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TRADE UNIONS IN CANADA: CHALLENGES AND PROSPECTS

Profile of Unionization in Canada

In 2018, approximately 4.8 million workers, comprising 30.1 percent of the workforce in Canada were represented by a union. However, unionization is very unevenly divided between public and private sectors. Only 15.9 percent of private-sector workers are unionized, as compared to 75.1 percent of workers in the public sector. Unionization in Canada reached a peak of about 40 percent in the mid-1980s. By the late 1990s, unionization had declined to

approximately 30 percent, where it has stood since [2]. Despite the decline, the absolute number of union members in Canada continued to increase as the labour force grew.

A major decline was experienced in sites of male, blue collar employment. The unionization rate of women has remained much more stable due to their higher rates of employment in the public sector, where a number of public sector occupations have unionization rates much higher than the overall labour force, including public administration, education, and health care. Though the public sector comprises only approximately 20 percent of the labour force, high rates of unionization in public sector occupations has helped to sustain the overall unionization rate, even as unionization in the private sector has declined.

Labour law / Industrial relations

In Canada, the role of trade unions is shaped by a legal system that, on the one hand, provides workers with the right

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to unionize and to engage in collective bargaining, but at the same time imposes strict limitations and obligations on unions [1]. While workers have had the right to join a union since 1872, it was not until the 1940s that the right to collective bargaining was established. At that point, a mechanism for union security (through a mandatory dues check-off) was also introduced. This legal framework also created new responsibilities for unions by establishing prohibitions on striking during the life of a collective agreement, by limiting scope of collective bargaining, and by ensuring formal acknowledgement of management rights to direct and control work. The operation of this framework intensified bureaucratic tendencies within unions, limiting their capacity to challenge the power relationships of the workplace and advance workers' struggles [6]. This system also produced a decentralized system of workplace-level union certification and collective bargaining.

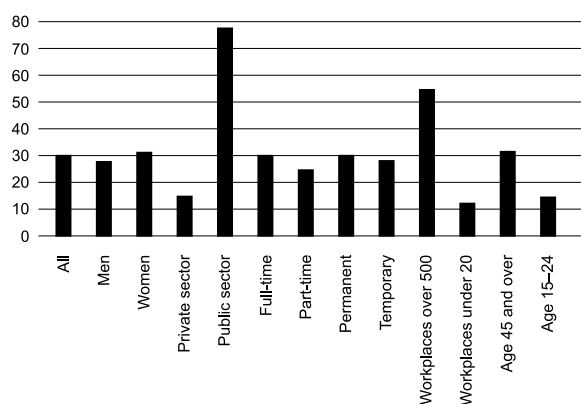


Fig. 1. Unionization in Canada (percent), 2018.

Source: Statistics Canada, Tables 14-10-0070-01, Union coverage by industry, annual (x 1,000), and 14-10-0133-01, Union status by establishment size

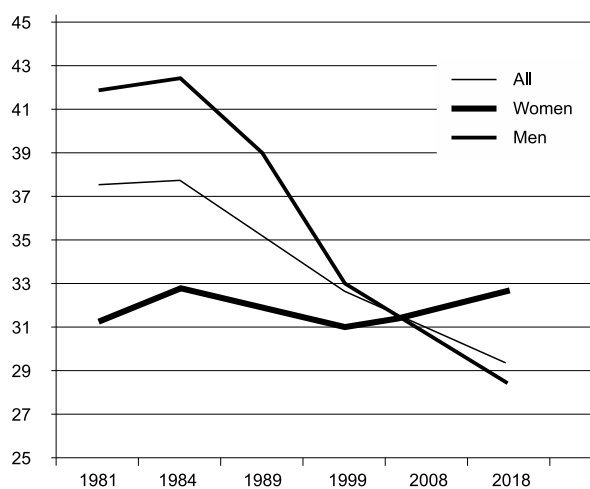


Fig. 2. Unionization in Canada (percent), 1981–2018.

