



Original Article

UNIONS AND LABOR STANDARDS IN CANADA: AN ANALYSIS BY PROVINCE AND SECTOR

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ABSTRACT

This article analyzes contemporary fluctuations in union density in Canada, as well as labor markets in the period 1980-2022. The analysis is made taking into account the evolution of union membership, labor force characteristics, as well as the living standards of Canadian workers in that period. The development of Canadian trade unionism is scrutinized, identifying the most representative unions at the national and provincial levels. In addition, the conditions of workers in different sectors are explored. Finally, an assessment of trade unionism in Canada is conducted and some conclusions are suggested.

Keywords: *unionism, Canada, union density, labor markets*

I. INTRODUCTION

The character and administration of Canadian labor legislation have proven to be more favorable to unions than their U.S. counterparts. Lipset (1996) lists the historical factors that defined Canada as a country with its own characteristics and, in a sense, different from the United States. First, he points out that the United States is the part of British North America that managed to secede, whereas Canada initially did not. He then mentions the existence of a social democratic party in Canada, a situation that has been interpreted by various analysts as the result of a considerable influence of collectivist traditions and orientations, which have developed and stimulated the elites of Canadian politics since the emergence of the federation in 1867.

On the other hand, the United States is the part of British North America that managed to secede, while Canada, initially, did not. Moreover, the existence of a social democratic party in Canada has been interpreted by various analysts as the result of a considerable influence of collectivist traditions and orientations, developed and fostered by the elites of Canadian politics since the emergence of the federation in 1867. Canada has relied on a strong state and group solidarity. Public ownership is considerably more widespread than in the United States. Canadian governments spend proportionately more on welfare. Historically, Canadian governments have spent proportionately more on welfare (Lipset, 1996).

It has been argued that fluctuations in union density are closely related to the organizational activities of unions. The divergence in union density between the United States and Canada is explained by a number of factors related to unions' opportunities to recruit new members. It is clear that union organizing successes have been substantially greater in Canada than in the United States. To a large extent, this is determined by differences in the legal environment (Commission for Labor Cooperation, 2004).

The U.S. labor system, in terms of union recognition, is election-based and results from extensive campaigns, with companies using anti-union tactics ranging from delaying the process to discriminating against workers who support and promote the union. In contrast, union organizing in Canada is based on card-signing (and, in some cases, early elections), which minimizes the potential for companies to resist unions. In addition, the incidence of unfair business practices is substantially higher in the United States and the legal aspects that prevent interference are not as effective as those that exist in Canada (Rose & Chaison, 2001).

In Canada, the process for the creation of a union is less lengthy than in the United States. The card system is used for workers to accept or reject the creation of the union, without the need for formal elections. This, of course, reduces the likelihood of anti-union actions by companies.

In Canada, union organizing often begins in much the same way as in the United States, with unorganized workers contacting a union representative to help them form a union in their workplace. The same mechanism of cards signed by the workers is followed for union formation. However, in most provinces there is an important difference compared to the U.S. system: the signature on the card is effectively the "vote" for union representation. The federal jurisdiction and six of the ten provinces issue certification of unions as the bargaining representative of workers in collective bargaining if the union obtains signed cards from most of the workers in the bargaining unit (in some provinces, 55% to 60% is required to avoid disputes, if there is a smaller number of cards). The Labor Board (or the Quebec commissioner general of Labor) verifies the authenticity of the cards before proceeding to certify the union, often referred to as the "card check" method of union certification.

In those provinces that generally statutorily require an election for union certification, certification is usually completed after a few days from the date of application. In Ontario, for example, which has just switched from a card check system to a mandatory election system, the

election must be held within five days of the application. The result of both the card check and snap election systems in Canada is a virtual absence of protracted and aggressive workplace campaigns for or against union representation.

