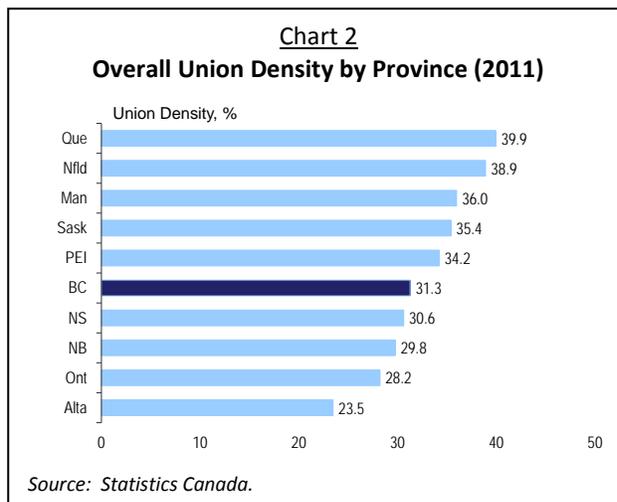




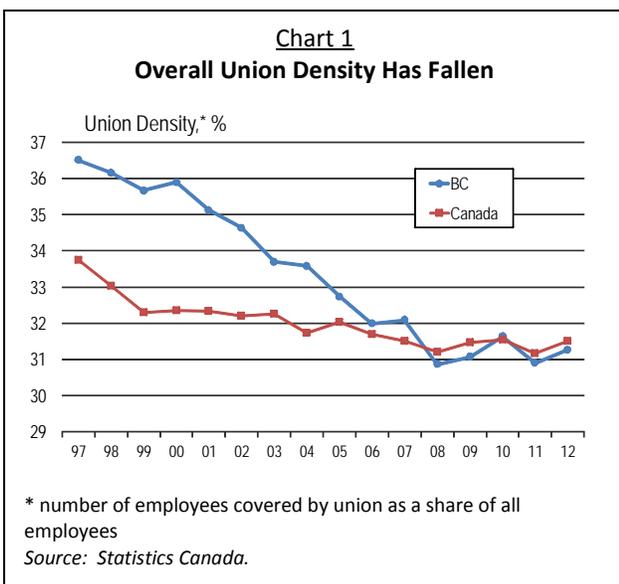
## A Review of Trends in Union Density

An examination of the evolution of the position of trade unions in the overall labour market underscores the challenges facing the union movement in British Columbia and Canada as a whole. The term “union density” is used to track the proportion of paid workers who are covered by a collective agreement.<sup>1</sup> It can be thought of as a proxy for the “market share” of unions within the employed workforce, excluding people who are classified as self-employed.<sup>2</sup>

For both Canada and BC, the data paint a picture of generally dwindling union density over the past few decades. Chart 1 depicts what has happened since the mid-1990s. As shown, union density has dropped by



approximately five percentage points in BC, and by about three percentage points for Canada. By 2012, about 31% of all paid workers in BC held union membership cards. This is almost identical to the national share. British Columbia now sits in the middle of the pack among the provinces on this indicator of union influence (Chart 2). Union density is greatest in Quebec and Newfoundland; Alberta and Ontario have the lowest union density rates in the country.



### Private versus Public Sector

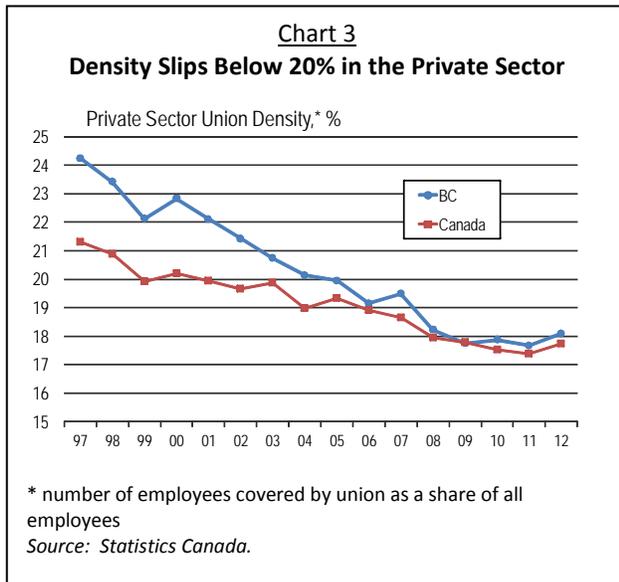
The fall-off in union representation has been most pronounced in the private sector parts of the economy. Today, only 18% of paid private sector employees in BC are covered by collective agreements.<sup>3</sup> Thirty years ago the figure was near 30%; in 1997 it was 24%. Again, BC is very similar to