Source: Statistics Canada, Table 14-10-0070-01, Union coverage by industry, annual (x 1,000); see also [2]

Challenges Facing Trade Unions in Canada

Job loss and union decline in the manufacturing sector

There has been a significant decline in union coverage in manufacturing employment, which has contributed substantially to the overall decline in unionization in Canada. In 2018, 24.7 percent of the manufacturing workforce was unionized, which was down from 36.4 percent in 1997. Both free trade agreements and employer work reorganization strategies have played major roles in this shift [2].

Free trade agreements with the United States in 1988 and with the United States and Mexico in 1993 intensified the competitive environment in manufacturing by facilitating corporate mobility to lower cost production sites, particularly in Mexico and the southern United States. This contributed to both job loss and downward pressure on working conditions for manufacturing work in Canada. Such competitive pressures were heightened as some manufacturing shifted even further to Asia, particularly China. Unions in the sector have not only experienced losses in members, but also declining union power due to the highly competitive environment created by free trade.

Employer outsourcing strategies also contributed significantly to declining unionization in manufacturing, as many large, unionized employers contracted work out to smaller, non-unionized operations. While manufacturing employment stabilized by the mid-1990s, and even began to grow into the 2000s, unionization in the sector did not return to the peak levels of the 1980s. For example, the automotive parts producer Magna has become a major presence in automotive parts production and operates largely non-unionized factories [3]. Newer employers in both parts production and automobile assembly have been largely successful in resisting unionization efforts, including major automobile manufacturers (Toyota, Honda) that moved to Canada in the late 1980s [12].

In addition to continuing to attempt to organize new manufacturing employment, union mergers have sought to offset declining memberships. The most significant merger took place in 2012 between the Canadian Auto Workers and the Communications, Energy, and Paperworkers, who combined to form Unifor, becoming Canada's largest private sector union. As the union most affected by the competitive pressures and potential job loss due to free trade, Unifor is also currently engaged in a strategy of economic nationalism through a campaign to encourage consumers to buy Canadian-made automobiles. Reflecting declining union power in the sector, Unifor has also engaged in workplace partnerships with employers (Magna) and has adopted two-tiered collective agreements, which provide differential benefits for new members.

Precarious work in the private services sector

Unions are also confronted with the growth of employment in the service sector. Since the 1970s, service sector employment, has grown to the point where nearly 80 percent of the labour force is employed in service producing industries. In 2018, 30.9 percent of workers in service industries were unionized, though in private service sector occupations unionization is typically well below 30 percent. Several occupations have rates below 10 percent, the lowest of

which is accommodation and food services, at 6 percent. Many private service sector occupations have had low rates of unionization historically, so there has not been a base of union presence for new organizing efforts to build upon. There is, however, a union presence in some hotel chains and some large grocery stores [2].

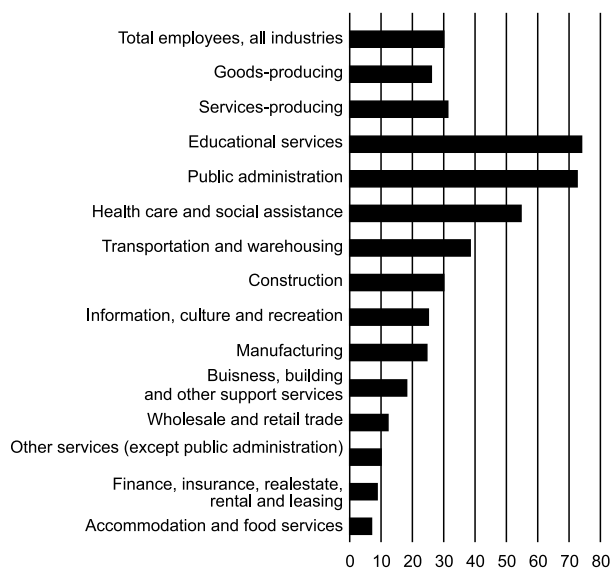


Fig. 3. Unionization by industry (percent), 2018.
Source: Statistics Canada, Table 14-10-0132-01,
Union status by industry

