

# **A Fine Balance: Canadian Unions Confront Globalization**

By John Peters

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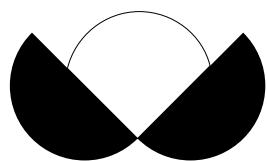
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## About the Author:

John Peters is a political scientist at York University who specializes in labour relations.

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CANADIAN CENTRE FOR POLICY ALTERNATIVES  
410-75 Albert Street, Ottawa, ON K1P 5E7  
tel: 613-563-1341 fax: 613-233-1458  
email: [ccpa@policyalternatives.ca](mailto:ccpa@policyalternatives.ca)  
<http://www.policyalternatives.ca>

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# Overview

Unions in Canada are in a precarious position. Over the past six years, they have begun to organize more extensively and have conducted wider campaigns. They have also had a great deal of success, organizing an average of some 50,000+ workers per year since 1995. Still, it hasn't been enough. For the first time since the late 1960s, the union density rate in Canada has fallen below 30%, and between 1990 and 2000 union membership fell by some 100,000.

Over the past few years, while 1.5 million jobs have been created, only 180,000 new union members have been added. This is an effective new unionization rate of 8%—a rate that is some 50,000 to 80,000 short of the additional members required every year if unions are to maintain their overall size and strength. Today, only some 3.8 million Canadian workers are in unions, and this shortfall does not seem likely to be remedied any time soon.

Over the past decade, globalization has expanded the non-unionized, part-time workforce, increased pressures for wage restraint, and given businesses more leverage in pushing workers for job concessions and longer work periods. And to make matters worse, across liberal market economies (LMEs) such as the United States, Britain, Australia, and Canada, governments have adopted "economic adjustment" policies designed to make labour more "flexible" so that firms might compete in a globalized

service and export economy. Such policies have included the wholesale restructuring of public sectors, as well as changes to employment law and social security.

All of these changes have given employers much more opportunity to change their relationship with their workers for the worse, and commonly many have begun to dispense with unions altogether. This has had a profoundly negative impact on trade unions and the labour market in liberal market economies, and these changes now appear to be having the same effect in Canada.

In confronting globalization, Canadian unions will have to make significant new efforts toward renewal, if they are to avoid the fate of labour movements in Britain and the United States, where trade unions have either declined dramatically or come close to effective collapse. The recent organizing successes of Canadian unions give reason for optimism. But it is also clear that labour unions will need better strategies and new structures if they are going to come out on top in their collision with markets and neo-liberalism.

Organizing is the key to reaching that objective. If Canadian unions are to succeed in doubling their membership numbers—a growth rate that will be essential simply to remain at their current levels of size and strength—they will have to develop more innovative organizing strategies and structures. Not only

youth and immigrants (who have traditionally remained outside union ranks) will need to be organized, but so too will low-wage service and manufacturing workers, who are a growing part of the workforce.

New strategies with the greatest possibility of success might include a national Organizing Institute, as well as a National Organizing Commission, provincial coordinating committees, breakthroughs in organizing schools and worker centres, as well as a more exten-

sive use of volunteer training programs that actively involve rank-and-file members in organizing drives.

This past June, at the Canadian Labour Congress convention in Vancouver, a resolution was passed that called for further exploration of the feasibility of adopting such organizing changes. Moving forward will require a national conference between the CLC and its affiliates, as well as further research on how to implement these structures and strategies in the most effective manner.

# I. Globalization and the Growing Problems for Labour Movements

**W**hy are Canadian unions in such trouble? And why are unions around the world increasingly vulnerable? One of the reasons is intensified globalization—the expansion of freer and greater international trade, transnational production and investment, as well as financial globalization. These economic changes have had negative effects on labour around the world. Rapidly expanding trade, production, and finance have combined to increase the competition among businesses, and, as profits have dropped, so corporations have sought to create more "flexible" manufacturing and work arrangements.

Over the past two decades, firms have sought to respond to rapid changes in demand in a variety of ways. They have begun to outsource (contract out) work, and downsize their labour forces. But they have also attempted to create more "flexible" workplaces by speeding up work, and burdening jobs with new

duties and responsibilities in the process. At the same time, many corporations have attacked wage bargaining systems, using the threat of closure to lower wages, cut jobs, and demand overtime flexibility.<sup>1</sup> In an increasingly competitive global economy, businesses worldwide have adopted similar kinds of production systems and flexible labour practices, putting workers worldwide under pressure to make concessions on jobs, wages, and working conditions.

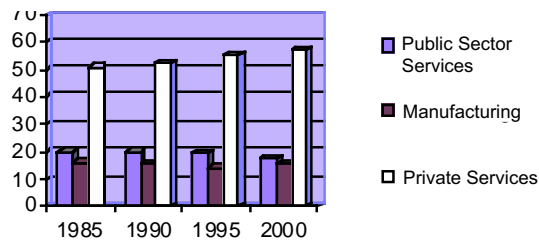
Globalization has also contributed to the expansion of private service work to some 50-60% of total employment (**See Figure 1**). This, too, has undermined trade union power. More people are required for the finance, transport, administration, handling, and retail of goods and property, as well as for the basic personal and social services necessary for daily living. In Canada, personal services (accommodation and food) and producer services (banking, business, insurance) have more than

## Summary Points

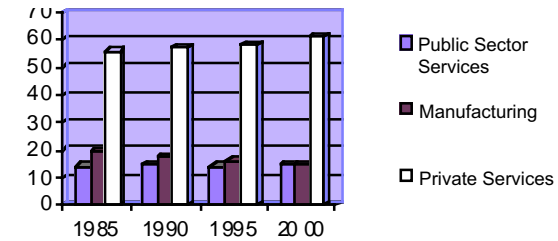
- Because of globalization, trade unions and labour movements are more vulnerable today than they have ever been in the past 50 years.
- Global economic changes have led to the expansion of non-unionized service jobs, the decline of unionized manufacturing jobs, and wage and job concessions.
- Global political changes have shifted an increasing amount of policy-making up to the international level, and given business more of a free-hand in the workplace.
- This international economic policy-making has weakened labour legislation, lowered employment standards, and contributed to public sector restructuring and privatization.

**Figure 1: Labour Force Composition – LMEs 1985-2000**

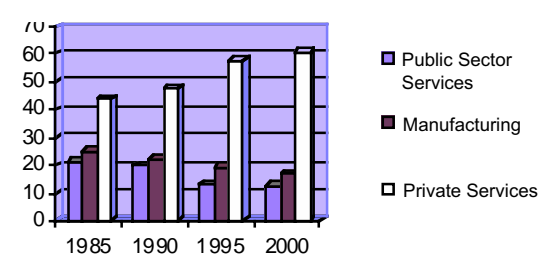
Canada Labour Force Composition, 1985-2000



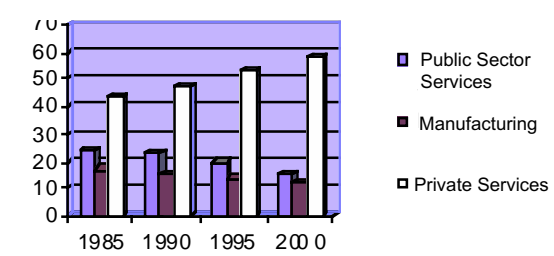
US Labour Force Composition, 1985-2000



UK Labour Force Composition, 1985-2000



Australia Labour Force Composition, 1985-2000



Sources: US Dept. of Labor, Bureau of Labor Statistics (Washington: 2002); OECD, Labour Market Statistics 2001 2<sup>nd</sup> ed (Paris: 2001); OECD, Historical Labour Force Statistics, 1980-2000, (Paris: 2001).

doubled over the past 30 years, and these now account for 26% of the total number of jobs.

But the majority of these jobs are "atypical" "bad" jobs— part-time, fixed-term, and temporary, with low pay, few if any benefits, and generally non-unionized.<sup>2</sup> Over the past decade, half of the new jobs created in Canada were part-time, and the majority of people working in them are women and youth.<sup>3</sup> As of 1995, women held 86% of the service jobs in Canada, and 70% of all part-time jobs,<sup>4</sup> and 45% of all young workers (15-24) are in part-time jobs. However, fewer than 15% of private sector service jobs are unionized (discounting transportation and warehousing), and service jobs typically pay 20% less than manufacturing jobs, while non-union service jobs usually pay 40% less than similar unionized work.<sup>5</sup>

Unfortunately, it is women and youth who bear the brunt, as they are the majority of the workforce in low-paying jobs.<sup>6</sup> What globalization has meant is the expansion of low-paying, flexible service jobs, and the increasing marginalization of women and youth.