<sup>1</sup> Sometimes “union density” is defined as the proportion of paid workers who are union members. This measure tends to be slightly lower than density as defined in the text above.

<sup>2</sup> In British Columbia, depending on the year the self-employed account for 17-18% of total employment.

<sup>3</sup> See Statistics Canada, “Unionization 2011,” *Perspectives on Labour and Income*, October 2011; data updated for 2012 via CANSIM.

Canada in the level of private sector union density (Chart 3).



The situation in the broadly defined public sector – consisting of public administration across all levels of government, plus the health care, education and social service sectors – is very different. There, unions are a powerful force and have bolstered their position since the 1970s. Indeed, when it comes to unions’ presence in the economy, it’s fair to say that the public and private sectors in Canada increasingly resemble two different worlds. In the former, unions are deeply entrenched and represent large majorities of employees. Nationally, more than 70% of workers employed in the broad public sector are members of unions; in BC, the share is a bit higher.<sup>4</sup> The probability that an employee in BC belongs to a union is almost four times higher in the public than in the private sector. And as noted in the adjacent Table 1, many of the biggest unions in the province have both their roots

<sup>4</sup> Ibid.

and their main membership base in the public sector.<sup>5</sup>

Having said that, even the public sector has not been entirely immune to the various forces weighing on union density. Chart 4 reveals that between 1997 and 2012, public sector union density in BC actually dipped by 4.7 percentage points, while density in the private sector fell by 6.2 percentage points. The slippage in public sector density may partly reflect out-sourcing of certain jobs, as well as an increase in both the number and the relative importance of excluded management-level positions within many public sector organizations in the province.

**Table 1**  
**BC’s Top 10 Unions (2011)**

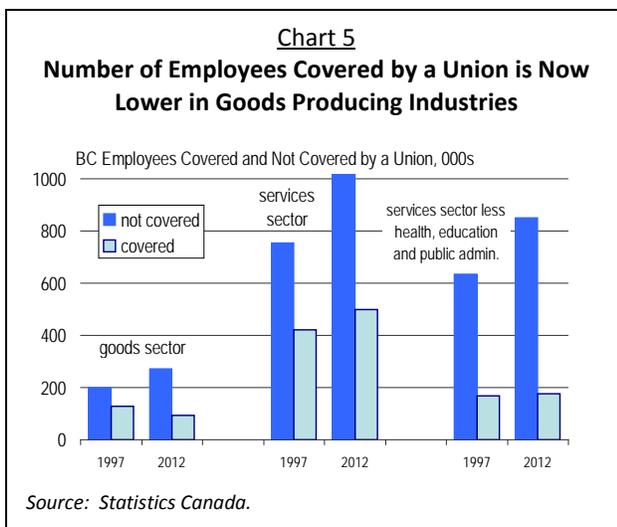
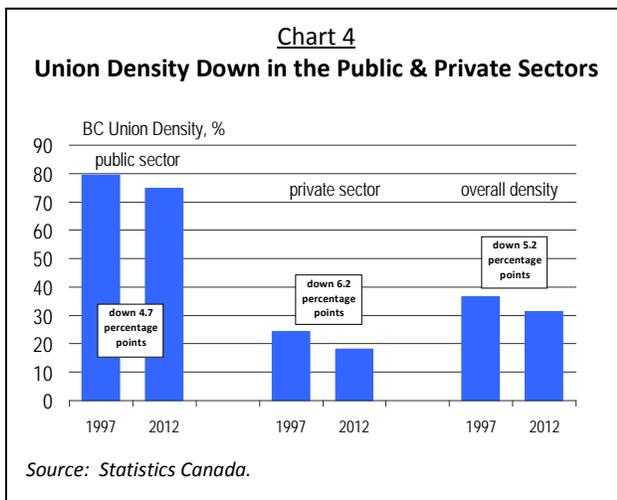
Union	Members
CUPE*	80,000
BCGEU*	65,000
BCTF*	45,232
HEU*	43,000
UFCW	36,000
USW	30,000
BC Nurses Union*	26,000
CAW	25,000**
Teamsters	20,000
Communications/Energy/Paperworkers	14,000**

\* represents mainly public sector workers \*\* estimates  
Source: Websites and offices of respective unions.

