their relationships with organized labour and abandoning long-held beliefs in order to acclimate their policy programs to a neoliberal globalized economy.<sup>26</sup> In the case of Ontario, strategic voting has been both a product and a cause of labour

21. Scotto and Lafone, "A Possible Case of Strategically Targeted Strategic Voting?," 8–9; Tanguay, "The 1999 Ontario Provincial Election," 155.

22. Savage, "Organized Labour and the Politics of Strategic Voting," 75–87.

23. Keith Archer, "The Failure of the New Democratic Party: Unions, Unionists and Politics in Canada," *Canadian Journal of Political Science* 18, 2 (1985): 357.

24. Cross, Malloy, Small, and Stephenson, *Fighting for Votes*, 172.

25. Adam Przeworski and John Sprague, *Paper Stones: A History of Electoral Socialism* (Chicago: University of Chicago Press, 1986).

26. Gerassimos Moschonas, *In the Name of Social Democracy: The Great Transformation, 1945 to the Present* (London: Verso, 2002).

party friction. While some unions have complained that the NDP's relatively low levels of public support have rendered it a weak vehicle for progressive political change, many NDP activists have accused these same unions of contributing to the party's poor electoral performance through their continued, unprincipled, and short-sighted promotion of strategic voting.<sup>27</sup>

Although many on the social democratic left have criticized union strategic voting campaigns for bolstering Liberals at the expense of the NDP, New Democrats themselves bear some of the responsibility for the emergence of such campaigns. The experience of NDP governments in Ontario and other provinces has clearly demonstrated the limits of social democracy, thus throwing into question the utility of a labour-NDP electoral alliance.<sup>28</sup> In the words of Greg Albo, "We get neoliberalism even when we elect social democratic governments."<sup>29</sup> Seemingly facing political dead ends in every electoral direction, it is hardly surprising that some unions, lacking both the capacity and the will to think or act politically outside the realm of party politics, have opted for the pragmatic instrumentalism of strategic voting in an attempt to mitigate the damage done to them by governments advancing neoliberal restructuring agendas.<sup>30</sup>

Former Canadian Auto Workers Union (CAW) President Buzz Hargrove has described the traditional social democratic party-union relationship as follows: "The traditional union approach to the NDP, in English Canada at least, had been to view the party as an extension of trade union goals and values into the political arena, and for many years leaders from the shop floor to the union executive offices were NDP party agitators. Political action committees in the CAW and elsewhere were considered branches of the NDP."<sup>31</sup> However, the relationship between the labour movement and the NDP has undergone significant change over the course of the last few decades. Beginning in the mid-1970s, the Keynesian post-war compromise progressively unravelled amid slowed growth and rising inflation. As a result, the traditional social democratic policy prescriptions of full employment, public ownership, and welfare state expansion began to lose favour, leaving a significant ideological vacuum to be filled by the neoliberal right. The rise of neoliberalism, most closely associated with the right-wing anti-union politics of US President Ronald Regan and British Prime Minister Margaret Thatcher, emboldened Canadian federal and provincial governments of every political stripe (including NDP provincial

27. Savage, "Organized Labour and the Politics of Strategic Voting," 76.

28. Bryan Evans, "The New Democratic Party in the Era of Neoliberalism," in Ross and Savage, eds., *Rethinking the Politics of Labour in Canada*, 51-58.

29. Greg Albo, "Neoliberalism, the State and the Left," *Monthly Review* 54, 1 (2002): 47.

30. Savage, "Organized Labour and the Politics of Strategic Voting," 76.

31. Buzz Hargrove, *Laying it on the Line: Driving a Hard Bargain in Challenging Times* (Toronto: HarperCollins, 2009), 116.

governments) to lead an assault on union freedoms designed to weaken the collective strength of the labour movement.<sup>32</sup> Both union and non-union workers felt the brunt of the macroeconomic policies implemented by the neoliberal governments that swept to power in the late 1970s and 1980s in advanced capitalist democracies. Specifically, governments promoted free trade, cut public services, increased interest rates, implemented wage controls, and ushered in an era of job insecurity.<sup>33</sup>

Initially, organized labour in Canada and in Ontario responded to this challenge by maintaining its electoral alliance with the NDP. However, neoliberal globalization, and the new right-wing economic imperatives that accompanied it, forced social democratic parties like the NDP to reassess their own political projects. Ill-equipped to resist the ascendancy of neoliberalism as a political project, the NDP shifted to the political centre, particularly in provinces where it was competitive to form government, jettisoning key components of the social democratic project of full employment and welfare state expansion.<sup>34</sup> In Ontario, the NDP government's decision to address the province's growing debt and deficit by adopting an approach known as the Social Contract – a fiscal austerity program which rolled back wages and suspended collective bargaining rights in the public sector – was met with fierce opposition by public sector unions and had repercussions for union-party relations across the country.<sup>35</sup> McBride describes the passage of the Social Contract as a “paradigmatic event,” and Panitch and Swartz argue that the law “shattered the confidence of the trade unions in their central political strategy: electing NDP governments.”<sup>36</sup> The combination of coercive means to bypass negotiated collective agreements and the embrace of the neoliberal logic of deficit reduction through public sector contraction clearly exposed how far the NDP had drifted from its social democratic roots. In short, the NDP's significant political and economic shift to the centre alienated some segments of the labour movement and led to a re-evaluation of the traditional link between organized labour and NDP.

These party-union divisions have, in turn, led to a significant fragmentation in the electoral approach of unions in Ontario. While some unions (in particular the United Steel Workers [USW] and the International Association

32. Leo Panitch and Donald Swartz, *From Consent to Coercion: The Assault on Trade Union Freedoms* (Toronto: Garamond Press, 2003), 25–44.

33. Moschonas, *In the Name of Social Democracy*, 181–188.

34. Evans, “The New Democratic Party in the Era of Neoliberalism,” 51–58.

35. Panitch and Swartz, *From Consent to Coercion*, 172–181; Hargrove, *Laying it on the Line*, 120.

36. Stephen McBride, “If You Don't Know Where You're Going You'll End Up Somewhere Else: Ideological and Policy Failure in the Ontario NDP,” in William Carroll and R.S. Ratner, eds., *Challenges and Perils: Social Democracy in Neoliberal Times* (Halifax: Fernwood, 2005), 35; Panitch and Swartz, *From Consent to Coercion*, 178.

of Machinists and Aerospace Workers) have remained steadfast allies of the NDP, others (most notably the Service Employees International Union, teachers' unions, building and construction trades unions, and Unifor – formed as a result of a merger between the CAW and Communications, Energy and Paperworkers Union in 2013) have entered into strategic multi-partisan alliances that have primarily benefitted the Ontario Liberal Party.

