

# Unions, Labor Relations, and Political Parties in Canada Under Neoliberalism

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Fred Thomhill/Reuters

Since the 1980s, neoliberalism has reconfigured the economic model, impacting working conditions and the relations among unions, political parties, and government.<sup>1</sup> Although Canada has not escaped this dynamic, four characteristics that make it an exception internationally should be underlined.

First, despite the fact that living standards have been dropping, Canada still offers broad benefits to labor, such as, for example, unemployment insurance. The unionization rate in Canada is the highest in the Western Hemisphere, and Canada is second only to the United States on the United Nations Human Development Index (HDI).

Second, the Canadian union movement is heterogeneous and the political party system seems disperse and shifting compared to Mexico and the United States. No close rela-

tionship between unions and ruling governing parties has existed like in other countries.

Third, labor relations in Canada are decentralized and allow for greater democracy in the workplace, particularly in terms of organizing unions, which explains the higher unionization rates.

Fourth, the New Democratic Party (NDP), linked to the union movement, has become the second force in Parliament; the Conservative Party has been in office since 2006, while the Liberal Party has lost representativeness since the May 2011 elections.

## QUALITY OF LIFE AND WORKING CONDITIONS

For seven consecutive years in the 1990s, Canada was the best place to live in the world, according to the HDI, which measures different indicators like quality of life, income, and

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TABLE 1  
UNION DENSITY IN CANADA (2011)  
(%)

<b>Total</b>	<b>29.7</b>
Public Sector	71.1
Private Sector	16.0
Manufacturing	24.9
Public and Private Services	30.4
Women	31.1
Men	28.2
Full-time Workers	31.1
Part-time Workers	23.6

**Source:** Developed by the author with data from Sharanjit Uppal, "Unionization 2011," *Perspectives on Labour and Income* vol. 23, no. 4, Statistics Canada, 2011, <http://www5.statcan.gc.ca/bsolc/olc-vel/olc-vel?catno=75-001-x&lang=eng>, accessed January 15, 2013.

education. However, in the first decade of the twenty-first century, its ranking dropped, and by 2005, it was in fourth place.<sup>2</sup> By 2012, it had fallen to eleventh place in the hemisphere, even below the United States; however, although it continues to rank one of the best places, Canada has been surpassed by other countries over the last 12 years.<sup>3</sup>

At the same time, Canada's unemployment insurance, one of the most important benefits a worker has, has also been eroded. In 2011, only four out of every ten unemployed workers had access to it, and the number of weeks of coverage and the amount paid have also declined. In 1996, the maximum benefit per week was Can\$604, while in 2012, the top payment was Can\$435, and the average, Can\$335 a week.<sup>4</sup> Despite this, coverage is still greater than in the United States, and in Mexico, it is non-existent.

Unionization is higher in Canada than in other developed and developing capitalist countries. Recent data show that from Canada's 14.5 million workers, about 4.3 million are unionized; that is, 30 percent of the employed work force in 2011.<sup>5</sup> This is more than double the U.S. rate (11.8 percent), and higher than European countries like the United Kingdom (26 percent), Germany (18.5 percent), and France (9 percent).<sup>6</sup> Canada is even the most unionized country in the Western Hemisphere, more than Argentina (25 percent), Brazil (17 percent), and Mexico (10 percent), the main Latin

American economies, which have enormous working populations.<sup>7</sup>

In the last 30 years, this union density in Canada declined from 40 percent to 30 percent. In 1982, unionization was 38 percent, the highest since 1973. However, by 2003, it had dropped to 30 percent, where it remained until 2011 (see Table 1).<sup>8</sup> Different factors contributed to the loss of union membership in the 1980s and 1990s, such as the de-industrialization linked to neoliberal globalization, deregulation, privatization, public sector cutbacks, the growth of the private sector, and the casualization of labor (regular workers are laid off and rehired temporarily). All these factors have had differing degrees of influence on the fall in unionization in Canada.<sup>9</sup>

Union membership is significant since it is linked to higher earnings, job benefits, and social security. For example, according to the Canadian Labour Congress (CLC), unionized workers earn more than their unorganized counterparts. On average, the hourly wage is Can\$6.80 higher for unionized workers than for non-union workers; for women, the difference is even greater (Can\$7.94).

