

## **LABOR PARTY SUPPORT AND TEACHERS' SALARIES IN ALBERTA**

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### **ABSTRACT**

There has been little debate in Canada over whether “labor” parties and their supporters support public sector workers more than right-wing parties or whether support for labor parties translates into higher wages for public sector workers, particularly at the municipal level. Yet there is a strong belief that there are political aspects to public sector bargaining outcomes even though the mechanism for translating the political environment into bargaining outcomes has been left unclear. We tested the hypothesis that support for labor parties in provincial elections results in higher pay for public sector workers. More specifically, we analyzed the relationship between support for the New Democratic Party (NDP) in provincial elections and wage rates for public sector teachers in the Province of Alberta. Our findings show that local NDP support translates into higher wages and wage compression for teachers in Alberta.

Despite the affinity that labor parties and governments might be expected to have with public sector workers, there has been limited debate over whether labor parties are more supportive of public sector workers than are right-wing parties. There are studies on the relationship between labor governments and labor legislation and, in turn, labor legislation on dispute costs and unionization rates in the public sector [1, 2]. However, Blais et al. were unable to find any studies that tested the link between leftist or “labor” governments and public sector wages [3].

Furthermore, we identified only two studies that attempt to link support for labor or left-wing parties and public sector wages at the municipal level [4, 5].

Nonetheless, labor parties and supporters should have a greater commitment to public sector employees because of their belief in government intervention and the presumed affinity between labor parties and public sector workers [3, 6]. This connection should be particularly strong for unionized workers in Canada, given the role the Canadian Labour Congress played in the formation of the New Democratic Party (NDP); indeed, the NDP is often thought of as labor's political arm [6, 7]. Also, labor parties and supporters tend to advocate that "decent" wages are necessary to attract qualified individuals to the public sector to provide "essential" services [3]. These factors together suggest that public sector workers whose wages are set at the local level might have greater salaries in areas with higher local NDP support.

Even so, the question remains: how precisely does the political environment influence public sector wages? In any liberal democracy, voting patterns are a central feature of the political environment. Therefore, we chose to analyze the relationship between support for the New Democratic Party in provincial elections and wage rates for public sector teachers, who bargain at the municipal level, in the Province of Alberta from 1985 to 1991.

## THEORETICAL FRAMEWORK

Our primary interest was testing for a link between support for labor parties, in this case the NDP, and public sector teachers' pay. Although this was our primary focus, other major variables may also influence teachers' pay, including pupil-teacher ratios, the ability to pay, monopsony power, and unemployment rates. Variables controlling for these items should be included in any analysis so as to minimize the potential for spurious correlations. Pupil-teacher ratios are related to productivity, while the role of ability to pay is self-evident. Higher unemployment rates are presumed to reduce real wages in the private sector [8], as unemployment rates may be considered a measure of the slackness or tightness of the labor market.

### Labor Party Support

The New Democratic Party of Canada is a "labor party," i.e., it has a direct structural link to trade unions which form a part of that party.<sup>1</sup> For both

<sup>1</sup> Defined in this fashion, labor parties have existed in only seven Anglo/Scandinavian nations since World War II: Great Britain, Ireland, Canada, Australia, New Zealand, Sweden, and Norway. Prior to World War II, both Belgium and the Netherlands had influential labor parties, but neither was reconstituted after liberation (with the Dutch party curiously adopting the name Dutch Labour Party as they were removing the provision for union affiliation).

organizational and ideological reasons, labor governments and voters should be more sympathetic to organized labor than would conservative administrators or voters, and there is some historical evidence to support this contention. For instance, the first Labour Administration in New Zealand (1935-1939) introduced “compulsory unionism” (in industries overseen by arbitration awards), the forty-hour workweek, and a minimum wage law. “In a brief period,” concludes one observer, “a Labour government seemed to have done more for the industrial movement than the unionists had been able to do for themselves since 1894” [9, p. 32]. Similarly, a comparative study of the Australian states under Labour and non-Labour administrations revealed that the former group had “gone much further towards satisfying the unions’ central industrial aims” [10, p. 66].