On the other hand, in Canada there is a close relationship between the organized labor movement and the Neo-Democratic Party (NDP), a political grouping that emerged in 1961, of social democratic affiliation and whose origins date back to the union of two political parties; the Canadian Labour Congress and the Commonwealth Cooperative Federation. It should be noted that the NDP has been gaining ground over the years to become a party with a parliamentary presence in virtually every part of the country. Through the NDP, Canadian unions have reinforced their political strength and influence (Rose & Chaison, 1996).

Thus, the permanent presence of the NDP within a highly federalized parliamentary system has facilitated union-friendly collective bargaining laws (Bruce, 1989), where neo-democratic leaders have played a central role in bringing union voices and demands to the Canadian House of Commons. In contrast, the links between unions and political parties in the United States are less formal, and unions have not been able to persuade Congress to reform national labor relations laws in their favor. In both Mexico and the United States, the lack of a strong social democratic party has resulted in the inability to counteract the decline in union density, as well as the institutional instability of unions.

Another factor that explains the traditional union density in Canada is the high unionization of the public sector (twice as high as in the United States). This factor is a determining factor in defining Canada's high unionization. This suggests that one of the postulates of neoliberalism (privatization) has not been applied at the same speed and intensity as in Mexico or the United States.

Jurisdiction over labor relations resides mostly in the provinces. Only 10% of Canadian workers are regulated by federal labor legislation. An important feature of the labor relations system is decentralization. Almost all collective agreements are concluded between an employer and an individual union. Collective bargaining is rarely sectoral and is not national as in other countries. Only 15% of unionized workers are subject to collective agreements covering many companies in the same sector. One of the effects of decentralization is the proliferation of collective agreements: some 10,000 collective agreements may be signed in a year.

II. LABOR FORCE CHARACTERISTICS, 2018-2022

The goods-producing sector, which encompasses agriculture, forestry, fishing, mining, quarrying, oil and gas extraction, utilities, construction, and manufacturing, employed 3.9 million workers in 2018. This number remained relatively stable over the years, with a slight increase to 4.1 million employees in 2022. Within the goods-producing sector, construction and

manufacturing were the largest employers, with 1.5 million and 1.8 million workers in 2022, respectively.

As for the service-producing industries, which include wholesale and retail trade, transportation and warehousing, finance, insurance, real estate, rental and leasing, professional, scientific and technical services, educational services, health care and social assistance, information, culture and recreation, accommodation and food services, other services (except public administration), and public administration, a significant majority of the workforce was employed. In 2018, the service-producing sector employed 14.7 million people, rising to 15.6 million people in 2022. The largest employers within this sector were health care and social assistance, with 2.6 million employed in 2022, followed by wholesale and retail trade, with 3 million people.

Overall, the statistical data highlight the distribution of employment across industries in Canada over the years, providing insights into the characteristics and trends of the labour force.

Table 1. Labor force characteristics in Canada by industry 2018 -2022

North American Industry Classification System (NAICS)	2018	2019	2020	2021	2022
	Number of workers				
Total, all industries	18,723	19,121	18,043	18,942	19,693
Goods-producing sector	3,973	3,984	3,796	3,921	4,072
Agriculture	284	294	279	258	257
Forestry, fishing, mining, quarrying, oil and gas	332	332	306	325	328
Forestry and logging and support activities for forestry	49	46	50	48	46
Fishing, hunting and trapping	17	17	18	18	16
Mining, quarrying, and oil and gas extraction	266	268	238	258	266
Utilities	139	134	133	137	148
Construction	1,435	1,473	1,407	1,451	1,552
Manufacturing	1,781	1,750	1,669	1,747	1,785
Durables	1,072	1,052	989	1,036	1,062