One of the key challenges facing unions when trying to organize workers in the private service sector is the high presence of nonstandard (part-time, temporary) and precarious (insecure, low-wage) forms of employment, which make organizing more difficult. Part-time employment is more prevalent in the service sector (28.2 percent) as compared to the goods-producing sector (6.1 percent), as is temporary work (11 percent versus 6.1 percent).¹ Part-time and temporary employment are most prevalent in accommodation and food services occupations, which are also the occupations with the lowest levels of unionization. In addition, employers in the private service sector are often aggressively anti-union [7]. Workplaces in the private service sector are also smaller and have high rates of turnover, further compounding the challenges facing union organizing.

Unions continue to attempt to address the challenges of the private service sector. As control over scheduling has been a major concern, particularly in retail and food services, unions have sought to use collective bargaining to provide greater hours certainty, including by negotiating minimum hours guarantees [5]. Another strategy involves adopting broader- and/or sectorally-based organizing and bargaining along the lines of the Justice for Janitors campaigns in the United States [2]. Broader based approaches are not widespread in the Canadian context, however, as labour laws recognize narrowly defined bar-

gaining units and support workplace-based certification and bargaining.

Neoliberal labour laws and policies

The challenges facing unions in Canada have been exacerbated through the neoliberal re-regulation of labour laws and policies [8]. The impacts of neoliberalism can be seen through a variety of policies and practices at municipal, provincial, and federal levels. Early neoliberal efforts that instigated the reshaping of work in Canada involve the free trade agreements discussed above. Dramatic federal budget cuts implemented in the mid-1990s significantly reduced funding for public services, with implications for job security and compensation of unionized public sector workers [4]. At the provincial level, neoliberal labour law reforms have made union organizing more difficult and have lowered the threshold for decertification [6]. While such reforms have contributed to the erosion of union strength, reforms to employment standards legislation – including increased maximum hours of work, minimum wage freezes, and changes to enforcement procedures – have lowered the general floor of social protection for all workers [11].

From the mid-1990s onwards, federal, provincial, and municipal public sector workers have experienced layoffs and wage freezes, as well as the increased use of back-to-work legislation [9]. Neoliberalism intensified following the 2008 financial crisis with the adoption of austerity measures that targeted public sector workers through further wage freezes, downsizing, back-to-work legislation, and concessionary bargaining [10]. The overall labour relations climate in public services has become much more like the business sector in recent years.

Recent campaigns by public sector unions have successfully resisted some of the neoliberal attacks on public sector work and workers. Notable examples have taken place in the city of Toronto, including a campaign by a Good Jobs for all Coalition to resist efforts to privatise building cleaning services, as well as a strike by largely part-time librarians to resist layoffs through outsourcing and technological change [10]. In both cases, though successful in resisting the proposed neoliberal measures, the campaigns did not extend beyond the particularities of each respective occupational group and did not create lasting structures through which to build broader momentum against neoliberalism.

Future of Trade Unions in Canada

While trade unions have been challenged through declining unionization in manufacturing, the growth of service sector employment, and neoliberal labour laws and policies, unions are engaged in a variety of efforts to resist these processes and improve working conditions. These include reactive/defensive strategies, involving lobbying and collective bargaining around a narrow range of workplace issues, as well as what could be seen as regressive campaigns premised upon economic nationalism. Coalition-based strategies between labour and community groups have produced some notable success, as they bring together a variety of organizations to address the precariousness brought about by neoliberalism and austerity. Organizing that involves experimentation with new structures may be able to better represent the working-class within and beyond the workplace,

¹ Statistics Canada, Table 14-10-0072-01, Job permanency (permanent and temporary) by industry, annual (x 1000); Statistics Canada, Table 14-10-0023-01, Labour force characteristics by industry, annual (x 1000).

including through movements of low-wage and precarious workers such as the Fight for \$15 and Fairness. Such efforts illustrate the dynamic nature of worker organizing in the context of changing economic and political conditions and may hold potential to foster more systemic forms of change.

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