

Labour relations reflect new economic realities

In the Throne Speech opening the new parliament, the Canadian government reaffirmed its commitment to a market economy both at home and abroad. It also endorsed 'the importance and legitimacy of the trade union movement in Canada' and emphasised the importance of the role that labour will play in the 'consultative process' through which new policies will be formed. It's part of the 'new era of national reconciliation' that the government is building in Canada.

This article looks at the state of the union movement in Canada and how it is living with new economic realities and the harsh bargaining climate brought on by economic restraint.



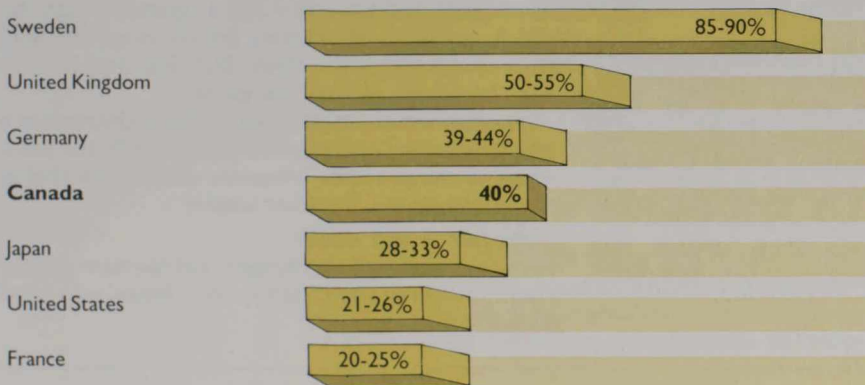
Photo: Ontario House

Modest wage settlements and few work stoppages.

The recent recession saw a steep decline in union membership in many countries around the world, but in Canada the decline was only modest. Now, as the economic climate shows signs of improvement, the Canadian union movement is once again growing in size.

So far this year, there has been a 2½ percent rise in the number of people who belong to Canadian unions. This has taken union membership to record levels, so that about 40 percent of the non-agricultural work force—some 3.65 million people—have now joined a union.

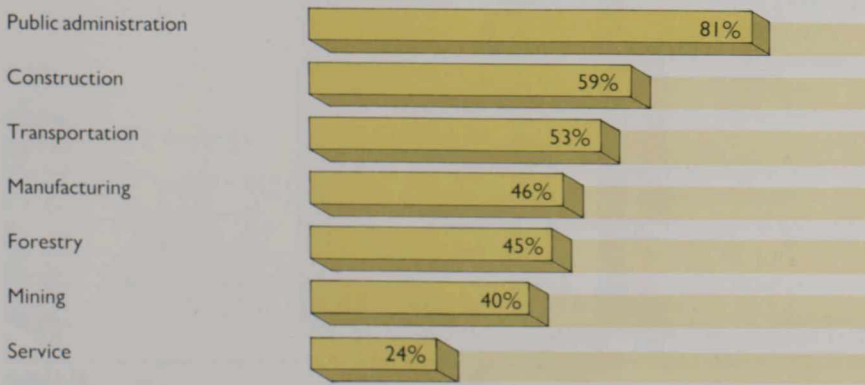
Union membership as a percent of non-agricultural workforce



The recent increase in union membership in Canada is partly due to the success that retail unions have had in organising department-store employees. As an example, a group of workers in the giant Eaton's chain (much to the surprise of the owners) recently voted to form a union in southern Ontario.

This could be a sign of things to come, but for the moment only a fraction (nine percent) of employees in the retail sector are unionised. Also, in spite of an

Degree of unionisation by sector



on-going drive to unionise bank employees, only three percent of the finance sector belongs to a union.

Other major sectors of the economy show much higher degrees of unionisation.

Because labour and management have been sensitive to market and other economic realities, wage settlements have been modest in Canada, and work stoppages have been few.

In the second quarter this year, major collective agreements showed average effective increases of 3.2 percent—the lowest quarterly figure since 1967. When the public sector is excluded, the average drops to 2.8 percent. (These figures are based on 169 agreements. In 44 of these agreements, wages were either frozen or reduced.)

Few contracts affected

As for work stoppages, they affect only about five percent of all negotiated contracts. Also, they result in little lost production or economic dislocation.

In 1981, for example, work stoppages in the private sector involved 952 500 person-days—representing a fraction of one percent of all working time. Furthermore, about 80 percent of this lost time involved just five strikes (three of them in the Canadian Broadcasting Corporation), in which there was no damage done to the economy. Basic services were maintained throughout.

In the few instances where work stoppages have threatened serious economic harm (or have jeopardised international commitments), governments at both the federal and provincial levels have ended the disputes by passing back-to-work legislation.

Two years ago, for example, when there was a lockout involving west coast ports, the federal government legislated an end to the dispute after 16 days. More recently, when employees of the Toronto Transit Commission were contemplating a strike, the provincial government passed legislation outlawing any such work stoppage.

As a rule, though, government intervention in the collective bargaining process has been used as a last resort when all other methods have failed to resolve a dispute. Since 1950, there have been 60 pieces of back-to-work legislation passed in Canada—17 at the federal level and 43 at the provincial level. (Sixteen of the 60 have been in the private sector, with the other 44 being in the public sector.)

Part of the reluctance to intervene comes from the acceptance among Canadians of the right to strike. In a recent survey of public opinion, 56 percent of Canadians thought employees should have the right to strike; 34 percent disagreed (the other 10 percent were undecided).