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STRATEGIES FOR REVERSING THE LONG-TERM DECLINE IN THE UNIONIZATION RATE

By Errol Black and Jim Silver

On May 2, 2005 we published a ***Fast Facts*** titled, "The Way Forward for Labour", in which we talked about the urgency of addressing the long-term decline in unionization rates in Canada. In this piece we provide more detail on the dimensions of this challenge and elaborate further on possible responses.

Trends in Unionization Rates

The overall unionization rate in Canada dropped from 37.6% in 1981 to 30.6% in 2004. Three-quarters of the decline occurred between 1989 and 2004. However, as shown in Table 1, there were significant variations in rates between men and women, public services and commercial services, age groups and provinces. Declines in unionization were more severe for men than women, and for younger than older workers.

The unionization rate in the public sector has held firm, but in commercial services has declined. New Brunswick experienced the largest and Manitoba the smallest declines in unionization rates among provinces. The declines are pervasive and persistent, with the exception of women, the public services and workers aged 44 to 54.

Causes and Consequences of Decline

Many factors underlie these trends: the deep and protracted depressions of the early 1980s and 1990s; the trade agreements (the FTA in 1989 and the NAFTA in 1994); changes in the industrial and occupational composition of employment; the concerted efforts of most governments and employers to bring unions and workers to heel in workplaces, and to drive the labour movement to the margins of political debate.

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Table 1

Unionization Rates in Canada
Selected Characteristics, 1981, 1989 and 2004

Characteristic	1981	1989	2004	Percentage Point Change 1981-1989	1989-2004	1981-2004
Both Sexes	37.6	35.9	30.6	- 1.7	- 5.3	- 7.0
Men	42.1	39.2	30.4	- 2.9	- 8.8	-11.7
Women	31.4	32.1	30.8	+ 0.7	- 1.3	- 0.6
Public Services	61.4	61.5	61.4	+ 0.1	- 0.1	0.0
Commercial Services	29.8	26.8	20.0	- 3.0	- 6.8	- 9.8
Age 17-24	26.4	18.4	13.6	- 8.0	- 4.8	-12.8
25-34	39.8	34.7	26.1	- 5.1	- 8.6	-13.7
35-44	42.0	42.9	32.8	+ 0.9	-10.1	- 9.2
45-54	41.7	44.6	41.2	+ 2.9	- 3.4	- 0.5
55-64	41.9	41.6	38.2	- 0.3	- 3.4	- 3.7
Provinces						
New Brunswick	39.8	35.4	28.8	- 4.4	- 6.6	-11.0
Manitoba	37.9	37.9	35.4	0.0	- 2.5	- 2.5

Source: ***Perspectives on Labour and Income***, Summer 2005, pp. 30 and 31.

In the face of the class solidarity of employers big and small (who said class politics was dead?), and the acquiescence of governments to the employers' agenda, the labour movement has been unable to generate the resistance needed to counter the forces undermining their power and influence in Canada.

A falling unionization rate reflects, of course, the harsh reality that the growth in union membership is not keeping pace with the growth in the number of workers. Table 2 summarizes the impact of the decline in the unionization rate on union membership as of 2004. Row 1 shows union membership in 2004 with a unionization rate of 30.6 %. Rows 2 and 3 show what the membership would have been if unionization rates had been sustained at 1989 and 1981 rates respectively.

In brief, the decline in the unionization rate from 35.9% in 1989 meant that there were 706,808 fewer trade union members in Canada in 2004 than in 1989; while the decline in the unionization rate from 37.6% in 1981 meant that there were 933,520 fewer trade union members in Canada in 2004 than in 1981. The decline in the unionization rate from its 1981 level had cost Canadian trade unions almost 1 million members by 2004. An erosion of union membership on the scale reflected in Table 2 has two profound effects on the labour movement.

First, as the membership base shrinks in relative terms the capacity to organize new members is reduced because of a decline in the availability of resources, and a depletion of the confidence built up during previous eras of membership expansion. This saps the drive of existing memberships, making them less resistant to demands for concessions by employers and more resistant to initiating job actions to gain ground in collective bargaining.

Second, the erosion of the membership base slowly drains the movement of the leverage it has with governments and employers. When union membership is decreasing, governments and business interests are not much interested in listening to what labour has to say about the economic and social policies of government. The feedback effects inherent in this situation accentuate the trajectory of decline. The only way out of the dilemma is to increase membership.

Rebuilding Memberships

Table 3 helps us to think about where efforts to organize must be concentrated by providing statistics on unorganized non-union workers in Canada by some key characteristics.

These statistics are revealing. They confirm that the bulk of non-union workers are in the private sector (91%) and in workplaces with less than 100 employees (74%). In recent years, the private sector has become much more hostile to unions. This is especially true of the owners and managers of small workplaces.

On the positive side, close to 70% of non-union workers are in the age group 25-54 and 63% have some post-secondary education – including university degrees and college diplomas and certificates. The current unionization rates for these groups are 32.9 and 32.1%, respectively. As well, 80% of non-union workers are employed full-time and 86% have permanent job status. These groups of workers tend to be receptive to unionization, especially as their tenure on the job increases.