What globalization has also meant is the decline of manufacturing jobs, especially unionized manufacturing jobs. As states have signed free trade agreements and deregulated national controls, so deindustrialization has accelerated and unemployment risen because of intensified competition.<sup>7</sup> Across advanced industrialized countries from 1980-2000, the percentage of the labour force in industry has declined, falling for example some 12.6% in the UK, 4% in Canada, and 6% in the US.<sup>8</sup> In North America, high-paying manufacturing jobs have declined, and increased import competition has put downward pressure on



wages, leading to the downward slide of household family incomes.<sup>9</sup>

The stark conclusion is that, as manufacturing has declined, so has the core nucleus of trade unions, thereby weakening the overall strength of the labour movement. This drop has affected the living conditions of all workers, because the simple rule of thumb is that, as unionization declines, inequality grows, and jobs become less secure.<sup>10</sup>

Globalization has also entailed significant political changes that have turned the tide against labour movements. Internationalization has lowered the "exit" costs of capital. Many corporations now "regime shop," looking for countries with the lowest labour and social costs, and then demanding that national governments similarly reduce their domestic costs to induce them to stay. States have often capitulated to these corporate demands, and then gone a couple of steps further.

On the one hand, through multilateral trade agreements administered by international agencies like the IMF and WTO, governments have put constraints on their own national regulatory capacities and given priority to the advancement of international business interests. The objective is to increase the power of corporations and markets at the expense of trade unions and national politics.<sup>11</sup> And to accomplish this, the long-term political strategy is to continue shifting more and more macroeconomic decision making up and out of national policy arenas and onto the international level and into global markets, which are beyond union control. These kinds of international changes have already seriously affected national policy-making,

and their continuation will seriously undermine the political influence of labour at the national level.<sup>12</sup>

On the other hand, national governments have also sought to shift the locus of economic and bargaining power downward to employers, in order to give them more of a free hand in dealing with labour. Looking to become more competitive as a country, governments throughout the OECD have reworked employment legislation, either by allowing firms greater flexibility in their use of workers' hours and allowing them more ways of avoiding the payment of overtime costs, or by making it harder to organize new workers and easier to decertify existing unionized workplaces.<sup>13</sup>

In some cases, employers have taken the opportunity to defect from collective bargaining altogether and implement extensive outsourcing and wage cuts.<sup>14</sup> In others, if firms have not pushed for major changes in the collective bargaining framework, they have put more pressure on trade unions to accept wage cuts and wage freezes, as well as job losses.<sup>15</sup>

Public services are also now a part of international policy-making, and the goals of free trade, tax reduction, business deregulation, and privatization have led to the restructuring of states across the world and fostered a much stronger anti-union political climate. As governments have moved to privatize and reduce their public sectors, deficit cutting and the retrenchment of social security systems have become the norm. In the majority of advanced industrial countries, public sector jobs have been cut, services privatized, and social entitlements reduced.<sup>16</sup>

Commonly, this restructuring of public services has been used to effect macroeconomic change. Worldwide, public sector workers have been laid off to reduce government expenditures; public sector wages have been frozen to control inflation; and public sector jobs privatized to reduce wage costs.<sup>17</sup> The same thing has occurred in Canada. Over the past 10 years, Canadian public sector employment has fallen 15%, wages have been frozen or kept well below inflation, and government spending reduced by 6% of GDP.<sup>18</sup> Such cuts have set public sector unions back on their heels and weakened the labour movement, and similar patterns are evident in many other parts of the world.

The political and economic impact of globalization has thus made trade unions more vulnerable than they have ever been in the past 50 years. Intensified competition has increased the pressure to lower wages and led to more layoffs, especially in the unionized manufacturing sector. Global deregulation has expanded low-paid, contingent service work, and international economic

policy-making has weakened labour legislation, lowered employment standards, and contributed to public-sector cutbacks and restructuring.

These destabilizing political and economic changes have created a more hostile environment for trade unions and workers throughout the world.<sup>19</sup> The timing and depth of the challenges that unions face may vary from country to country. But the dominant trends are the levelling down of conditions of work and employment legislation; and a growing disparity between an often-protected organized work-force and an unprotected, unorganized, low-paid, bottom-rung work-force.

While some workers have benefited from higher wages and new opportunities, for the majority there has only been a decline of wages, benefits, and employment security. This has led to even greater inequality and a steadily widening gap between good and bad jobs. Together, these global economic and political developments have weakened organized labour, and they now threaten to undermine unions as key political and economic actors around the world.

## II. Globalization and Liberal Market Economies

The global economy accelerates the deterioration of wages and working conditions for a growing majority in labour movements across countries and regions, but this often takes very different forms. In Europe, workers have faced longer-term unemployment and demands for speed-up, while youth and immigrants have been marginalized into ever-longer periods of unemployment and lower-paying jobs.<sup>20</sup> But European unions, even if their organizational capacities have been stretched thin, have still been able to enforce national standards.<sup>21</sup>

In the liberal market economies, (like the United States, Canada, England, and now Australia) unions have not only been weakened, but the majority of workers, whether unionized or not, must daily live with increasing workloads, declining real wages, increasing inequality, more job instability, and the worsening of work conditions.

This is due to the fact that, in liberal market countries, firms rely almost solely on markets to organize their eve-

ryday activities.<sup>22</sup> Businesses depend on equity markets and retained earnings for finance; fluid labour markets to hire and fire labour as needed; and alliances, mergers, and new hires for technology acquisition and firm expansion.

This is in contrast to many European countries, where governments have typically stimulated investment through low interest rates and preferential credit, and where businesses have sought to "coordinate" their activities with other firms in the industry, with financial sectors for long-term equity, and with highly coordinated trade unions for research and development and skill training.<sup>23</sup>

In "coordinated market economies," it is these kinds of relationships that businesses develop with governments and other firms that determine the type of finance, skills, and technology, available to them. European corporate strategies are based on fostering innovation by coordinating their activities with other firms, the government, and labour. Business élites believe there is a need to

### Summary Points

- In liberal market economies, firms compete almost entirely on the basis of lowering costs, not on cooperating with others, as is the case in many West European countries.
- As a consequence, across LMEs, businesses typically respond to increased competition by extending hours, increasing the part-time workforce, and putting the squeeze on unions.
- This corporate context means that, with globalization, the situation for labour will only continue to deteriorate in LMEs.

cooperate with other social interests in order to maintain their high-wage/high quality economies, and commonly look to create social "pacts," whereby labour receives wage and employment gains in return for greater effort and productivity.

But in LMEs, firms compete almost solely on the basis of cost advantages, not on cooperating with others. As a result, their priorities are short-term gains, increased sales, and expanded trade, not the long-term development of productive assets.

The consequence of such structural priorities is that in LMEs firms continually look to their bottom line first. Businesses view strong trade unions and strong employment protection as major fetters on their ability to compete on the basis of lowering costs.<sup>24</sup> They look to weaken organized labour as much as possible, and for governments to maintain and extend markets, in order to lower wages and maintain their competitiveness.

When faced with price downturns and increased competition, North American firms' common response is to extend hours for current employees and increase the part-time workforce. If this fails, they lay off workers and increase

the workload of remaining employees.<sup>25</sup> Corporate strategies typically involve building up a core labour force, while at the same time fostering an essentially "disposable and flexible" labour force that can be hired and fired, as market demand requires.

Moreover, under the pressure of heightened global competition today, employers, especially in North America, have reverted to straightforward, old-style, anti-union practices: actively union-busting in order to keep their managerial control over their labour force. Businesses conduct strong anti-union campaigns, and typically hire legal teams to thwart organizing drives, as well as hire new workers to squeeze out current employees.

All of this is part of the long-term business strategy of retaining as much control over work organization as possible, while at the same time lowering the cost of new jobs, and building up a low-wage, part-time, contingent workforce.

In LMEs, these corporate strategies have been very successful. They have become even more successful with recent changes in LMEs' labour policies.

# III. Globalization and Liberal Market Labour Policy

Throughout the post-war period, the success of the advanced industrial economies in part softened these corporate trends, as governments used this opportunity to play a major role in levelling out the field between labour and business. The tremendous growth of national economies from 1945-1975 provided the basis for firms accepting unions, and for businesses paying higher wages and granting greater job security in order to obtain more cooperation in the workplace and make their workers better consumers.

And on the basis of economic expansion, governments supported labour rights and institutions, redistributing wealth and increasing their social expenditures in order to fulfill a post-war commitment to democracy, and to avoid future conflicts over the lack of equality.<sup>26</sup> Welfare states subsequently expanded with growing national economies and, as much in North America as in Western Europe, they achieved their goals through the consolidation of industrial

relations systems, the redistribution of wealth, and the expansion of public services.

