

Now MORE THAN EVER

An examination of the challenges and
opportunities facing Alberta unions in the
21st century

Published by the Alberta Federation of Labour
April 1999

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I. The Union Century

THE TWENTIETH CENTURY has been a time of tremendous change, advancement and struggle. Over the past one hundred years, we've seen the introduction of inventions that have changed the way we live – things like the telephone, the airplane, the television and the computer. The twentieth century has also been a time of incredible political turmoil, social change and economic growth. Wars and political upheaval have changed borders and toppled governments; mass social movements have ended racial segregation in the United States and Apartheid in South Africa; and leaders like Martin Luther King Jr., Mahatma Ghandi, Adolf Hitler and Josef Stalin alternately inspired and horrified us.

At the same time, the twentieth century has been a time of incredible prosperity in most western industrial countries. The wealth amassed in places like the United States, Canada, Germany and France is unrivaled in human history. At the beginning of the century, small local or regional companies produced only a narrow range of goods. Today, massive multinational firms mass-produce an almost unimaginable variety of consumer items – everything from automobiles and home computers to toothbrushes and toasters.

With all the dramatic changes happening on the scientific, political and economic stages, it's easy to overlook one of the other amazing

revolutions that took place during the twentieth century – and that's the revolution that transformed the lives of working people.

In the years following the end of the Second World War, workers in western industrial nations like Canada experienced a dramatic jump in their standard of living. Part of the credit for this change can be given to the tremendous economic boom that followed the end of the war. But there had been booms before – booms that had not improved the lives of working people.

What made the post-war situation different? Why did the boom of the '40s and '50s so dramatically improve the lives of working people when earlier booms had not? The answer is simple – trade unions. For the first time in history, workers living in western industrial countries had effective worker organizations to speak on their behalf. They also finally had governments that recognized the right of workers to bargain collectively.

Thanks to the efforts of unions, millions of working people in Canada, the United States and across Europe were, for the first time, brought into the middle class. Average incomes soared as workers were finally given a fairer share of the wealth they helped to create.

But unions didn't just influence wages. Many of the things that Canadians take for granted today were only won after hard-fought campaigns by working people and their unions. For example, at the beginning of this century, things like a legislated eight-hour day and a regular five-day work

week were distant dreams for most workers. There were also no such things as workplace health and safety regulations; minimum wages; unemployment insurance; paid vacations; or pension plans. All these things have now become commonplace – thanks to the work of unions.

Here in Alberta, the union movement has also played an extremely important role in improving conditions for working people. Unions in the southern Alberta coal fields were among the first to lobby successfully for improved workplace health and safety standards. These unions were also the first to establish hospitals and health care plans for working people – plans which would later be copied by the CCF government in Saskatchewan to form the basis of Medicare. More recently, the Alberta labour movement has played a leading role in the fight for an increased minimum wage. We are also leading the fight against private, for-profit health care.

Given the profound and positive impact that unions have had on the society and the economies of the western world, it can be argued that the twentieth century wasn't just the century of invention or the century of

industry – it was also the union century.

Will our future be as bright as our past?

Clearly, unions in Canada and around the world have a rich and proud history. But, as we stand on the threshold of a new century and a new millennium, the question remains: do they have a future?

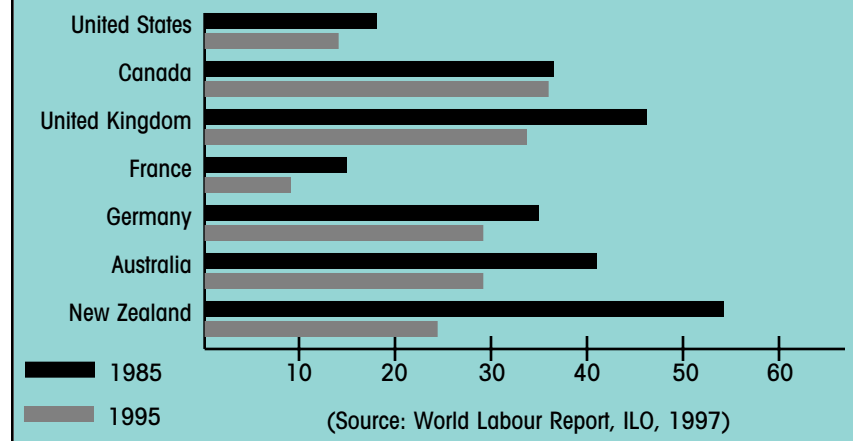
For union members and supporters of the labour movement, a number of troubling trends have developed over the past 15 or 20 years that raise serious concerns about the future viability of trade unions. Most alarming is the drop in unionization rates around the world. According to a report prepared by the International Labour Organization, a branch of the United Nations, the number of union members in many countries has stagnated – even while the labour force grows. The result is that the percentage of the workforce that is unionized is dropping in many countries. For example, between 1985 and 1995, unionization rates in the United Kingdom dropped from 46 percent to 33 percent; in Germany they dropped from 35 to 29 percent; and in

FIGURE 1: A Proud History

Over the past one hundred years, unions have won victories that changed the way Canadians live and work. Among other things, unions played an important role in bringing the following things to Canada:

- the eight-hour day
- workplace health and safety laws
- unemployment insurance
- pensions
- a middle-class standard of living
- the five-day work week
- medicare
- paid vacations
- the minimum wage

FIGURE 2: Trade Union Density as % of all Wage and Salary Earners – Selected Countries (1985-95)



New Zealand they fell from 54 percent to 24 percent.

In many of these countries, the sting of declining membership is lessened somewhat by the fact that large number of non-union workers are also covered by union contracts. In Germany, for example, only 29 percent of working people belong to unions, but almost 90 percent are covered by union-negotiated contracts. But even in these cases, declines in membership are a serious concern because they rob unions of the resources they need to function effectively.

Looking at the international figures its clear one of the most dramatic changes in union membership rates has occurred in the United States. Forty years ago the American labour force was one of the more highly unionized in the world – especially in the key area of manufacturing. In fact, in it's heyday, the American labour movement was so influential that presidents –

both Democrat and Republican – consulted with union leaders on a regular basis.

But that's all a thing of the past. Union density in the U.S. has declined from a peak of more than 35 percent of private sector labour force in 1954 to less than 10 percent today. Now the American labour central, the AFL-CIO, has been reduced to little more than an interest group, albeit a relatively well-funded one. The situation has gotten so bad that labour leaders weren't even able to convince Democratic vice-president Al Gore to speak publicly in support of collective bargaining at a recent AFL-CIO convention.

The American experience is particularly alarming for Canadians for several reasons. First, the American and Canadian economies are more closely linked than any other countries in the world – as a result, things that happen there have significant impact here. Second, the laws governing

collective bargaining and the operation of unions in the two countries are – at least on the surface – quite similar. Unlike Europe, where most agreements are negotiated on a national or industry-wide basis, negotiations in Canada and the United States are much more decentralized. Some unions in the two countries do negotiate national agreements with large corporations. But in general, collective bargaining in both Canada and the US takes place between individual unions and individual employers.

Given that Canadian unions operate in similar economic, legal and social environments, it's not surprising that some people are worried that Canadian unions may follow their American cousins down the road to irrelevance.

What our critics say

Of course, many people have been predicting the demise of unions in Canada and around the world for years. Even during the immediate post-War years when unions were helping to increase the living standards for millions of workers, the labour movement never had a shortage of critics.

The difference now is that the critics seem to be getting the upper hand. Public and political attacks on unions started to become more common in the 1970s – when unions and union wages were blamed by many for high rates of inflation, even though the problem was clearly related more closely to things like the oil crisis and the decision of governments around the world to abandon the gold standard.

More recently, critics of the labour movement have been arguing that the new “global economy” will make unions obsolete. They say the new economy is generating so much wealth and creating so many well-paid jobs in the areas like the high-technology sector that workers no longer need the kind of protection that unions provide. They also argue that the continued existence of unions actually hurts workers by undermining the ability of Canadian firms to compete with firms from other countries.

Challenges and Opportunities

In this report, we will take a closer look at the future of unions in Alberta. More specifically, we attempt to answer a number of pressing questions. Do Albertans still want unions? Do they need unions? Do unions in Canada still ‘deliver the goods’ for their members? In addition to addressing these questions, we will also discuss the impact that unions have on the economy.

Not surprisingly, we will argue that working people in Alberta both want and need unions. In fact, we will demonstrate that in the new “global” workplace, unions are more important than ever.

One of the main goals of this report is to stimulate discussion within the labour movement and encourage union leaders and activists to think about the future. With this in mind, we will identify some of the major challenges currently facing the labour movement. We will also discuss some of the new strategies that unions here in Canada

and around the world are employing to meet the changing demands of the 21st century. It is these strategies that will help ensure that the 21st century – like the 20th century – is another union century.

II. Do Workers Still Want Unions?

LOOKING AT THE international scene – and particularly the experience in the United States – one could easily come to the conclusion that unions are on their way out. But the truth is that when compared to unions in other countries, unions in Canada – and even in Alberta – are relatively strong.

One of the ways to demonstrate the strength of the labour movement in Canada is to look at overall membership trends – assuming that if workers no longer wanted unions, membership would be declining. It's also useful to look at the attitudes of non-union workers. If given the chance, would they join a union? In this section we do both of these things. In the end it will become clear that – despite all the anti-union talk coming from

business, government and media circles – many Canadian workers still want unions.

The national picture

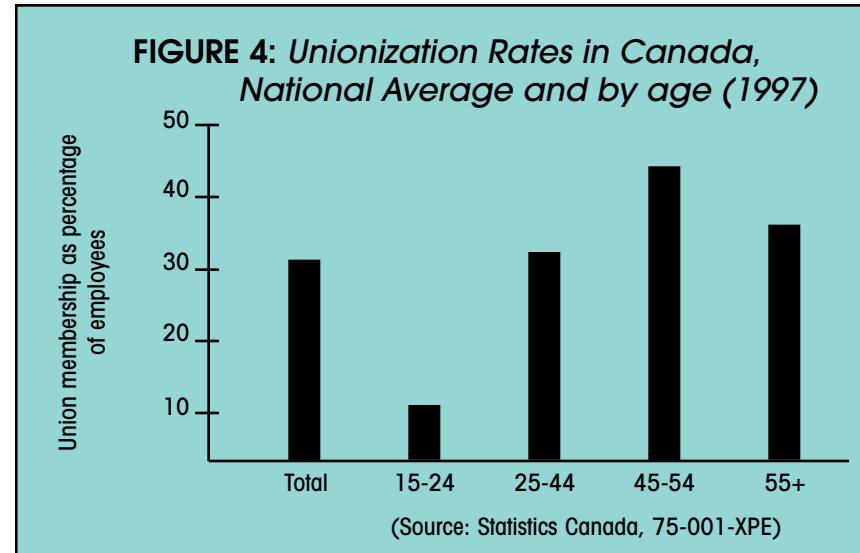
Unions in Canada are not the dying organizations that they are in some other countries. In fact, the trajectory of membership in Canada over the past 30 years has been almost entirely opposite from that in places like the United States. While membership south of the border declined steadily throughout the 70s, 80s and 90s, the number of union members in Canada increased.

At the national level, about one in three Canadian workers currently belong to unions. The rate of union membership is even higher among certain groups of workers and within certain industries. For example, more than seven out of ten Canadians working in the public sector belong to unions. Unionization rates are also high among older workers (45-55) and among people working in industries like utilities, transportation and communications and in blue-collar occupations like construction and manufacturing.