Admittedly, New Democrats have never had universal support from labour unions and their members. Labour support for the NDP was always strongest among blue-collar industrial unions. Most unions representing the building and construction trades were historically lukewarm, if not hostile, to NDP policy positions ranging from free trade to the environment.<sup>37</sup> Additionally, well into the 1990s, important segments of the public sector union movement, with the notable exception of the Canadian Union of Public Employees (CUPE), remained stubbornly non-partisan.<sup>38</sup> Moreover, public sector unions were alienated from the NDP as a result of the Social Contract. It is therefore not surprising to learn that teachers' unions and building and construction trades unions, both hyper-politicized by the anti-union Common Sense Revolution of the Mike Harris PC government, were the first labour organizations to embrace an *ad hoc* electoral alliance with the Ontario Liberals in an effort to defeat the PC government. In short, for these unions, embracing the Liberals did not require abandoning the NDP.

### Unions and Electoral Politics in Ontario: 1995–2014

THE INCREASING POPULARITY of strategic voting among unions in Ontario has severely eroded the longstanding political alliance between important sectors of the labour movement and the NDP and is gradually changing the landscape of party-union relations. Ontario offers an important case study for researchers interested in labour and electoral politics. Union involvement in Ontario provincial elections has increased dramatically over the course of the last few decades, especially in terms of campaign contributions. Since winning campaigns are, or at the very least are thought to be, dependent on money,<sup>39</sup> union-party financial flows are important indicators of political support. While one might expect that increased union activity would have a positive impact on the social democratic NDP, such union activity has, in fact, disproportionately benefitted the Ontario Liberal Party.

37. Stephanie Ross, Larry Savage, Errol Black, and Jim Silver, *Building a Better World: An Introduction to the Labour Movement in Canada*, 3rd ed. (Halifax: Fernwood, 2015), 119.

38. Larry Savage and Charles W. Smith, "Public Sector Unions and Electoral Politics in Canada," in Stephanie Ross and Larry Savage, eds., *Public Sector Unions in the Age of Austerity* (Halifax: Fernwood, 2013).

39. Munroe Eagles, "The Effectiveness of Local Campaign Spending in the 1993 and 1997 Federal Elections in Canada," *Canadian Journal of Political Science* 37, 1 (2004): 119–120.

After the Ontario NDP government's defeat in the 1995 provincial election, the province's labour movement, momentarily disillusioned with electoral politics, sought to build alliances with progressive community organizations and social movements as part of a broad-based coalition in opposition to the neoliberal policies of the new Progressive Conservative government of Mike Harris. The Harris government initiated spending cuts and public sector layoffs, reduced social assistance rates, and rolled back union rights and freedoms, repealing the previous government's anti-scab law and other pro-union labour law reforms.<sup>40</sup>

In protest, between 1995 and 1998, organized labour and its allies launched a series of rotating general strikes across the province, known as the Days of Action. The one- to two-day protests were designed to send a message to the Harris government that its neoliberal agenda would not go uncontested.<sup>41</sup> The CAW and many of the public sector unions that had resisted the NDP government's Social Contract took a leadership role in organizing the Days of Action and opposed the Ontario Federation of Labour's (OFL) controversial decision to jettison the rotating protests in favour of reconciliation with the NDP in the run-up to the 1999 provincial election.<sup>42</sup> The OFL's decision to pull the plug on the Days of Action had the effect of pushing unions back into the electoral arena, but not necessarily into the arms of the NDP. While most industrial unions and CUPE Ontario decided to give the NDP a second chance, another group of unions, cognizant of the fact that the party was performing poorly in public opinion polls, came together under the umbrella of the Ontario Election Network (OEN) in an effort to promote strategic voting as a way of defeating the Harris government.<sup>43</sup> The Network, made up of teachers' unions, the CAW, the Ontario Public Service Employees' Union (OPSEU), the Ontario Nurses' Association, and the building trades unions, took the position that defeating the Harris Conservatives was labour's first electoral priority. The OEN targeted twenty-six key swing ridings, endorsing fourteen Liberals and twelve NDP candidates. In the words of OPSEU President Leah Casselman, "strategic voting means voting NDP in strong NDP ridings, voting Liberal in strong Liberal ridings, and defeating Tories in both."<sup>44</sup>

40. Panitch and Swartz, *From Consent to Coercion*, 190.

41. Reshef and Rastin, *Unions in the Time of Revolution*, 133.

42. James Turk, "Days of Action: Challenging the Harris Corporate Agenda," in Nere St-Amand, Diana Ralph, and Andre Regimbald, eds., *Open for Business, Closed to People: Mike Harris' Ontario* (Halifax: Fernwood, 1997), 167–172.

43. Reshef and Rastin, *Unions in the Time of Revolution*, 166–182; Tanguay, "The 1999 Ontario Provincial Election," 145–164.

44. As cited in Larry Savage, "The Politics of Labour and Labour Relations in Ontario," in Cheryl N. Collier & Jonathan Malloy, eds., *The Politics of Ontario* (Toronto: University of Toronto Press, 2016), 302.

Participation in the OEN was highly divisive within the labour movement, especially among unions traditionally loyal to the NDP. While there was virtual unanimity within the labour movement on the need to defeat the Tories, union activists were sharply divided over strategy. The CAW publicly butted heads with the USW and CUPE leading up to, during, and following the election.<sup>45</sup> While many long-time NDP activists in the labour movement were prepared to forgive the party for its past sins, others complained that the NDP would simply split the “non-right” vote and allow the Harris Tories to be re-elected.<sup>46</sup> These divisions drove an unprecedented number of union dollars into the coffers of the Ontario Liberal Party. Indeed, union contributions to the party, its candidates, and constituency associations spiked from just \$8,150 during the 1995 provincial election to a whopping \$411,348 in the 1999 provincial election. This amount represented 41 per cent of all union dollars donated during the campaign.<sup>47</sup> The NDP still fared better than the Liberals on the union donation front, fundraising \$568,254 from labour organizations, but the party’s virtual monopoly on union money was clearly shattered as a result of labour-backed strategic voting initiatives.<sup>48</sup>

