



# STATE of the UNIONS

A NATIONAL POST / GLOBAL NATIONAL LABOUR DAY POLL

In this exclusive series, National Post looks at the role of unions in the Canadian workplace. Much of the content is based on a poll of Canadians commissioned by the Canadian LabourWatch Association and conducted this August by Leger Marketing. The series ran September 2 to 5, 2003.

## Leaders out of step with members

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The proportion of the total workforce that belongs to a union in Canada has declined from more than 40% three decades ago to just 26% today.

If the public sector, where 71% of the workforce is unionized, is taken out of this picture, only 18% of all workers in the private sector belong to a union. That is down from 28% to 30% three decades ago.

Will the decline in union membership generally, and in the private sector in particular, continue?

That is, to some degree, up to union leaders. If union bosses listen to the demands of the marketplace and their members, they may be able to arrest the decline. But they don't seem to be listening.

That much is clear from a National Post/Global National poll commissioned by LabourWatch and conducted by Leger Marketing.

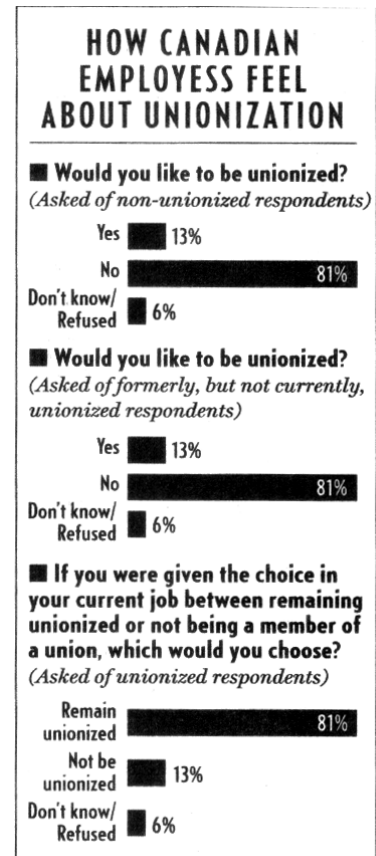
Only 28% of union members are "very satisfied" with their union's representation of their interests. That's a telling statistic.

More than 70% of those surveyed think merit and performance should guide decisions regarding promotions and layoffs in the workplace. That is not how many union bigwigs see it.

About 73% of those polled believe unions should spend union dues on their own welfare at their place of work, not on political parties or causes like fighting against the war in Iraq and promoting socialism in South America and elsewhere. Again, union leadership is out of step with rank-and-file members.

An overwhelming 91% of survey respondents said employers should have the right to explain the impact of unionization on their firm. Many union bosses certainly do not agree with that sentiment either. In fact, they see any such conversation as intimidation by employers. And 65% are of the view that being a member of a union should not be mandatory. A lot of union leaders think this is an utterly ridiculous proposition.

Why aren't union bosses responding to the needs of their members? The federal and provincial governments have ensured they don't have to.



SOURCE: NATIONAL POST/GLOBAL NATIONAL POLL

Both levels of government have various provisions in their labour codes that provide unions with what is known as exclusive representation. Under these rules, all Canadians who wish to work in a particular industry or firm must belong to a designated union.

With monopoly power bestowed on unions by governments, union bosses see no reason to be responsive to the needs of their membership.

Apart from this fact, unions also don't seem to recognize the dramatic changes in the Canadian and world economies.

In short, many in the union movement in Canada do not understand firms must have the flexibility to adopt the right mix of machines, workers and managerial discretion if they are to succeed in today's dynamic and competitive marketplace.

That's a huge mistake. As a result, union membership will probably continue its historical decline, especially in the private sector.

There are several economic reasons for such a scenario to unfold over the coming years.

First, a freer trading environment and the consequent international competition has eroded the power of unions. Unlike in the past, most firms can not just pass higher labour costs on to their customers. So unions have much more difficulty getting their members wage contracts that are way above market levels -- one of the big reasons for the existence of unions.

Second, better educated workers in an increasingly knowledge-based economy don't really have much need for union protection. Their education and skill levels are in demand because managerial and professional occupations are the ones that are growing.

Third, non-standard work -- part-time, contract and temporary employment -- has grown significantly. Self-employment has been increasing -- about 2.5 million Canadians have chosen this path to make their livelihood. These are not the kinds of jobs that are amenable to unionization.

Fourth, three-quarters of Canada's one million businesses are small and medium-sized enterprises that employ less than five employees. And 97% of all firms have fewer than 50 people in their payrolls. These small firms are difficult and costly to organize and service for unions.

Fifth, the Canadian economy is increasingly service-oriented. Services make up more than 70% of the country's economic output and employment. Unions, by and large, do not have much of a presence in this sector of the economy -- banking, telecommunications and food services to mention a few.

Jock Finalyson, executive vice-president of the B.C. Business Council, a keen observer of labour market trends, says "Union density outside of the broadly defined public sector is destined to continue declining" because of a rapidly changing economic landscape. That message is yet to get through to union bosses.

That is partly why 81% of working Canadians who were polled by Leger Marketing don't wish to be unionized.

Part one of a four-part series.; fmihlar@png.canwest.com