<sup>5</sup> It should be noted that most “public sector” unions do have members who work for private sector employers, and some of them have been quite successful in organizing private sector workplaces.

Chart 5 summarizes recent shifts in aggregate union representation in the goods- and services-producing segments of the British Columbia economy. The Y axis on the chart measures the absolute number of employees in thousands. “Covered” workers are those in unions. In the goods-producing sector<sup>6</sup>, the number of union members has declined modestly (but steadily) since the late 1990s; by 2012, BC had roughly 33,000 fewer unionized goods-

sector workers than 15 years earlier. Turning to the overall services sector, the situation is different. There, the absolute number of unionized workers has continued to rise, climbing by about 80,000 between 1997 and 2012. However, virtually all of the net gain was accounted for by the expansion of employment in the public sector. If the public sector is excluded, it turns out that the number of union members in BC’s services economy is little changed from 1997. Moreover, the ranks of non-covered employees in the services sector expanded by 276,000 from 1997 to 2012.



### Unionization by Industry and Occupation

While the public sector is far more heavily unionized than the business sector, it’s worth noting that union density does vary significantly within the private sector itself. In Canada, the most unionized parts of the business world are utilities (66%) and transportation (42%). Private sector industries with particularly low union density rates include retail/wholesale trade (14%), financial services (10%), accommodation and food-services (8%), and professional, scientific and technical services (5%). Construction (31%) and manufacturing (27%) are closer to the economy-wide average in terms of the fraction of the workforce that is organized.<sup>7</sup> Table 2 on the next page provides data on union coverage by industry for British Columbia as of 2012.

<sup>6</sup> Consisting of manufacturing, construction, utilities, and primary resource industries.

<sup>7</sup> Statistics Canada, “Unionization 2011,” *Perspectives on Labour and Income*, October 2011, Table 1. Density based on coverage definition.

**Table 2**  
**BC Employment Growth and Union Density by Industry**

Industry	2012 Employees, 000s	Employee Growth 2002-2012,%	Union Density	Comment
Construction	127.9	72.6	21.9	below avg. density
Business, building & other support serv.	62.7	51.4	15.9	low density
Utilities	14.9	36.7	58.4	high density, small ind.
Forestry, mining, oil and gas	39.5	33.4	37.2	medium density
Health care*	237.8	29.9	60.2	high density
Educational services*	162.2	29.7	67.7	high density
Other services	75.9	26.9	8.6	very low density
Professional, scientific & tech. services	105.8	23.9	7.9	very low density
Transport. & warehousing	109.8	19.9	50.5	high density / avg. growth
<b>Total employees, all industries</b>	<b>1893.9</b>	<b>19.0</b>	<b>31.3</b>	
Trade	312.2	14.7	13.2	low density
Public admin.*	102.3	13.9	66.9	low growth / high density
Info., culture & recreation	95.5	12.5	27.5	low growth / med. density
Finance, insurance., real estate	107.4	11.3	13.5	low growth and density
Accommodation & food serv.	157.3	5.8	9.1	low growth and density
Manufacturing	166.2	-8.0	25.2	medium density

\* represents mainly public sector workers

Source: Statistics Canada

Looking at union density by occupation rather than by industry, the highest rates of unionization are found among teachers/college professors, nurses, support and technical personnel in health care, and people employed in protective services. Occupations where union density is low include all areas of management, the professions, finance, agriculture and fishing, and sales and service occupations in the retail, wholesale, and food and beverage sectors. Occupational union density rates in BC are essentially the same as at the national level.