It has been shown that, on average, those belonging to a union earn 26 percent more than other workers. In general, unionized workers are three times more likely to get a pension from their company than non-unionized workers and have double the medical coverage.<sup>10</sup> The average income of Canadian workers rises as a result of unionization, and this is clearly an advantage.

Canada's most representative unions are affiliated to the CLC, which grouped 3.2 million workers in 2011, 70 percent of all unionized employees. The CLC exists in every region and in most industries (public sector, transportation, auto, communications, energy, paper, construction, education, and health care, among others). It includes 184 national unions and 39 international unions headquartered in the United States.

Another important organization is the Confederation of National Unions (CSN), which represents the most combative unionism in Canada. Its political action is different from that of the CLC, and there is absolutely no link between the

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two, not even to join forces and defend their interests as workers. The CSN is headquartered in Montreal, Quebec, and represents 316 313 workers, that is, 6.7 percent of Canada's union members,<sup>11</sup> and almost all its members live in Quebec province. It has become the most radical and politicized union in North America, having actively supported the independence of Quebec and assumed left political positions.

In addition, a large number of local, independent unions exist that do not belong to any union federation, as well as an important number of international unions, something that differentiates it from union organization in Mexico and the United States.

#### WORK RELATIONS

The legal system that regulates labor relations is more decentralized in Canada than in Mexico; provincial laws are more important in labor regulation in Canada. In general, Mexico has protective labor legislation and benefits for the worker on paper that are not enjoyed in practice.

An analysis of the systems that regulate the forms of unionization and the guarantees for union operation in North America shows that the most favorable conditions for organizing a union exist in Canada. In the United States, union organization drives begin with a consultation of the workers to see if they want to belong to a union through what is called a card check. If a two-thirds majority agrees, then an election is requested from the labor authorities and the employer is notified of the process. However, during the period between the card check and the election, which is often more than a month, the employers pressure the workers to abandon the unionization process.<sup>12</sup> In Canada, labor institutions guarantee unionization through a system that respects the workers' decision to join or create a union. This is important for explaining the high union density rates in Canada, while in the United States and Mexico, workers face obstacles in the voting and registration phases, respectively, during the unionization drive. The difference in union density between Canada and other

countries is explained by factors linked to the unions' opportunities to recruit members.

#### POLITICAL PARTIES AND UNIONS

Despite the fact that in different countries unions still maintain strong ties to left, socialist, and social democratic political parties, it is evident that they do not continue to enjoy the strategic position they used to have in the ranks of those parties. That is, the social groups and sectors have changed, and the parties that previously based their strength on alliances with the unions now seek to attract new social sectors that do not feel represented and make up a very important mass of people.

In the case of Canada, the union movement has not been the base of support of the ruling parties in recent decades. However, the close link between the organized labor movement and the social-democratic-leaning NDP has strengthened the political influence of Canadian unions.<sup>13</sup> The institutionalization of the NDP within a highly federalized parliamentary system has facilitated the passage of collective bargaining legislation favorable to the unions.

Canada has been characterized by a multi-partisan parliamentary political system. The first decade of the twenty-first century brought with it a change at the top of the power structure, a switch from the Liberal Party to the Conservative Party of Canada, although this transition has been moderate. Canadian voters' support for a single party has not been clear-cut: the last four elections put three minority governments in office since no party received enough support to get an absolute majority. This has brought with it instability for the political and government agendas. In addition, voter participation in federal elections dropped from 75 percent in 1988 to 60 percent in 2011.<sup>14</sup>

The CLC is closely linked to the NDP, which has recently become the largest opposition force. This has made it possible for it to formulate legislation favorable to the union movement, although this party has never had a majority in Parliament and therefore never had a prime minister.