Yet there is also significant evidence that labor governments are not overly sympathetic to the aspirations of their affiliated trade unions. During all three periods in which the British Labour Party has formed a majority government since World War II (not including the fledgling Blair administration), there have been concerted efforts to restrain incomes. In New Zealand, where the Labour Party was in office between 1984 and 1990, Prime Minister David Lange not only dramatically downsized the state, but also concluded that the existing labor relations regime was unnecessarily interventionist. Much to the chagrin of the resident trade union movement, Lange’s government swept away a complex system of compulsory arbitration with the passage of the 1987 Labour Relations Act. Across the Tasman Sea, Labour governments have also enthusiastically embraced deregulation; there has been a “slower pace of change” in Australia, however, because of “the Labour government’s closer links with the trade unions” [11, p. 388].

In Canada, the historical record has been similarly uneven. The New Democratic Party has never governed at the national level, but they have gained office in the provinces of British Columbia, Saskatchewan, Manitoba, and Ontario (but not, it should be noted, in the province of Alberta). Again, the resident trade union movements have generally made significant legislative gains under NDP administrations. The Saskatchewan Trade Union Act of 1944, the Manitoba Labour Relations Act of 1972, the British Columbia Labour Code of 1973, and the Ontario Labour Relations Act amendments of 1992 were all designed to tip the collective bargaining encounter to labor’s advantage. Under these statutes, certification requirements were relaxed, bargaining units were expanded, “bad faith” employers were coerced, and so on.

On the other hand, particular groups of employees have not always been able to rely on the support of NDP administrators. In the last months of its term, for example, the Barrett government in British Columbia legislated an end to strikes in the propane, supermarket, and forestry sectors. Similarly, the Manitoba NDP under Ed Schreyer introduced a wage freeze for all provincial and municipal workers. And, most recently, public sector employees were enraged by the Social Contract

imposed in 1993 by the Ontario New-Democrats—a “contract” that prevented public sector layoffs, but only at the cost of unpaid leaves and wage freezes.

In short, our expectations were rather mixed. It is true that a disproportionate number of public sector employees can be found at all levels of the New Democratic Party hierarchy. And it is also true that the NDP’s left-wing ideology should make it particularly sympathetic to the aspirations of public sector workers. In fact, one cross-provincial analysis of public sector bargaining concluded, “everything else being equal, wage increases are 10 percent higher under leftist governments” [3, p. 73]. Nevertheless, there are three reasons not to assume that what is true generally can be applied to the particular case of Alberta teachers. First, over the past decade, there has been a widespread attempt to reduce chronic state budgetary deficits. Governments of all partisan complexions have found freezing or rolling back the wages of public sector employees to be a central feature of their deficit-reduction strategy. Significantly, the first three occasions on which Ontario Premier Rae’s New Democratic administration ordered striking employees back to work were all directed against teachers.<sup>2</sup>

Second, the New Democratic Party has not been a particularly powerful force in Alberta politics. The NDP has never formed the government of Alberta, and on only three occasions has it served as the official opposition party. In fact, the Alberta NDP has contested ten provincial elections since its founding in 1961; the party’s average share of the popular vote over this period has been a paltry 16 percent. As a result, it might have been hypothesized that the Alberta NDP has not had much impact on either the political culture or the legislative record of that province. Yet one should note Bruce’s argument that a party need not be in power to influence labor policy [1]; during the period of this study, the NDP received an average of 28 percent of the vote in provincial elections and was thus a significant player in Alberta politics.

Third, the policy impact of partisan politics is likely to be greatest for matters decided in the politicized milieu of the provincial capital. The determination of teachers’ salaries in Alberta, however, is decentralized to municipal boards throughout the province. School board members, moreover, are elected on a nonpartisan basis for fixed terms at intervals unrelated to the provincial electoral cycle, so one might surmise they would be unaffected by differential patterns of labor party support in provincial elections. Yet Anderson [4] and Kochan and Wheeler [5] believed there could be a relationship between the local political environment, as measured by election results, and support for municipal employee wages and working conditions.