Perhaps surprisingly, one of the categories of workers with the highest

FIGURE 3: Union Membership in Canada (1967-97)

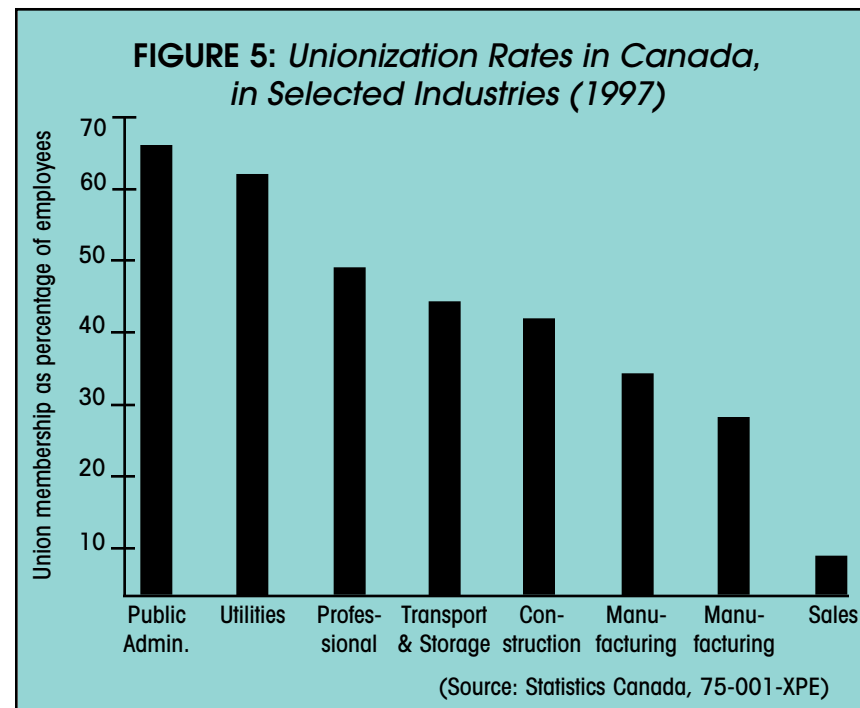
1967	2 million
1977	2.8 million
1987	3.6 million
1997	3.5 million

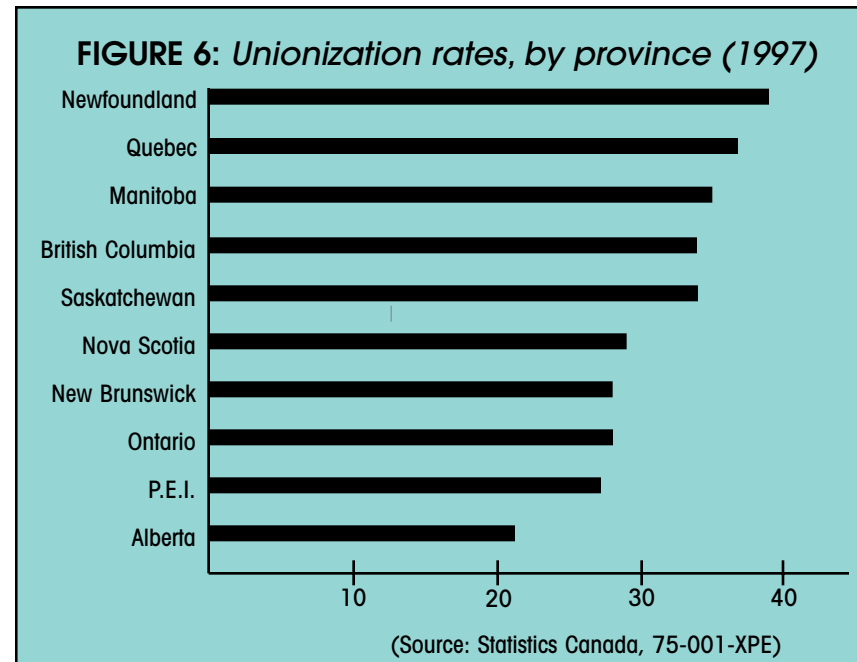


rate of unionization is the group that Statistics Canada describes as “white collar professional.” This group, which includes a variety of professional

workers like nurses and teachers, boasts a national unionization rate of 49 per cent.

Another finding that may surprise





some people has to do with education. In today's workforce, union members are actually more likely to have post-secondary education than non-union workers. Fifty-eight percent of union members in Canada have a post-secondary certificate or a university degree versus only 48 percent for the overall population. Based on this information, it's clear that the old myth that union members are low-skilled and lack flexibility is just that – a myth. The truth seems to be just the opposite – union members in Canada are better educated and more flexible.

Historically, the Canadian union movement grew most dramatically between 1940 and 1956. During this period membership almost quadrupled. After 1956, union membership increased more slowly – only slightly outpacing the overall growth in the

workforce. Even so, in the past thirty years the total number of union members in Canada has almost doubled – from about 2 million in the 1950s to more than 3.5 million today. But because the growth in union membership has roughly paralleled the overall growth in the labour force, the union “density” rate has remained in the 30 to 35 per cent range. This is lower than the unionization rate in some northern European countries (i.e. Sweden, Finland, Norway, Denmark and Belgium) but substantially higher than places like the United States, Japan and even Britain.

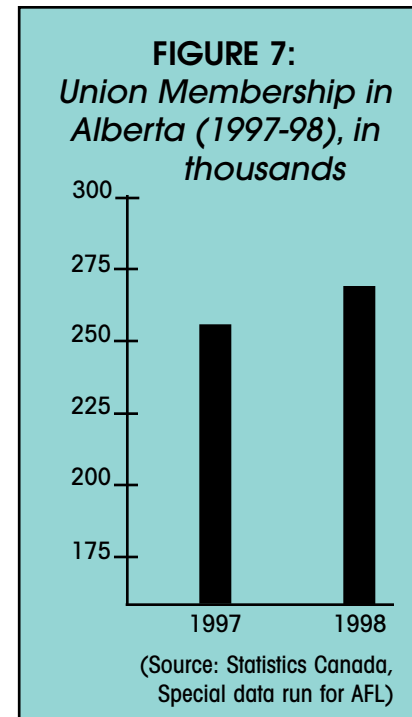
Of course, not all the statistics are so rosy. Today, unionization rates in the private sector are much lower than they are in the public sector. In 1998 only about one in five Canadians working in the private sector belonged

to a union. This is mostly the result of the significant job losses that have taken place over the past ten years in heavily unionized industries like manufacturing. Unionization rates are also significantly lower among young workers (15-24), part-time and temporary workers and among employees of small firms. In fact, only 12 percent of Canadians working in firms with fewer than 20 employees are unionized. This is a particularly serious problem because these firms currently employ about 35 percent of the workforce.

The overall numbers on union membership also mask some significant changes in the composition of the union movement that have taken place over the past 30 years. As mentioned, public sector unions now represent a much greater portion of the overall labour movement today than they did in the past. Women also have been playing a much more prominent role. As the number of women active in the labour force increased over the past 30 years, so did the number of women union members. Women now make up 45 percent of all union members – up from about 20 per cent in 1967. This “gender re-alignment,” has significantly changed the face of unions around the country.

The situation in Alberta

Not surprisingly, the picture of union strength varies from province to province. Employees in Newfoundland and Quebec are the most likely to belong to unions. Higher than average union density ratios are also found in Manitoba, British Columbia and



Saskatchewan. Ontario and the Maritime provinces are slightly below the national average.

Here in Alberta, we have the dubious distinction of having the lowest rate of unionization in the country. This probably comes as no surprise to most people. Given Alberta’s reputation as the home of the “rugged individualist” it seems to make sense that people would be less interested in joining unions here than in other provinces.

But in reality, the lower rates of unionization in Alberta probably have more to do with political, legal and economic issues than the attitudes of individuals. Historically, Alberta has had governments that are more hostile to unions than other provinces – and these governments have developed

labour laws that make it much more difficult to organize new members and conduct the day-to-day business of unions. Lower union rates in Alberta can also be at least partially attributed to the structure of the Alberta economy. Over the past 40 or 50 years, employment in Alberta has tended to be skewed towards industries with traditionally lower rates of unionization (i.e. oil and gas extraction) and away from industries with traditionally higher union rates (i.e. manufacturing).

As a result of these factors, Alberta has provided relatively poor soil for labour organizing. But even in this hostile environment, unions have had a good measure of success. In 1998, 268,500 Alberta workers belonged to unions – an increase of 6 percent from 1997 when there were 253,000 union members in the province. That translates into slightly more than 22 per cent of all employees. This might seem low in comparison to the Canadian average – but it is significantly higher than the American rate and about the same as the rate for places like Japan, Spain and the Netherlands.

Union influence is even broader when you consider the number of workers covered by union contracts but who do not actually pay union dues. Once these people are factored in – and there were about 42,000 of them in Alberta in 1998 – the proportion of Alberta employees benefitting from union contracts increases to 26 percent.

In addition to maintaining a relatively large membership base, unions in Alberta have also shown their

strength in a number of recent high-profile contract disputes and organizing drives. For example, unionized workers won important victories in the Safeway strike of 1997, the Edmonton hospital strikes of 1998, and more recently the strikes at CBC and the Weldwood pulp and paper plant in Hinton. In all these cases, Alberta unions did more than win better deals at the bargaining table – they also demonstrated significant internal strength and managed to generate strong public support for their issues.

On the organizing front, Alberta unions have also been enjoying success. In 1998, the majority of unions affiliated to the Alberta Federation of Labour reported membership increases. And there have been a number of high profile victories – like CEP's successful organizing campaign at the Calgary Herald, one of the major newspapers owned by the notoriously anti-union media baron, Conrad Black.

Of course, as is the case with unions in other provinces, Alberta unions also have had their share of problems. At 12 percent, we have the lowest rate of private-sector unionization in the country – barely more than one in ten private sector workers belong to a union. Union rates are also low among young workers; among employees of small firms; and within parts of the oil and gas industry. Unions have a strong presence in the industries that handle and process oil and gas products – but they have almost no presence on the exploration and extraction side of the business.

The past fifteen years have also brought a number of major setbacks for unions and union members in Alberta.

Recessions of the mid-80s and early-90s threw thousands of Alberta workers – union and non-union alike – out of work. Major changes to the Labour Code in 1988 also erected even more hurdles to organizing and paved the way for the establishment of many more non-union contractors in the construction industry.

Most recently, the biggest blow to overall union membership came as a result of public sector cutbacks. Governments across the country have been cutting their budgets – but, on a per capita basis, the cuts in Alberta have been the deepest. The problems for public sector unions in Alberta were made worse by massive cuts announced by the federal government in 1995. As a result of the cuts imposed by the Klein and Chretien governments, literally tens of thousands of public sector workers working at the federal, provincial and municipal levels have lost their jobs. Considering that the vast majority of these workers were union members, the cutbacks have had serious implications for public sector unions. For example, Alberta's largest public sector union, the Alberta Union of Provincial Employees (AUPE), saw its membership drop from about 42,000 in 1990 to about 33,000 last year – a decline of more than 20 per cent.

Fortunately, during this period of massive public sector cuts, most private sector unions managed to hold onto their members – in fact, during the 90s several private-sector unions recorded significant growth. But the cuts to public sector jobs have been so substantial that the overall level of unionization in Alberta has dropped from about 24 percent early in the

decade to 22 per cent today.

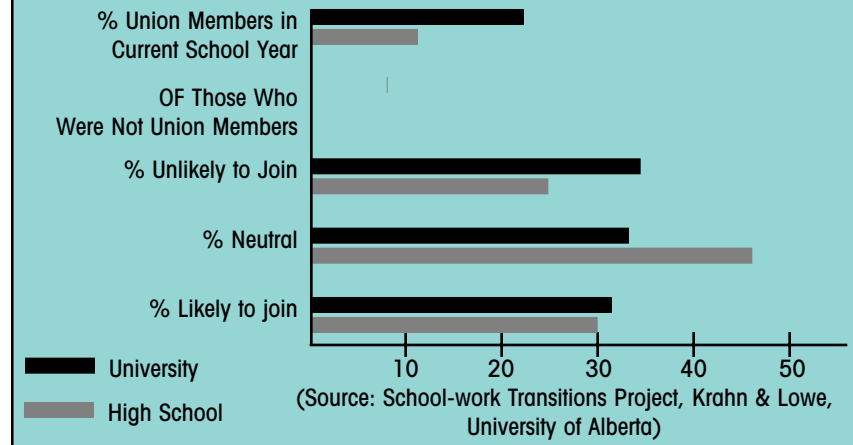
Despite these changes, unions still represent a sizable portion of the Alberta workforce. Unlike the United States where union membership has plummeted, union membership in Alberta has remained relatively stable. Unions in Alberta have also maintained a strong presence in many of the most important sectors of our provincial economy – including the public sector, oil and gas processing, communications, construction and utilities. Unions in Alberta are also making important inroads in the retail and manufacturing sectors. With more than 890,000 non-union workers in the province, the situation could clearly be a lot better – but it could also be a lot worse.