Despite the defeat of a couple of high profile PC cabinet ministers, the OEN’s strategic voting campaign was largely regarded as a failure because of its inconclusive effects on voting patterns.<sup>49</sup> Not only did the campaign fail to defeat the Harris government, but the Tories were returned to power with an even larger share of the popular vote than in 1995, and the NDP lost official party status. Unrepentant, CAW President Hargrove argued that if just a few thousand more voters had bought into the strategic voting campaign, the Liberals would have defeated the Tories and “we would have had a minority government with our party [the NDP] in control of the agenda.”<sup>50</sup>

The Tories did not let up in their second term, gutting the *Employment Standards Act*, making pro-employer changes to the Workers’ Compensation Board, and introducing new legislation requiring employers to post information in unionized workplaces on how to decertify a union. By the end of the government’s second term, union density had dropped from 32.1 per cent in

45. Reshef and Rastin, *Unions in the Time of Revolution*, 169.

46. Canadian Auto Workers (CAW), “CAW Activists Discuss Strategy to Defeat Harris,” *Contact*, 15 November 1998; Reshef and Rastin, *Unions in the Time of Revolution*, 168.

47. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995 and 1999 Ontario General Elections).

48. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (1995 and 1999 Ontario General Elections).

49. Tanguay, “The 1999 Ontario Provincial Election,” 155; Reshef and Rastin, *Unions in the Time of Revolution*, 177.

50. CAW, “Elections and Political Action,” *Contact*, 13 June 1999.

1995 to 28.3 per cent in 2003, and real average weekly wages dropped by 0.4 per cent despite an economic growth rate of 3.7 per cent during the same period.<sup>51</sup>

In the run-up to the 2003 provincial election, under the banner of the newly formed Working Families Coalition, the CAW joined forces with building and construction trades unions and teachers' unions to launch a major third-party anti-Conservative advertising blitz.<sup>52</sup> The coalition officially registered as a third party with Elections Ontario and amassed an impressive war chest with which to defeat the Tories, now led by Ernie Eves. The money spent on the anti-PC ads was above and beyond the union dollars donated to the Liberals, their candidates, and their constituency associations. In total, the party collected \$690,843 from unions, far outpacing the NDP, which collected just \$448,204 from unions (a significant drop from 1999).<sup>53</sup> The Liberals eclipsed the NDP's union donation total for the first time in history, collecting 60 per cent of all union dollars donated during the campaign. Riding a wave of anti-PC sentiment and an unprecedented level of union support, Dalton McGuinty's Liberals handily defeated the PC government.

From the outset, the McGuinty Liberals styled themselves as a government that would reinstitute a sense of labour peace in the province.<sup>54</sup> On the labour relations front, the McGuinty government reversed some (but by no means all) of the previous government's anti-union labour law reforms.<sup>55</sup> Perhaps unsurprisingly, the government's most ambitious forays into the labour relations arena primarily benefitted those segments of the labour movement that had most strongly backed the Liberals through strategic voting initiatives and the Working Families Coalition. The Liberals skilfully locked down ongoing support from teachers' unions by achieving labour peace in the education sector. For their part, building and construction trades unions, the key actors in the Working Families Coalition, were rewarded with the restoration of card-based union certification on construction sites. In effect, the Liberals proved willing partners in a functional *quid pro quo* relationship with the major unions associated with the Working Families Coalition.<sup>56</sup> Union support for the government, however, was far from unanimous. Within five months of

51. Ontario, Ministry of Finance, *Economic Outlook and Fiscal Review* (Toronto 2004), tables 2 and 27, accessed 25 July 2017, <http://www.ontla.on.ca/library/repository/ser/193259//2004.pdf>.

52. Brad Walchuk, "Changing Union-Party Relations in Canada: The Rise of the Working Families Coalition," *Labor Studies Journal* 35, 1 (2010): 37–38.

53. Ontario, Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (2003 Ontario General Election).

54. Bryan Evans, "The Politics of Public Sector Wages: Ontario's Social Dialogue for Austerity," *Socialist Studies* 7 (2011): 171–190; Walchuk, "Changing Union-Party Relations in Canada," 38.

55. Larry Savage, "The Politics of Labour and Labour Relations in Ontario," 303.

56. Evans, "The Politics of Public Sector Wages," 182; Walchuk, "Changing Union-Party Relations in Canada," 39; Savage, "The Politics of Labour and Labour Relations in Ontario," 303–304.

being elected to office, the McGuinty government had alienated important segments of the broader public sector, prompting the leadership of the OFL, OPSEU, and CUPE to publicly condemn the new government's commitment to fiscal austerity on the economic front.<sup>57</sup> Moreover, the McGuinty Liberals faced criticism from labour activists for steadfastly refusing to restore a ban on replacement workers, provide a meaningful collective bargaining regime for agricultural workers, or reinstitute card-based union certification in all sectors of the economy. However, as Savage has explained elsewhere,

in many ways, the Liberals were let off the hook for their general lack of pro-union initiatives on the labour relations front because they managed to retain support from a number of influential unions whose sectionalist priorities had been addressed by the government. While even these unions may have been critical of the McGuinty Liberals from time to time, they also recognized that the return of a PC government would surely undo many, if not all, of the gains organized labour had managed to make during this period.<sup>58</sup>

Heading into the 2007 provincial election, unions remained divided over strategy, but the close relationship between the Liberal government and its allies in the Working Families Coalition only seemed to grow stronger. In fact, the coalition spent nearly \$1.1 million on a third-party advertising campaign trumpeting the Liberal government's achievements and warning voters not to turn back to the Tories.<sup>59</sup> While most of the coalition's money came from building and construction trades unions, teachers' unions and the CAW contributed roughly \$300,000 to the effort. CAW President Buzz Hargrove told the media "we're trying to make sure we don't end up with another Mike Harris government,"<sup>60</sup> but his allegiances were made more clear during the campaign when he made headlines by publicly praising McGuinty while simultaneously criticizing provincial NDP leader Howard Hampton.<sup>61</sup> In the end, the Liberals were easily re-elected after the Ontario Tories fumbled badly during the campaign with an ill-fated promise to extend public funding to private religious schools.