There is another way to conceive of this relationship between labor party support and public sector wages. Each community may have a different “taste”

<sup>2</sup> Premier Rae’s government was sharply criticized for treating public sector workers less favorably than their private sector counterparts [12, p. 30].

for education or high public sector salaries [13, 14], and one can argue that the taxpayer plays the role of the consumer in public sector models of collective bargaining [15]. This public-consumption role implies that certain socio-demographic characteristics of the community may influence the wage levels of municipal employees. Trustees, if they are interested in being reelected, must be cognizant of the tolerance level for tax increases and the public's perception of whether teachers are under- or over-paid. Such things as community education level, both at the secondary and postsecondary level, percentage of households with children, and percentage of the population employed in white-collar jobs may positively affect attitudes toward high teachers' wages, thereby reducing the constraints municipalities or school boards face when negotiating teacher settlements [13, 16, 17].

Such proxies fail to reflect the fundamentally political nature of public sector collective bargaining [4, 5, 18, 19, 20]. Also Lowe and Krahn found New Democratic Party (NDP) supporters are systematically more pro-union [21], and Anderson found a strong correlation between NDP support and municipal wages and collective bargaining outcomes on an interprovincial basis [4]. Fogel and Lewin also argued that wage setting for public sector workers is partly a political process, whereby elected officials must infer the public's desired levels of taxation, government services, and public sector pay [22]. Local support for the NDP may be a key indicator for elected officials regarding the public's willingness to fund these items. From this we can infer that support for Canada's "labor" party (NDP) may indicate a willingness or propensity to pay higher public sector wages:

Hypothesis 1: Local support for the New Democratic Party is positively related to teacher pay, all else equal.

### **Pupil-Teacher Ratios**

Worker productivity may affect the ability of an employer to pay higher wages [8]. With regard to teacher productivity, there are two things that, in combination, are indicative of the productivity of teachers. The first is the pupil-teacher ratio: "The number of students in a teacher's class is probably the clearest indication of the amount of work expected of that teacher" [23, p. 59]. This ratio, in and of itself, does not completely indicate the productivity of teachers, as it does not address educational quality (other than the possible amount of personalized time a teacher may give to an individual student). Student achievement would also play a role in a true measure of teacher productivity, but comparing student achievement is difficult in the absence of standardized tests. Without such data, a researcher must be content with looking exclusively at the pupil-teacher ratio. Increasing this ratio is a possible goal as a municipal district or school board attempts to minimize its total wage bill, and, in turn, teachers may accept a higher pupil-teacher ratio if it translates into higher pay [13, 24]. Chambers found that collective bargaining in

California had raised teacher salaries as well as pupil-teacher ratios [25], and the U.S. National Education Association has recognized the potential for abuse: “class size is uniquely subject to abuse, for increasing the size of a class by even one student remains the easiest—and surely the most insidious—way for a school board to attempt to force a teacher to perform more work for a fixed amount of salary within otherwise set parameters” [23, p. 59].

Alternatively, one may consider higher pupil-teacher ratios as a measure of workload [23, 26]. Higher pupil-teacher ratios in a school system may require higher pay as a compensating differential to account for less favorable working conditions. All these observations lead to:

Hypothesis 2: Pupil-teacher ratios are positively related to teacher salaries, all else equal.

### **Ability to Pay**

Cross-substitution of expenditures between municipal budget categories in response to economic, political, and collective bargaining pressures has been well-established in previous academic work [16, 27]. Such substitutions have typically taken the form of moving money from one operational area to another (e.g., moving funds from the fire department to the police department) or moving money from administrative categories to salary categories, or vice versa.

In this study, the potential for such substitutions is reduced due to the independent standing of Alberta school boards and their power to tax municipal rate payers (during the period of this study). In addition, under the terms of Division 6 of the *School Act* (Alberta), a school board must meet all noncapital spending requirements within the current fiscal year. As a result, school boards may not borrow to meet salary obligations, and the only serious substitution that can occur is the moving of money between administration and salary requirements. This process has been quite explicit in some cases. In California, teacher union officials and administrators jointly combed proposed budgets to discover “misallocations” to free up funds for teacher pay [27]. Whether there were misallocations of funds was a specific bargaining issue.