The United States has a presidentialist, bi-partisan political system. The political link between the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) and the Democratic Party has not been as close as those that exist in other countries. In Mexico, both the Confederation of Workers of Mexico (CTM) and the Labor Congress (CT) were closely linked to the Institutional Revolutionary Party

(PRI) in the last century, through the participation of union leaders in political and government posts. The unions' political power has decreased, however, due to the democratization that has eroded the existing corporatism.

#### FINAL THOUGHTS

The existence of a social democratic party in the Canadian political system has had an impact on the design of legislation favorable to unions and the working class. Also, the legal guarantees for workers' organizing facilitate the existence of a high unionization rate in Canada, which fosters higher wages and benefits like unemployment insurance for workers. These factors, taken together, have contained the decline of the working class and unions in Canada seen in other countries around the globe derived from the implementation of neoliberal policies. ■■■

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#### NOTES

- <sup>1</sup> Neoliberalism proposes that the well-being of humanity can be achieved best by giving free rein to entrepreneurial freedoms and the individual's abilities within an institutional structure characterized by strong rights to private property, the free market, and free trade. See David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005).
- <sup>2</sup> Scott W. See, *The History of Canada* (Amelia, New York: Grey House Publishing, 2010).

- <sup>3</sup> Índice de Desarrollo Humano 2012, <http://hdr.undp.org/es/estadisticas/>, accessed March 15, 2013.
- <sup>4</sup> Canadian Labour Congress, "Unemployment Insurance," Ottawa, Ontario, 2012, <http://www.canadianlabour.ca/issues/unemployment-insurance>, accessed March 1, 2013.
- <sup>5</sup> Sharanjit Uppal, "Unionization 2011," *Perspectives on Labour and Income* vol. 23, no. 4 (2011), Statistics Canada, Catalogue no. 75-001-XIE, <http://www5.statcan.gc.ca/bsolc/olc-cel/olc-cel?catno=75-001-x&lang=eng>, accessed January 15, 2013.
- <sup>6</sup> OECD, *Society at a Glance 2011 - OECD Social Indicators. OECD Social Indicators*, 2011, <http://stats.oecd.org/Index.aspx?QueryId=20167>, accessed January 20, 2013.
- <sup>7</sup> For the cases of Brazil and Argentina, see Adalberto Cardoso, "Industrial Relations, Social Dialogue and Employment in Argentina, Brazil and Mexico," Employment Strategy Papers (Geneva: International Labor Organization, 2004).
- <sup>8</sup> Different instruments gather and systematize statistical information about union membership in Canada. The most complete is the "Unionization" report derived from the Labour Force Survey published annually in the magazine *Perspectives on Labour and Income* by Statistics Canada. However, in 2012, this topic was eliminated from the publication.
- <sup>9</sup> Geoff Bickerton and Jane Stinson, "Challenges Facing the Canadian Labour Movement in the Context of Globalisation, Unemployment and the Casualization of Labour," in A. Bieler, I. Lindberg, and D. Pillay, eds., *Labour and the Challenges of Globalization: What Prospects for Transnational Solidarity?* (London: Pluto Press, 2008).
- <sup>10</sup> Andrew Jackson, "Rowing against the Tide: the Struggle to Raise Union Density in a Hostile Environment," in Pradeep Kumar and Christopher Schenk, *Paths to Union Renewal* (Toronto: University of Toronto Press, 2006).
- <sup>11</sup> Ibid.
- <sup>12</sup> J. McKennirey, L. A. Compa, L. Lara, and E. Griego, *Plant Closings and Labor Rights* (Dallas: Commission for Labor Cooperation, 1997).
- <sup>13</sup> J. B. Rose and G. N. Chaison, "Unionism in Canada and the United States in the 21st Century: The Prospects for Revival," *Relations Industrielles/Industrial Relations* vol. 56, no. 1, Winter 2001, pp. 34-65.
- <sup>14</sup> Elections Canada, <http://www.elections.ca/home.aspx>, accessed February 1, 2013.