On the campaign finance front, however, unions were pouring unprecedented money into the coffers of both the governing Liberals and the opposition NDP. For their part, the Liberals, their candidates, and their constituency associations collected \$786,492 worth of campaign contributions from

57. Richard Brennan and Robert Benzie, "No 'Dalton Days' Unions Warn Premier," *Toronto Star*, 12 February 2004.

58. Larry Savage, "The Politics of Labour and Labour Relations in Ontario," 304.

59. Rob Ferguson, "Campaign Finance Rules 'Too Loose,' Study Says," *Toronto Star*, 3 October 2011.

60. Ian Urquhart, "Tory Faces Union Ad Campaign," *Toronto Star*, 15 June 2007.

61. Larry Savage, "Contemporary Party-Union Relations in Canada," *Labor Studies Journal* 35, 1 (2010): 15.

labour, whereas the NDP collected \$592,711.<sup>62</sup> Both amounts far exceeded union contribution levels during the 2003 campaign, but the sheer level of donations flowing from teachers' unions and building and construction trades unions, primarily to the Liberals, helped that party to widen its union fundraising lead over the NDP. A review of constituency-level donations clearly demonstrates that union resources were increasingly targeted to races where Liberal or NDP candidates stood a decent chance of defeating PC incumbents or staving off PC challengers.<sup>63</sup> There are very few instances at the riding level where unions divide their contributions relatively equally between Liberal and NDP candidates. Instead, organized labour has tended to back a single candidate – typically the one most likely to defeat a Conservative. Because the Liberal Party always entered campaigns ahead of the NDP in public opinion polls, that party became the primary beneficiary of union-backed strategic voting initiatives.

The relative “labour peace” that characterized the McGuinty government’s first term in office was shaken somewhat after the Liberals were returned to power in 2007 and the Great Recession of 2008 hit. In the aftermath of the recession, which the government attempted to address through increased public expenditures, the Liberals were left with a record provincial deficit and no clear idea for how to pay it down. Under the pretext that the broader public sector had been “sheltered” from the recession,<sup>64</sup> McGuinty committed his government to a public sector austerity agenda in advance of the introduction of the 2010 provincial budget.<sup>65</sup>

In March 2011, the McGuinty government established the Commission on the Reform of Ontario’s Public Services, headed by former TD Bank Chief Economist Donald Drummond, in order to recommend ways of eliminating the mounting provincial deficit. The establishment of the commission sent a clear signal that the Liberals would target public sector workers to pay for an economic crisis that originated in the banking sector. While the commission did its work, the Liberals sought re-election. However, the McGuinty government’s austerity agenda did not convince public sector unions en masse to embrace the NDP as an electoral alternative. Rather, the governing Liberals and opposition PC Party entered the campaign neck and neck in public opinion polls, with the NDP trailing solidly in third place, thus reinforcing strategic voting as a preferred tactic for many unions who continued to fear what harm

62. Ontario, Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (2007 Ontario General Election).

63. Ontario, Elections Ontario, *CR-1, CR-3 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

64. Tom Walkom, “Walkom: Recession’s Next Victim Will Be Public Sector,” *Toronto Star*, 7 November 2009; Andrew Jackson, “Public Sector Workers: The Recession’s Next Victims?” *The Bulletin*, 16 November 2009.

65. Evans, “The Politics of Public Sector Wages,” 178.

a PC government might bring to their members. CAW leader Ken Lewenza even took the unprecedented step of taking the time to speak at Liberal campaign events.<sup>66</sup>

Ontario PC party leader Tim Hudak's 2011 campaign pledge to allow union members to opt out of having their dues spent for political action purposes was aimed squarely at undermining the Working Families Coalition, which launched an unprecedented \$2.1 million dollar advertising blitz against Hudak, portraying the PC leader as the puppet of Bay Street capitalists.<sup>67</sup> The expanded coalition's third-party advertising budget was so impressive that the unions involved actually outspent the Ontario NDP's entire advertising campaign budget during the 2011 election campaign.<sup>68</sup>

Despite increased signs of labour-related tensions at the provincial level, unions continued to make record-setting direct campaign contributions to the governing Liberals. Unions contributed \$1,019,876 to the Liberal Party, its candidates, and its constituency associations during the 2011 campaign.<sup>69</sup> This amount represents the largest ever collective contribution from unions during an Ontario provincial election. Unions, however, did not abandon the NDP. On the contrary, the NDP, its candidates, and its constituency associations also received record-setting donations from unions, to the tune of \$836,956. Overall, the Liberals collected 54 per cent of all union contributions, while the NDP took 45 per cent.<sup>70</sup>

Despite the unprecedented level of union funding, the Liberals, still reeling from the economic impact of the Great Recession, could not manage to hold on to their majority. The government was reduced to a minority at the expense of both opposition parties. While an informal arrangement with the NDP kept the Liberals in power with a minority government, the findings of the Drummond Commission and the government's intention to act on them led to fissures in the government's relationship with some of its union allies, exacerbating existing labour-related tensions. Specifically, the Drummond report's finding that teachers' salaries far exceeded the provincial benchmark

66. Rob Ferguson, "CAW Gives McGuinty Liberals Another Boost," *Toronto Star*, 26 December 2011; Cross, Malloy, Small, and Stephenson, *Fighting for Votes*, 54.

67. Ferguson, "Campaign Finance Rules 'Too Loose,' Study Says," *Toronto Star*, 3 October 2011; Rob Ferguson and Richard Brennan, "Elections Ontario Head Calls For Limits to Advertising by Interest Groups," *Toronto Star*, 8 April 2013.

68. Ferguson and Brennan, "Elections Ontario Head Calls For Limits to Advertising by Interest Groups," *Toronto Star*, 8 April 2013.

69. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario Liberal Party (2011 Ontario General Election).

70. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (2011 Ontario General Election).

for remuneration led to a political fallout between the Liberals and their teachers' union allies.<sup>71</sup>

Determined to tackle the deficit at the expense of public sector workers, the Liberals shifted gears on the education front, teaming up with Tim Hudak's PCs to pass Bill 115, the *Putting Students First Act*, in August 2012. The Bill imposed a two-year wage freeze on teachers, prohibited them from striking, empowered the government to impose contracts if settlements weren't reached by the end of the year, and overhauled sick day compensation.<sup>72</sup> Teachers' unions were quick to react. The Elementary Teachers' Federation of Ontario (ETFO) and the Ontario Secondary School Teachers' Federation (OSSTF) withdrew from the negotiating table in protest.<sup>73</sup> Moreover, ETFO engaged in a series of rotating one-day strikes while both ETFO and OSSTF initiated work-to-rule campaigns that saw teachers withdraw voluntary services during the course of the school day.<sup>74</sup> Teachers' unions had been a reliable ally of the McGuinty Liberals since the late 1990s, but the government's attack on collective bargaining rights in the education sector changed the party-union dynamic overnight. In the wake of all this turmoil, McGuinty announced his resignation, providing the Liberals with an opportunity to recalibrate and potentially repair their tarnished relationship with teachers and other groups of unionized workers under the new leadership of Premier Kathleen Wynne.<sup>75</sup>

Although the *Putting Students First Act* was repealed in early 2013, the move was effectively inconsequential because the provincial government had already used the powers of the act to impose its desired terms on education unions. In the aftermath of Bill 115, the political alliance between the Ontario Liberals and the teachers' unions seemed to have fractured to the benefit of the NDP, with that party scoring a number of impressive and unexpected wins in a string of by-elections leading up the 2014 provincial election.