If teaching tasks are consuming a larger portion of a budget, it could indicate a budget that has been stretched to the limit with little room for higher teacher pay. With the ability of local school boards to substitute from one budget category to another, possibly in an attempt to minimize the total tax bill to increase the chances of a trustee being reelected, it appears that:

Hypothesis 3: The greater the percentage of total school board budget devoted to instructional tasks, the lower teacher pay, all else equal.

This does not necessarily mean that such substitutions will occur, but as the political limits of taxation are reached, administrators will look toward such substitutions as they attempt to balance their budgets [24].<sup>3</sup>

There are three major sources of funding for many municipal expenditures: the municipality itself, as it has the power to levy taxes and raise funds; the state or provincial level; and the federal level [29]. In the U.S., the total percentage of funding coming from the state level and increases in state grants to education have been treated as independent variables in both cross-sectional and time-series models, respectively, and appear to affect a jurisdiction's ability to pay [13, 24].

As there is a tendency for higher levels of government in Canada to provide educational per-capita grants, poorer districts may be forced to rely more heavily on these sources of funds, while richer districts may provide more of the district's total funding from local sources. In the alternative, one may consider that school districts which rely more heavily on the province may be unwilling to increase the local tax burden, which could translate into lower teacher pay. The effect of reliance on higher levels of funding implies:

Hypothesis 4: The greater the funding received from higher levels of government, as a percentage of total school board funding, the lower teacher pay, all else equal.

### **Unemployment**

Unemployment rates may negatively affect the ability of public (and private) sector employees to make wage gains at the bargaining table [14] because of the supply and demand characteristics of the labor market. When unemployment is low, in order to recruit and retain qualified personnel, an employer, whether public or private, must increase wages to compete for employees [8]. In contrast, during periods of high unemployment, work opportunities are diminished, thereby resulting in less competition for qualified personnel; so:

Hypothesis 5: Teachers' wages are inversely related to unemployment rates, all else equal.

On the other hand, teachers are often subject to monopoly or monopsony (bilateral monopoly) conditions, which might negate normal supply/demand characteristics. In Alberta, the Alberta Teachers' Association monopolizes the supply of public sector teachers (where the majority of teachers are employed). Also, employers are not profit maximizers, one of the basic assumptions of private sector employers.

<sup>3</sup> As school boards attempted to deal with funding cuts, such developments appeared to be occurring quite explicitly in Alberta in 1994, both by board choice and in response to lobbying by teachers [28].

### **Monopsony Power**

The monopsony argument revolves around teachers' alternatives for employment [30]. Although the majority of teachers in Alberta are employed by local school boards, there is serious variation in the number of alternatives for employment related to location. Teachers in urban areas clearly have more opportunities for employment than teachers in rural areas. Several factors contribute to this phenomenon. First, for historical reasons all urban areas have at least two school districts. Rural areas, although also having the right to have two competing school districts, generally cannot support two school districts and therefore only have one. Second, teachers located in urban areas also have the opportunity to gain employment in surrounding rural areas. While this option of course remains open to rural-based teachers near urban centers, most rural school districts are not contiguous with urban areas, while all urban areas are contiguous with rural areas. Third, private teaching opportunities are much greater in urban areas than rural areas. Luizer and Thornton found a positive relationship between teacher salaries and the number of alternatives for teaching employment and speculated this result may be due to the correlation between urbanization and teachers' perceptions of employment alternatives [30]. Overall, these factors indicate that teachers in urban areas have greater opportunities for alternative employment. Therefore, one can infer:

Hypothesis 6: Teachers' wages will be greater in urban areas, all else equal.