But as the pressures of the global economy have increased and unemployment has grown, again states have responded in very different ways.<sup>27</sup> In coordinated market economies, the goals have remained the development of long-term growth and employment-enhancing public policies, which will then underpin continued welfare state provision.<sup>28</sup> The internationalization of the economy has weakened these policy strategies, in some cases significantly. Nonetheless, many European states have adapted, and have continued to work to enhance economic performance, as well as to sustain public provision.<sup>29</sup>

In these West European countries, the reform of welfare and employment policies has not resulted in the end of active labour measures, nor the retrenchment of benefits that today still ensure a high standard of living for all citizens.<sup>30</sup> It has meant the partial and piecemeal

## Summary Points

- LMEs have tried to conform to the global economy, rather than counteract it.
- Across LMEs, national and state governments have sought to deregulate labour institutions, lower employment standards, and cut social entitlements in order to “optimize efficiency and productivity.”
- For trade unions in the UK, the U.S., and Australia, the results of these policies have been disastrous, with rapidly declining memberships, institutional upheaval, and the faltering of bargaining power.

deregulation of labour markets. But, overall, most European governments have not radically deregulated their labour markets because they remain skeptical of its promised results and fearful of the possible consequences of inequality and political upheaval.<sup>31</sup>

By contrast, in LMEs, labour market and welfare state programs have always been done on the cheap.<sup>32</sup> Public expenditure has been kept low and retained as a residual set of programs geared to keep people in the labour market, rather than upholding full-employment and expanding social provision. Benefits have been meagerly delivered via means-tested assistance, as well as by a modest amount of universal transfers, primarily for education and health care.

Consequently, in these countries, as the globalized economy has expanded, governments have tried to conform to the global economy rather than to counteract it. In liberal market economies like the United States, Britain, and Australia, the argument commonly made is that their economies can only be competitive by moving toward more "pure" labour markets and deregulating labour institutions. The welfare state and employment standards, it is argued, are "obstacles to growth," and only a reduction in spending, as well as the deregulation of hiring and firing rules, wage setting, and working time will revive economic prosperity. These strategies are part of a global "economic adjustment" set of policies intended to give markets a greater role and the state less of one in order to "optimize efficiency and productivity."

For LME governments, the key priorities are the removal of all "obstacles

to market clearing" and the relocation of decision-making power back to companies.<sup>33</sup> Companies, not unions, are to control wage bargaining, hiring, and working time, and benefits are to be slashed so that unions will not "distort" wage costs, and the unemployed will not have "distorted work incentives" and so will re-enter employment as quickly as possible.<sup>34</sup> Lower wages, more flexible labour markets, and lower state spending, it is thought, are supposed to restore economic competitiveness.

To this end, in both Britain and the United States, over the past two decades, governments and businesses have launched campaigns against organized labour in their attempts to break down traditional union rights and structures, and reorganize production along more flexible lines. In both countries, governments have actively created a hostile anti-union political climate, and in both the results have been the same. Organized labour has declined dramatically, employment standards have been weakened, and collective bargaining, if it hasn't collapsed completely, has been forced down to the enterprise level.<sup>35</sup>

For trade unions, the results of these new deregulation strategies have been dramatic. In Britain, following legislative changes that made it harder to organize and that completely eliminated the mechanisms of sectoral contract extension, union membership dropped by 40% in the 1980s, from over 13 million workers to 7.9 million.<sup>36</sup>

In the U.S., the widespread passage of "right to work" legislation, the weakening and non-enforcement of laws against "unfair labour practices" during organizing drives, and the practice of

**Table 1: Comparative Union Density, 1980-2000**

	1980	1990	1995	2000
Canada	30%	33%	32.3%	29.9%
US	23%	22%	16%	13.6%
UK	50%	39%	29%	27%
Australia	49%	46%	35%	24%
Sweden	80%	83%	91%	(a)86%
(a)-1997 data				

Sources: (a) International Labour Office, World Labour Report 1998 (Geneva: 1998); (b) Bernhard Ebbinghaus and Jelle Visser Trade Unions in Europe Since 1945 (London: Macmillan, 2000); c) Statistics Canada, Labour Force Survey; and d) OECD, Labour Market Statistics 2001ed. (Paris: 2001).

concessionary bargaining have led to the rapid decline of unions, which have fallen from representing some 25% of workers at the beginning of the 1980s to barely 13% today, and in the private sector labour force, to less than 10%.<sup>37</sup> Between 1975 and 1997, American unions lost 4 million members, and saw their

effective powers decline on all fronts. Today, for the majority of American workers, collective bargaining has effectively disappeared and been replaced either by "human relations" and worker "participation" schemes, or by sweatshop conditions.

## IV. Canada and Liberal Market Labour Policy: From the Safety Net to the "Work-Net" and Labour Market Flexibility

In Canada, there has not yet been a similar precipitous fall of union membership and power. Nor have similar levels of inequality and poverty yet emerged. But it may be only a matter of time. For in intent, scope, and direction, over the past 10 years, the changes to labour legislation as well as to labour market and welfare policy in Canada are entirely similar to those in other liberal market countries. The intent of recent Canadian policies is to follow the practice of other liberal economies, and to slowly remove the pillars that have supported the union movement and Canadian workers for the past 50 years. If carried forward in their entirety, it may well be only a matter of 5-10 years before Canada will see a similar rapid downward slide for unions, and a similar collapse of wages and employment conditions.

In a manner entirely consistent with the other LMEs, both federal and provincial governments have claimed unemployment is due to a number of "market-blocking" institutions and regulations.<sup>38</sup> Employment standards and health and safety regulations increase the costs of business and make labour "inflexible;" trade unions increase wage cost settlements; and welfare systems establish work "disincentives" that give workers options other than low-wage and part-time employment.<sup>39</sup>

To deal with these, new policies have been enacted to foster labour market competition. Governments have sought to transform welfare services from a "safety-net" system into a "work-net"—one that is intended to expand employment growth through low-end consumer and social service jobs, pushing workers into such jobs, regardless of

### Summary Points

- In Canada, over the past decade, governments have created a hostile, anti-union climate in order to make labour more "market-conforming."
- These political changes have included cuts to assistance policies, social entitlements, and health and safety enforcement; the lowering of employment standards; as well as the weakening of union recognition legislation. They have also included cuts and the privatization of the public sector, as well as heightened immigration to increase low-wage job competition.
- The "safety net" in Canada is being transformed into a "work net," designed to push workers back into the labour force as quickly as possible, and to keep workers in ever worsening jobs.



wage or working conditions, and throwing out all workers who fail to perform.

Since 1996, a number of "work-net" policies have been enacted, both provincially and federally. These include:

- i) a reduction in all income support programs, and the effective end of all active labour market policies;
- ii) the creation of functional flexibility in working time;
- iii) the weakening of employment law and union recognition legislation;
- iv) the expansion of the labour supply to increase wage competition; and
- v) new restrictions on public sector unions and wage bargaining.

Among the most important changes to Canadian labour market policy to make it more market-conforming have been the cuts to unemployment assistance and other social entitlements. As part of the restructuring of public service delivery with the introduction of CHST (Canadian Health and Social Transfers), unemployment insurance and associated programs have been cut or offloaded to the provinces (except in Ontario) (McBride 2000).<sup>40</sup> In 1989, 87% of the unemployed were covered; by 1996 fewer than 40% received benefits, and those who did found that their benefits had dropped from 60% of earnings to 50%.<sup>41</sup> Likewise, the increase in hours to 900 required for claimants to qualify effectively allowed only some 15% of unemployed youth to receive benefits, and only 31% of women, down from 70% in 1987.<sup>42</sup>

Active labour market policies and a variety of adjustment benefits have similarly been cut in order to "reduce the dependency on social assistance." In 1996, the federal government withdrew

from training and the funding of active labour market policies, and ended labour adjustment benefits like mobility assistance, wage subsidies, and the funding of training programs. In their stead, provinces have simply provided national electronic job boards and resumé writing services.

Provinces have also tightened the qualifying criteria for receiving disability pensions, health and safety compensation, as well as maternity benefits. Social assistance benefits have been cut, weeks of eligibility reduced, and all welfare recipients made subject to workfare provisions. This has resulted in 300,000 people being disentitled from social benefits.<sup>43</sup>

To reduce costs and to create a labour market that will attract investment, significant regulatory changes have been recently put into effect to create a more "flexible" labour market. Minimum wages have continually fallen in real terms in eight of 10 provinces over the past 20 years<sup>44</sup>, and are currently at some 10% below an income level necessary to reach the poverty level.<sup>45</sup>

The federal government is also considering how to foster an age-graded, two-tier minimum wage, with a lower minimum proposed for new entrants into the labour force. Following the lead of British Columbia, which introduced the two-tier model last November, the lower wage is supposedly intended to help youth and new entrants with fewer than 500 hours of work to gain experience and enter the labour force more quickly.<sup>46</sup> In a similar illogical manner, health and safety budgets have been cut in all provincial budgets (except Que-

bec), decreasing the number of inspections and prosecutions of offenders.<sup>47</sup>

Perhaps the most important change has been the introduction of new employment standards legislation, which in Ontario, Alberta, and now British Columbia has allowed the averaging of hours over a number of weeks to reduce overtime pay, as well as allowed construction and resource contractors to hire and fire workers with no notice.<sup>48</sup> As intended, with the increased flexibility of hours and little employment protection, the part-time/no-benefit workforce has expanded. But far from improving economic conditions for workers, this has only served to widen the gap between good and bad jobs.

