



## INDUSTRIAL RELATIONS BULLETIN

VOL. 38, NO. 9, September 19, 2006

### EXECUTIVE COMMENT

#### TRENDS IN UNION DENSITY ACROSS CANADA

Despite several years of solid economic growth, unions in Canada continue to lose ground in an ever-expanding job market. A recent update from Statistics Canada finds that the national union density rate – the percentage of paid workers belonging to a union – stood at 29.7% in the first half of 2006. This is down from 30.0% the year before.<sup>1</sup>

Union density varies significantly by province and among different sectors and demographic groups.

By province, union density is now highest in Quebec, followed by Newfoundland, Saskatchewan and Manitoba. British Columbia is fifth among the provinces in the proportion of paid employees holding union membership cards. At 30.2%, the rate of union density in BC is now only slightly above the national average. Alberta has by far the lowest rate of union density in the country

Canada's public sector continues to provide a much more hospitable environment for unions than the private sector. At the national level, public sector union density now sits at 71.4%, more than four times higher than the 17.0% density rate in the overall private sector. Here in British Columbia, the picture is similar – public sector union density exceeds 75%, while in the private sector it is just 18.6%.<sup>2</sup>

The presence of unions also varies dramatically across industries. Based on the revised North

American Industrial Classification System, the most heavily unionized Canadian industry sectors are utilities (68.5% density in the first half of 2006), education (68.3%) public administration (67.3%), health care and social assistance (54.2%), and transportation and warehousing (42.9%). Union density in construction (30.2%) and manufacturing (28.2%) is very close to the all-industry average. Industries with below-average union density include information and culture (24.9%), natural resources<sup>3</sup> (21.7%), retail/wholesale trade (12.6%), business support services (12.5%), financial services (8.3%), accommodation and food-services (6.3%), and professional, scientific and technical services (4.3%).

Looking at union density by occupation rather than by industry, the highest rates of unionization in Canada are found among teachers/college instructors, nurses, people employed in protective services, technical and support personnel in health care, child care and home support workers, and non-construction trades workers. Occupations in which union density is particularly low include all areas of management; the professions; and sales and service occupations in the retail, wholesale, and food and beverage sectors.

It has long been recognized that unions face many difficulties in trying to organize and service smaller workplaces. The latest union density figures certainly bear this out. Among workplaces with under 20 employees, only 13% are unionized. Workplaces with 20-99

<sup>1</sup> "Unionization," Perspectives on Labour and Income, Statistics Canada (August 2006).

<sup>2</sup> The figures for BC refer to 2005.

<sup>3</sup> Excluding agriculture.

employees are more likely to have unions (29.7%). Union density is highest in workplaces with 100 to 500 (41.4%) and more than 500 (50.9%) employees. Note that the definition of “workplace” used here includes public sector and non-profit organizations as well as private enterprises.

The likelihood that a worker is a union member also depends on a variety of other individual characteristics. One is age: young workers (24 and under) are far less likely to belong to a union than workers in older age groups. Education also plays some role. Union density is highest among employees holding a university degree (33.7%) or some other form of completed post-secondary qualification (33.4%). In part, this reflects the large numbers of degree holders employed in the public administration, health care, and education sectors. Workers with a high school graduation or less are significantly less likely to be in a union.

**Union Density \* by Province (2006)**

Quebec	37.0%
Newfoundland	36.3%
Saskatchewan	35.0%
Manitoba	34.8%
BC	30.2%
PEI	28.9%
Nova Scotia	27.5%
Ontario	26.7%
New Brunswick	26.4%
Alberta	22.4%

*\* Proportion of all paid employees belonging to a union.*

Longer-Term Trends

Taking a longer-term view, the data show that unions’ “market share” has been declining, slowly but steadily, over the past few decades. For example, in the 1970s approximately four in ten workers in British Columbia were union members, compared to three in ten today. A similar picture holds at the national level. The

drop in aggregate union density is even more striking when one considers that unions in Canada have continued to bolster their position across all parts of the broad public sector during the past 30-35 years. This means that unionization rates have actually fallen markedly in the private sector since the 1970s. Several factors help to explain declining private sector union density in Canada:

- the shift of employment toward service-producing industries;
- the growing role of small businesses—especially “micro” businesses with 5 or less employees – as a source of jobs;
- an increase in the relative importance of “non-standard” employment – i.e., part-time, temporary and contract positions; and,
- broader changes in the economic environment, such as the adoption of free trade agreements, mounting global competition, and full or partial deregulation of Canadian industry sectors previously subject to entry barriers and other competitive restrictions.

Looking ahead, it is likely that union density in Canada will continue to drift lower in the future. Moreover, extrapolating the trends discussed above suggest that union density in the Canadian private sector could very well fall as low as 10-12% within the next decade or so.

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