### **STRUCTURE OF COLLECTIVE BARGAINING**

Publicly funded school boards in Alberta were the focus of this study. A very important feature of school boards in Alberta during the period of this study is that each school board acts much like a municipal government. Boards are provided with the authority to tax property, as they are creatures of the provincial, rather than municipal, government and are presided over by locally elected individuals.<sup>4</sup> One of the most important factors is that public sector teaching is an exclusively closed shop; since the 1930s, membership in the Alberta Teachers' Association (ATA) has been required prior to employment, and Section 11 of the ATA's bylaws states that the ATA is the exclusive bargaining agent for all its active members [32].<sup>5</sup>

<sup>4</sup> In the U.S., the ability of school districts to raise revenues independently varies from state to state [19, 31]. Some school boards depend on revenue allocation from the municipality.

<sup>5</sup> All individuals who hold a teaching certificate and are employed by a school board, except for school superintendents and their chief deputy, are required to be members of the ATA and are therefore members of the bargaining unit [32].



The fact that only the ATA represents teachers in collective bargaining in Alberta overcomes the problem of how to account for teacher representation and union characteristics in the analysis. In many previous studies, the level and type of teacher organization as well as the collective bargaining framework needed to be controlled for (and often were not). Even when there is an attempt to control for these differences, it can be difficult, as most studies have dealt with a variety of collective bargaining relationships under differing collective bargaining regimes. In Alberta, there is no difference in the legal status of collective bargaining with public school teachers across the province, or in their legal bargaining representative. The use of a single province is consistent with many other studies that have used a single U.S. state to overcome these problems [e.g., 24, 30, 33].

## METHOD

Data were reconstructed starting with the 1985-86 school year and ending with the 1990-1991 school year. Using the school years 1985-86 to 1990-91 allowed for one observation before, one during, and one after provincial elections in 1986 and 1989. Only those school boards that were in existence for the entire period were used, as data were averaged for each school board over this time period ( $n = 79$ ). This was done to reduce the random variations in the variables due to the fact that provincial and school board elections, collective bargaining cycles, and fiscal and school years are all asynchronous (all discussed below). Multiple linear regression was used to analyze the data. The relevant unit of observation was the individual school board or group of school boards, where school boards are members of an employers' association—collective bargaining actually occurs here. Where employers' associations were involved, information from local school boards was aggregated.

Two alternate measures were used to operationalize the dependent variable. Real wages were 1) the annual real starting salary for teachers with four years of postsecondary education (MIN), and 2) the annual real maximum salary for teachers with four years of postsecondary education (MAX). Using actual salary points alleviates the problem of how to account for demographic variations among teachers at different school boards. Also, of the papers referenced herein, all but one of those that attempt to estimate teachers' wages used actual salary points rather than averages.<sup>6</sup> Interviews with key players indicated that the minimum and maximum rates for teachers with four years of postsecondary education (bachelor degree or equivalent) were the key rates that school boards used to calculate their settlement costs and, consequently, were the wage rates on which negotiations focused. This information was obtained from the ATA. Statistics Canada's

<sup>6</sup>Lipsky summarized sixteen studies, of which ten used actual salary points [15].

*Consumer Prices and Price Indices* provided information to inflate/deflate salaries to constant 1986 dollars [34].

Percentage of total school board budget devoted to instructional tasks was operationalized as the percentage of funds devoted to instructional tasks (INST), as a total of operating expenditures (net of capital transfers and debt servicing) as reported in the *Financial and Statistical Report of Alberta School Jurisdictions*. This report summarizes the audited financial statements filed annually with Alberta Education.

Local support for the NDP was operationalized as the percentage of individuals voting (unspoiled ballots) for the NDP in the election most closely corresponding to the year in question (NDP). Individual poll maps and results are available, and the NDP vote was matched almost perfectly with the school districts. Where city school boards were used or school board employers' associations existed, the percentage of individuals voting for the NDP in all ridings or polls geographically located within that city or employers' association was used. Provincial elections were held in 1986 and 1989, and the results of the two elections were averaged in the analysis [35, 36].