“Latent” unionism

In addition to the thousands of Albertans who already belong to unions, research conducted over the past ten or fifteen years clearly suggests that many more Albertans would join unions if given the opportunity. This is what University of Alberta sociologist Graham Lowe has described as “latent” unionism. In surveys conducted in the 1980s, Lowe and fellow U of A sociologist Harvey Krahn found that about 35 per cent of non-union workers in Edmonton would like to join a union.

Obviously, many things have changes since the 80s – but apparently the opinions of workers towards unions have not. In a much more recent survey of high school and university graduates conducted in 1996, Lowe and Krahn found that a significant number of young Albertans working in non-union

FIGURE 8: Willingness to Join a Union, 1996 Alberta High School and University Graduates



jobs would like to join unions. More specifically, about 32 per cent of recent university graduates and 30 per cent of recent high school graduates who were working in non-union settings at the time of the survey said they would support joining a union if the opportunity presented itself.

One of the interesting things about Lowe and Krahn's findings is how closely they correspond to the results of earlier surveys and, in fact, to the results of similar surveys conducted in other parts of Canada and the United States. Ever since the 1960s, surveys have shown that between 30 and 40 per cent of non-union workers in both Canada and the United States would like to join unions.

One of the largest and most recent American surveys on worker interest in unions was conducted in 1994 by Richard Freeman, a prominent economics professor from Harvard University in Boston. Like Lowe and Krahn in Alberta, Freeman found that

about one in three non-union workers in the United States would like to belong to a union. Among the workers who said they would not join a union, Freeman found a large number who would like some kind of worker representation in their workplace. Based on these findings, Freeman argued that there is a large "representation gap" in the United States. He concluded that there are millions of Americans who want some kind of representation in the workplace – but who have not been able to get it.

Clearly, these studies have important implications for unions in Alberta and across North America. Even in the hostile climate of the "dog-eat-dog" 90s, it appears that millions of unorganized workers are still open to the idea of joining unions. The research also suggests that number would be even higher if workers could somehow be reassured that they wouldn't be punished or disciplined for supporting a union.

III. Do Workers Still Need Unions?

ONE OF THE ARGUMENTS often put forward by critics of the labour movement is that unions have outlived their usefulness. According to this line of reasoning, unions may have served a purpose in the first part of the century when wages were low, workplace conditions were poor and benefits almost unheard of. But these critics say the situation for working people has improved radically. Wages are better, health and safety regulations have been put into place and there are all sorts of mechanisms that have been put in place to protect the interests of unemployed, elderly and sick or injured workers –eg. Unemployment Insurance, the Canada Pension Plan, workers' compensation. Given all the advances that have been made over the years, critics of the labour movement argue that workers no longer really need unions. In effect, they claim that all the battles in the workplace have been won.

This line of argument has become particularly common here in Alberta. When discussing the subject of labour relations, many anti-union commentators in Alberta point to the robust health of the provincial economy. They argue that the Alberta economy is growing and creating jobs faster than any other province. In this climate, they say unions are no longer needed by working people.

Unfortunately, this line of argument has two major flaws. First, it ignores all that unions currently do to maintain and improve upon conditions for

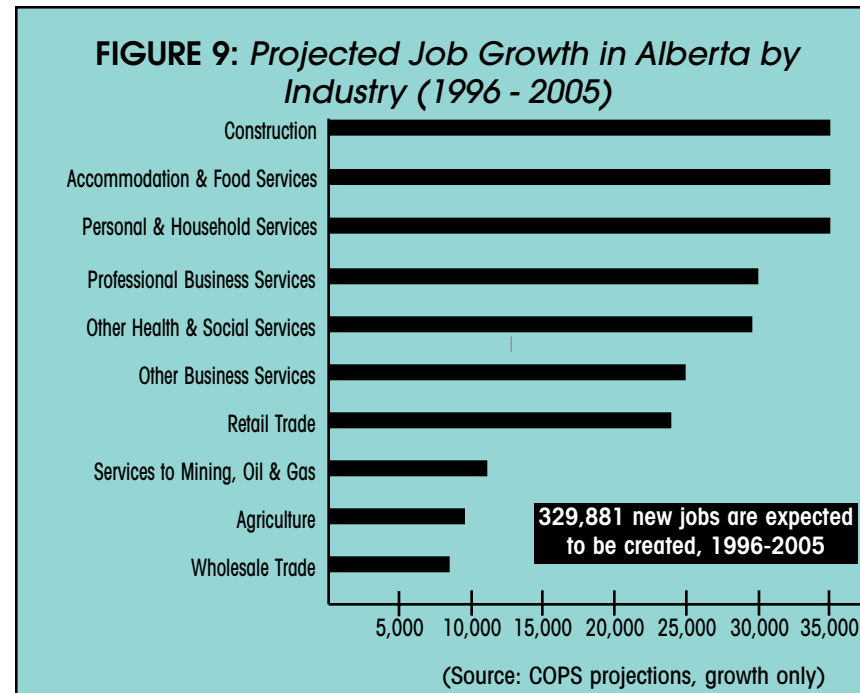
working people. Unions clearly played an important role in establishing the relatively high standards that many workers enjoy today. It is clear that these standards would not be maintained without the continued presence of unions.

Second, the argument that unions have outlived their usefulness is faulty because it seriously over-estimates ability of the “market” to meet the needs of working people and under-estimates the problems that many workers are currently facing in the workplace. It is true that many Alberta workers – both union and non-union – have good jobs that are secure and provide good pay and benefits. But it is also true that many other Albertans have jobs that don't provide security, benefits or good pay. There is absolutely no doubt that these workers could benefit from union membership.

In this section, we will take a closer look at the argument that unions have outlived their usefulness. We will do this but taking a closer look at the performance of the provincial economy. We will also attempt to paint a more accurate picture of the problems facing many working Albertans. In the end, it will become clear that things are not as rosy for Alberta workers as members of the Klein government would have us believe. It will also become clear that most working people still need the kind of protection that unions can provide.

The Alberta economy

If you listen only to government spokespeople, you'd be left with the impression that things have never been better for Alberta. Premier Ralph Klein



and Provincial Treasurer Stockwell Day never seem to tire of talking about how Alberta has led the country in economic growth and job creation. They also give the impression that the Alberta economy is maturing and diversifying and that the current economic boom can go on forever.

Clearly, some of what the Premier and other politicians say is true. The Alberta economy has expanded more quickly than other provincial economies and the unemployment rate has consistently been one of the lowest in the country. But, this tells us only part of the story.

The truth is that the Alberta economy is not quite as strong as some people would like us to believe – and it certainly has not become impervious to the kinds of economic busts that shook

the province in the mid-80s and early 90s. One of the other big problems with the picture of the economy put forward by many observers is that over-estimates both the amount of diversification that has gone in the Alberta economy and the role that the “new-economy” will play in future job creation.

Despite all the talk about diversification, the Alberta economy remains focused on energy. Back in the 80s, commodities like oil and gas accounted the vast majority of our exports. Today, these commodities still account for about 65 per cent of exports. There has been growth in manufacturing and high-tech. But Alberta’s high-tech industry is still quite small and the province’s manufacturing industries are still

closely tied the energy sector – so if problems develop in the energy sector, we can't rely on the manufacturing sector to pick up the slack.

In fact, we're already starting to see the effects of our continued reliance on the energy sector. As a result of low oil prices – which even after a recent rally are still 25 percent lower than they were in 1997 – the number of drilling rigs active in the province have plummeted – from 376 in December 1997 to 228 in December of 1998. This translates into a decline of 39 per cent. At the same time, the value of exports is down and the value of goods produced by Alberta manufacturers has also fallen.

In this climate, several major extraction projects have been put on hold. But it's not just future projects that have been effected. Over the past year, employment in the oil patch has declined significantly. Because the job losses have been spread out over a large number of small and medium sized firms, it has not received the same amount of attention as if it had happened with a smaller number of large firms. But the effect is still serious – 22,000 jobs have disappeared since this time last year.

Given Alberta's continued reliance on energy, it is perhaps not surprising that, most Albertans continue to work in traditional industries. Only a small minority work in so-called "new economy" jobs. For example, computer programmers still represent only about 6 percent of the Alberta workforce, up only slightly from 5 percent ten years ago. And the trend doesn't seem to be changing. Forecasts for the next five or

six years suggest that low and medium skill jobs in more traditional sectors will make up the lion's share of job growth.

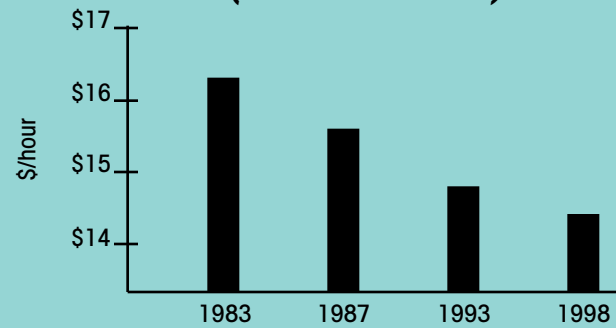
There are two main conclusions for unions to draw from this alternative analysis of the Alberta economy. First, despite frequent talk of "diversification", the Alberta economy is still heavily reliant on the energy sector. This is not necessarily a criticism, it is simply an acknowledgment of reality. As most Albertans know, the energy sector is notoriously unstable – with prices subject to wild fluctuations. In this kind of volatile economic environment, workers need more protection not less.

Second, despite all the talk about the "new-economy" and high-tech industries, the fact remains that the vast majority of Albertans continue to work in more traditional sectors of the economy. Most new jobs are also being created in these more traditional sectors. As a result, most of the industries where unions have traditionally had a strong presence – like construction, manufacturing, transportation and utilities – are in no danger of disappearing. These facts about Alberta job growth also have implications for organizing – they show that there will probably be a big spike in the number of people working in the service sector.

Wages and Income

Another way to measure the true performance of an economy is to look at the share of overall wealth being returned to working people in the form

**FIGURE 10: Average Hourly Wage, Alberta, 1993-98
(1998 Constant \$)**



(Source: Statistics Canada, Employment Earnings in Hours)

of wages and salaries. In an economy that has been growing as rapidly as Alberta's, you would expect to see a significant increase in the income being earned by workers. Unfortunately this has not been the case. In fact, as the Alberta Federation of Labour showed in two previous economic reports called *Crumbs From the Table* (1997) and *Missing Out On The Boom?* (1998), wages in Alberta have followed a long downward trend for most of the past fifteen years. There is also evidence of growing inequality between different groups of workers and persistent inequality between male and female workers.

Figures from Statistics Canada tell a depressing story.

- After adjusting for inflation, average weekly wages in Alberta actually fell by about 8 percent between 1983 and 1996 and the average earnings of people who are paid by the hour fell by an even more alarming 14 per cent. Even during the first few years of the current

economic boom – which most observers agree started in 1994 and is still continuing today – average weekly wages in the province continued to decline.

- The situation related to wages and income was worse in Alberta than in most other provinces. Between 1983 and 1996, wages stagnated for most working people across the country. But Alberta was one of the only places in the country where working people actually earned less, once inflation is taken into account, in 1996 than they did in 1983.
- Wage-related concerns are particularly acute for female workers in Alberta. In 1997, female employees in Canada earned an average of 81 cents for every dollar earned by men. But in Alberta, female employees earned only 76 cents for each dollar earned by men – by far the widest “gender gap” in country.

Over the past two years, the wage situation for working Albertans has

improved slightly. In 1997, average weekly wages in the province increased more than the inflation rate for the first time in ten years. In 1998, average weekly wages again rose at a rate greater than inflation – but just barely. As a result of these increases, average weekly wages in Alberta have returned to 1989 levels. But they still fall short of what people in the province were making during the early to mid 80s.