Non-durables	708	697	679	711	722
Services-producing sector	14,749	15,136	14,247	15,021	15,620
Wholesale and retail trade	2,887	2,937	2,761	2,888	2,984
Wholesale trade	671	662	631	653	685
Retail trade	2,216	2,275	2,129	2,235	2,299
Transportation and warehousing	979	1,030	942	985	981
Finance, insurance, real estate, rental and leasing	1,204	1,239	1,240	1,325	1,367
Finance and insurance	851	871	915	967	998
Real estate and rental and leasing	352	367	325	358	369
Professional, scientific and technical services	1,465	1,557	1,561	1,689	1,809
Business, building and other support services	772	763	686	680	693
Educational services	1,293	1,330	1,318	1,448	1,471
Health care and social assistance	2,393	2,476.90	2,402.50	2,519.60	2,603.70
Information, culture and recreation	775	779	676	717	808
Accommodation and food services	1,235	1,219	945	967	1,049
Other services (except public administration)	788	790	704	717	714
Public administration	953	1,009	1,006	1,081	1,136

Source: Statistics Canada. 2023

III. UNION DENSITY IN CANADA

Despite the adverse scenario faced by workers and unions since the 1970s, the unionization rate (percentage obtained from the number of unionized workers and the active population) in Canada has remained stable from the 1990s to the mid-2000s at an average level on an international scale, especially in comparison with OECD countries (Jackson, 2006). It should be noted that Canada ranks well below Scandinavian countries (Sweden, Finland) or Belgium, but above countries such as the United States, France and Mexico (Visser, 2006).

Canadian labor relations have many distinctive features: they are highly decentralized, with relatively high levels of conflict, stable union membership, employer strategies based on the existence of collective agreements and frequent legislative processes to address labor issues. The economic, social and political context of Canadian labor relations is arguably different from that of the United States and Mexico (Aguilar, 2001). In North America, Canada has the highest rates of unionization and thus the highest benefits and provisions within the labor system.

On the other hand, unions contribute to increasing the income of their members. On average, union members earn 26 percent more than their counterparts. Unionized workers in the public sector earn the highest hourly wages, above those employed in the private sector who are union members. Overall, all unionized workers enjoy company-provided pensions at a ratio of three to one over non-unionized workers. In addition, they have twice as much medical or dental coverage (Jackson, 2006). The union advantage is greater for the most unprotected groups of workers, such as women, young people, and those with low qualifications. In this sense, unions help to ensure that the wage inequality between different groups of workers is not so accentuated.

The average hourly wages of unionized workers are higher than those of non-unionized workers. For example, full-time unionized workers earned a wage of \$26.72 per hour, while their non-unionized counterparts earned a wage of \$22.71 per hour. Overall, the wage gap between union and non-union workers was \$427 versus \$240 in earned wages per week (Uppal, 2011).

Statistical data on unionization in Canada from 1981 to 2022 reveal significant changes in union membership rates and their impact on various groups of workers. The Canadian labor market has undergone substantial transformations during this period, characterized by the shift of employment from manufacturing to the service sector, technological advances, fluctuations in resource prices, increased international trade and the rise of e-commerce. In addition, the COVID-19 pandemic has led to significant alterations in work patterns, including telecommuting (Morissette, 2022).

The decline in unionization rates observed over the past four decades is a crucial aspect to examine. Unionization can directly influence wage setting and indirectly influence the bargaining power of non-union workers and the hiring practices of non-union firms. Unionized jobs tend to offer higher-than-average pension plan coverage, which affects workers' retirement readiness.

The overall percentage of employees who were unionized in their primary job declined from 38% in 1981 to 29% in 2022, a decline of 9 percentage points. Most of this decline, approximately two-thirds, occurred between 1981 and 1997, while the remaining one-third occurred between 1997 and 2022.

Examining unionization rates by type of employment shows that, from 1981 to 2022, unionization rates declined by almost 11 percentage points in full-time jobs but experienced a slight increase of about 3 percentage points in part-time jobs. Notably, there are significant differences in unionization rates between men and women. Over the four-decade period, unionization rates declined by 16 percentage points among men, while remaining relatively stable among women.