Total funding from the provincial government, as a percentage of total school board funding, was operationalized as the total funding received from the provincial government for operational purposes for the school year, as a percentage of total operational funding (noncapital spending), as reported in the *Financial and Statistical Report of Alberta School Jurisdictions* and divided by the average percentage of funding for the school boards across the province for that year (PROV).<sup>7</sup> Dividing by the average support across the province for each year was necessary because this support has declined across the province over time. This normalized the variable so as to measure relative reliance.

Pupil-teacher ratios (PTR) were obtained from the Alberta School Boards Association. The unemployment rate was operationalized as the average percentage of the workforce looking for work in Alberta as reported by Statistics Canada for the calendar year in which the school year began (UNEM) [37]. All city school boards were designated as urban school boards (URBAN) using a dichotomous variable (urban = 1; rural = 0). Also two school boards encompassing a hamlet large enough to qualify for city status were coded as urban.

## RESULTS

The correlations, means, and standard deviations of all variables are reported in Table 1. The correlations between the two dependent variables and all the

<sup>7</sup> During the period of this study the federal government provided approximately 3 percent of total provincial funding. This was to provide funds to local boards for status Indians attending public schools. Because of the small amount involved, we focused on provincial government support.

Table 1. Correlation Coefficients and Summary Statistics ( $n = 79$ )

	1	2	3	4	5	6	7	8	Mean	Std. Dev.
1 <i>MIN</i>	1.00	0.93 (0.00)	-0.27 (0.02)	0.26 (0.02)	-0.36 (0.00)	0.14 (0.23)	-0.13 (0.25)	0.23 (0.04)	24311.71	735.00
2 <i>MAX</i>		1.00	-0.23 (0.04)	0.24 (0.03)	-0.32 (0.00)	0.31 (0.01)	-0.06 (0.60)	0.36 (0.00)	40776.20	805.30
3 <i>INST</i>			1.00	-0.22 (0.05)	-0.08 (0.53)	-0.08 (0.51)	-0.12 (0.31)	0.10 (0.39)	61.93	6.54
4 <i>NDP</i>				1.00	-0.02 (0.85)	0.15 (0.20)	0.25 (0.03)	0.17 (0.13)	25.65	8.75
5 <i>PROV</i>					1.00	0.37 (0.00)	-0.02 (0.84)	0.04 (0.71)	1.00	0.13
6 <i>PTR</i>						1.00	0.11 (0.34)	0.43 (0.00)	16.93	1.96
7 <i>UNEM</i>							1.00	0.41 (0.00)	8.47	0.71
8 <i>URBAN</i>								1.00	0.38	0.49

**Note:** Level of significance in parentheses.

explanatory variables have the expected sign and are significant at the 5 percent level or better, with three exceptions. There is no relationship between the unemployment indicator and either of the salary measures, and there is no relationship between the minimum starting salary and pupil-teacher ratios.

There are a couple of interesting significant relationships between the explanatory variables. There is a positive relationship between percentage of the budget received from the province (PROV) and pupil-teacher ratios (PTRs). This would be consistent with the belief that reliance on the province is a good measure of ability/willingness to pay. Those boards that rely to a greater extent on the province for funding have larger class sizes, consistent with hypothesis 3. Another is the not-surprising positive relationship between NDP vote and unemployment rates (UNEM). Also, urban school boards have higher pupil-teacher ratios. They presumably do not have to deal with school sizes due to their high student density when compared to rural areas. One interesting “nonfinding” is the lack of relationship between NDP vote and reliance on the province. One might have surmised that areas more reliant on the provincial government, and therefore appearing to be less willing to impose local school taxes, would have negative perceptions of the NDP, as the NDP is often presumed to espouse higher government spending.