Another problem in Alberta is that the recent increase in wages doesn't seem to be distributed evenly. The average weekly wage has gone up over the past two years, but the average wage earned by people who are paid by the hour – a group which includes more than 60 per cent of the Alberta workforce – has moved much more slowly. In fact, despite healthy economic growth in 1997, wages for average hourly wages continued to fall. 1998 marked the first time in almost ten years that average wages for people paid by the hour actually increased more than inflation. But even with this increase, these workers are still making an average of 12 per cent less per hour than they did in 1983.

This suggests that the overall wage figures have been skewed upward by people at the top end of the income scale – CEOs, senior managers, professionals etc. This minority of Albertans seems to be making more – while wages for almost everyone else have either stagnated or fallen.

The most troubling aspect of this whole situation is that these long-term trends towards wage stagnation and erosion are happening at the same time that the Alberta economy is expanding.

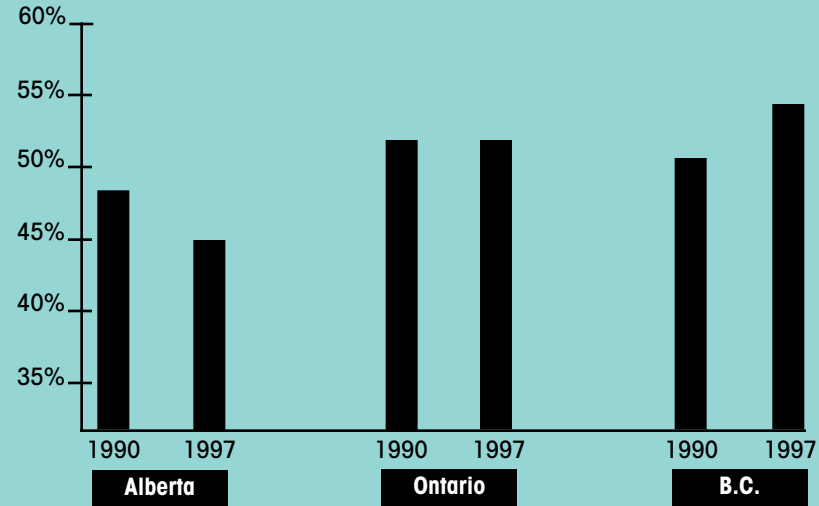
This is borne out by other statistics. Alberta workers are taking home less as a percentage of the overall wealth generated by the economy than ever before. In fact, the share of the provincial GDP going to workers in the form of wages and salaries is lower in Alberta than anywhere else in the country. In 1997, only 45 percent of the provincial GDP went to cover wages – down from 47 percent in 1990. In Ontario workers take home 52 percent of provincial GDP in the form of wages and salaries and in B.C. the wage share of GDP is 54 percent. In other words, working people in Alberta are getting a smaller share of the economic pie – even as that pie grows.

After looking at the trends in wages and income, it's clear that the so-called Alberta Advantage may be working for a handful of business people, professionals and managers at the top of the income pyramid – but it's not working particularly well for everyday wage earners. Given this situation, it's clear that unions still have a role to play. Unions have a proven track record of improving wage levels and reducing income inequality – exactly what workers in Alberta need today.

Work Arrangements

At the same time that wages have been taking a beating in Alberta, other major changes have been occurring in the workplace – changes which also prove that working people need more protection, not less. The most important changes include the following:

FIGURE 11: Share of Provincial GDP going to Wages and Salaries, Alberta, B.C. and Ontario (1990 & 1997)



(Source: Statistics Canada, Jim Stanford's EFRU Study)

Two-income families:

One of the most obvious changes in the workplace of the 1990s has been the rise of the two income family. Over the past fifteen or twenty years, the number of two-income families has skyrocketed. Today, about two-thirds of mothers with young children are in the workforce compared to about one third in the 1970s. This change has put tremendous strain on workers as they desperately try to juggle their responsibilities at work and at home. Many workers say they would like to have the option to stay home or work fewer hours – but they can't because of inflexible employers or because they can't afford to give up the income.

Part-time and temporary work:

Another trend that has characterized the 90s in Canada is the increase in part-time and temporary

work. In 1997, 19 percent of all workers in the country had part-time hours, up dramatically from 12.5 percent in 1976. Part-time jobs are also being created at a much faster rate than full-time jobs. In Alberta, the number of full-time jobs increased by 8 percent between 1991 and 1996 – but the number of part-time jobs increased by 19 percent.

At the same time, the number of Canadians holding temporary or non-permanent jobs has also increased. In 1997, 11 percent of the Canadians employees worked in non-permanent jobs – up from slightly more than 8 percent in the 80s. Aside from the inherent insecurity of part-time and temporary employment, these kind of jobs have many other problems. Most importantly, they tend to pay much less than full-time, permanent jobs. Part-time and temporary workers are also

much less likely to have pension plans, supplementary health plans or dental care plans.

Self-employment:

In addition to the trend towards part-time and temporary jobs, there have also been more and more Canadians who have either chosen or been forced to work for themselves. Between 1989 and 1997, self-employment accounted for 80 percent of the overall increase in employment. In fact, over that period, the number of full-time employees actually declined slightly – gains in employment came almost exclusively from increases in part-time and self-employment.

As is the case with part-time and temporary employment, self-employment often means increased hardship for workers. On average self-employed people in Alberta earn only 60 percent of the income earned by full-time employees. Self-employed workers also rarely have access to pension plans or supplementary health and dental benefits.

Polarization of work hours:

Finally, one of the most dramatic recent changes to work arrangements in Canada has to do with hours of work. There has been a significant decline in proportion of the workforce working “normal” 9 to 5 hours. In 1976, nearly 50 percent of working Canadians had a “normal” workweek of 35 to 40 hours. By 1997, only about 40 percent fit into this category. Today, about 30 percent of Canadian workers put in more than 40 hours a week and a roughly equal number put in less than 35 hours. The result is that the Canadian workforce is becoming more polarized – some

people are working much more than they used to, others are working much less.

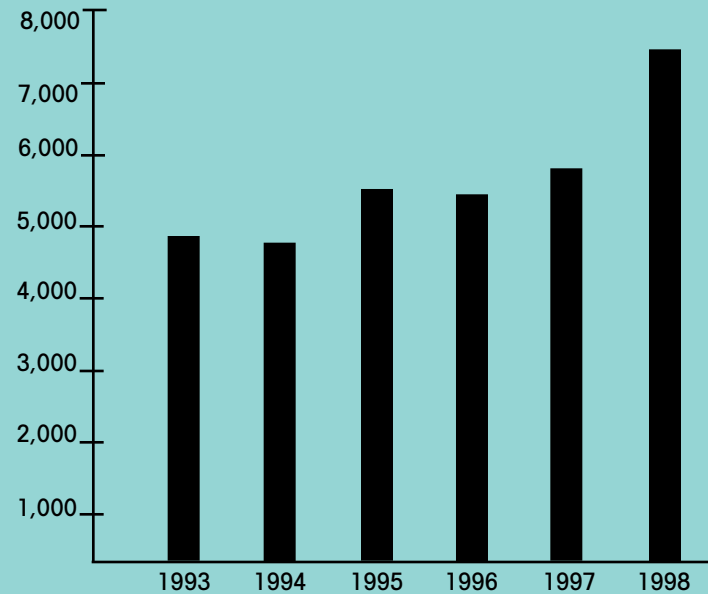
Clearly all these trends are having a profound impact on working people. They also have significant implications for unions. Clearly there is a role for unions to play doing things like negotiating benefits for part-timers; restrictions on over-time work and easing the strain on stressed-out two-income families.

Unfair treatment in the workplace

In addition to wages and work arrangements, there is another important factor that has a bearing on the security, satisfaction and prosperity of workers – and that’s the treatment they receive in the workplace. Are they being paid on time? Are they being treated fairly when it comes to things like time-off, vacations and payment for overtime hours? Are cutbacks or “lean-production” management strategies forcing individual workers to do the work of three or four people?

Unfortunately, this seems to be another area where the provincial economy is failing Alberta workers. More and more workers in both the public and private sector are being forced to accept heavier workloads – without being given any say in the process or any increased pay to compensate for the strain. Statistics Canada has reported that between 40,000 and 50,000 people work over-time in an average week in Edmonton and Calgary. And nearly half of them (48 percent) receive no extra or over-time compensation.

FIGURE 12:
Employment Standards Complaints, Alberta (1993-98)



(Source: Bargaining Update, Alberta Labour)

At the same time, more and more non-union employers seem to be trampling on the basic rights of workers. Over the past year or two there have been a number of high-profile cases of “employee abuse” reported in the media. For example, it was discovered that the Buffet World restaurant chain was consistently refusing to pay its employees – mostly young, inexperienced workers – the wages they were owed. Last summer, there was also a case involving the Taste of Edmonton festival. The Alberta Federation of Labour learned that many of the restaurants participating in the festival were not paying their employees for the work they did there.

Unfortunately, when examining the

issue of employee abuse, the problem goes well beyond a few isolated cases reported in the media. More and more workers are experiencing these kinds of problems – and the number of complaints filed with the Employment Standards branch of the provincial department of Labour is going up.

In fact, over the past five years, the number of complaints filed by workers against their non-union employers has more than doubled. As was the case with Buffet World, the most common complaint is non-payment of wages. But there are also thousands of complaints filed each year on other issues like unfair dismissal and failure to pay over-time.

In its monthly statistical summary, the department of Labour doesn't give a breakdown of where all the complaints are coming from. But experience tells us that small businesses and businesses in the service sector – especially restaurants and retail outlets – are more likely to cheat their employees than larger employers or employers in other sectors of the economy. And the workers who are most likely to be cheated are young workers, low-skilled workers and recent immigrants.

All these groups are easy targets for unscrupulous employers because they tend not to know much about their rights in the workplace – and even if they do, they often lack the confidence to stand up for themselves. As a result, the number of formal complaints filed with the department is probably just the tip of the iceberg. For every worker who complains, there are probably ten or twenty more who keep quiet to avoid antagonizing “the boss” or who simply quit in hopes of finding a more honest employer.

The problems experienced by vulnerable workers working in non-union jobs are compounded by the lack of protection they receive from the government. The Employment Standards Code, the law that sets out minimum standards for non-union workplaces, is not that different from the non-union labour legislation that other provinces. The problem is that it's not often enforced.

The department of Labour does not conduct random checks of non-union businesses to ensure they're complying with the law. They do not investigate

complaints unless they come from a specific employee. And even though the Code allows for substantial fines for employers who mistreat their workers, these kind of penalties are almost never levied.

Even in cases where complaints are filed and formal investigations are launched, the employer usually gets away with a slap on the wrist and a “stern talking to.” It's not surprising, then, to learn that many unscrupulous employers who have had employment standards complaints filed against them do not change the way they treat their employees.

Unions – More than ever

So do workers in Canada – and particularly in Alberta – still need unions? Many people in government and the business community would have us believe that the Alberta economy is meeting the needs of all or at least most working Albertans. What the preceding analysis shows is that this is not necessarily the case. The Alberta Advantage may be working for some – but it is not for most Albertans. Despite the economic boom that has taken place in the province over the past four or five years, many Alberta workers are still struggling. In fact, for many Albertans the 90s continue to be a time of declining wages and living standards; increased work load and work-related stress; precarious employment and continued insecurity. In this brave new “global” world, most workers clearly can still benefit from the kind of strong representation and protection that unions can provide. Far

from being relics of the past, there is clearly still a need for unions – maybe now more than ever.

IV. Does it still pay to be a union member?

EVERYBODY knows that unionized workers get paid more on average than non-unionized workers. Most people also know that union members tend to get better benefits, pensions and vacations. But just how big is the union wage “premium”? How significant are the other advantages enjoyed by unionized workers?

