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Fortune and Misfortune: Union Growth in Canada and the United States*

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This paper reports on union growth patterns in North America during the past thirty years. Based on a larger study (Chaison and Rose, forthcoming), it considers the effect of market forces, public policy, employer resistance, union organizing activity and public opinion on union membership trends. The results indicate that the decline of U.S. unionism and the expansion of Canadian unionism is explained by the complex interplay between public policy, employer resistance and union organizing activity.

Trends in Unionization

In 1956, unions represented approximately one third of the non-agricultural workforce in the United States and Canada. By 1988, U.S. union membership had increased by a scant 4 percent and union density had fallen below 17 percent. It is noteworthy that U.S. unions have lost more than 5 million members since 1976 (Bain and Price, 1980; Troy and Sheflin, 1985; U.S. Department of Labour, 1989). In contrast, Canadian union membership rose by more than 180 percent and union density climbed to 36.6 percent between 1956 and 1988. Nevertheless, union growth has slowed in recent years and union density has fallen from its peak of 40 percent in 1983 (Labour Canada, 1988).

The divergence in union growth is exhibited in both the public and private sector. Whereas, the public sector has been the principal source of membership expansion in both countries, the public sector density rate in Canada is approximately 65 percent or nearly twice that of the United States. In the private sector, union density rates have fallen in both countries. However, the private sector density rate is not only higher in Canada, but the differential widened between 1975 and 1985. In Canada, union density in manufacturing was relatively stable from 1976 to 1986

(dropping from 43.5 percent to 41.6 percent) compared to the precipitous decline (from 41.6 percent to 24.0 percent) in the United States (Meltz, 1989).

Market Shifts

Numerous studies have examined the effect of changes in the industrial and occupational composition of employment on union decline. It has been argued that as employment shifts from the traditional union strongholds to less unionized sectors (e.g., from manufacturing to the service industry), unions will have greater difficulty maintaining union density rates (e.g. Troy, 1986). The evidence shows that structural shifts do not adequately explain the decline in union density in the United States (Farber, 1987), or the divergence in union density rates among industrialized countries in general (Lipset, 1986; Freeman, 1989) or between the United States and Canada in particular. Indeed, if Canada had the same distribution of employment as the United States, its union density rate would have been approximately 10 percent higher (Chaison and Rose, forthcoming).

A case could be made that labor markets in the United States and Canada are different. For example, it has been argued that the differential in private sector density rates reflects a heavily unionized and government subsidized service sector in Canada (e.g., health care and education). In contrast, the United States has a more fully developed private service sector (Troy, forthcoming). Taking into consideration these factors and employment expansion in the less unionized private service sector, it appears that Canadian private sector density is lower than previously estimated and there is less potential for union growth (Meltz, 1989). However, analyses based on structural shifts are still unable to explain the

sharp drop in union density in the United States private sector, particularly in manufacturing, the significantly higher density rates in Canada in all industries, or the greater ability of Canadian unions to recruit new members among service and white collar workers (Betcherman, 1989; Meltz, 1989; Chaison and Rose, forthcoming; Rose and Chaison, forthcoming).

Public Policy

An important factor that accounts for the difference in union density rates in the United States and Canada is public policy. The legal framework in Canada is more supportive of union organizing. Although the Canadian system is derived from the Wagner Act model, the certification of new bargaining units normally is based on signed membership cards rather than elections. In those Canadian jurisdictions where certification votes are mandatory, expedited elections are the norm. In either case, Canadian certification procedures differ from the U.S. approach in that they allow employees to make a free choice for or against union representation without protracted employer campaigns.

An examination of certification outcomes in the two countries reveals substantial differences in union performance. A survey of 30,000 certification applications in Canada between 1971 and 1985 revealed that nearly 70 percent of the applications were granted. In the United States, the union success rate in certification votes declined from 65.3 percent to 46.5 percent between 1955 and 1985 (Seeber and Cooke, 1985; Chaison and Rose, forthcoming). American unions have not won a majority of certification elections since 1974. This trend in certification outcomes has been associated with a rise in employer delaying tactics and employer discrimination against union supporters.

There are other aspects of public policy in Canada that are more supportive of union organizing and collective bargaining. For one thing, Canadian labor boards have greater remedial authority to discourage employer misconduct during organizing drives. For example, under certain circumstances, labor boards may grant certification even though the union has failed to achieve majority employee support. They can also issue "make whole" remedies, e.g., compensate unions for legal and organizing costs associated with campaigns frustrated by employer unfair labor practices. As well, Canadian labor policy provides greater support for achieving first collective agreements. In six jurisdictions covering over 80 percent of the Canadian workforce, labor boards may impose first collective agreements when employers refuse to recognize or bargain in good faith with newly certified unions (Rose and Chaison, forthcoming). Finally, Canadian labour boards are considerably faster than the NLRB in processing the employer unfair labor practices that arise during organizing campaigns (Bruce, 1989b).

Employer Resistance

Employer resistance has been a potent factor contributing to the decline of U.S. unionism. There is a growing body of evidence that management strategy in the United States has shifted from union-acceptance to union-replacement and union-avoidance (e.g., Capelli and Chalykoff, 1985; Edwards and Podgursky, 1986 and Anderson, 1989). In contrast, union-acceptance continues to be the norm among large unionized firms in Canada (Verma and Thompson, 1989).

