Union sellout of LCBO workers paves way for privatization of alcohol sales in Ontario

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22 July 2024

The Ontario Public Service Employees Union (OPSEU) announced Sunday that Liquor Control Board of Ontario (LCBO) workers had voted to endorse a sellout tentative agreement reached with the government-owned alcohol retailer and distributor on Friday. The more than 9,000 workers, who struck for two weeks for real wage increases and job security, and against right-wing Premier Doug Ford's privatization agenda, returned to work Monday. Stores were set to reopen on Tuesday under the prevailing conditions of precarious wages and hours, and creeping privatization.

The quick ratification vote over the weekend followed a brief reversal by the union Friday afternoon in which it announced the strike would continue. It gave as the reason its failure to secure a "return-to-work" agreement, including two weeks back pay, prior to endorsing the tentative agreement. The government did not accede to the last-minute demand, and it was quickly dropped by OPSEU. Workers who had to survive on meager strike pay of just $250 per week (plus $55 for each dependent) were left in the lurch.

The deal backed by the OPSEU leadership paves the way for the further privatization of alcohol sales in the province. A further step in this direction occurred during the strike, with Ford's rollout of the sale of ready-to-drink cocktails by private retailers implemented at an expedited pace.

The agreement included a vague promise from LCBO management that there would be "no retail store closures related to marketplace expansion for the life of the collective agreement." Given that the contract is for three years, this leaves open the possibility of store closures as soon as 2027, and gives no assurance that there will not be closures officially unrelated to the privatization of alcohol sales. Restructuring and downsizing plans associated with marketplace changes will be discussed by a corporatist union-management committee, a tried and tested mechanism for involving union bureaucrats in the destruction of jobs and workplace conditions.

"It all comes down to the market and the people dictate no matter what industry, what sector," Ford brayed at a press conference Monday. "And you give quality service a quality product at a competitive price. That's what they're doing. They're coming to your store."

Ford personally intervened in the strike to push ahead his privatization agenda. He brought forward the sale of ready-to-drink cocktails in private stores by two weeks, shared maps showing where consumers could buy alcohol during the strike, and insisted that no talks on privatization could take place at the bargaining table. The Tory premier and his cronies see the $2.5 billion in revenue the LCBO pulls in each year as an untapped source for private profit. Their push to dismantle the provincial government's monopoly on alcohol sales is the spearhead of the privatization of other public services, foremost the lucrative public healthcare sector.

OPSEU boasted in its announcement that 1,000 casual retail workers would be converted to permanent part-time workers while there would be 60 new permanent full-time jobs in logistics.

"In my 27 years at the LCBO, the employer has continuously casualized the workforce, so that people wouldn't get guaranteed hours, benefits or any hope of permanent work. Permanent part-time nearly went extinct," bargaining team chair Colleen MacLeod noted in a statement, underlining just how undermined and casualized working conditions have become at the LCBO with the complicity of the OPSEU bureaucracy, which has agreed to a succession of concessions contracts. "I am beyond proud that we fought back and won these permanent jobs—it will improve the lives of workers and their families for many years to come."

While the union declared this to be a "massive win," new permanent part-time jobs amount to less than 13 percent of all jobs. Casual part-time employees who manage to get between 1,300 hours and 1,000 hours per year are set to get access to expanded benefits. Prior to the strike, over 70 percent of LCBO workers were highly exploited, low-wage casual employees, meaning that, with this contract, most workers will remain stuck in these positions.

As far as wage increases, workers will see their pay rise just 8 percent over three years, equivalent to the current rate of inflation of 2.67 percent. In other words, after years of real wage cuts due to inflation and previous concessions, workers will at best see their wages stagnate for the life of the contract. They will continue their downward spiral in real terms if inflation rises again above 3 percent.

The lowest paid workers are set to receive an additional 7.8 percent wage bump. But with casual and part-time workers earning between $22.59 and $23.40 on average per hour prior to the strike, and with limited hours, most LCBO workers will be left scraping by. This is especially true of those who live in the Greater Toronto Area, which along with Vancouver has the highest cost of living in Canada.

"Ontarians are more aware than ever that Ford's plan isn't for them, it's for big box CEOs," JP Hornick, president of OPSEU, declared in a press release announcing the ratification. "We have no doubt that Ford's webs of corporate buddies and corrupt backroom deals will continue to be exposed."

"OPSEU/SEFPO is a fighting union, and this fight is far from over," Hornick added, before proceeding to explain that behind this bluster was a call for the election of an alternative right-wing provincial government led by the Liberals or New Democrats. "I am incredibly proud of the power that LCBO workers have built, and they know how to use that power moving forward. Luckily, Ontario voters are also on our side—Ford's own polling shows it."

OPSEU has not released a breakdown on turnout or the share of workers who endorsed the deal, but it is clear that workers endorsed the deal because they had no faith that the union bureaucracy had a strategy to counter Ford's attacks or wage a struggle for a better outcome if the deal had been rejected. Despite popular support for the strike, the union apparatus kept workers isolated on their picket lines and did nothing to mobilize its 150,000 members, let alone the millions of workers across Ontario and Canada more broadly against the attack by the Ford government. This refusal was deliberate. OPSEU and the union bureaucracy as a whole fear nothing more than the prospect of a broad-based movement in the working class against austerity, and the onslaught on jobs and working conditions, which would inevitably turn not just against Ford, but the bureaucracy's allies in the Trudeau Liberal government and New Democrats that prop it up.

The OPSEU bureaucracy has been complicit every step of the way in the undermining of the LCBO, including in putting forward a scheme in 2014 under then President Warren "Smokey" Thomas to take the publicly owned retailer private through an $11 billion purchase of a majority stake in the company in conjunction with Onex Corporation, one of Canada's largest private equity firms, leaving the government of Ontario a 25 percent stake. Thomas lost his position to Hornick in 2022 during leadership elections and—along with several other outgoing union officials—was subsequently sued by the union over millions of dollars in "financial misappropriations."

While the Wynne Liberal government put the kibosh on the union-led privatization scheme, the Liberals set in motion the privatization of alcohol sales, approving the sale of beer in grocery stores in 2015 followed by cider and wine in 2016. It is this path set by the Liberals and the unions which Ford is following with his mega-million giveaways to big business—including a $255 million payment to private retailer The Beer Store, which is owned by a consortium of big brewers.

The experience of the LCBO strike, the first in the company's nearly 100-year history, makes clear that the union bureaucracies remain a key block on the development of the class struggle in opposition to austerity, privatization and the continuing assault on living conditions and wages. It is not a matter of bad or corrupt leadership, but the fundamental character of the nationalist, pro-capitalist unions, which have been transformed into adjuncts of the corporations and governments. Workers must develop a new strategy through the building of rank-and-file committees to break out of the straitjacket imposed on them by these rotten bureaucracies and advance a program which fights for what workers need, not what government officials and corporate executives tell them they can afford.