It is equally clear that several provincial governments are determined to reduce union membership and impede union organizing activities. Ontario and Alberta have passed more restrictive legislation on union organizing, making certification more difficult, by introducing a two-stage process of first card signing, followed by a mandatory vote. This has opened the door for employers to conduct longer anti-union campaigns. At the same time, Ontario and Alberta have weakened "unfair practice legislation," eliminating automatic certification because of employer interference during certification drives (Ontario Bill 31 in 1998), and giving employers much greater leeway in their attempts to keep unions out.<sup>49</sup>

Employers were also given a boost in Ontario when the Harris government revoked "anti-scab" legislation, giving businesses the right to hire non-union replacement workers when needed. The B.C. Campbell government has recently

begun to consider legislation that will do all of the same things.<sup>50</sup> The upshot is that employers in each of these provinces now have much more of a free hand in dealing with unions, and in conducting stronger anti-union campaigns. On top of this, Alberta and Ontario have enacted legislation making it easier for workers to decertify, forcing employers to post and distribute decertification material, and prohibiting unions for one year from attempting to re-certify any workplace which has been decertified or where the union has failed to gain certification.

Labour flexibility has likewise meant that the federal government has sought to expand the numbers of workers in the labour market by increasing the numbers of immigrant workers into Canada. When combined with trade deregulation and NAFTA, this has expanded job competition and led to the disappearance of jobs at adequate wages.<sup>51</sup> Throughout the 1990s, the average annual influx of 220,000 immigrant workers, primarily from South-East Asia and Latin America, has significantly lowered labour costs and led to the emergence of low-wage, immigrant contractors who can respond quickly to changes in consumer demand.

Such developments have created a rapidly growing non-unionized immigrant sector, in which many jobs are part-time and seasonal, and wages and working conditions considerably below those in the formal labour market. Sub-contracting in these manufacturing industries to shops that employ 10 to 20 workers has further eroded wages and working conditions in local labour markets.<sup>52</sup> Unions have found it difficult to organize among low-income workers in these industries because of their inability to

prevent sweatshops, and because workers then continue to fiercely compete for low-wage jobs in these industries.

Finally, the restructuring and privatization of public sector employment has eroded the public sector workforce and union membership. Under the aegis of making the government more "efficient," federal and provincial governments have followed the American and British examples and sought to reduce the size of the public sector and inject more "competition" into public service provision.

There has been little outright union de-recognition, as in other LMEs, (and the one attempt in Ontario in 1995-6 precipitated the largest rotating one-day strikes in Canadian history<sup>53</sup>), but essential service legislation, which takes away workers' rights to strike and bargain, has been extended to some 10-15% of provincial workforces.<sup>54</sup> In British Columbia, the new Liberal government has become the first under Bill 29 to simply void collective agreements and remove all contract provisions for health care workers that protected against contracting-out, privatization, and restructuring.<sup>55</sup>

But by far the most popular government options have been legislated contracts and wage freezes, combined with the downloading and amalgamation of services. Both of these tactics have had their intended effects of reducing the public sector wage bill and cutting the number of unionized public sector workers.<sup>56</sup> Across all provinces, legislated wage freezes or concessionary bargaining has been imposed on public sector workers,<sup>57</sup> and across all provinces there has been an increased emphasis on rationalization and greater autonomy for

municipalities, hospitals, and school boards.

What this has typically meant is the downloading and the restructuring of public services, with the goals of cuts in funding, as well as the delegation of responsibility and collective bargaining into local hands. As a result, lower levels of government or sectoral associations have had to push through amalgamations in municipalities, hospitals, and schools, and then increase contracting-out. These lower levels of government have also had to offer more early retirement and voluntary separation packages, and resort to hiring freezes—all of which have led to extensive program and service cuts that have eliminated jobs. This has followed on the heels of the widespread privatization of Crown corporations in energy and transportation in the late 1980s and early 1990s.<sup>58</sup> Unsurprisingly, by 2001 general government employment slipped to 14% of the labour force—the average of all LMEs—down from 20% only eight years earlier.<sup>59</sup> And overall, public sector workers now account for only 17.5% of the entire workforce.

Over the past decade, governments in Canada have created a hostile anti-union political climate. Following the trend of other liberal market economies, Canadian federal and provincial governments have sought to weaken some of the central pillars supporting the labour movement and workers. They have done so by cutting off options, reducing social benefits, and actively seeking to make the labour market more "flexible." The resulting "work-net" policies have pushed workers back into the labour force as quickly as possible, while cut-

ting away safety net policies. At the same time, governments have adopted new policies to lower employment standards, to cut health and safety enforcement, to weaken union recognition legislation, and to force the downsizing and privatization of the public sector. These legis-

lative developments have had their intended effect: as in other LMEs, unions in Canada are in decline, wage inequality is expanding, and more people are being employed in low-end manufacturing and part-time consumer, personal, and social services.

## V. The Dynamics of Labour Market Deregulation: The Decline of Canadian Unions and the Consolidation of Low-Wage/Part-time Flexibility

The decline of unions has been particularly dramatic over the past few years. For the first time since the late 1960s, union membership has fallen. Between 1992 and 2000, union membership dropped overall by some 100,000, and while over the past few years 1.5 million jobs have been created, only 180,000 new union members have been added—an effective new unionization rate of 8%.<sup>60</sup>

Such a decline is reflected in both public and private sectors, as well as in union density, which for the first time since the mid-1960s has fallen below 30%<sup>61</sup> to 29.9%. Today, over 63% of Canadians work in non-union, private sector jobs, and the decline of unions has been much worse in some provinces than others. In Ontario, total union membership has fallen from 32% of the workforce in 1992 to 26.6% in 2000, while in Alberta union density has declined to 21% of the workforce.

The fall-off has occurred across all sectors—public and private, goods producing and services, rising industries and those in decline (See Tables 2 and

3). From 1985-2000 in the public sector, 10% fewer workers were unionized, and now only 55% of public sector/social services workers are unionized. Cuts to transfer payments and the downloading of services, as well as wage freezes, job layoffs, and privatization, have each taken their toll on public sector unions. Total public administration employment has fallen 15% over the past 10 years, plummeting in Alberta where there are 40% fewer administrative workers, and in Ontario where there are 22% fewer.<sup>62</sup>

Overall, the size of the unionized public sector workforce has shrunk from 20% to 17.5% of the labour force. This drop, along with the freeze on education spending and hiring and the expansion of publicly funded/privately operated nursing homes and community care, has contributed greatly to the reduction of union membership in Canada.

In the private sector, unionized workers make up only 14% of the total workforce, and it appears these numbers will continue to dwindle. In manufacturing, where job growth from 1997-2000 has returned, 5% fewer workers are cov-

### Summary Points

- Unions in Canada have declined across all fronts, public and private, in rising industries and falling ones.
- The fall-off of unions in Canada has opened the door to the expansion of low-wage, flexible employment, and it has also opened the way to increased inequality and poverty, and the growing segmentation of “good” and “bad” jobs in the labour force.

**Table 2: Falling Union Density in Canada, Sectors 1980-2000**

	1980	1985	1990	1995	2000
Manufacturing	41%	36.5%	34.9%	33%	31.5%
Construction	55%	45.8%	56%	56%	30%
Private services	*	10.7%	10%	10.6%	9%
Public and social services	*	65%	59%	60%	55%

\* -- data unavailable

Private services -- finance, insurance, real estate, business, accommodation, food and beverage, wholesale and retail trade

Sources: (a) Statistics Canada. CANSIM Data Base. Matrix 3529 CALURA 'Number of Unionized Workers by Sex and Industry, Canada. Annual, 1976-1995'; and Matrix 3532 Labour Force Survey 'Employees by Sex and Industry'; (b) 2000 data from E.B Akyeampong, 'Unionization -- An Update'. Table 1 *Perspectives on Labour and Income*. Autumn (Ottawa: Statistics Canada, 2000).

ered, and now only 30% of workers are unionized. In construction, another slowly expanding sector, the decline has been 7%, with only 30.6% unionized. In the service sector, apart from a modest increase in finance, all other personal, consumer, and business services have remained largely non-unionized, with typical sectoral unionization rates of 7-10%.<sup>63</sup> And this despite the fact that services had the fastest and largest job growth of any sector in the 1990s.<sup>64</sup>

Early retirement, plant closings, and industry declines account for much of the loss of unionized workers in goods-producing industries. But what also accounts for the growth of non-unionized workers is the use of technological change and work reorganization by employers, who seek to keep out or diminish union influence in order to maintain their just-in-time flexible methods which allow firms to out-source, sub-contract, and use more contingent part-time workers.<sup>65</sup> The non-unionized workforce is consequently expanding faster than new members are being organized.