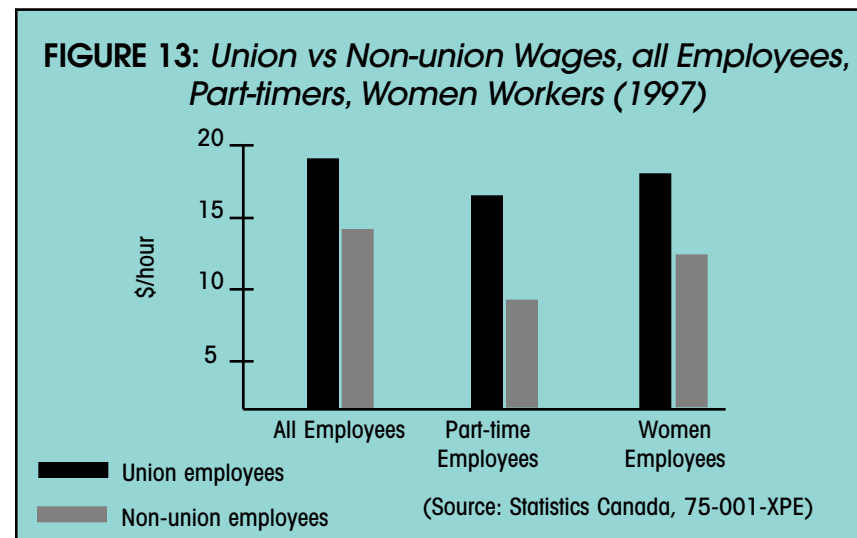
For workers who are dissatisfied with their current conditions of employment or who are considering joining a union, these are extremely important questions. They want to know how union

membership can improve their work lives. Most importantly, they want to know if unions in Canada can still “deliver the goods.”

The short answer to this question is, yes – Canadian unions still have an exceptional track record when it comes to improving wages and conditions for their members. In this section we take a closer look at some of the advantages of union membership. More specifically, we will look at things like wages, pensions, benefits and job security. In the end it will become clear that it still makes sense to belong to a union – whether you work in a factory or behind a desk in a downtown office tower.

Wages and Income

One of the most obvious benefits of union membership is higher pay. In Canada, the average non-union worker earns \$14.04 per hour while the average union worker earns \$18.57 per hour. In other words, the average union



member makes 32 per cent more than the average non-union worker. This is a huge difference. It means that for every two dollars earned by non-union workers, union workers earn three.

The difference in pay is even more dramatic for part-time workers. On average, non-union part-timers make \$9.76 per hour while unionized part-time workers earn an average of \$16.74. That translates into a union wage advantage of \$6.98 per hour or 72%.

Of course, the difference in union versus non-union pay rates varies from industry to industry. In some cases, unions have been able to negotiate pay rates that are more than double the rates paid to non-union workers in the same sector. In other industries, the union and non-union wage rates are much closer. But in almost all cases, union members get paid more than non-union workers doing comparable jobs.

Here in Alberta, union members also earn an average of about 30 percent more than non-union workers. As is the case in other provinces, the union wage premium in Alberta varies from industry to industry – but it is persistent. For example, unionized office clerks in Alberta earn an average of 47 percent more per hour than their non-union counterparts; unionized janitors earn 45 percent more than non-union janitors; unionized electricians earn 26 percent more than non-union electricians; and unionized computer programmers earn 35 percent more than non-union programmers. (See Table)

The union wage advantage can also be seen by comparing union wage increases with the overall increase in weekly earning for the entire

workforce. Here in Alberta, unions in the public sector have been able to negotiate contracts that have increased their member's wages by an average of 6.3 per cent over the past three years. Average wages for union members in the private sector increased by 6.7 percent over the same period. In both cases, union settlements have kept ahead of the rise in average weekly earnings – which increased by only 5.5 percent between 1996 and 1998. Clearly, non-union wages have increased – but not as substantially as union wages.

In addition to improving the base wages of all workers, unions have an important impact on wages earned by women and on the wages earned by people working over-time hours.

Union members are much more likely to receive premium pay for their over-time work than non-union workers (53 percent versus 41 percent). In some industries the gap is even more considerable. For example, in the manufacturing sector, 94 percent of union members are paid for their over-time hours versus only 53 percent for non-union workers; in the transportation sector, 74 percent of unionized workers receive premium pay versus 37 percent of non-union employees; in business services, it's 61 percent versus 32 percent; in the health care sector it's 53 percent versus 25 percent; and in the personal services sector it's 74 percent versus 53 percent. The union advantage on over-time pay is particularly significant for Albertans because workers in the province put in more over-time hours than workers anywhere else in the country – 21 percent of Alberta

workers report working over-time in an average week versus 17 percent nationwide.

At the same time, unions also have an important impact on the male-female wage gap. More specifically, the gap is much narrower among union workers than among non-union workers. This is borne out by the statistics:

- The average wage for female union members in 1998 was \$17.65 hour, while the average male union member earned \$19.62. This translates into a “gender gap” of \$1.97 per hour or 11 percent.
- The average wage for female non-union workers in 1998 was \$12.48 per hour, while the average non-union male worker earned \$16.11. This translates into a gender gap of \$3.63 per hour or 29 percent – much higher than the gap among

union workers.

Based on this information, it’s clear that women workers are much more likely to be paid fairly in unionized workplaces than non-unionized workplaces. It’s also clear that unions can take a lot of the credit for the overall narrowing of the “gender gap” that has occurred over the past 30 years.

Critics of the labour movement say that all of these figures relating to the union wage advantage are misleading. They point out that unions tend to represent workers that would have higher wages whether they belonged to unions or not – people like teachers and nurses, skilled tradesmen, and older workers with more experience.

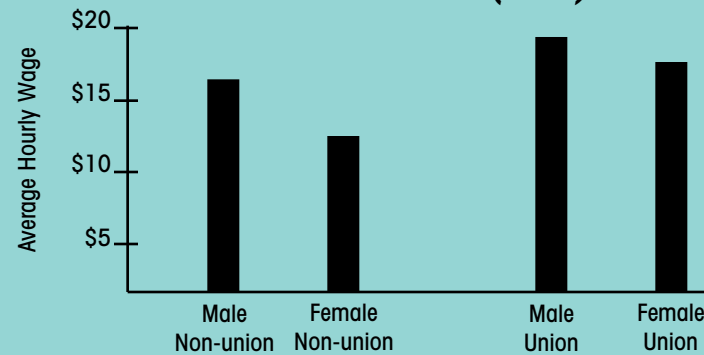
This is true – to a point. It’s also true that unions have a bigger presence in industries like manufacturing, utilities and public administration. These

FIGURE 14: Average Union and Non-union Wages for Entry Level Positions, Various Occupations, Alberta (1996-97)

Occupation	Union Wage	Non-union Wage	Union Wage Advantage
Secretaries	\$12.28	\$ 9.57	28%
Office Clerks	\$13.14	\$ 8.93	47%
Cooks	\$ 7.52	\$ 6.42	17%
Sales Clerks	\$11.59	\$ 9.21	21%
Cashiers	\$ 7.76	\$ 5.69	36%
Janitors	\$12.73	\$ 8.78	45%
Machinists	\$18.26	\$13.75	33%
Electricians	\$14.63	\$11.62	26%
Carpenters	\$13.71	\$ 8.90	54%
Computer Programmers	\$16.11	\$11.92	35%

(Source: Alberta Wage Survey, 1996-97)

FIGURE 15: Female vs. Male Average Hourly Wages, Union and Non-union (1998)



(Source: Statistics Canada, 75-001-XPE)

industries tend to pay their worker more – whether they are union or non-union.

But even when these high-wage industries are factored out, union members still tend to get paid more than non-union members. Literally hundreds of researchers in Canada and the United States have examined the issue of union wage premiums. Many of these researchers adjusted their studies to compensate for the greater skill and training of union members – and they still found that union members get paid between 15 and 20 percent more.

There is also evidence that the union wage advantage can even indirectly improve the earning of many non-union workers. This happens when certain employers pay wages at or near the union rate in order to discourage their employees from joining a union. Here in Alberta, this is often called the Suncor Effect – because the non-union oilsands company Syncrude consciously models its wage structure on the union wage

rates in place at its unionized competitor, Suncor.

Despite all the arguments from anti-union critics, the bottom line is that unionized workers earn more than non-union workers doing comparable jobs – whether those workers are employed in manufacturing, retail or just about any sector of the economy you can think of. Clearly it still pays to be a union member.

Pensions and Benefits

In addition to getting paid more, union members also tend to have better pensions and other benefits than non-union workers. In fact, the difference in access to these kind of job-related entitlements is dramatic. A survey recently completed by Statistics Canada shows that more than 82 per cent of the Canadians employed in unionized workplaces have pensions of one kind or another. On the other hand, only 33 per cent of people working in non-union workplaces have them.

The link between union membership and access to pensions is even clearer when we look at the national figures on pension participation. In provinces where unionization rates are higher than the national average – like Quebec, B.C. Saskatchewan and Manitoba – between 40 and 50 per cent of wage and salary earners have pensions. But in provinces where the unionization rate is lower, the proportion of workers with pensions is also lower. As we have seen, here in Alberta we have the lowest level of unionization. It's not surprising, then, to discover that fewer Albertans have pensions than workers in any other province. Only 36 percent of the wage and salary earning Albertans have registered pension plans – and the vast majority of these people are union members.

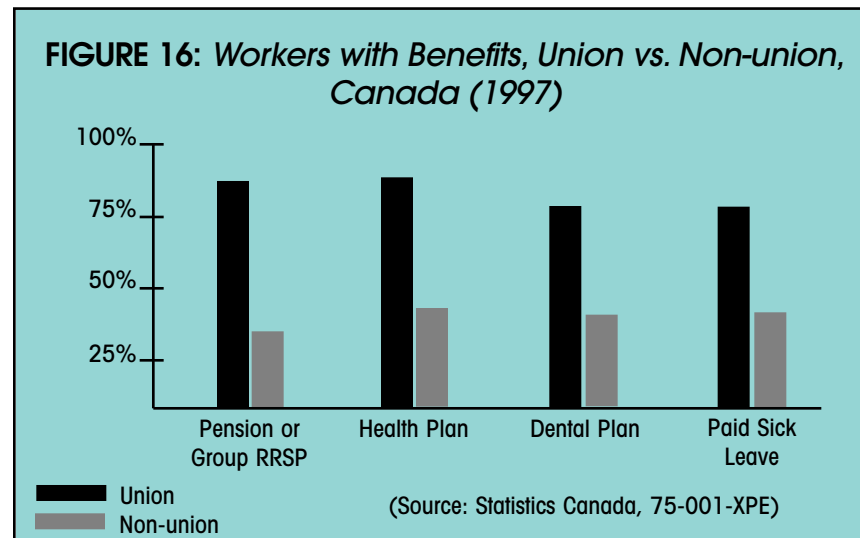
But pensions aren't the only area where there is a clear union advantage. Union members are also much more likely to have other so-called “non-wage

benefits.” For example, 77 per cent of union members have dental plan coverage versus 42 per cent of non-union workers; 77 per cent of union workers are entitled to paid sick days versus only 45 per cent of non-union workers; and 60 per cent of union workers have four or more weeks of paid holidays each year versus on 30 per cent of non-union workers.

So it's clear that union members have an advantage. Not only do people working in non-union workplaces get paid less, they also have fewer holidays and sick days; they have to dig into their own pockets for things like dental care; and they have to take complete responsibility for their own retirement savings.

Health and Safety and WCB

Another major advantage of union membership has to do with on-the-job health and safety. The evidence clearly



shows that unions make for safer and healthier workplaces. For example, a 1991 study in the U.S. found that unions dramatically increased enforcement of the Occupational Safety and Health Act in the manufacturing sector. Unions had a higher probability of having regular health and safety inspections and the inspections tended to be more probing – thanks largely to union representatives tagging along with the government inspectors.

In Canada, researchers have also found a strong correlation between unions and higher health and safety standards. In fact in a 1993 study, the federal government concluded that union-sponsored health and safety committees have a “significant impact in reducing injury rates.” More recently, a study done for the Ontario Workplace Health and Safety Agency in 1996 found that 79 percent of unionized workplaces reported high compliance with health and safety legislation while only 54 percent of non-union workplaces reported such compliance.