Perhaps suffering from overconfidence, the NDP teamed up with the Hudak Conservatives to topple the minority Liberal government and trigger an election campaign. That decision proved unpopular with labour leaders who were unconvinced the NDP was well-positioned to defeat the governing Liberals and, more so, feared a Hudak majority and the possibility that the PCs might introduce right-to-work legislation to Ontario. Hobbled out of the gate, NDP leader Andrea Horwath suffered another blow mid-campaign when a group of

71. Sachin Maharaj, "Ontario Teachers Deserve To Be Paid More," *Toronto Star*, 26 December 2012.

72. Karen Howlett, "Teachers Unions Vow Action After Ontario Bill Passed," *Globe and Mail*, 11 September 2012.

73. Mark Thomas and Steven Tufts, "Austerity, Right Populism, and the Crisis of Labour in Canada," *Antipode* 48, 1 (2016): 220–221.

74. Rob Ferguson and Kristin Rushowy, "Teacher Protest: Broten Not Budging, Heading for Showdown with Teachers," *Toronto Star*, 29 December 2012.

75. Savage, "The Politics of Labour and Labour Relations in Ontario," 306.

34 influential NDP activists complained in an open letter that she was “running to the right of the Liberals in an attempt to win Conservative votes.”<sup>76</sup> When the PC campaign imploded, partly as a result of Hudak’s controversial promise to cut 100,000 public sector jobs, the Liberals managed to capitalize on the gaffe and rode the issue to victory on election night, taking seats from both the NDP and PCs in the process.

There was a sharp increase in the labour movement’s use of third-party advertising during the 2014 provincial election – largely in response to the urgency of defeating Hudak’s overtly anti-union campaign. Of the 37 registered third parties in the 2014 campaign period, 26 were unions or union centrals.<sup>77</sup> Virtually all of the largest unions in Ontario registered as third parties. Moreover, the union-backed Working Families Coalition was active for its fourth consecutive election campaign. The coalition enjoyed its broadest base of union support yet, gathering contributions from 50 separate unions (up from 19 in 2011), and spending nearly \$2.5 million on anti-PC advertising.<sup>78</sup>

In terms of direct contributions to parties, the Liberal Party, its candidates, and its constituency associations collected \$734,283 from unions during the 2014 campaign.<sup>79</sup> That was down roughly 38 per cent from its union haul during the 2011 campaign. In contrast, the NDP netted \$975,157 from organized labour – its largest ever union donation total.<sup>80</sup> Overall, the Liberals received 42 per cent of all union dollars, while the NDP collected 56 per cent, outpacing the Liberals on the union donation for the first time since 1999.<sup>81</sup> While the overall dollar amount to the Liberals was down, its base of union support was wider than ever, expanding well beyond its traditional base of building and construction trades and teachers’ unions.

Despite the NDP’s unprecedented fundraising achievement (collecting just shy of one million dollars from unions), the labour movement’s attachment to

76. Bruce Campion-Smith, “Andrea Horwath Faces Backlash From Prominent NDP Supporters,” *Toronto Star*, 23 May 2014.

77. Ontario, Elections Ontario, *General Election Third Party Reports TPAR-1*, accessed 13 July 2017, <http://www.elections.on.ca/en/political-financing0/financial-statements/yearly-financial-statements/2014-financial-statements/2014-general-election-third-party-reports-tpar-1.html>.

78. Ontario, Elections Ontario, “Working Families,” *2011 General Election TPAR-1 Third Party Election Advertising Report*, accessed 25 July 2017, <http://www.elections.on.ca/sitecontent/financialstatements/2011/ge/TPAPWF.htm>; Ontario, Elections Ontario, “Working Families,” *2014 General Election TPAR-1 Third Party Election Advertising Report*, accessed 25 July 2017, <http://www.elections.on.ca/sitecontent/financialstatements/2014/ge/14WFtpar1.htm>.

79. Ontario, Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario Liberal Party (2014 Ontario General Election).

80. Ontario, Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario New Democratic Party (2014 Ontario General Election).

81. Ontario, Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario New Democratic Party and Ontario Liberal Party (1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

the party seemed to slump to near historic lows during the 2014 campaign. Horwath's decision to pull the plug on the minority Liberal government was extremely unpopular in union circles where fear of a Hudak majority was the overriding concern. Within a day of the budget's announcement, CUPE, ONA, Unifor, and the OFL all called on Horwath to support the Liberal government,<sup>82</sup> but their pleas fell on deaf ears. Worse still, the NDP's strategic decision to run as "wannabe Tories," replete with populist campaign promises to end government waste and cut taxes for small businesses,<sup>83</sup> alienated many traditional NDP supporters, driving them directly into the arms of a renewed Liberal Party running a campaign distinctly to the left of the New Democrats on a whole host of issues, from public pensions to the minimum wage. Moreover, unions' widespread use of the #StopHudak hashtag on social media during the campaign helped to reinforce support for the governing Liberals as the most viable electoral alternative to the Tories, even if some segments of the labour movement were still committed to backing the NDP.