The same holds true in the private service sector, where the small size of workplaces, the part-time nature of

workforces, the cost of organizing, and the cost of servicing small locals are all major constraints to unions starting organizing drives. At the same time, new firms have taken advantage of legislative changes to seek individualized relations with employees, rather than unionized ones, to implement new flexibility practices in pay, work, and hiring and firing.

Personal services, as well as privatized health and nursing services, have led the expansion, with the changes in hospital restructuring and the expansion of high-end consumption creating the majority of new jobs. Overall, service employment in the 1990s grew by 1.3 million overall, much of which was made up of the increase of 515,000 part-time jobs.<sup>66</sup> This has resulted in fewer unionized workers. By 1999, only some 12% of young workers (15-24), 16% of part-timers, and 13% of women working in private sector services were unionized.<sup>67</sup>

Predominantly, youth, women, and workers of colour have borne the brunt of "flexibility" in services, having neither guaranteed hours nor job security.<sup>68</sup> As a consequence, these groups are forced

to enter and withdraw from the labour force as economic fortunes dictate.<sup>69</sup> And apart from the emerging private home and long-term care sectors (where unions like CUPE, the CAW, and the SEIU have been active), unions have been unable to reverse these trends or make any sort of significant organizing headway in private sector services.

Such declines do not augur well for the future of the labour movement in Canada, especially considering the new freedom and incentive given employers in liberal market economies to expand their low-wage, flexible workforces.<sup>70</sup> Higher turnover lessens the incentive to invest in the skill development of workers. Contracting-out provides a way of avoiding investment in higher productivity or hiring new employees. And, as productivity continues to fall, firms respond either by further ratcheting down the wages and working conditions of some, or by increasing the use of overtime for full-time workers, especially in the manufacturing primary industries, as well as among salaried workers in the public services.

Over the 1990s, employers have expanded their use of overtime to avoid new investment in plant and to avoid training or hiring new workers. Instead, more employees are working more hours, and more are working part-time hours. Some 15% of the labour force now regularly work longer than 50 hours a week, while another 13% work less than 29 hours a week.<sup>71</sup> Longer hours occur especially in manufacturing and primary resources, and part-time hours are common in personal and food services, as well as in public health and social

services, where the majority of overtime goes unpaid.<sup>72</sup>

This restructuring of working time only reinforces the polarization of incomes, expands the pool of low-wage workers, and continues the cycle of firms cutting costs through lower wages and new forms of flexibility.

Conditions are unlikely to change for the better. Cuts to minimum wages and social security and the paring-back of employment conditions have not led to the creation of more good jobs, nor have they contributed to rising productivity or growth. And the weakening of support for union recognition and the deregulation of employment standards have only made it easier for new employers to dispense with unions altogether. One of the most notable trends of restructuring has been the disappearance of old firms that recognized trade unions, and the rise of new ones that wish to avoid or dispense with unions altogether. The results of this are clear: more low-wage service jobs; the stagnation of real wages; chronic unemployment; and widening inequality.

Throughout the 1990s, the number of hours worked at low wages rose from 15% in 1988 to 22% in 1995 for men, and from 32% to 36% for women.<sup>73</sup> Today, 64% of all minimum-wage workers are women, and men in all sectors and income levels have seen no increase in their real wages since the 1970s.<sup>74</sup> The unemployment rate averaged 9.8% in the 1990s, an all-time post-war high, and despite the recent cuts to employment benefits, more than one million remain unemployed, and 20% of the workforce is put out of work in any single year.<sup>75</sup>

The effects have been that, over the past 20 years, half of the population saw their market incomes fall, and the poorest shouldered an 86% loss of earnings.<sup>76</sup> The gap between the rich and the poor has expanded ten-fold, and the top 20% of income earners currently take home 21 times more income than the poorest 20%, which works out to the top 10% of income earners raking in 41% of total income. At the same time, the poverty rate for single-parent mothers currently sits at 54%, and the number of families living on less than half of the poverty line income has increased from 143,000 to 233,000.

What these statistics make painfully clear is that Canadian federal and provincial governments are looking to position Canada along two roads: one oriented to high-end business and financial services, along with some advanced manufacturing; the other structured as

a low-wage, deregulated export and service economy that attracts foreign investment, especially from American firms. In neither of these models is there a place for a strongly unionized workforce.

The changes in union recognition and employment legislation, as well as the restructuring of public sector bargaining, are intended to erode the central pillars of union strength, and to guide the country onto the low-wage deregulated road. It appears they are beginning to have a great deal of success, making the long-term prospects bleak—away from trade unions and collective bargaining, and towards an economy where managers unilaterally set the terms and conditions of employment with only minimal legislative constraint. To stem this decline, unions must begin to develop new strategies and restructure their organizations.



## VI. Can Canadian Unions Survive in a Liberal Globalized Economy?

**A**cross the world, unions face political and organizational problems. Low growth, economic internationalization, and less friendly governments have combined to weaken unions as organizations and erode their clout at the bargaining table. Still, some have fared better than others; and wherever unions have maintained their membership and made organizational changes, they have retained their political influence on governments and political parties to maintain progressive policies, regulations, and favourable legal contexts.

In Sweden over the past decade, for example, unions have expanded their membership to over 85% of the workforce, and worked to create new means of white- and blue-collar union coordination.<sup>77</sup> If Swedish trade unions have not been able to maintain their centralized bargaining institutions (now decentralized to coordinated bargaining

at sectoral levels), they have been able to protect and win gains for day-care, pensions, sick pay, unemployment insurance, education, and parental leave.<sup>78</sup> They have also played a role in supporting the Social Democratic government's preservation of the welfare state, and helping in the public restructuring of health and community services. In short, size does matter.

Unions in Canada have begun to recognize this fact, and started to make efforts to change their focus. For public sector unions, in particular, there has been an increased emphasis on public campaigns that emphasize the importance of non-market services, and how critical they are for democracies. Several unions in both the public and private sectors have also expanded their organizing efforts, and developed more focused recruitment strategies.<sup>79</sup> The USWA, for example, has committed 20% of its general fund to organizing, and en-

### Summary Points

- Canadian unions have begun to increase their focus on organizing and on developing organizing programs to recruit workers, and especially recruit women and service sector workers.
- The USWA, UFCW, CAW, UNITE, and CUPE, for example, have all devoted more resources and staff to organizing.
- Still, this has not been enough, and unions are still some 50,000 to 80,000 workers short of the new members required every year for the labour movement to maintain its relative size and strength, and 275,000 short of the number required if the labour movement wants to expand even by 1% of the workforce.

couraged locals to spend 10% of their resources on recruitment. The CAW has committed 2% of union dues to organizing, and, supplemented with national money and local contributions, it now has a large annual budget committed to recruitment.

Unions have also adopted much more intensive rank-and-file organizing. The UFCW in Ontario now has three locals with full-time organizers, and 10 organizers overall,<sup>80</sup> and many unions have developed programs to train rank-and-file members to organize, with both the UFCW and CAW training some 100 workers for community-based organizing. In turn, this new focus has led to a heightened attention to the best organizing strategies, with much recent emphasis placed on "salting," where union members are hired into non-union firms and then attempt to establish an inside committee to lead an organizing drive. Such efforts have led to many new certifications of bargaining units across Canada.

Another positive development is that unions are concentrating much more of their effort on private service sector workers and on organizing women. Despite the difficulty of organizing in private services with small workplaces, high employee turnover, and the tight personal control of managers, service sector organizing in Ontario now accounts for the second largest number of employees unionized, close to a quarter of all union certification applications, and the average Labour Board application success rate of 66% is wholly comparable to other sectors.<sup>81</sup> Bargaining units where women made up the major-

ity of the workforce accounted for 38% of new union certification attempts.

CUPE, for example, has responded to the growth of privatized community and care services by organizing extensively, and the majority of the 13,000 new members organized over the past two years were women working in these sectors.<sup>82</sup> Unions have smartly realized that there are no insurmountable barriers to organizing in the service sector, and that a greater attention to what makes some strategies more successful than others, and what employer tactics need to be countered, makes for far more successful organizing drives.