The decline in unionization was most pronounced in the commercial sector, which includes industries outside of educational services, health care and social assistance, and public administration. Among men in the commercial sector, the percentage of union membership declined from 31% in 1981 to 19% in 2022. However, in the non-commercial sector, the percentage of unionized men remained stable at around 66%.

The decline in unionization rates among men can be attributed in part to shifts in employment away from the manufacturing sector, traditionally characterized by high unionization rates. However, declines in union membership were also observed in goods-producing industries, such as forestry and mining, manufacturing, and construction, with declines ranging from 13 to 19 percentage points from the early 1980s to the late 1990s.

Among men, unionization rates declined between 15 and 19 percentage points over the four-decade period. However, the period of the decline varied by age group. For men aged 25 to 34, the decline in unionization occurred primarily between 1981 and 1997, while for men aged 45 to 54, the decline was most pronounced between 1997 and 2022.

In contrast, women experienced different changes in unionization rates depending on their age group. Younger women (under age 25) experienced an 8-percentage point decline in unionization from 1981 to 2022. However, older women (ages 45 to 64) experienced an increase in unionization rates of between 4 and 6 percentage points. The growth in unionization among older women was observed primarily from the early 1980s to the late 1990s and can be attributed to their increased presence in highly unionized industries and occupations, as well as in full-time jobs.

The analysis also highlights regional differences in unionization rates. British Columbia experienced the largest decline in unionization, with a decline of 15 percentage points from 1981 to 2022, double the magnitude of the decline observed in Quebec, Alberta, and Prince Edward

Island (7 percentage points). In addition, British Columbia experienced a nearly 7 percentage point decline in unionization from 1997 to 2022, while Quebec's unionization rate remained relatively stable over the same period.

Overall, the syndication rate in Canada declined 9 percentage points over the past four decades. However, this decline was not uniform across all groups of workers. Divergent trends in unionization rates across demographic groups, such as a decline among men aged 45-54 and an increase among women aged 45-54, likely impacted the wage structure and coverage of the country's registered pension plans.

Changing labor market dynamics, including technological advances, COVID-19-related changes in work organization, and the growth of temporary employment generate uncertainty as to the future trajectory of unionization rates (Morissette, 2022).

Table 2. Union density in Canada, 1981 to 2022

	1981	1997	2019	2022	Change			
					1981 to 2022	1981 to 1997	1997 to 2019	1997 to 2022
					Percentage points			
	Percentage				Percentage points			
All employees	37.6	31.6	28.6	28.7	-9	-6.1	-3	-2.9
Men with a bachelor's degree	36.6	32.2	25.7	23.7	-12.8	-4.4	-6.5	-8.4
Men with no bachelor's degree	42.9	33.1	27.2	27.3	-15.7	-9.9	-5.9	-5.8
Women with a bachelor's degree	49.1	42.9	36.5	37.3	-11.7	-6.1	-6.4	-5.6
Women with no bachelor's degree	29.4	27.1	27.3	27.3	-2	-2.2	0.2	0.2
Full-time jobs	40.1	33.4	29.5	29.6	-10.5	-6.7	-3.9	-3.8
Part-time jobs	20.3	22.8	23.9	23.1	2.8	2.4	1.1	0.3
Commercial sector	29.7	21.1	16.3	15.2	-14.5	-8.6	-4.8	-5.9

Non-commercial sector	62.5	61.9	61.2	61.6	-0.9	-0.6	-0.7	-0.3
Newfoundland and Labrador	45.2	39.9	36	39.7	-5.6	-5.4	-3.9	-0.2
Prince Edward Island	38	26.9	30	31.4	-6.7	-11.1	3.1	4.5
Nova Scotia	33.8	28.5	28	30.1	-3.7	-5.3	-0.5	1.5
New Brunswick	39.8	27.8	28	29.3	-10.5	-12	0.2	1.5
Quebec	44.2	38.1	36.8	37.3	-6.9	-6.1	-1.3	-0.8
Ontario	33.7	28.1	24.9	24.7	-9.1	-5.7	-3.2	-3.4
Manitoba	37.9	35.4	33.1	33.4	-4.5	-2.4	-2.3	-2.1
Saskatchewan	37.9	33	30.2	32.6	-5.3	-4.8	-2.8	-0.4
Alberta	28.4	23.7	23.4	21.4	-7.1	-4.7	-0.3	-2.3
British Columbia	43.3	35.2	27.8	28.6	-14.7	-8.1	-7.4	-6.6