### **Structural Trends and the Union Response**

A number of longer-term developments in our economy are making it difficult for organized labour to maintain – let alone expand – its position within the workforce. In particular, the following factors have conspired to put downward pressure on union density, especially in the private sector.<sup>8</sup>

<sup>8</sup> Statistics Canada, "Diverging Trends in Unionization," *Perspectives on Labour and Income*, April 2005; P. Kumar, "Whither Unionism: Current State and Future Prospects of Union Renewal in Canada," Queen's University, School of Public Policy, Industrial Relations Centre, December 2008; J. Pencavel, "Public Sector Unions and the Changing

- the shift of employment towards services-producing industries (where unions are weaker) and away from manufacturing and other goods-producing sectors (where they tend to be more established);
- the emergence of a more competitive business environment in which most businesses have little scope to pass on higher costs to their customers. This trend has lessened the ability of unions to command and sustain the wage premiums that they have traditionally delivered to their members;
- globalization and falling trade barriers, which add to the competitive pressures referenced above;
- the expansion of opportunities for outsourcing/offshoring, and the associated fragmentation of once integrated supply chains in manufacturing and some service industries;
- the growing role of small enterprises and self-employment as a source of jobs. This development is not favourable to unions, which have trouble organizing and servicing smaller workplaces; and,
- government policy and regulatory initiatives that have diminished unions' economic power (e.g., de-regulation of some industry sectors, free trade, open market public procurement policies, etc.)

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Face of U.S. Unionism," Stanford University, [Stanford Institute for Economic Policy Research Policy Brief](#), September 2012.

Let's consider further how the prevailing patterns of job creation are posing challenges for unions. Table 2 on the previous page provides BC data on employment levels and job growth by industry, and then juxtaposes this with information on union density in the industries listed. A few points are worth noting from the table.

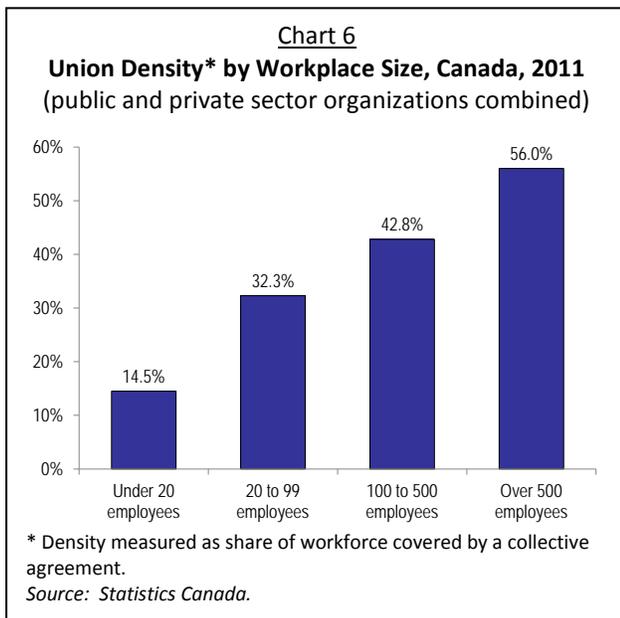
First, most private sector industries that have experienced robust job growth are characterized by either below average or outright low union density; examples include construction;<sup>9</sup> business support services; professional, technical and scientific services; and "other" services. Second, the two big industry sectors with high union density that have seen strong job gains since 2002 are both in the public sector: health care and education. Third, most private sector industries with large workforces exhibit below average or low union density. Some examples are accommodation and foodservices; retail trade; construction; and professional, scientific and technical services. Finally, in contrast to two or three decades ago, union density in the construction and manufacturing sectors in BC is now below the all-industry average. This indicates that unions have lost ground in these important parts of the private sector economy.

Trade unions' shrinking presence in the private sector has been accentuated by the

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<sup>9</sup> Union density in construction has decreased quite sharply in the past two decades, driven mainly by falling density in the segments of the industry involved in residential building, renovation and repair.

important role of small businesses as a source of jobs. Today, slightly more than one-third of all private sector workers in BC toil for firms with fewer than 50 paid employees, while another 23% are classified as self-employed. Added together, these two groups amount to 56% of all private sector workers in the province.<sup>10</sup> Of interest, in BC only 6,400 businesses are categorized as “large,” meaning that they have more than 50 paid employees. This matters for unions, since they find it easier and more cost-effective to organize and represent larger organizations. Indeed, there is a clear positive correlation between enterprise size (as measured by number of employees) and the likelihood that workers belong to a union (see Chart 6).



