

Explaining Canada's High Unionization Rates

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Canada maintains a much higher unionization rate than does the United States. In 2004, this country's unionization rate stood at 31.8 percent of total employment, significantly higher than the United States' 13.8 percent. Similar patterns hold when employment is broken down between the private and public sectors (see table 1). Union leaders, politicians, and academics have argued that Canada's higher unionization rate is a result of Canadians being more collectivist and demanding greater union representation. Unfortunately, two alternative and proven explanations for our high unionization rates have been largely ignored: biased labour laws and a larger public sector.

Although many differences exist between Canadian and American labour relations laws, disparities in certification rules and union security clauses are increasingly being accepted as explanations for the diverging unionization rates between the two countries.

For example, in five provinces and all the US states, a union must provide the Labour Relations Board with written support from a prescribed percentage of workers before a secret ballot certification vote is held. However, five Canadian provinces (Saskatchewan, Manitoba, Quebec, New Brunswick, and Prince Edward Island) allow the Labour Relations Board to automatically certify a union if a prescribed percentage of workers sign union cards or petitions. In other words, it is possible for workers in these provinces to become unionized without the opportunity to make a private, autonomous decision through a secret ballot certification vote.

Academic researchers have found that secret ballot voting reduced both certification attempts and unionization success rates. Most recently, Professor Chris Riddell (2004) investigated the experience of British Columbia between 1978 and 1998 during which mandatory voting was introduced (1984) and subsequently eliminated (1993). He found that unionization success rates fell by 19 percentage points after mandatory voting was introduced and then increased

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**Table 1: Canada-US
Unionization Rates in 2004**

	Canada	United States
Total	31.8%	13.8%
Private Sector—only	19.0%	8.6%
Public Sector—only	75.5%	40.7%

Sources: Statistics Canada (2004); Hirsch and Macpherson; calculations by the authors.

by nearly the same amount when it was eliminated.

In addition, the average unionization rate in 2004 for the five Canadian provinces that still permit automatic certification was 35 percent compared to 31 percent in provinces that require certification votes.

A second aspect of labour laws deemed to influence unionization rates is the allowance of mandatory dues payments in collective agreements. All Canadian provinces, in one way or another, permit collective agreements to include mandatory dues. This provides unions with a large and secure source of resources, which is used to support more organizing activities and ultimately leads to higher rates of unionization.

The US, on the other hand, only allows partial mandatory dues payments. Specifically, US workers covered by collective agreements cannot be required to pay union dues for activities that are unrelated to representation under the collective agreement, such as political and social initiatives. In addition, 22 US states, the so-called Right-to-Work states, have expanded the US federal law to prohibit any mandatory dues payment as a condition of employment.

A third area of labour laws that influences unionization rates is mandatory

union membership clauses. No Canadian jurisdiction prohibits mandatory union membership clauses while all US states prohibit such requirements.

Ultimately, more worker choice with respect to union membership and dues payments results in lower unionization rates; a conclusion supported by independent research including a recent study by University of Calgary Professors Daphne Gottlieb Taras and Allen Ponak (2001).

In addition, unionization differences among the US states with and without Right-to-Work (RTW) laws supports the conclusion that the type of union security legislation has significant effects on unionization rates; states with RTW laws maintain average unionization rates of 8.2 percent, half that of states without such laws (16.1 percent).

Finally, the divergence in unionization rates can be further explained by a difference in the size of the public sectors in Canada and the US. The public sector in both countries has a greater propensity to be unionized than does the private sector (see table 1). For instance, the unionization rate in Canada's private sector was 19.0 percent in 2004 compared to 75.5 percent in the public sector. The fact that Canada has a much larger government sector is an important factor in explaining higher union rates. In 2004, public sector employment in Canada represented 18.0 percent of total employment, whereas it only represented 14.3 percent in the United States.

Academic research finds that high unionization rates in Canada are at least partially the result of certification rules that allow for union certification without a secret ballot vote, a lack of worker choice with respect to union membership and/or full dues payment in union-

ized firms, and a larger public sector. The argument that Canada has high unionization rates due to a more collectivist culture may be intuitively appealing, but the research and data suggests that there are other important explanations that should not be ignored.

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