Sources: Statistics Canada, Survey of Work History, 1981; Labour Force Survey, May 1997 and May 2022

IV. RESULTS AND DISCUSSION

4.1. Factors explaining union decline

The decline in union membership in Canada over the past few decades can be attributed to several main factors:

- Changes in the labor market. The transition from a manufacturing-based economy to a service- and knowledge-based economy has led to a decline in unionized industries. Traditional sectors with high unionization rates, such as manufacturing and mining, have experienced job losses, while growth in sectors such as technology and finance has been characterized by lower unionization rates.

- Globalization and free trade. The increasing integration of the Canadian economy into the global marketplace has exposed domestic industries to greater competition. Trade agreements and globalization have led to the outsourcing of jobs and the offshoring of industries to countries with lower labor costs. This has weakened the bargaining power of unions as companies seek to reduce costs and remain competitive.

- Changes in labor legislation. Labor legislation and public policies have evolved, sometimes limiting the power and influence of unions. Legislative changes have made union organizing, collective bargaining and strikes more difficult. In addition, some provinces have implemented policies that promote more flexible employment arrangements, such as part-time and temporary work, which are less likely to be unionized.

- Declining unionization in the private sector. Union membership has experienced a significant decline in the private sector compared to the public sector. Private sector industries, particularly small businesses and non-unionized sectors have seen lower rates of unionization. This decline can be attributed to factors such as increased employer resistance to unionization efforts, changing attitudes toward unions, and the growth of atypical labor agreements.

- Changing social attitudes and perceptions. There has been a shift in societal attitudes toward unions. Factors such as declining public support for unions, changing values, and the perception that unions are of little relevance to young workers have contributed to the decline in union membership. In addition, anti-union campaigns by employers and the negative image of unions in the media have influenced public opinion.

- Internal challenges. Some unions have faced internal challenges, including issues related to governance, leadership and adaptability to economic and technological change. In some cases, unions have struggled to effectively represent the interests of their members, leading to a decline in membership and influence.

It is important to note that these factors have interacted, contributing to the overall decline in union membership in Canada. Notwithstanding high rates of union membership, there are still sectors and regions in Canada where unions remain strong and continue to play an important role in representing the interests of workers.

4.2. Union density by province

The Canadian provinces with the highest levels of unionization have traditionally been Newfoundland and Labrador, Prince Edward Island and Quebec. These provinces have consistently had higher unionization rates compared to other provinces. However, it is important to note that unionization rates can fluctuate over time and can be influenced by a variety of factors, including economic conditions, industry composition and labor relations.

The province of Newfoundland and Labrador has one of the highest unionization rates in Canada. This can be attributed to factors such as the strong presence of resource-based industries such as oil and gas, mining, and forestry, which have traditionally had higher unionization rates.

Quebec has a long history of labor activism and a strong labor movement. The province has a relatively high unionization rate compared to the national average. The Quebec labor movement has been instrumental in defending workers' rights and has played a key role in shaping labor policies. Quebec has a diversified economy, with strong union representation in sectors such as manufacturing, construction, health care and public administration.

The high union density in Quebec is remarkable. The peculiar role that labor unions have played in that province is well known. The objectives of these organizations differ from the rest; their stance is in a certain sense more radical, and they are identified with revolutionary trade unionism.

It should be noted that while these provinces have the highest unionization rates, union density can vary within industries and occupations. In addition, economic and social factors, as well as government policies, may influence unionization rates in different provinces.