When it comes to health and safety standards, the big difference between union and non-union workplaces is that in the union environment workers feel empowered to bring forward their concerns. They know that the union will take their concerns and suggestions seriously and take action on them. Unions also provide workers with a clear mechanism for dealing with health and safety concerns and they ensure that workers have the support of trained union health and safety staff.

In cases where workers do get injured on the job or develop work-related illnesses, it's also advantageous to be a union member. Studies in Canada and

the U.S. show that union members are more likely to receive WCB benefits when they are injured on the job than non-union workers. This is attributed to the fact that union members can go to their union representative for help navigating the WCB's bureaucratic maze – non-union workers are on their own.

Job Security

As a result of the recession of the early 90s, one of the biggest worries for most Canadian workers is job security. Polls show that even today, more than four years after most observers declared the recession over, a significant number of workers still worry that their jobs may be eliminated. Even here in Alberta, where the economy has been growing more quickly than almost anywhere else in the country, many people are fearful that their jobs may not last.

Obviously these concerns are shared by all workers – union and non-union. But statistics suggest that jobs in unionized workplaces tend to be more secure than those in non-union workplaces. At the national level slightly more than 50 percent of unionized workers have held their jobs for 9 or more years versus only 21 percent of non-union workers. That's not to say that union workers never lose their jobs. Clearly, they do – just look at the experience of public sector workers over the past few years and the experience of workers in the manufacturing sector earlier in the 90s. But the statistics suggest that workers in unionized workplaces do tend to hold onto their jobs longer than in non-union workplaces.

But the union advantage in this regard goes further than just job retention. In cases, where jobs are lost or eliminated, it's clear that union members are much more likely than non-union workers to get some kind of severance packages. Many unions have also been successful in negotiating contracts that require employers to give six to 12 months notice of any mass lay-offs. This gives the union more time to help members upgrade their skills and search for new jobs. In fact, unions often bargain for employer-funded training so that workers facing lay-offs have the skills and flexibility they need to find new jobs quickly. So not only do union members tend to hold onto their jobs longer – they also tend to have a softer landing when they are laid off.

Complaints and Grievances

Another important benefit that union members enjoy is the grievance procedure. This refers to the process for handling the disputes and complaints that often develop between employees and employers.

In a non-union workplace, workers are usually at the mercy of “the boss.” If an employee has a complaint related to the workplace, he or she can attempt to talk to a manager about it. But the manager doesn't have to do anything. The manager might act on the complaint, ignore it or even punish the employee for raising the issue – it all depends on the nature of the complaint, the company's labour-management philosophy or even the manager's mood on that particular day.

In a unionized workplace, on the other hand, grievances and complaints are handled in an entirely different manner. Unlike the non-union environment where the workers are basically subject to the whims of management, workers in unionized firms have a clear set of rights – relating to things like hours of work, vacation, sick day, over-time pay etc. – which are outlined in detail in their collective agreements. If the employer breaches provisions of the collective agreement – for example, if he or she fires a worker without just cause or if an employee is being harassed in some way on the job– then the worker can take defensive action through the established grievance procedure.

This might involve the union simply lodging a formal grievance with the employer. Or it might require a trip to a professional labour arbitrator or even an appearance before the provincial Labour Relations Board.

When it comes to grievance and complaints, the most important point is that employees in unionized workplaces are not alone – they have the strength and resources of the union behind them. In non-union workplaces, on the other hand, individual employees are alone against the entire company. In many cases, the only real choice that non-union employees have when they feel wronged is to keep their mouth shut or quit. Neither of these options are particularly desirable – so you can see why many union members see the grievance procedure as the most important benefit of belonging to a union.

Collective Agreements vs. Employment Standards Act

Of course, some people will argue that non-union workers do have protection under the law. This is true – to a degree. In every Canadian province there is a law that spells out minimum standards for non-union workplaces. Here in Alberta that piece of legislation is called the Employment Standards Code.

Among other things, the Alberta Employment Standards Code sets the minimum wage; it determines the maximum number of hours people can be asked to work before they become eligible for overtime; and it outlines the days throughout the year that have been designated as statutory holidays.

But there are three major problems with the Code and the system that is in place to enforce its provisions. First, the Employment Standards Code outlines minimum standards – and the key word is minimum. The standards set out in union collective agreements are almost always vastly superior. In fact, by law unions cannot bargain for anything less than the minimum standards set out under the Code. So union contracts are by definition superior to the Code.

Second, the Code is as notable for what it doesn't cover as for what it does. For example, there is no mention of harassment; there is no mention of health and safety; and it doesn't provide for paid sick days, bereavement leave or any number of special provisions commonly found in union-negotiated collective agreements.

Finally, the biggest problem with the Employment Standards Code is that it is complaint driven. The government only steps in to investigate an employer or worksite if it receives a formal complaint from an individual worker. This is problematic because – as we have seen – workers are often intimidated by their employers. They hesitate to complain for fear of punishment or dismissal. Given this situation, it's not surprising that workers in unionized workplaces are much more likely to come forward with their complaints. They know that the union is behind them – and they know that the union will protect them from punitive actions by the employer.

Unions deliver the goods

So does it still pay to be a union member? Clearly it does. Union members enjoy better wages, better benefits and increased job security. But the biggest benefit is the strength that comes from solidarity. Unlike non-union workers, unionized workers are not alone when they have grievances; they're not alone when they file WCB claims; and they're not alone when they raise health and safety concerns.

This is the most basic lesson of the labour movement – that we are stronger when we face management shoulder to shoulder than when we stand alone. To understand this importance of this fundamental point all we have to do is look at a number of recent disputes involving union members. Would CBC have agreed to increase wages by 11 percent for all technicians if a union had not been in

place? Would any individual pulp plant worker been able to guarantee jobs at the Weldwood plant in Hinton? Clearly, the answer is no. By working as a unified force, unions won these battles – they delivered the goods.

V. Unions and the economy

ANOTHER ARGUMENT that is often used against unions is that they are bad for the economy. According to this point of view, unions “distort” the labour market by driving wages and benefits up to unreasonably high levels. This, in turn, is said to reduce the productivity and profitability of firms.

This argument has been around for years – but it is being raised with increasing frequency in relation to the new “global economy.” Many business owners say that unions rob them of the “flexibility” they need to compete with companies from other countries – especially low-wage countries like Viet Nam, Indonesia and, increasingly, China.

Unions, for their part, have never denied that their goal is to raise wages above the level that would prevail if workers didn’t have the right to bargain collectively. Union leaders and activists have always wanted to win the best possible deal for their members – and that means higher wages and better benefits.

On the surface, this may seem like an intractable problem – if employers get their way, the workers suffer and if

the workers and the unions that represent them get their way, business suffers. However, in many ways this is a false conflict. According to research that has been done over the past 15 or 20 years, unionization can be a win-win situation for workers and employers. More specifically, the research suggests that unions can actually improve labour-management relations, enhance productivity and improve profitability over the long term.

In this section, we will take a closer look at unions and the economy. In particular, we will examine the impact of unions on the productivity and profitability of firms. Far from hurting the economy, we will show that unions can actually improve things – for workers, owners and investors alike.

Unions and productivity

Much has been written about productivity in Canada lately – almost all of it negative. According to members of the Reform party and spokespeople from conservative think tanks like the Fraser the C.D. Howe Institutes, Canadian companies and Canadian workers are not producing goods and services as efficiently as they should.

They point to figures from the OECD showing that Canada has fallen behind the United States and other countries when it comes to productivity. They say this is a serious problem because it reduces the competitiveness of Canadian firms and forces down the standard of living for all Canadians.

There is some debate about just how bad the situation is. For example,

recent figures from Statistics Canada actually show that over the past ten years, productivity in Canada has been increasing at a faster rate than in the United States.

Despite this debate over the rate of productivity growth, the evidence does seem to support the notion that in absolute terms, productivity is lower in most Canadian industries than in comparable industries in the United States and other countries. The question then is why and what can be done about it.

Not surprisingly, conservative observers like Reform party MPs have their preferred villains. Most often, say that taxes and regulation are causing the problem. But they also say the problem is at least partially caused by unions. They argue that workers are being paid too much based upon their output. The arguments about tax and regulation fall outside of the scope of this report. But we will take a closer

look at the effect of unions on productivity.

The conservative argument is based on the old stereotype that unionized employees are lazy employees – that they work slowly, take long breaks and refuse to do work that is not “in the contract.” The problem with this view is that is completely inaccurate – plain and simple. Far from acting as a drag on productivity, research that has been conducted over the past 15 years shows that unions actually enhance it.

In an authoritative study of unions and the economy published ten years ago, Harvard economist Richard Freeman concluded that unions increase productivity by improving morale and reducing staff turn-over. Other researchers have looked at the effects of unions on the performance of firm in particular sectors of the economy. For example, one researcher studied union and non-union paper mills in the United States and

FIGURE 17: Total Factor Productivity Growth and Union Density, Various Service Industries (1992-95)

Industries	Union Density ('97)	Productivity Growth 92-95
Business Services	7.9%	-15.6%
Hotels and Restaurants	8.2%	+ 4.2%
Finance	9.4%	- 0.8%
Retail	11.0%	- 0.2%
Transportation and Storage	44.1%	+ 6.8%
Utilities	62.1%	+ 9.7%
Wholesale	11.9%	- 0.6%

(Source: HRDC Applied Research Branch, Statistics Canada, 71-005-XPB and 71-005-XPE)

determined that the non-union mills had significantly lower levels of productivity.

Closer to home, research has shown that unionized firms in Canada also tend to be more productive. For example, the applied research branch of the federal Human Resources department recently completed a study of productivity in various service industries. The effect of unions on productivity was not the main focus of the study, but it turned out that the industries with the best productivity performance over the study period were also the ones with the highest levels of union membership. For example, the industry that performed best was the utilities industry – with an increase in total factor productivity of 9.7 percent over four years. Nationwide, 62 percent of people working for utilities are unionized. On the other hand, the industry that performed worst in the study – businesses services, which recorded a drop in productivity of 15.6 percent over the study period – was also the industry with the lowest unionization rate.

Further support for the notion that unions can enhance productivity comes from the OECD – the very same organization that conservatives have been referring to ad nauseum over the past several months. OECD studies show that high productivity rates are not restricted to the anti-union USA, as some conservative observers would have us believe. In fact, labour productivity is also high in Belgium, Finland, the Netherlands and Sweden – all countries with high rates of unionization.

So how is it that unions increase productivity? The answer lies in the feeling of empowerment that comes with union membership. Unions give members a voice in what goes on their workplace which they would not have if there was no union. As a result, union members are more likely to be happy in their work. They are also more likely to speak their minds about how work processes could be changed or improved. And they are more likely to stay on the job for long periods. This all makes for a happy, motivated, self-confident and experienced workforce – exactly the kind of workforce that most employers want.

Interestingly, having a union seems to be particularly good for companies that are introducing new technologies or experimenting with different work practices. Unionized workers are more secure and therefore more likely than non-unionized workers to request information and openly give their opinions and suggestions without the same fear of reprisal or arbitrary treatment. In the long run, this smooths the way for more effective workplace change.

Of course, encouraging union membership is not, by itself, going to solve Canada's productivity problem. According to many academics and researchers, the real key to enhanced productivity is to encourage more corporate investment in training, technology and research and development. Increased public spending on infrastructure, research and education are also part of the solution. However, blaming unions and workers for what are essentially the

failings of management and government is not going to fix the problem. In fact, based on the evidence regarding unions and productivity, more anti-union rhetoric will probably only make a bad situation worse.

Unions and profitability

Of course there is a price to be paid for having a union in your business. If a company is paying more money out in the form of wages and benefits, there will obviously be less left over at the end of the day to pay dividends to investors – at least in the short term.

But in the long run, the economic benefits of having a union far outweigh the short-term drawbacks. As we have already seen, in many cases unions actually enhance the productivity of firms by improving morale, encouraging participation and guaranteeing a more loyal and experienced workforce. All of these things enhance the competitiveness of businesses and, as a result, improve its long-term profitability. The lesson from this observation is clear – paying a union wage should be seen as an investment, not a cost.