### The Changing Landscape of Party-Union Relations in Ontario

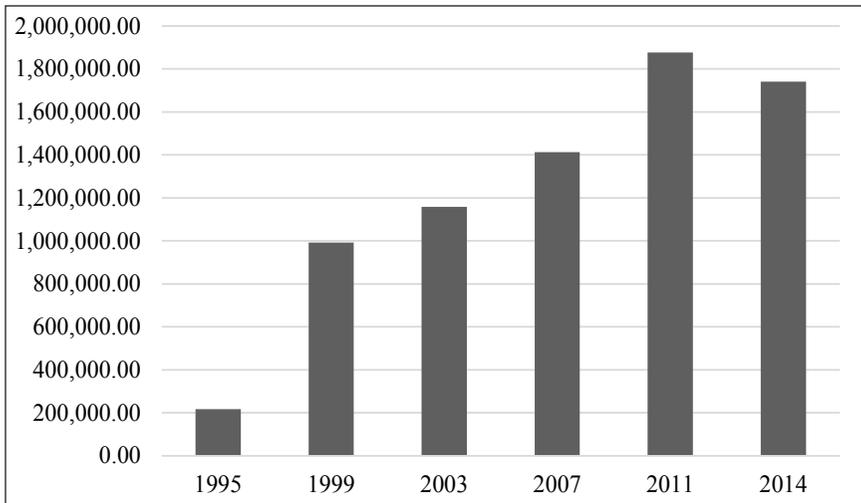
WHILE UNION CAMPAIGN CONTRIBUTIONS in Ontario provincial elections have tended to grow larger, corporate donations have remained quite steady over the course of the last four campaigns. The Liberals and Conservatives are the primary beneficiaries of corporate donations, with both parties collecting roughly half of their total donations from corporations in the 2003, 2007, and 2011 election campaigns (the campaigns for which that data is readily available from Elections Ontario).<sup>84</sup> Unions accounted for between 7 and 12 per cent of total donations to the Liberals in those campaigns, while union donations to the NDP accounted for between 19 and 24 per cent of that party's total. Union contributions to the PC Party have been consistently negligible. Corporate donations to the NDP accounted for between 6 and 10 per cent of the party's total campaign contributions.

Despite the fact that corporations continue to significantly outspend labour unions at election time, there is no question that unions have become major

82. Robert Benzie, "Ontario Heading for Election Next Month as NDP Leader Rejects Budget," *Toronto Star*, 2 May 2014.

83. Thomas Walkom, "What's Behind Ontario's Weird Election Campaign: Walkom," *Toronto Star*, 16 May 2014.

84. Ontario, Elections Ontario, *2003 Annual Report of the Chief Election Officer of Ontario*, accessed 22 July 2017, <http://www.elections.on.ca/content/dam/NGW/sitecontent/2014/reports/Annual%20Report%20for%20the%20year%202003.pdf>; Ontario, Elections Ontario, *2007 Annual Report of the Chief Election Officer of Ontario*, accessed 22 July 2017, <http://www.elections.on.ca/content/dam/NGW/sitecontent/2014/reports/Annual%20Report%20for%20the%20year%202007.pdf>; Ontario, Elections Ontario, *Annual Report 2011/2012 Report by the Chief Electoral Officer of Ontario*, accessed 22 July 2017, <http://www.elections.on.ca/content/dam/NGW/sitecontent/2014/reports/Annual%20Report%202011-2012.pdf>.



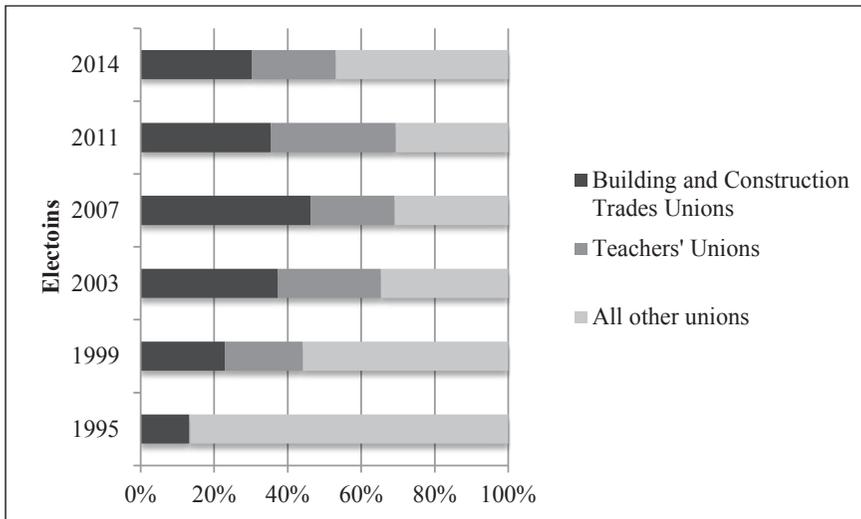
**Figure 1. Total union campaign donations in dollars**

Compiled from data reported by Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

players in Ontario election campaigns (see figure 1). Increased electoral participation by teachers' unions and building and construction trades unions in particular is responsible for the labour movement's new political muscle.

In the 1995 provincial election, building and construction trades unions accounted for 13.1 per cent of all union donations to political parties. That share jumped to 23.0 per cent in the 1999 election, and again to 37.4 per cent during the 2003 campaign. In the 2007 election, building and construction trades unions accounted for a whopping 46.2 per cent of all union donations. That share dropped to 35.5 per cent in 2011 and to 30.2 per cent in 2014 (see figure 2).<sup>85</sup> Given the relative size of building and construction trades unions compared to other segments of organized labour in Ontario, such unions have been punching well above their weight in the realm of campaign contributions. The only other unions that come close to matching the political donations of building and construction trades unions are Ontario's teachers' unions. In the 1995 campaign, teachers' unions accounted for just 0.4 per cent of all union donations to political parties. That number skyrocketed to 21.2 per cent in the 1999 campaign and grew to 28 per cent in 2003, before receding to 22.9 per cent in 2007. In the 2011 campaign, teachers' unions were responsible for 34.0

85. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).



**Figure 2. Share of union dollars by union type**

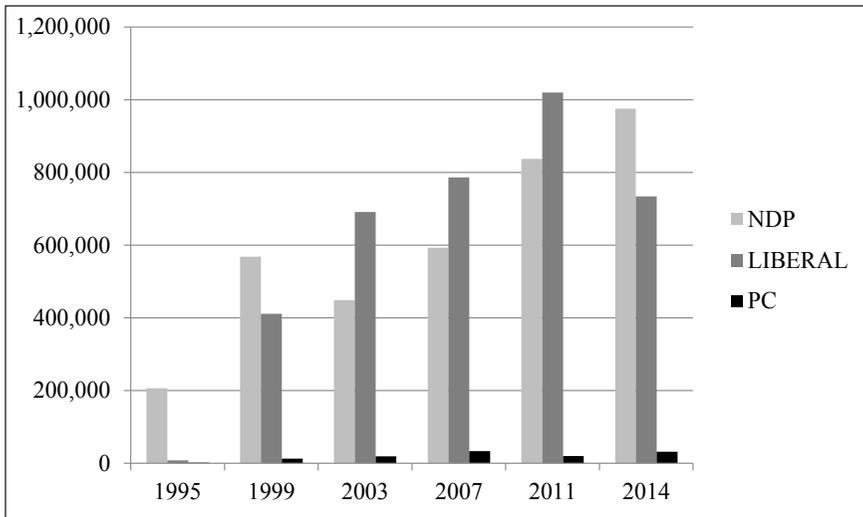
Compiled from data reported by Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

per cent of all donations to parties, and in 2014, they accounted for 22.9 per cent of union donations (see figure 2).<sup>86</sup>