Standardized regression coefficients are reported in Table 2 and, with one exception, results generally confirm our expectations. Once other variables were accounted for, the unemployment (UNEM) variable was significantly related to both measures of the dependent variable. This result is contrary to Cousineau and Lacroix’s findings of no relationship between unemployment rate and wage changes for public sector workers (although they did find a weak relationship between Statistics Canada’s Help Wanted Index, which could be considered to be a measure of the relative slackness of the labor market, and wage increases) [38]. This is interesting because the sample in Cousineau and Lacroix’s study should be more labor market responsive than the case at hand, as the Alberta Teachers’ Association has a monopoly and therefore may be more insulated from the demands of the labor market [38]. On the other hand, U.S. studies have found a relationship between public sector wages and unemployment rates [4, 39]. These data, though, should be read with caution, as the data from Statistics Canada are rather crude for municipal use. Alberta is divided into eight regions for the purposes of gathering and reporting unemployment; therefore, the data are not regionally sensitive.

Evidence indicates that the two measures of relative wealth, reliance on the province (PROV) and percentage of budget devoted to instructional tasks (INST), are fairly good measures of a school board’s ability/willingness to pay. What is of greater interest is that teachers at the top of the salary scale seem to be paid for productivity. Pupil-teacher ratios have a large positive and significant association with maximum teacher pay. Maximum salaries may be more sensitive to ability to pay due to the structure of pay scales for Alberta teachers. Collective

Table 2. Standardized Regression Coefficients ( $n = 79$ )

Dependent	Min	Max
Independent		
INST	-0.261***	-0.209**
NDP	0.208**	0.156*
PROV	-0.405***	-0.438***
PTR	0.133	0.311***
UNEM	-0.371***	-0.316***
URBAN	0.329***	0.362***
<i>f</i> -Stat	8.35	10.69
Prob.	0.0001	0.0001
<i>r</i> -squared	0.41	0.47
adj. <i>r</i> -squared	0.36	0.43

\*Significant at 10%

\*\*Significant at 5%

\*\*\*Significant at 1%

agreements in the province provide teachers with a pay increment for each year of service up to (usually) ten years. Beyond that, they receive no increases in pay except when a new collective agreement is signed and the entire pay grid increases. As a teaching career can span twenty or thirty years, many teachers likely exist at the top of the grid, making it much less expensive to raise starting wages than maximum wages.

### POLITICAL ASPECTS OF PUBLIC SECTOR WAGES

Many authors have emphasized the political aspects of setting public sector wages [e.g., 4, 5, 18-20] and given that most elected officials desire to be reelected, this is not surprising. Nonetheless, the mechanism by which the political environment influences bargaining outcomes has remained unclear. Some jurisdictions employ the principle of paying the “prevailing wage,” which has its own difficulties, but even this principle is rendered moot for occupational groups (such as teachers, firefighters, and police officers) that have little in the way of private sector equivalents [22]. With few market signals to rely on for these occupations, surely the political aspects of wage setting become increasingly important. Given the affinity that labor parties have with public sector workers, one might expect a relationship would exist between support for such parties and collective bargaining outcomes with public sector workers. Two studies, one Canadian [4] and one American [5], attempted to measure this relationship with little success. Kochan

and Wheeler's study found no link between support for the Democratic Party and a number of other variables intended to capture the political elements of public sector collective bargaining outcomes [5]. Similarly, after accounting for other variables, Anderson also found no relationship between NDP support and municipal sector wages [4]. In the case at hand, by contrast, the NDP measure was significant for both starting and maximum teachers' salaries. This study does differ from Anderson's in that he compared interprovincial NDP support and his sample included a plethora of unions and occupational groups and a number of different legal regimes while this study deals with intraprovincial support for a single occupational group represented by a single union [4].