But all of this effort and increased pragmatism is seemingly not enough (See Table 3). Organizing and recruiting have not kept pace with the growth of the workforce, nor with the cuts and privatization in the public sector workforce. In Ontario, from 1995 to 1999, unions typically organized 21,000 new members annually over the past decade, with an average of 4,400 in the private service sector, 3,500 in manufacturing, and 4,200 in health and welfare.<sup>83</sup> In Ontario, between 1992-1999, unions organized some 122,000 workers, yet overall union membership fell by 94,000. Across Canada, unions have simply been unable to keep pace. This has effectively established a new unionization rate of 8%, a percentage far below the necessary 30% needed for unions simply to maintain their overall size.<sup>84</sup>

The main problems are that the majority of unions have still not committed the organizing resources necessary to overcome the decline, and that the majority of central labour bodies have not made the changes necessary to de-

**Table 3: Unionized Workers in Canada, Sectors 1980-2000**

Total employees: '000

	1980	1985	1990	1995	2000
Total	3,084	3,433	3,840	3,857	3,740
<b>Falling sectors</b>					
<i>I Transformative</i>					
Manufacturing (total)	877	743	682	596	688
Construction	274	228	331	307	165
Transportation equip.	120	113	104	109	*
Paper	95	87	83	69	68
Primary metal	90	70	58	52	56
Electrical	58	50	40	29.5	17.9
Machinery	32.8	29	21.5	19.4	21.2
<i>II Distributive services</i>					
Wholesale	30	46.5	54.6	59.6	20
Food and beverage	123	105	117	93	46
Retail	119	136.5	185.8	189	113
<i>III Public and social services</i>					
Public administration	503	555	635	642	497
Education	*	*	636	675	632
<b>Rising Sectors</b>					
<i>I Manufacturing</i>					
Motor vehicle, body, and parts	*	*	*	(a)99	112.5
<i>II Distributive services</i>					
Transportation	*	*	232	244	266
Trade	150	183	240	248	265
Finance	14.8	16.5	21	24.2	*
Accommodation/ Food	*	52	61.3	65	67
<i>III Social services</i>					
Health and social services	*	490	558	592	695

• -- data unavailable

(a) -- data for 1997

Sources: (a) Statistics Canada. CANSIM Data Base. Matrix 3529 CALURA 'Number of Unionized Workers by Sex (b) 2000 data from E.B Akyeampong, 'Unionization -- An Update'. Perspectives on Labour and Income. Autumn (Ottawa: Statistics Canada, 2000); as well as c) Statistics Canada, Labour Force Survey Employed Employees by North American Classification System, 1997-2000'. Courtesy of Marc Levesque Labour Force Statistics Division, Statistics Canada.

velop comprehensive union-building campaigns. In the vast majority of union locals, no members are involved in external organizing, and only very few unions, like the USWA, the CAW, and the UBCJA, have developed training for rank-and-file organizers. Wider campaigns require full-time organizing directors, full-time researchers, a sizeable staff of full-time organizers, and more volunteer organizers. These resources are still scarce in Canadian union ranks today.

In addition, many unions still conduct very traditional campaigns that involve little personal contact, and very few employ the external pressure tactics, ranging from civil disobedience to public pressure, necessary to counter aggressive employer campaigns. Nor does there seem to have been any recognition of the need for different organizing campaigns and union structures for different kinds of workers, such as in the burgeoning high-tech sector or in the rapidly changing health care services. Even among union leaders and members, there is often a caution that turns into immobility, fearing that the returns on organizing will be so minimal that it will only be a waste of money and will lead to a loss of overall services to existing members.

As a consequence, much union expansion activity has focused on mergers, or in the public sector, on winning representation votes in districts forced to amalgamate and consolidate bargaining units. Seen as a “quick fix” to union decline, mergers have been used to gain access to larger strike funds and better servicing resources.<sup>85</sup> Notably, the CAW between 1985 and 1996 gained 92,000

members through mergers, and only 32,000 through organizing. In the public sector, the most notable merger has been that of the Hospital Employees Union in British Columbia, whose 35,000 workers rejoined CUPE in 1995.<sup>86</sup>

Such examples are numerous, but if mergers have arrested membership decline, they have contributed little in the way of organizing new members. The same is true in the public sector, where restructuring has led to numerous representation votes in municipalities, school boards, and health care, as bargaining units have been forced to amalgamate. The majority of these have been in Ontario recently, but across Canada, CUPE, for example, has gained as many new members from these consolidations—13,000—as it has from organizing new units.<sup>87</sup> Forced by government restructuring, such votes have been a drain on union resources, and resulted in the majority of new member growth coming from existing unionized workers, rather than from organizing the unorganized.

Nor has much effort been made at recasting the relationships between trade unions and the national and provincial central bodies [such as the Canadian Labour Congress and its provincial Federations of Labour], nor any effort at designing institutions where public and private sector trade unions can coordinate strategies. Instead, at a time when unions have only increased their rivalries and come into conflict in their competition for potential new merger partners, or in winning representation votes, the CLC and its provincial federations have only become more embroiled in disputes over union raiding.

Despite many attempts to resolve disputes and foster cooperation, lacking an effective autonomous commission, neither the CLC nor provincial federations have been able to overcome the mutual distrust and suspicion between unions.<sup>88</sup> This has put up yet another roadblock to wider membership renewal.<sup>89</sup>

All of these problems show up starkly in figures such as the unionization rate among workers of colour, which is still below 25%; among young workers, fewer than 11% of whom are unionized; and in the under-unionized service sector. They also show up in the current rate of new union recruitment, which is not only short of the new members required every year if unions are to maintain their overall size and strength, but is also some 275,000 short of the number annually required if unions want to expand their share of the labour force by as little as 1%.

Clearly it is the case that unions' strategic responses matter. How unions develop new strategies that protect and advance their shared interests will affect their size and political strength. The kinds of outreach, recruitment, and organizational changes that unions and

labour movements undertake will determine their future. In Canada, unions have taken a number of positive steps to improve their organizing tactics and to commit greater resources to recruitment. Nonetheless, unionization in Canada has continued to decline.

This has extremely negative implications, and in many ways the Canadian experience now appears to be paralleling earlier developments in the United States and Britain. In both these countries, first the organizational size of unions diminished, then their political position weakened, and finally the labour market and industrial strength of unions in large measure crumbled.

In both of these countries, trade unions were slow to recognize their vulnerability, and only after it was too late did they realize the scale of the problems facing them, and begin to undertake major changes in recruiting, collective bargaining, and campaigning for a wider range of legal rights for workers. Canadian trade unions need to take these comparative lessons to heart, and begin to make the required organizational and structural changes so that they can avoid a similar downfall.

## VII. A Fine Balance: Weighing Reform and Structural Change in the Canadian Labour Movement

In Canada, as in all advanced industrial countries, the degree to which unions regroup will determine their success in surviving and growing as progressive social forces for the next century. Regardless of globalization and neoliberal restructuring, it is still the case that what unions do and the strategies they adopt will decide their future. In both the United States and Britain, during the 1980s and early 1990s when unions were beginning their decline, there was a widespread reluctance among trade unions to launch extensive recruitment drives or to make significant structural changes.

Only now, after the fact, have labour movements in both these countries undertaken major changes.<sup>90</sup> What both have come to realize is that union recruitment and organizing are critical, but so too are new goals for political activity

and collective bargaining, as well as new structures and institutions. Only by combining these, they are beginning to realize, will they survive.

Canadian unions will need to come to the same realization if they are to begin to tip the scales back against globalization and against the pressures for a low-wage / part-time workforce. The Canadian labour movement can come to this realization and reverse the current declines, but it will have to act quickly and effectively to do so. For, as both the American and British experiences now make painfully clear, the time to undertake organizational changes is before a crisis hits, not after.

The rapid fall of unions across LMEs, though, has had a modest upside: it has led to the introduction of a number of new ideas, programs, and structures. Common to all of the national union movements in Britain, the U.S., and Australia over the past few years has been the creation of organizing institutes, co-

### Summary Points

- Canadian unions will need to expand and make structural and institutional changes if they are to counter globalization and neoliberal restructuring.
- Changes which would have a positive impact include:
  - a National Organizing Commission and National Organizing Institute;
  - provincial coordinating committees and organizing schools;
  - worker centres;
  - more union local participation in organizing;
  - new bargaining structures for service sectors; and
  - more focus in collective bargaining on reducing overtime and workload, in order to create more jobs and foster community solidarity.

ordinating committees, and worker centres, the expanded use of training programs, and a much greater attention to the success rates of organizing tactics, as well as the conduct of strategic organizing campaigns.

Each of these has been implemented with varying degrees of success, but what these examples demonstrate is a willingness to experiment with new directions, and a willingness to rethink the basic structures of their labour movements. If each of these union movements now face uphill battles in rebuilding their organizations, such experiments have nevertheless given a sense of rejuvenation to activists and members alike.<sup>91</sup>

This in itself is no small accomplishment. But, more importantly, by developing an emphasis on the need to increase the size of their membership, make structural changes, and forge alliances with other popular forces in society, these labour movements have begun to formulate new visions that speak to the goals and needs of workers, and that link labour movements to the wider community. These changes have a number of important lessons for Canada.