While the increased engagement of teachers' unions and building and construction trades unions has disproportionately advantaged the Liberal Party, New Democrats have also benefitted from unprecedented campaign contributions. More generally, union resources are increasingly targeted as part of efforts to strategically block the election of PC Party candidates at the riding level, and a growing number of unions have explicitly adopted strategic multi-partisan tactics in order to achieve this goal. This has typically taken the form of labour backing for the candidate best positioned to defeat a Conservative incumbent or challenger at the constituency level. The politics of strategic voting have had a profound impact on the internal politics of the labour movement and have helped change the face of contemporary party-union relationships in Ontario.

Union donations to the Liberal Party, virtually non-existent in 1995, significantly increased over the course of the next four election campaigns, peaking in 2011 before receding somewhat in 2014 (see figure 3). Building and construction trades unions and teachers' unions clearly represented (and continue

86. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).



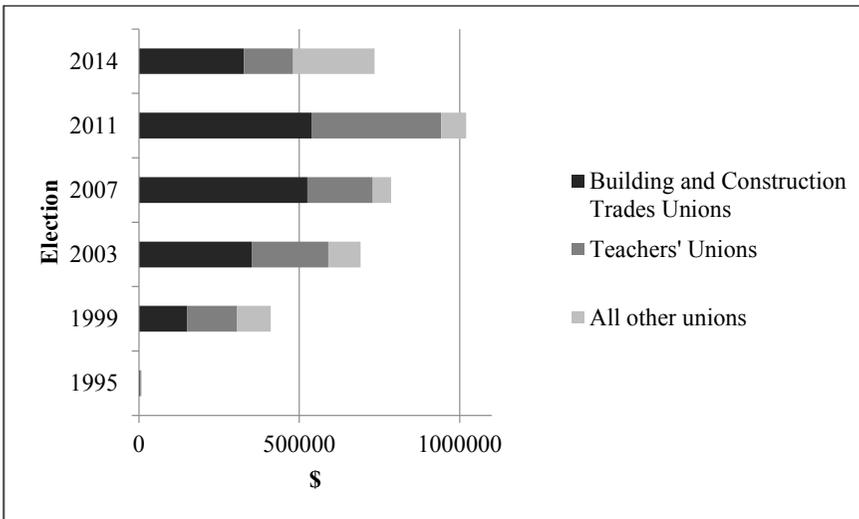
**Figure 3. Union campaign donations in dollars by party**

Compiled from data reported by Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party, Progressive Conservative Party of Ontario, and Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

to represent) the backbone of union support for the Liberal Party, with both types of unions accounting for well over two-thirds of all union donations to the party in every election between 1995 and 2011. In the 2014 campaign, the Liberals significantly broadened their base of union support, with 44.8 per cent of the party’s total union haul coming from building and construction trades unions, 20.7 per cent from teachers’ unions, and 34.5 per cent from all other unions(see figure 4). That building and construction trades unions and teachers’ unions have been key union backers of the Liberal Party is hardly surprising given the mutually rewarding relationships fostered between the party and these particular segments of organized labour. While a decrease in teachers’ union donations between 2011 and 2014 suggests that a business unionist mentality of “reward your friends and punish your enemies” may also be at play, the fact that the party was able to retain significant pockets of teachers’ union support, even after Bill 115, makes it clear that anti-Conservative strategic voting continues to inform how teachers’ unions approach electoral strategy.

Increased and enduring union financial support for the Liberal Party, however, has not come at the direct expense of the NDP. In fact, unions have increased their contributions to the NDP in every single election since 2003 and a broader range of unions has been donating to the party in recent elections.<sup>87</sup> A review of the campaign finance data clearly reveals that more unions

87. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New



**Figure 4. Union dollars to Liberals by union type**

Compiled from data reported by Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario Liberal Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

are pursuing multi-partisan strategies and spreading their resources strategically, funnelling money to candidates who stand the best chance of defeating a Conservative or holding their seat against a Conservative challenger. That has meant increased resources to both the NDP and the Ontario Liberal Party, especially at the candidate and constituency levels.

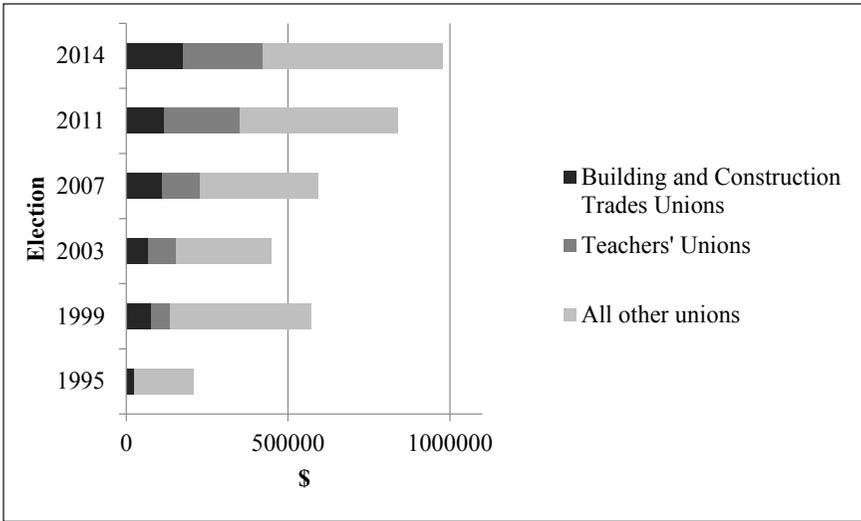
While the NDP's mix of union support has also broadened, the party continues to draw its greatest support from traditional industrial unions and pockets of the public sector labour movement. In the 1995 campaign, 11 per cent of the party's union contributions came from building and construction trades unions, and just 0.5 per cent of contributions came from teachers' unions.<sup>88</sup> By 2014, building and construction trades unions accounted for 17.7 per cent of union donations to the NDP, teachers' unions accounted for 25.2 per cent, and all other unions accounted for the remaining 57 per cent (see figure 5).