But the situation in the service industries, and in particular the private sector service industries, is daunting. The three service industries that account for the highest percentage of non-union workers in the services sector are trade (20.2%), accommodation and food services (9.1%) and finance, insurance, real estate and leasing (7.8%). These industries therefore employ just over 37% of all non-unionized workers – more than one in three. And here, unionization rates are very low: 12.9, 6.7 and 8.4%, respectively.

It is not that workers in these industries reject unions. On the contrary, there have been many successful union drives in these industries. The problem is rather that in these industries workers and unions are up against some of the most anti-union employers in the country – the Wal-Marts, the major hotels and the banks.

Table 2

Estimates of Union Members Based On Different Unionization Rates, 2004

Total Paid Employees	Unionization Rates	Union Members	Difference Number	Difference %
13,336,000	30.6 (‘04)	4,080,816	0	0
13,336,000	35.9 (‘89)	4,787,624	706,808	+17
13,336,000	37.6 (‘81	5,014,336	933,520	+23

Source: Calculated from data in ***Perspectives on Labour and Income***, Summer and Autumn 2005 numbers.

What Needs To Be Done?

In “The Way Forward for Labour,” we argued that a key to rejuvenating the labour movement in Canada is local labour councils. It was the labour councils that gave birth in the 19th century to the original trade union centrals. And it was the labour councils that defined labour’s agenda. We need to invest resources in labour councils so that they can assume a more active role in promoting unionization and intervening in the politics of their communities: by fighting for policies favourable to working people and their families; by seeking to get labour candidates elected to municipal councils and school boards; and by forming coalitions with popular groups and organizations to pursue common objectives.

We remain convinced that this must be a central part of a strategy for renewal. At the same time, we want here to elaborate briefly on one additional element that must be at the core of such a strategy. The statistical data that we have provided suggest that the biggest challenge, but also the biggest opportunity, for organizing new members lies in the service and retail sectors.

We know from the data that more than one-half of workers in these sectors are women and we know that large numbers, a majority, are quite well-educated. We know too from other data that Canadian workplaces are increasingly multicultural.

From both Canadian and US experience we know that different organizing strategies are required in such workplaces. In particular, workers in these industries are less concerned with higher wages – although that of course is a concern – than they are with being treated fairly and respectfully in the workplace. Unions can deliver that, by bringing the rule of law, via collective agreements, to the workplace, and removing the arbitrary powers of management. We also know that organizing

Table 3

Non-Union Workers in Canada by Selected Characteristics, 2004

	Non-Union Workers		Current Unionization
	Number	% of Total	Rate
Total	9,479,000	100.0	30.3
Men	4,831,000	51.0	30.2
Women	4,648,000	49.0	30.4
Age 15-24	2,045,000	21.6	13.3
Age 25-54	6,482,00	68.4	32.9
High school or less	3,494,000	36.9	25.4
Beyond High School	5,985,000	63.1	32.1
Full-time workers	7,599,000	80.2	31.2
Workplace size			
Less than 20	3,908,000	41.2	12.6
20-99	3,097,000	32.7	30.3
100-500	1,673,000	17.6	41.9
Over 500	800,000	8.4	53.1
Private Sector	8,623,000	91.0	17.4
Job status permanent	8,178,000	86.3	30.5
Industry			
Goods	2,339,000	24.7	29.8
Construction	448,000	4.7	30.2
Manufacturing	1,556,000	16.4	29.4
Services	7,138,000	75.3	29.8
Trade	1,918,000	20.2	12.9
Accommodation / Food services	859,000	9.1	6.7
Finance, insurance, Real estate, leasing	740,000	7.8	8.4

Source: ***Perspectives on Labour and Income*, Autumn 2005, pp. 61-68.**

drives in such sectors work better when the organizers share the characteristics of the workers – an organizing staff has to include women as well as men, young people as well as older, and it has to be multicultural.

What we need is a fourth great organizing drive, targeting the service and retail sectors, involving the support of the entire labour movement, and employing creative organizing strategies. The first great drive was in the late 19th and early 20th centuries, and involved craft workers and workers on the railways and in coal mines. The second was in the 1930s and 1940s, when industrial workers organized in the face of brutal opposition by employers and the state. And the third was in the 1960s, when public sector workers were largely unionized. In all cases, organizing drives were part of a broader, society-wide movement for progressive social change. Organizing workers in previously unorganized sectors was a central part of society-wide efforts to create a better world.

This is where local labour councils come into play today. If properly funded, they can and should become part of a broadly-based process to build a better world. This means labour councils working side by side with inner city anti-poverty activists, environmentalists, women's organizations and the broad forces for progressive change generally. This contributes to the context in which the launching of a massive, fourth wave of union organizing becomes part of the broadly-based struggle to build a better world.

The failure to do this will have devastating results. Broadly-based progressive change is not possible without a strong, vibrant and class conscious labour movement. Look at the US where unionization rates are now down to 13% overall and 8% in the private sector. With such a weakened labour movement, the political right can run amok.

We need a fourth wave of union organizing in Canada to prevent that from happening here.

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