The *first* of these is that unions need to expand, and if they do not, they will decline. Mergers are not a solution, as both British and American unions have realized. Rather, the only effective way unions can expand is to organize. This is not easily accomplished. As American unions have also quickly discovered, simply throwing money and staff into organizing is not enough to overcome legal changes, employer resistance, and worker fear.<sup>92</sup>

Moreover, Canada, like the U.S., has a predominantly decentralized and fragmented system of workplace bargaining, and the CLC is not a strong centralized trade union confederal body, so making extensive national changes quickly is extremely difficult. Nevertheless, what the Canadian labour movement requires is to begin to take the first steps necessary to make a major shift in direction and the expenditure of time and resources.

Unions and labour federations will have to spend more time and money on organizing and correspondingly less on servicing and collective bargaining. In the United States, the AFL-CIO has requested that all its affiliates earmark 30% of their budgets to organizing. This substantial number is far from being realized for the majority of unions. But for a minority of "innovative" locals, 15-30% of their budgets have been committed to organizing.<sup>93</sup> For Canadian unions to begin to make the shift towards organizing on a wider scale, the CLC, union leaders and activists must begin to work towards expanding organizing resources, and winning members' support for union recruitment. They will have to reach out to workers, and build more comprehensive approaches to rank- and-file organizing. This will require union leaders all across the labour movement to actively start building the structures and understanding needed for such a shift.

It will also require commitments similar to those made by the USWA and the CAW to earmark substantial proportions of general funds and local union dues to organizing. If the CLC, provincial federations of labour, national and

international unions, and union locals were as an initial benchmark each to commit 10% of their budgets towards organizing, a major start could be made in shifting the labour movement in the direction of an organizing model.

The *second* lesson is that labour movements must make changes to confront the challenges of globalization and neoliberalism. If they do not, their institutions will give way under pressure. Such changes entail an extensive restructuring of federations, as well as a continued shift in collective bargaining, if organizing is to be taken to the scale required for union renewal, and if unions are to stem the loss of jobs and the worsening of conditions.

In neither Britain nor the United States have such deep and far-reaching changes yet occurred. But, as their initial attempts at reform have demonstrated, for a national labour movement to shift its energy towards organizing requires changes at all levels—from top to bottom.

This means changes in how labour bodies and associations are run. To be effective, things such as long-term planning, training of rank-and-file members, and worker centres need new levels of coordination between unions and organizers, at all levels of the labour movement. In Canada, this will require new institutions and structures for the CLC, provincial federations of labour, and union locals, as well as for major metropolitan areas and communities.

The *third* lesson is that, where union movements have invested more in organizing, employed a wider range of organizing tactics, and undertaken the structural commitments necessary for

union renewal, they have been successful. It is clear that comprehensive union-building campaigns can bring results, and do much to boost union renewal, as well as improve the conditions for all workers.

The same can occur in Canada. Already a number of positive changes have been enacted in provinces and in municipalities. And this past June, at the Canadian Labour Congress convention in Vancouver, a resolution was passed calling for changes in how organizing is carried out nationwide. These preliminary projects and ideas need to be investigated further, and debated by the CLC and its affiliates at a national organizing conference. The proposals that must be looked at include:

- **A more active CLC, campaigning for a higher working wage and improved rights for workers.**

What is necessary today are a broader base of rights and labour legislation which unions can build upon. The CLC can take a leading role in a campaign for a "living wage," with a statutory national minimum indexed to inflation that will begin to close off the low-wage option. Similarly required are equal rights for both full- and part-time workers, improved employment standards, restrictions on the length of the workweek, and improved health and safety conditions. These will help provide low-wage workers with protection, and strengthen unions and the collective bargaining process by bringing in legislative safeguards against ever-wider business flexibility strategies.



The CLC can also take a more active role in pushing for new rights to organize in the workplace. The reinstatement of card-signing and enforcement of the laws against unfair labour practices would go a long way toward once again levelling the playing field between employers and workers during certification drives. The achievement of these rights would provide a lever for organizing in the service sector and low-wage manufacturing, where declining labour standards have been used by employers as their main reason to keep unions out, and as the main reason why low-paid and immigrant workers must continue to compete for jobs.

Of equal importance is the fact that a campaign for the improvement of legal rights and employment conditions will strengthen the cause of labour among non-unionized workers. In the United States, a majority of cases show that, where organizers were directly involved in rights-based campaigns and in providing legal advice and community mobilization, workers who were later targeted in these communities were much more likely to take out union membership.<sup>94</sup>

- **A National Organizing Commission, a National Organizing Institute, and provincial organizing schools will each contribute substantially to new membership recruitment and help enormously in the shift of union focus to the expansion of organizing resources.**

A National Organizing Commission can establish the long-term goals and pa-

rameters of organizing, and set rules on raiding, mergers, and amalgamations. It can also be given the task of annually setting national goals and objectives, as well as setting and enforcing goals for provinces and sectors. The Commission will help in the development of long-term strategies, and will have a role in overseeing the implementation and administration of provincial committees and campaigns.

A National Organizing Institute can supplement the Commission by collecting and compiling data, and putting together a research team that assesses industries, sectors, and best strategies for organizing. Headquartered at the CLC, the Institute will help the Commission set annual national goals, and, where provincial federations lack resources and staff, the Institute will train organizers and pay them to work on campaigns or at worker centres. The Institute should also take an active role in developing or revamping rank-and-file organizing programs, workshops, and materials for national distribution, and have an active role alongside provincial federations in the development of organizing schools. Now more than ever, wider organizational changes and tactical innovations are needed for organizing campaigns. A National Organizing Institute for Canada would go along way in ensuring these needs are met.

Organizing schools should be situated in provincial federations, and provide programs and workshops for rank-and-file members, as well as for youth, immigrants, and non-unionized workers. As such programs everywhere have shown, from the AFL-CIO to the Australian Council of Trade Unions to the

British Columbia Federation of Labour, these schools can train volunteer rank-and-file union members on how to participate in organizing campaigns, and play a long-term role in revamping training and recruitment programs for organizers.<sup>95</sup>

Schools can also help in the development of organizing material that can be distributed to locals, and in helping local unions conduct more aggressive and strategic campaigns. Volunteers can then be used, not only by their own unions, but also by other unions in the area, during organizing drives. Supplementing basic membership training would be leadership programs, whereby activists are given the skills to build teams that assist local unions in their organizing efforts, as well as ongoing training through which volunteers progress as they expand the scope of their activities.

These structural changes can create a better and more comprehensive use of resources for organizing. Many small locals and individual unions have limited funds and members to conduct their own campaigns. In addition, the decentralization of union locals often fosters suspicion and inter-union competition that does not deal with the problems of cost, lack of staff and resources, and lack of information on employers and sectors—shortcomings that typically deter locals from undertaking organizing campaigns, and put up barriers to wider union cooperation.

Both the CLC and provincial federations of labour can overcome these problems by taking on new roles and developing these institutions. A National Organizing Commission and a National Organizing Institute can do much to en-

sure that the initial commitment to union renewal becomes a long-term strategy, and do much to ensure that strategic innovations are adopted nationwide. And both can do much to enable unions to overcome some of their own fears and inertia. Similarly, provincial organizing schools, possibly under CLC jurisdiction, can help unions make commitments to effective rank-and-file approaches to organizing, as well as provide a pool of volunteer labour for intensive recruitment drives.

These changes will require the CLC and provincial federations of labour to significantly boost their budgets for organizing, and to commit a substantial proportion of their general funds for membership recruitment. These will not be easy adjustments to make, but, if enacted, they will provide the bases for conducting effective and comprehensive union building campaigns with the highest rates of success.

- **All provincial federations of labour must adopt innovative organizing structures and practices, such as coordinating committees and the overseeing of provincial campaigns and organizing drives.**

Already established on a case-by-case basis in British Columbia and Quebec, as well as in a number of American states, coordinating committees assist in the planning and research for organizing drives, as well as in the coordination of multi-union and geographically-based organizing campaigns.<sup>96</sup> Commonly, the committee (made up of organizers from different union locals)

sets targets such as image-conscious companies, and then helps in pinpointing a company's customers, suppliers, and financial allies in order to plan for corporate organizing campaigns. In the United States, such strategic targeting of industries led by locals or by committees is increasingly paying off, especially with firms that have a large numbers of subsidiaries or with those that have high public profiles and are extremely vulnerable to negative publicity.<sup>97</sup>

A committee can also help by establishing a dispute protocol and in resolving inter-union disputes. It can provide information on which employers are the most promising targets for organizing. In addition, the committee's regular meetings allow organizers to plan organizing campaigns, find ways to "lend" organizers to unions conducting drives, and provide the opportunity to regularly exchange information on strategies and tactics.