The United Steelworkers is one of the few unions in Ontario to remain completely loyal to the NDP in electoral terms, rejecting outright the now dominant multi-partisan strategic approach.<sup>89</sup> Most other traditional NDP labour allies have moved towards funding both the Liberals and the NDP, strategically

Democratic Party (2003, 2007, 2011, and 2014 Ontario General Elections).

88. This latter finding is in some ways unsurprising given the NDP government's Social Contract legislation.

89. Ontario, Elections Ontario, *CR-1*, *CR-3*, and *CR-4 Financial Statements*, Ontario New Democratic Party (2003, 2007, 2011, and 2014 Ontario General Elections).



**Figure 5. Union dollars to NDP by union type**

Compiled from data reported by Elections Ontario, *CR-1, CR-3, and CR-4 Financial Statements*, Ontario New Democratic Party (1995, 1999, 2003, 2007, 2011, and 2014 Ontario General Elections).

investing in riding-based campaigns to prevent the election of PC candidates. The multi-partisan approach is closely connected to arguments about electoral viability. In every election since 1999, the Ontario Liberals have entered the campaign as either government (2007, 2001, 2014) or as Official Opposition (1999, 2003). The NDP, in contrast, has always entered these campaigns as the third party and trailing in third place in public opinion polls. This gap in electoral viability has no doubt helped to sustain union support for the Liberals in the vast majority of ridings, thus reinforcing the move towards strategic voting.

Unions' increased reliance on third-party advertising during election campaigns has also reinforced this trend. Labour organizations have constituted a majority of all registered third parties in each Ontario election for which such data is available. In the 2007 campaign, labour organizations made up 55 per cent of all registered third parties. That share grew to 59 per cent in 2011, and again to 70 per cent in 2014. The number of labour organizations registering as third parties has also grown with each campaign, from 11 in 2007 to 13 in 2011, then doubling to 26 in 2014. Combined, unions have spent millions of dollars on anti-PC advertising campaigns to supplement their campaign contributions to Liberals and New Democrats.<sup>90</sup>

90. Based on calculations using data from Ontario, Elections Ontario, *2007 Third Party Reports – TPAR-1*, accessed 18 July 2017, <http://www.elections.on.ca/en/political-financing/financial-statements/yearly-financial-statements/2007-financial-statements/2007-third-party-reports---tpar-1.html>; Ontario, Elections Ontario, *2011 Third Party Reports – TPAR-1*,

It is clear that unions' increased reliance on third-party advertising and multi-partisan strategic voting has been primarily defensive, driven by a desire to block the PC party from gaining power rather than faith that the Liberal Party would champion union causes. While those unions who provided the backbone of labour support for the Liberals benefitted directly from government policy or action in some cases, there is little evidence to suggest that a closer relationship to the Liberal Party yielded many positive results for the labour movement as a whole. While the Liberal Party is certainly less anti-union than the PC party, both of these parties are quite strongly committed to neoliberalism and its key public policy components. However, the labour movement's defensive posture has very much influenced what union leaders think is possible in the realm of electoral politics. As a result, anti-Conservative multi-partisanship has increasingly become the labour movement's overarching strategic priority.

This tactical shift is best understood as a harm reduction measure for organized labour, best exemplified by the OFL's high profile #StopHudak campaign in 2014 wherein the federation promoted anti-PC strategic voting rather than a wholesale endorsement of the NDP.<sup>91</sup> The OFL signalled tacit support for the Liberal Party for the first time in its history as part of a multi-partisan effort to defeat the Ontario PCs from forming government. When the Liberals won re-election, labour movement leaders credited their efforts for stopping Hudak, seemingly overlooking the fact that they had helped facilitate the re-election of a government that had embraced austerity and clamped down on workers' rights in various sectors. Moreover, the governing Liberals remained very much reliant on corporate money and continued to oppose anti-scab legislation, card-based union certification outside the construction industry, and real collective bargaining rights for agricultural workers. In effect, a narrow focus on electoral harm reduction forced unions to reduce their own expectations about labour's strategic capacity to influence government policy proactively rather than defensively. Ironically, perhaps, while the #StopHudak campaign demonstrated the labour movement's campaign strength, the re-election of the Liberal government also revealed just how much the province's union movement was operating from a position of political weakness.

With the passage of sweeping campaign finance reforms in 2016, which wiped out both union and corporate contributions to parties and imposed

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accessed 18 July 2017, <http://www.elections.on.ca/en/political-financing0/financial-statements/yearly-financial-statements/2011-financial-statements/2011-third-party-reports---tpar-1.html>; Ontario, Elections Ontario, *2014 General Election Third Party Reports – TPAR-1*, accessed 18 July 2017, <http://www.elections.on.ca/en/political-financing0/financial-statements/yearly-financial-statements/2014-financial-statements/2014-general-election-third-party-reports-tpar-1.html>.

91. Craig Pearson, "Unions Call for Anyone but Hudak, but Could It Backfire?" *Windsor Star*, 13 May 2014, <http://windsorstar.com/news/unions-call-for-anyone-but-hudak-but-could-it-backfire>.

strict limits on third-party advertising, organized labour's future influence in the realm of Ontario electoral politics is uncertain. When similar legislation passed at the federal level, unions refocused their resources on lobbying, polling, and non-partisan, issue-focused, internal political education campaigns. Whether unions in Ontario follow the same route remains to be seen, but what is clear is that exclusive party-union relationships in the province, already on their last legs, are now facing extinction in the face of stringent campaign finance reforms. Though the future is uncertain, how unions' political resources will be redirected going forward will have important implications for both the province's party system and its labour movement, both of which have shaped, and been shaped by, unions' electoral interventions over the course of the last twenty years.

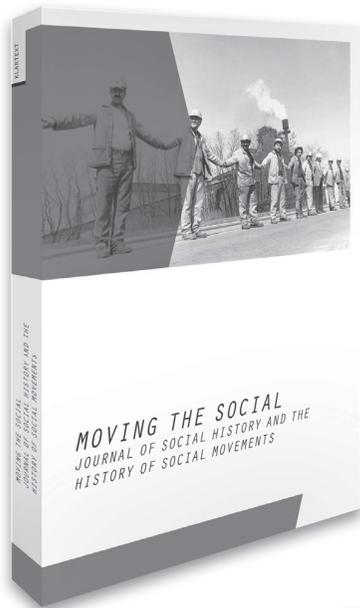
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