There is abundant evidence right here in Alberta that unionized firms can also be profitable. In fact, some of our province's most prominent and profitable companies are unionized. For example, Suncor, one of the two big oilsands companies operating in the Fort McMurray area is heavily unionized. But the relatively high cost of union labour has not stopped the company from turning huge profits each year. In fact, Suncor is doing so

well that it recently announced a \$2.5 billion expansion to its Fort McMurray operation. In 1996 and 1997, Suncor reported net earnings of \$187 million and \$223 million. Last year the company racked up net earnings of \$188 million even though the price for crude oil fell by more than 30 percent.

But Suncor is not alone. Other well-known companies operating in Alberta with large union workforces include: Telus, Finning, Safeway, Luscar Coal, Imperial Oil (refinery), Petro-Canada (refinery), Celanese and Sherritt. In all these cases, the companies have been able to maintain high levels of profit while at the same time paying their workers more than their non-union competitors.

The conclusion that should be drawn from these examples is clear: by paying their workers more and providing them with better benefits and enhanced jobs security, firms may sacrifice some short-term profits – but they make a number of important long-term gains including better labour-management relations, improved productivity and more stable long-term profits. It's a win-win situation for both workers and employers.

VI. Challenges – Labour Law

IN MANY WAYS it makes sense for both workers and employers to support unions. For workers, union membership leads to better wages, improved benefits and enhanced job security. For employers, having a

unionized workforce can reduce costly employee turn-over and improve productivity. But despite all the benefits that unions bring, it has always been difficult to organize new members. The job of expanding union membership has become even more difficult over the past ten or fifteen years.

Why has this happened? Given that so many workers would obviously benefit from union membership, why is it becoming more difficult to organize? In this section, we will discuss one of the major challenges facing the unions in Alberta – Alberta labour laws. In the next section, we will examine other challenges facing the Canadian labour

movement as we near the beginning of the 21st century.

Labour laws and unions

Unions and other organizations that represent workers have been around for centuries – going as far back as the trade guilds of medieval Europe. But unions didn't develop into truly effective organizations for representing the interests of workers until the 1930s and 40s. During that period, governments in Canada, the United States and western Europe passed laws recognizing the right of workers to bargain collectively.

This was an extremely important

FIGURE 18:
Overview of Private Sector Labour Legislation

Jurisdiction	Certification		Option for Imposed First Agreement	Automatic Dues Check-off for all Employees in Bargaining Unit	Prohibitions on use of Replacement Workers during Strike-Lock-out
	Cards	Vote			
Federal	✓		yes	Compulsory	yes
Alberta		✓	no	Not compulsory	no
B.C.	✓		yes	Compulsory	yes
Manitoba		✓	yes	Compulsory	no
New Brunswick	✓		no	Not compulsory	no
Newfoundland		✓	yes	Compulsory	no
Nova Scotia		✓	no	Not compulsory	no
Ontario		✓	yes	Compulsory	no
P.E.I.	✓		yes	Not compulsory	no
Québec	✓		yes	Compulsory	yes
Saskatchewan	✓		yes	Compulsory	no

(Source: AFL Research Department)

turning point for the labour movement. Before laws like the Wagner Act in the United States and Privy Council Order 1003 in Canada (which formed the basis of the first Canada Labour Code), unions were seen as illegal organizations – and their leaders and members were often treated as criminals. But the new labour laws of the 30s and 40s changed all that. For the first time in history, governments acknowledged the right of unions to exist. The new labour laws also established a system within which collective bargaining could take place.

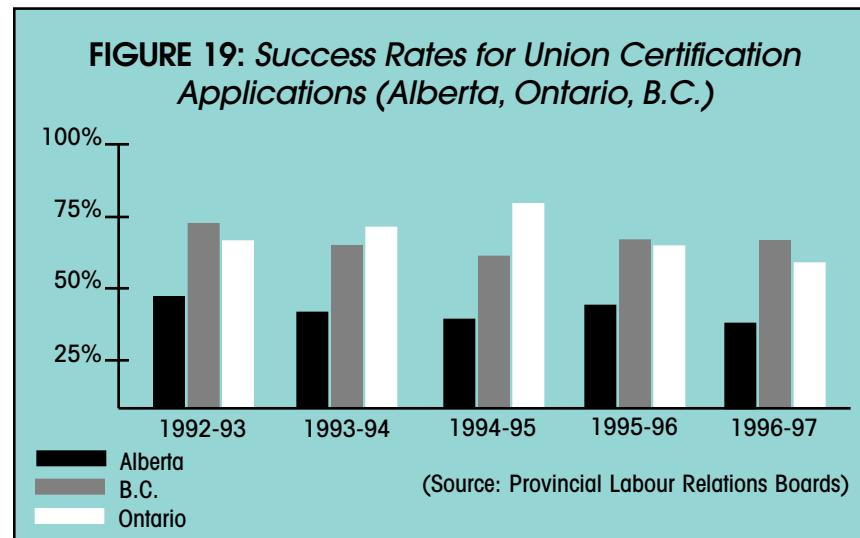
Given this history, it's clear just how important good labour laws are to the continued growth and success of the labour movement. In fact, many observers attribute the rapid decline of unions in the United States to changes made to the federal and state labour laws over the past thirty years. The relative strength of the Canadian labour movement is also often attributed to our generally more

“union-friendly” labour laws.

In general, it's true that Canadian labour laws are more supportive of the collective bargaining process than the laws in place south of the border. But there is an exception to every rule – and unfortunately that exception is Alberta. Most people agree that Alberta's labour laws have been and continue to be one of the biggest barriers to union organizing in the province.

Alberta Labour Laws

What's so bad about Alberta's labour laws? From a union point of view there is a long list of problems, starting with the rules for certifying new union bargaining units. The Alberta Labour Code, which governs most collective bargaining that takes place outside of the provincial public service, makes it very difficult to certify new bargaining units. In most other Canadian jurisdictions, certification is granted as



soon as the union can show that it has the support of a majority of workers within a given workplace. This is usually accomplished by having the prospective members sign union cards within a prescribed time period. If more than 50 percent of the eligible workers sign cards, the union is automatically certified. This is how certification works in B.C., Quebec, Saskatchewan, P.E.I and in industries covered by the federal labour code.

But in Alberta, certification is a much more complicated affair. First the union must demonstrate that it has the support of at least 40 percent of the eligible workers in a given workplace. Then the workers must participate in a secret ballot vote supervised by the Labour Relations Board. If a majority of the workers vote for the union, the bargaining unit is certified.

But this isn't the end of the story. In the time between the union's application for certification and the actual vote, employers often launch subtle and not so subtle campaigns against the union – a practice usually referred to as “electioneering.” When faced with the prospect of a certification vote, many employers hold “captive audience” meetings in which management presents the anti-union view and prevents union organizers from entering the company property to present their arguments. During these meetings and in conversations in the workplace, employers often use their position of power over the workers to chip away at support for the union.

But even if the workers ignore employer threats and bribes and vote to certify, they're still not out of the

woods. That's because Alberta is one of only three Canadian jurisdictions that doesn't allow the Labour Relations Board to impose a settlement when negotiations on a first collective agreement reach an impasse. In effect, the Alberta law allows employers to refuse to bargain with unions that have been duly and democratically selected by workers. If the employer stalls long enough, the union's certification expires and the workers have to start all over again. Needless to say, when confronted with this situation, many workers simply throw up their hands in despair and give up.

In the end, it is clear that provisions of the Alberta Labour Code which the government says are designed to promote democracy and free collective bargaining (i.e. certification votes and the lack of imposed first agreement settlements) are really devices aimed at sinking union organizing drives and undermining the right of workers to bargain collectively.

Scabs and Spin-offs

Unfortunately, the problems with Alberta's labour laws don't end there. In addition to the concerns already discussed, all of Alberta's labour laws (including the Code and laws governing collective bargaining in the public sector) also allow employers to use so-called “replacement workers” (more commonly known as scabs) during strikes and lock-outs. This reduces the employers' incentive to bargain towards an agreement and it increases the chance of picket line confrontations and violence. Alberta labour law also

withholds the right to strike from the vast majority of workers in the provincial public service – in effect denying these workers the ability to exercise their full right to free collective bargaining. The Alberta Labour Code, as amended in 1988, also paved the way the proliferation of non-union “spin-off” companies in the construction industry.

All of these provisions in Alberta’s labour laws have, not surprisingly, had serious implications for unions in the province. As a result of all the hurdles erected by the Labour Code, unions in Alberta have a much harder time certifying new bargaining units than unions in other provinces.

In Alberta in 96-97 – the last year for which figures are available – only 39.5 percent of the applications for certifications that were handled by the Labour Relations Board actually resulted in the certification of new bargaining units.

Once the certification application goes to a vote, unions have reasonable good success rates. In 7 out of ten cases, workers vote to join the union. But the problem is that many certification applications don’t get to that stage – they’re rejected on narrow technical grounds before workers even have a chance to vote.

This contrasts sharply with the experience in Canada’s other two “have” provinces – Ontario and British Columbia. Over the past five years, union “success rates” in Ontario have fluctuated between 60 and 70 percent. In B.C. they have averaged in the neighbourhood of 70 percent. Clearly, Alberta’s labour law has been a major

challenge for unions in the past – and it will continue to be in the future.

VII: Challenges – Politics, Public Opinion and the Changing Workplace

OBVIOUSLY, Alberta’s labour laws are one of the biggest challenges facing unions in the province – but they are certainly not the only problem. In this section we will discuss several other issues that may effect the future of the labour movement. Some of these problems are old and some of them are relatively new – but all of them will have an effect on the ability of Alberta unions to grow and prosper in the new millennium.

Political Climate:

For most of this century, politics in Alberta have been dominated by conservative governments who have been hostile to labour. Starting in the 1930s and continuing until the early 1970s, the Social Credit governments of “Bible Bill” Aberhart, Ernest Manning and Harry Strom did everything in their power to limit the growth of union membership in Alberta. The attitude taken by the government towards labour unions thawed slightly during the Lougheed years, but the relationship became icy again under Premier Don Getty who introduced the new Alberta Labour Code. As we have seen, this amended Code made a bad

situation for unions in Alberta even worse. Today, under Premier Ralph Klein, the anti-union slant of the government seems just as pronounced as ever. Over the past five years, the current government has brutally slashed thousands of public sector jobs and rolled back wages and salaries in the public service. More recently, Premier Klein told a crowd of reporters at the Legislature that he supports contracting-out more health services to private, for-profit hospitals because it would allow the government to get around costly union contracts with nurses and other organized workers in the health care sector. Clearly, the government in Alberta is no more a friend of workers and unions today than it was during the heyday of Social Credit.

Public opinion:

Unfortunately, members of the provincial government are not the only Albertans who are hostile to unions. As we have seen, thousands of Albertans want unions – but many others don't. In fact, polls show that many Albertans are extremely distrustful of unions and union leaders. These negative perceptions tend to be reinforced by media coverage. The only time most people here about unions is when they are on strike or involved in some other kind of confrontation or protest. Union members are often portrayed as gangsters and thugs when in reality, they are usually regular working people trying to make a better life for their families and their communities. Members of the public rarely hear about the all the good that unions do. For example, they rarely hear about the large amounts of money donated to

charity by unions and union members each year. They also rarely hear about efforts that unions make on behalf of the homeless and working people facing lay-offs. And they rarely hear about all that unions do to protect things like Medicare, old age pensions and national parks. Clearly, overcoming negative public opinion is and will continue to be one of the labour movement's major challenges.

Education:

Plain ignorance is one of the main reasons that support for unions is not higher than it is. Many Albertans simply don't know what unions do. In too many cases, people get their knowledge of unions from movies, television and what they hear casually from family and acquaintances. The result is that most people have a very stereotyped – some would say prejudiced – view of unions and union members. For example, most school age children share the belief that unions exist mostly to “stir up trouble” and set up picket lines. They are never taught that more than 98 percent of contract negotiations in Alberta are settled without strikes or that the proportion of total work-time lost to strikes and lock-outs has never exceeded one percent in any given year. Unfortunately, children who have inadequate knowledge of unions grow up to be adults with inadequate knowledge of unions. Figuring out how to turn this situation around – how to convince educators to start teaching kids about the role and history of unions – is a major challenge for the new millennium.