<sup>10</sup> Small Business Profile, 2012. BC Ministry of Jobs, Tourism and Skills Training.

## Union Strategies

How are unions responding to the changes in the economy that are affecting on density? They are certainly not standing still. Unions have adopted several different strategies to expand their membership and strengthen their position in the labour market.

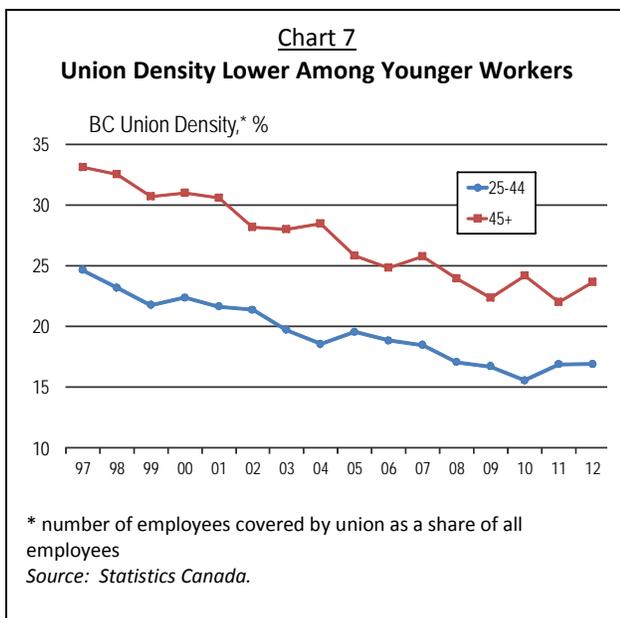
First, many unions and their umbrella organizations are active in lobbying governments to pass laws that would make it simpler to organize new workplaces and reduce the extent of competition in the job market and the economy generally. For example, BC union leaders continue to press for a return to the “card-based” system for certification and the scrapping of the current *Labour Code* requirement for a secret ballot vote by employees. Unions also regularly seek to further constrain the ability of employers to “communicate” with workers during organizing campaigns. And union leaders have been in vanguard of those arguing against government programs to allow more temporary foreign workers to enter Canada.

Second, more unions are combining forces to increase membership and enhance their bargaining power. The Canadian Auto Workers and the Communications, Energy and Paperworkers Union of Canada joined together last year. In doing so, they created Canada’s most powerful private sector union, boasting more than 300,000 members spanning a myriad of industry sectors but with a particular focus on manufacturing, communications and transportation. This merger came on the heels of several previous union

combinations, including – here in BC – one involving the former woodworkers union and the Canadian division of the United Steelworkers of America a few years ago. More union mergers are likely. The strategy makes a great deal of sense for unions grappling with flat/declining memberships, rising operating costs, and employers determined to contain their compensation bills. Just as businesses can reap economic benefits by spreading fixed costs over more employees or customers, unions can gain advantages by bulking up on members and diversifying the industry sectors in which they operate.

Third, unions are putting more resources into organizing younger workers and other “underrepresented” groups in the labour force (e.g., first generation immigrants, visible minorities). This is an important task for unions, not least because the data show that young workers are less likely to be in a union and that union density has dropped significantly in BC among workers under age 45 (see Chart 7).

What does the future hold for unions in Canada and British Columbia? It’s important to recognize that Canadian unions have proven themselves to be resilient institutions. They have had some success in slowing the fall-off in density that has occurred in the last 30 or so years. Through mergers, lobbying for changes in labour, employment and immigration laws, and improved organizing and marketing efforts, unions are working hard to stem further declines in their relevance and clout. They have notched up a few wins, and they continue to be a significant factor in some parts of our economy. Unions will certainly remain a force to be reckoned with in the broadly defined public sector. But they face an uphill battle in protecting their “market share” in the context of today’s hyper-competitive, fast-changing, and increasingly open private sector economy.



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