Finally, provincial committees can very effectively maintain lists of activists, create phone trees, and develop effective groups of activists ready to conduct house calls, distribute material, and provide mass picketing at any job site where employers are obstructing union organizing. Such committees would do much to foster union coordination, and do much to extend the current organizing successes over a larger number of workplaces.

But what both provincial federations of labour and district labour councils must do first is develop a wider orientation, and aim to advance the interests of non-union workers and the community at large. By setting up community councils that include both progressive non-

union groups and non-unionized workers interested in work issues, these councils can work to formulate strategies to increase unionized jobs while at the same time promoting community interests for safe and humane working conditions, job development and training, and better wages.

Such links provide the best way to develop comprehensive organizing drives. As has been shown in the United States and elsewhere, comprehensive campaigns that combine a wide range of tactics—from inside organizing committees and house calls, to extensive corporate pressure, to the effective use of media and mass pickets, to political and community appeals for job development programs or improved workers' rights—produce success rates more than double those of traditional campaigns.<sup>98</sup>

- **The creation of worker centres will provide support among low-wage workers, and begin to engage communities in union organizing.**

Worker centres already have a history in Canada. The Toronto District Labour Council and CUPW in Winnipeg have both established worker centres that provide educational programs, as well as other community services and meeting spaces. But they have not, as yet, been used as explicit components for union-building campaigns.

In both the United States and Australia, there have been some attempts to do so.<sup>99</sup> The idea is to use membership programs as a way of providing information on job rights, and enlisting volunteers among workers who currently

do not have collective bargaining protection. The goal is to use such activities as springboards for organizing new workers. Members are given the opportunity to participate in strike support and political activities, as well as organizing. And once experienced, members are then encouraged to initiate organizing drives in their own workplaces.

Worker centres can also provide workers with other kinds of support, such as legal services, translators, job referrals, and services for dislocated workers. These employment services can interest non-unionized workers in unionization and provide information about potential targets for organizing. They are now being employed at some universities as well as in targeted low-wage communities.

In the United States, the results of worker centres have been generally positive. They have helped organizers make contact with workers who are interested in unionizing, and subsequently bargaining units have been established.<sup>100</sup> Often through extensive community outreach programs, centres have provided an effective way to pool volunteer labour, and to tap into local community and labour activists. It is through structures such as these that the AFL-CIO and the SEIU have conducted their successful 'Jobs with Justice' and 'Justice for Janitors' campaigns.

Involving district labour councils, community groups, and worker centres, these campaigns have set up multi-employer, multi-union organizing efforts, based on joint community-labour efforts. Workers were organized in both their neighbourhoods and their workplaces, and the campaigns were successful be-

cause unions and community groups made worker rights a broader political issue and created a union-building campaign around them, often drawing on coalition partners to set up mass pickets to pressure employers to recognize unions and to support the community. In these cases, community alliances were essential to mobilizing public pressure and conducting effective civil disobedience actions.

What these programs have demonstrated is that volunteers can be very effectively used to increase organized labour's presence in communities, and that rank-and-file members working together with community activists can develop programs aimed at organizing neighbourhoods and fostering neighbourhood activism. Their more strategic use in Canada can only help in organizing the unorganized in this country.

- **Locals must take a more active role in committing resources and time into organizing.**

There are still far too few volunteers for organizing, and there are still far too few unions with programs for volunteer organizing. A shift in local resources towards organizing will require major changes in the roles that rank-and-file members have in their unions. A heightened emphasis on organizing will require workers making new levels of commitment and participation both to support organizing as well as to handle some of their own workplace issues. Locals must take new initiatives to send members to organizing workshops or bring in material themselves and undertake their own programs of volunteer

member organizing. These are critically important.

Volunteers play a key role in successful organizing drives. Given formal and on-the-job training in phone calling, house calls, and the nature of organizing campaigns, volunteers are extremely effective in meeting potential members, especially during blitzes for card-signing or before certification votes.<sup>101</sup> Grassroots members know best how to relate to fellow workers, and, when used effectively along with paid staff, they pay dividends in recruiting new members.

It is critically important for all locals to develop or partake in training programs, because organizing campaigns with strictly full-time staff are becoming too expensive, and without membership involvement the labour-intensive tasks of house and phone calling cannot be accomplished. Organizing is most successful when active volunteer members are involved. Locals must therefore develop structures that foster the participation of their members.

- **Organizers in the service sector will have to find ways of moving away from single-plant, single-union, single-employer collective agreements, and towards multi-employer, multi-establishment types of bargaining structures in occupational service industries.**

This will foster cooperative multi-union organizing campaigns. Aimed at securing "closed shop" agreements, they would allow only unionized members to be hired and the hiring to be done in union hiring halls or joint union-man-

agement dispatch systems. Found so far only in trucking, construction, fishing, and longshoring, occupational unionism would be a function of membership and provide modest training programs. A general agreement could be struck with a certified employers' association, and then individual employers could negotiate specific provisions.

Difficult to establish, because it would face immense employer opposition, a closed shop structure would bring a common set of work standards for part-time work, and reduce the number of poorly paid, part-time, "flexible" jobs nationwide. Moreover, without the flexible, part-time employment option, employers would have to focus on investment and the improvement of productivity rather than the greater use of cheap labour.

A long-term goal, the establishment of occupational unionism in retail, finance, real estate, the accommodation and food industry, the garment industry and assembly industries would go a long way toward improving work and wage conditions dramatically. It will also do much to facilitate multi-union or regionally-based union organizing, geared to organizing specific industries (like hotels or banks) or a major chain (like Sears or Canadian Tire).

- **Finally, to avoid the further consolidation of employer and government labour flexibility strategies, unions and their locals must renew their focus on reducing overtime and workload levels in collective bargaining, and increase their de-**

## **mands for a say in technical restructuring and contracting-out.**

This will expand the number of jobs and ensure that unions will not be left by the wayside in the restructuring of workplaces. It will also ensure that unions will not be whipsawed by the wider use of either non-unionized workers or by a widening pool of low-wage labour. It will further increase the legitimacy of unions among non-unionized workers, who often see unions as protecting only their own members.

Many unions have begun to push successfully for such provisions in their contract negotiations, and have achieved reductions in regular and overtime hours in return for job creation, as well as longer vacations and increased family and education leaves.<sup>102</sup> Nevertheless, shift work and atypical hours are still common, and, even though contracting-out is now widespread, 56% of collective agreements still have no provisions preventing it.<sup>103</sup> Even more rare are provisions for advance notice of layoffs and technological change, with only a third of unions now even raising these issues.<sup>104</sup>

Making these changes in collective agreements can provide the basis for job development strategies in a number of regions, and lay the grounds for the

strong labour-community coalitions necessary for unions to make significant organizing gains.

In sum, given the growing scope of economic and political problems, the time is fast approaching where it will be sink or swim for the Canadian labour movement. Better strategies and new structures are needed soon if unions are to double or triple their recruitment numbers in order to sustain their current size and strength. Because, despite the fact that many unions have started to put real resources and effort into organizing, it is increasingly clear that unions will have to be more aggressive, more confrontational, and more strategic in their organizing.

Today, some 3.8 million Canadian workers are in unions. They are in unions because past generations of leaders, activists, and workers had the vision as well as the strength to dream of how to build a movement, and how to build a better society. As Canada's labour movement now faces the challenges of globalization and neo-liberalism, it's imperative that unions continue this tradition, and take the progressive road to thinking ambitiously about how to build an even stronger movement for the generations of workers to come.

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<sup>98</sup> On the importance of comprehensive campaigns, combining a number of organizing tactics, see Bronfenbrenner and Juravich,

"It Takes More than Housecalls". As well as the survey provided by Paul Jarley "American Unions at the Start of the Twenty-First Century: Going Back to the Future?". In *Changing Prospects for Trade Unionism. Comparisons Between Six Countries*. Eds Peter Fairbrother and Gerard Griffin, 2002.

<sup>99</sup> Immanuel Ness, "Organizing Immigrant Communities: UNITE's Workers Center Strategy". In *Organizing to Win*, 1998.

<sup>100</sup> Ibid, p. 99-100.

<sup>101</sup> Bruce Nissen, "Utilizing the Membership to Organize the Unorganized". In *Organizing to Win*, 1998.

<sup>102</sup> Jon Pierce, *Canadian Industrial Relations* (Scarborough, ON: Prentice Hall Canada, 2000), pp.406-13.

<sup>103</sup> Ibid, p. 413.

<sup>104</sup> Pradeep Kumar, Gregor Murray, and Sylvain Schetagne, "Adapting to Change: Union Priorities in the 1990s", *Workplace Gazette*, Fall, 1998.

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