Changing face of the labour force:

Another major challenge facing the labour movement has to do with the changing face of the workforce. As we have seen, more people are working in part-time and temporary jobs; the number of people that can be described as “self-employed” has increased dramatically; and the number of families with two income-earners has also shot up. At the same time we have been witnessing the development of a small but growing new class of highly-trained “information workers.”

These changes have significant implications for unions and union organizing. How should unions go about organizing part-time and contract workers? Should we even make an effort to organize the self-employed? Do information workers— who often can negotiate good wages and benefits for themselves – need unions at all? And what about all those workers who could benefit from union membership the most – like dangerously over-worked oilfield service workers or low-paid workers in the food service and retail sectors. How can unions organize these people and other workers in small workplaces that experience high rates of employee turn over? Also, how can we respond to the changing needs of workers from busy two-income families? What can we do to address their concerns about things like day care, job-sharing, flexible work hours and maternity leave? And what about the growing number of workers of colour? What can unions do to make them feel more comfortable in the workplaces and within the labour

movement? What can unions do to reduce discrimination and promote tolerance and understanding?

Clearly, workers in the current labour force are coming in a much wider variety of shapes and sizes than ever before. They are also bringing many different issues and concerns to the table. The future of unions in Alberta and Canada will depend in large part on how they respond to these challenges and opportunities.

Globalization and Corporate Concentration:

Two other challenges facing unions in Alberta and around the world are globalization and corporate concentration. Over the past ten years, new international agreements like the Free Trade Agreement and NAFTA have made it easier for companies to relocate their operations from one country to another. In the past, limited mobility put greater pressure on employers to negotiate with unions. Now that they find it easier to exercise the “exit option,” more and more employers are simply refusing to deal fairly with their workers in Canada. The problems caused by globalization are exacerbated by increasing corporate concentration. More and more firms are merging or being bought out by larger firms. The result is that unions are having to deal with bigger and bigger employers. These new global corporations have deep pockets. In many cases, the newly merged firms are based in the U.S. and increasingly these firms are bringing their anti-union management beliefs and practices to Canada.

Organizing Youth:

Finally, one of the most serious challenges facing the labour movement has to do with organizing young workers. The labour movement is aging. The rate of unionization is relatively high among older workers, but it is extremely low among younger workers. In fact, the average rate of unionization among young Canadian workers aged 15-24 has actually fallen from 16 per cent in 1989 to 11 percent today. But organizing the young is easier said than done. Many factors make it harder to organize young workers than older workers. For example, young workers tend to be transient – they often don't stay in one job long enough to develop a long-term interest in joining a union. Young workers also tend to be found in small workplaces, which are notoriously difficult to organize. Generally speaking, the low wages and chronic job insecurity experienced by young workers should make them more receptive to the union message – but it won't be easy. Union leaders, staff and activists have to ask themselves: are they prepared for the challenge of communicating union ideals to a new generation that is more diverse, more transient and brought up in more conservative times? Without clear strategies aimed at bringing more young people into the fold, many unions in Canada face an uncertain future.

VIII. Directions for the future

OBVIOUSLY, unions face many challenges as they stand on the threshold of the new millennium. Some of these challenges seem more serious than others. But there is no reason for activists to feel overwhelmed or defeated. In fact, the union march into the 21st century has already begun – and battles are already being won. Over the past five or ten years, unions around the world have been taking aggressive action to strengthen their positions and extend union protection to more workers. In this section we will briefly examine some of these initiatives and discuss some possible directions for the future of the Alberta labour movement.

Organizing:

One of the big challenges of the 21st century will be organizing new members – including people with “non-traditional” work arrangements such as part-timers, temporary workers and the self-employed. But organizing can be extremely time-consuming and expensive. In fact, many unions hesitate to invest large amounts in organizing because it limits the resources available for dealing with the concerns of existing members – with no real guarantee of increased membership. In order to deal with this problem, some unions and labour centrals are pooling their resources. For example, several years ago, the AFL-CIO in the United States established an Organizing Institute that helps train organizers who are

then hired by individual unions (the B.C. Federation of Labour recently established a similar institute). The AFL-CIO has also been running something called the “Union Summer” campaign. This program trains young people, usually students, as organizers then sends them to work on various organizing campaigns run by individual unions affiliated to the Federation. It’s too early to tell how successful the AFL-CIO’s organizing efforts have been. But it’s clear that the Organizing Institute and the Union Summer campaign have renewed interest in organizing and have helped individual unions develop better campaigns at a lower cost. The AFL-CIO programs have also acted as a clearinghouse for information about successful organizing strategies, encouraging leaders and activists to think more creatively about how to bring new members into the union fold.

Solidarity Across Unions and Across Borders:

As corporate concentration leads to larger and larger employers and international trade agreements expose workers to ever-increasing insecurity, unions around the world are looking for ways to pool their strength to meet the new challenges. In the United States and here in Canada, the Steelworkers and Machinists are joining forces to form the largest union in North America. And in Europe, unions have established a continental labour central, the European Trade Union Council (ETUC), to advance the interests of unions from all the European Union nations. These developments raise a number of

questions for Canadian unions. Are mega-mergers the way forward? Does North America need its own version of the ETUC to push for improved standards and wages in countries like Mexico? So over the next several years, unions will have to decide if they need new organizations and institutional structures to meet the challenges of the 21st century.

Public Opinion:

As we have seen, another major challenge facing the labour movement is how to improve the public’s opinion of unions. Several years ago, the AFL-CIO in the United States sponsored a high-profile “Union Yes” campaign featuring billboards, TV ads and various other public relations initiatives. The goal was to remind people of all the good things unions do. Here in Alberta, we could consider running a similar campaign. The campaign could remind Albertans of all the benefits that come from union membership and make the argument that unions are good both for workers and the economy.

Social Unionism:

One of the most successful strategies adopted by unions in the U.S. and Europe is something that has been described as “social unionism.” The idea is to encourage unions to develop alliances with individuals and groups in the broader community – to fight for goals that will benefit the community at large as well as individual union members. Advocates of this approach admit that “socializing” victories may not seem particularly important to union members in the short-term. But they argue that working with coalitions improves the reputation of unions and

increases long-term support for the labour movement in the broader community. It builds a reserve of good will that can be used to facilitate organizing or build political strength.

IX. Conclusions

LOOKING BACK on the past 100 years, it's clear that unions have played a central role in shaping Canada. Thanks to the hard work of union members and activists, Canadians now enjoy one of the highest standards of living in the world. But unions are not only important for what they accomplished in the past. In today's world of globalization, deregulation and government cutbacks unions are more important than ever.

Here in Alberta, unions already play an important role in protecting the interests of thousands of working Albertans. But we need to bring more workers into the tent. As governments at both the federal and provincial level neglect their responsibilities in areas like health care, education, and job creation it is left to unions to step in and help fill the gaps.

Of course it won't be easy. Unions today face a wide range of challenges – everything from problems caused by unfair labour laws to the challenges created by the changing face of the labour force. But, time after time, the Canadian labour movement has demonstrated its ability to face new challenges and deal with them effectively.

Some of our critics claim that the labour movement is a spent force. They

say that unions are obsolete relics of a bygone era. But the labour movement has been declared dead before. In fact, during the 1930s, many critics argued that unions were destined for irrelevance. However, just a few years later, the labour movement in Canada and the United States experienced its most dramatic period of growth and vitality.

Whether or not the union movement surprises its critics in the 21st century as much as it did during the 20th century remains to be seen. It all depends on decisions that union leaders and members make over the next few years. If unions are able to develop new plans for organizing the unorganized and new strategies for addressing the evolving needs of workers, then their future will be bright. Far from fading into the pages of history, the 21st century may be the time for unions to reassert their central place in Canadian society.

X. Executive Summary

OVER THE PAST 10 or 15 years, many observers have argued that unions are relics of a bygone era that they have outlived their usefulness. In this report we demonstrate that this is not the case. Unions still have an important role to play in the economy. In fact, in the dog-eat-dog world of the 21st century, workers may need the kind of protection unions provide more than ever.

In the body of this report we dealt with the following questions and came to the following conclusions:

Do working people still want unions?

We showed that unions are still a force to be reckoned with in Canada. One in three Canadian workers currently belong to a union. In Alberta, about one in five employees belong to a union and one in four are covered by a union contract.

Contrary to the situation south of the border where unions have suffered from rapidly declining membership, union membership in Canada and Alberta has remained fairly stable over the past 20 years. At the national level, union density rates have remained in 30-35 percent range. Here in Alberta they have remained in the 20-25 percent range.

Union membership in Alberta actually grew by 15,500 in 1998 - an increase of 6 percent. This slightly

outpaced the growth in the size of the overall workforce, which grew by 5.5 percent. There are currently 268,500 union members in Alberta and an additional 42,000 who are not full members but who are covered by union contracts.

In addition the thousands of Albertans who are already union members, surveys suggest that about one-third of the non-union work force would like to join a union.

Do workers still need unions?

We showed that the Alberta economy is not currently meeting the needs of all Alberta workers. In particular, we demonstrated that wages have stagnated or fallen for most Albertans over the past 15 years.

We also showed that more people are working in precarious or unsatisfying jobs (i.e. part-time and temporary); that more workers are feeling the strain of increased workloads and mounting work-family stress; and that more and more workers are complaining about unfair treatment at the hands of non-union employers. In this environment, we concluded that workers need unions more than ever.

Does it still pay to be a union member?

We showed that Canadian unions still have an exceptional track record when it comes to improving wages and conditions for their members.

In Canada, the average union worker earns \$18.57 per hour while the

average non-union worker earns only \$14.04 per hour - which translates into a 32 percent union wage advantage. The union wage premium is even bigger for part-timers and women workers.

Union workers are also much more likely to have a wide range of “non-wage” benefits. For example, 82 percent of union members have pensions of one kind or another versus only 33 of non-union workers. Union members are also much more likely to have supplemental health plans, dental plans and paid sick leave.

In addition, unionized workers have safer and healthier workplaces; they have more job security and they have a formal process for handling grievances and complaints - a system that is not available to non-union workers.

How do unions effect the economy?

Far from being a drag on the economy as some critics suggest, the evidence shows that unions actually improve the productivity and long-run profitability of firms.

Federal studies of productivity in the service sector show that industries with high levels of union membership also have higher productivity rates than industries with low levels of union membership.

Figures from the OECD support this point. They show that most of the countries with the highest levels of labour productivity - eg. Belgium, Finland, the Netherlands and Sweden - also have high rates of union membership.

Right here in Alberta, the evidence

clearly shows that companies can run highly profitable operations in a unionized environment. In fact, some of the most prominent and profitable companies operating in the province have large union work forces. For example: Suncor, Imperial Oil, Petro-Canada, Telus, Luscar, Safeway, Finning, Celanese and Sherritt.

Challenges

Of course, even though unions have played an important role in Alberta in the past, there is no guarantee that they will continue to do so in the future. In fact, there are a number of serious challenges currently facing the labour movement - challenges that could effect the future strength of unions in the province.

In this report we discussed several of these challenges including; Alberta's labour laws; the political climate in the province; public opinion and problems in the education system. We also talked about the impact things like the changing face of the labour force, globalization and corporate concentration might have on union strength. Finally we addressed the issue of young workers. We argued that organizing more young workers is one of the biggest challenges facing the labour movement as we near the beginning of the 21st century.

Directions for the future

We examined several possible strategies for addressing the challenges of the 21st century including: a renewed focus on organizing; cooperation between unions and

between working people in different countries; alliances and coalitions with various social and community groups that share our goals and concerns; and finally, educational and public relations campaigns aimed at improving the image of organized labour.

We concluded by arguing that the labour movement has responded creatively to challenges before - and will likely do so again. As long as the labour movement remains committed to its central goals of improving the lives of working people and promoting a better and fairer society for all Canadians - then unions in Canada will remain strong.

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