On the other hand, it is worth noting that the province of Ontario concentrates a large share of the national production in the country, is considered one of the most economically dynamic provinces and concentrates a large part of the industrial production; it could also be considered as a global city due to its great importance in financial services and high-skilled service activities.

4.3. Labor organization in Canada

Union membership in Canada is divided into two centrals, which account for about three-quarters of the total number of union members, three smaller organizations, and a large number of non-affiliated unions. Thus, there are almost 800 unions, and their membership ranges from unions with less than 100 members to unions with more than 500,000 members. The trade union central or confederation that brings together the largest number of unions is the Canadian Labour Congress (CLC); the others, especially in the public sector, are independent of any national body.

The Canadian Labour Congress (CLC) has just over 200 affiliated unions representing 70 percent of all union members in the country. The CLC is present in all regions and in most industries except construction. It is the main political voice of Canadian workers. In national politics, this confederation officially supports the Neo-Democratic Party, which has a social democratic ideology. It should be noted that the headquarters of the Neo-Democratic Party is located in Ottawa, the Canadian capital.

On the other hand, the unions with the largest membership in Canada are in the public sector. In particular, the Canadian Union of Public Employees, which groups the country's public employees (belonging to the CLC), is the largest union with a membership of just over 600,000 members. It is followed by the National Union of Public and General Employees (also of the CLC), with about 340,000 members. As can be seen, the two main unions in the country affiliate public sector workers.

The third largest national union in Canada is the Canadian Commercial and Food Workers Union. The characteristics of Canada's economy, which relies heavily on primary resources, is reflected in union membership. For example, the fourth largest union is the International Union of Service and Steel, Paper and Forestry, Leather, Manufacturing and Energy Workers (part of the AFL-CIO and the CLC). In the case of Quebec, the most representative union is the Federation of Health and Social Services Workers (belonging to the CSN).

It should be noted that Canadian labor markets have been, and remain, more union- and government-regulated than those in the United States. The generosity of income support programs had also traditionally been more extensive in Canada in previous years. For example, in the 1980s, slightly more than twice the proportion of unemployed workers qualified for Unemployment Insurance benefits in Canada, a situation that compared to the United States shows greater coverage on the Canadian side.

However, Unemployment Insurance benefits have been reduced, as well as the amount allocated. In spite of the above, the coverage of this labor benefit is greater than in the U.S. and in most Latin American countries it is non-existent.

Also, welfare programs in Canada during the last two decades of the 20th century covered all unemployed workers who did not qualify for unemployment benefits, while U.S. welfare programs have typically been much more limited. Canada has had public health care since 1960. These differences in labor market institutions and the social programs that workers have reflect many factors, but basically that they have been designed by a tradition of stronger social coverage in Canada than in the United States.

Canada has declined in the HDI. During the 1990s, Canada ranked first in the UN Human Development Index for seven years, meaning that it was the country with the best living conditions and opportunities in the world. Despite having occupied the first places in this index, Canada has been relegated in recent years, especially after the year 2000. In 20013 it occupied position number 11, while in 2022 it dropped in this ranking to position 15.

V. CONCLUSION

As opposed to the United States, and most capitalist democracies, Canada has not experienced a significant decline in trade unionism. Canadian trade unionism can be considered to have remained stable for much of the 21st century. Even despite the reduction in union density in the period 1980-2020. In fact, Canada is still considered a country of medium union density on the international scene. Indeed, union membership has been steadily increasing in total numbers. The Canadian labor system is more similar to European nations; in the political arena there is a party that officially belongs to social democracy, a situation that does not exist in the United States.

The labor system regulating the relationship between companies and workers determine to a large extent the levels of union membership. The most relevant aspect is the way in which new unions are organized. In Canada, labor institutions guarantee union organization through a system that respects workers' decisions to join or form a union; this aspect is relevant in explaining Canada's high union density rates. In the U.S. and Mexico, however, obstacles are faced at the voting and registration stages, respectively, during the union organizing process.

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