Clearly, the idiosyncratic character of our findings merit closer scrutiny. Notwithstanding the ubiquity of public opinion surveys, one of the easiest methods for elected officials to gauge the desires of the people is through their voting patterns. Why then do others not find what is found here? First, the restriction of the study to a single type of employee group within a consistent bargaining framework and members of the same union may reduce the potential for different legal environments and union characteristics to mask the true relationship between left-wing party support and public sector wages. Second, the method used herein averaged the variables over a number of years and included two elections, thereby measuring local populace attitudes at two time periods. Third, differences between bargaining cycles, school years, municipal and provincial elections, and budget cycles are immense and have the potential to obscure any relationship between the political environment and public sector wages. In contrast, Kochan and Wheeler [5] and Anderson [4] used observations gleaned from a single year. When one takes notice of the asynchronous nature of state/provincial and federal votes and all the other independent measures used to estimate public sector wages, it is of little surprise that these studies were unable to link support for left-wing parties and municipal employee wages. With regard to collective bargaining outcomes, elected officials may well be responsive to the political will of the people. But with only an intermittent ability to gauge the will of the people (state/provincial/federal elections), and intermittent ability of boards to implement the people's will (bargaining cycle) and an intermittent ability of the people to exercise their will (school board elections), collective bargaining may be able to reflect this will only over the long term. Fourth, mixing bargaining groups that have private sector substitutes and some notion of market or prevailing rates with those that do not is suspect; these groups may have different mechanisms for determining bargaining outcomes, and not all will be equally prone to political influences. Given these problems, it is not surprising that single-year, cross-sectional studies have not discerned the link demonstrated here.

This brings us to the question of the generalizability or replicability of these findings. It is worth recalling that the NDP has historically been less prominent in Alberta than in some Canadian provinces (such as British Columbia and Manitoba), but more prominent than in some other provinces (such as Prince

Edward Island and Quebec). There is no reason to suspect, therefore, that the link we uncover between labor party vote and teachers' salaries is confined to the Alberta case. Clearly, other single-state/province studies should be undertaken. Some states in the United States and provinces in Canada have decentralized collective bargaining for teachers and other similar groups; these could be employed for multijurisdictional studies, even though it would be difficult to develop meaningful controls for the collective bargaining framework and union differences. As already mentioned, mixing bargaining groups that have private sector substitutes and some notion of market or prevailing rates may also create its own problems. These factors may limit the applicability of our findings to teachers, firefighters, police officers, and, in Canada, nurses.

Parenthetically, it is worth observing in Table 2 that the standardized NDP coefficient is larger for starting salaries than for maximum salaries. This result may indicate that school districts in areas with higher NDP support have a greater interest in increasing starting wages than top wages, thereby leading to wage compression—a finding consistent with the belief that labor parties strive for a more equitable distribution of income. To investigate this issue further, the authors correlated the ratio of starting-to-maximum salary with NDP vote. The correlation was 0.21 ( $r = 0.06$ ), indicating clearly a strong relationship between NDP support and wage compression.

## CONCLUSION

Students of public policy and collective bargaining have long attempted to discover the relative explanatory power of “economic” as opposed to “political,” variables. Are state activities significantly driven by the economic environment or are forces internal to the political system at the heart of the policy process [40]? If politics does matter, how can its influence be measured? Our study of Alberta teacher salaries clearly illustrates the importance of both political and economic factors and provides a potential measure of political influence. The only unambiguous economic measures (unemployment and monopsony power) were found to be associated with teachers' salaries. Also, both the percentage of school board budgets devoted to instructional tasks and the extent of reliance on provincial funding tap into the relative economic well-being and willingness to pay of the different school districts, and both variables were significantly linked to teachers' pay in Alberta.

Nevertheless, one also cannot ignore the political underpinnings of public sector wage bargaining outcomes. School board trustees must answer many questions, few of which are self-evident and all of which impinge on teachers' salaries. What is the appropriate ratio of pupils to teachers? How much can administrative costs be shaved before major problems become apparent? At what point will a tax increase produce a perceptible backlash among local ratepayers? Different groups

of trustees will answer these questions differently and teachers' pay increases will swell or diminish accordingly.

Most intriguingly, it is apparent that salaries for teachers in Alberta are linked to the most fundamental political act of all: the citizen's exercise of his/her franchise. Although the mechanisms by which this occurs require further analysis, it is apparent that the proportion of Albertans in a particular school district who vote for NDP candidates in a provincial election is related to higher minimum and maximum salaries and to a more compressed salary structure. Such an association is, of course, perfectly consistent with both the organizational and ideological attributes of the New Democratic Party. Yet democrats of all political persuasions should be heartened that the simple act of voting can reverberate at different levels inside the state.

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