Employer resistance in the United States is most evident in the conduct surrounding election campaigns and the negotiation of first collective agreements. An examination of National Labor Relations Board (NLRB) data

reveal a dramatic rise in employer unfair labor practices. For example, the number of charges of employer discrimination against union supporters between 1980 and 1983 was nearly double the 1970 figure and the average annual number of reinstatement cases for 1980-1983 was nearly three times the level in 1970 (Cooke, 1985). In contrast, there has not been a sharp rise in employer unfair labor practices in Canada. Indeed, the incidence of employer misconduct in Canada is quite modest in comparison to the American pattern. For example, one study found the number of discriminatory discharge complaints per representation campaign was 25 times greater in the United States than in British Columbia and 6 times greater than in Ontario (Weiler, 1983). According to Freeman (1985), employer resistance in the United States accounts for 25 to 50 percent of the decline of union success rates in certification elections.

Whereas Canadian employers share many of the same values as their American counterparts, union-avoidance has not been widely embraced. Adams' (1981) theoretical framework suggests that the difference in employer behavior can be explained by the goals and strategies of organized labor and government. In Canada, the presence of a strong and increasingly nationalistic labor movement which supports the policies of the social democratic New Democratic Party and the acceptance of government intervention in the marketplace have profoundly influenced the industrial relations system. What appears to be a broader acceptance of unions in Canada has been influenced by a labor policy which encourages collective bargaining and makes it more difficult for employers to vigorously oppose union certification. Additionally, geographic constraints, notably the absence of low-wage, low-unionization regions comparable to the American South, may have reduced the need for union-replacement strategies among Canadian employers

(Verma and Thompson, 1989). It appears that American and Canadian employers have reacted differently to economic pressures. In Canada, the emphasis appears to be on "more cooperation by labor, management and government in search of consensus and the expansion of workers' participation by right," whereas many U.S. employers "have abandoned their commitment to unions and collective bargaining" and "rather than being embraced as a social partner, organized labor finds itself to be the object of the most forceful assault on its integrity in more than a half-century" (Adams, 1985, p.115).

Union Organizing Activity

Union growth depends on organizing new recruits to replace members lost through attrition. Previous research indicates that U.S. unions have a diminished capacity to organize (e.g. Freeman, 1985; Kochan, Katz and McKersie, 1986). Studies reveal there has been a decline in real expenditures on union organizing, the number of single elections petitioned for, and the average unit size and union success rate in certification elections. Additionally, union organizing activity has fallen sharply in those sectors experiencing employment growth, e.g., the service sector and white collar jobs. A comparative analysis (Chaison and Rose, forthcoming) indicated the level of union organizing activity, the extent of new organizing in the service industry and among white collar bargaining units, and union success rates were higher in Canada than the United States.

Rose and Chaison (forthcoming) developed new standardized measures of union organizing effectiveness to compare the performance of Canadian and American unions between 1976 and 1985. The level of union organizing activity was measured in terms of (1) the number of certification attempts per 100 union members, and (2) the number of employees attempted per 100 union

members (i.e., the potential membership growth through organizing). They found there was a sharp decline in certification activity in the United States. In addition, certification attempts per 100 members were three to four times higher in Canada, while the measure of potential union growth was two to three times higher in Canada. For both measures, the differential in union performance increased in the mid-1980s. U.S. unions also were less successful in attracting new members. Between 1976 and 1985, there was a large decrease in the number of certifications granted per 100 union members, and in net organizing gains as a percentage of union membership and as a percentage of employees attempted. Canadian unions were consistently more successful in each of these measures of organizing success.

These results suggest that differences in labor legislation and employer resistance can affect the level and success of union organizing. Considering the difficulty of recruiting new members in the United States, unions may have found it necessary to devote greater resources to protecting the interests of current members than attracting new recruits. In contrast, Canadian unions can rely on a certification procedure that minimizes employer interference and serves as a reliable method for membership expansion.

Public Opinion and National Values

Lipset (1986) argues the erosion of public support for unions is more important than socio-economic and legal structures in accounting for the thirty year decline in union density in the United States. His analysis of U.S. polling data reveals that (1) the public approval of unions has declined in tandem with union density and the certification success rate and (2) public approval measures are good predictors of union density in any

year. In a U.S.-Canadian comparison, he observes that to a major extent, "the effects of structural changes on the strength of the labor movements are mediated by diverse national values" (Lipset, 1986, p. 442).

We do not believe public opinion data assist in explaining union growth patterns in North America. Our review of Canadian opinion polls reveals there has been a long-run decline in public support for unions and that public disapproval in Canada is at least as strong as it is in the United States. However, the decline in public approval has not been associated with lower union density rates. It also is questionable whether polling results unambiguously reflect national values. Polls often reveal different images of unions. For example, while most Americans may have a poor image of organized labor, a strong majority also believe unions play a relevant and needed role (Kochan, Katz and McKersie, 1986).

Unquestionably, there are important differences in national values between the United States and Canada which may affect union density rates (e.g., an electorally viable social democratic party and public enterprise culture in Canada and the free enterprise and competitive individualism of the United States). However, considering the long-run decline in public approval of unions in both countries, it is unlikely that national values have produced such vast differences in the propensity of workers to join unions, the adoption of union-avoidance strategies by management and the legal framework. An alternative proposition is that governmental structures and political parties, more than national values, explain the divergence in union growth. According to Bruce (1989a, p. 116), "stronger labor laws, rather than more favorable attitudes, have been a more important source of Canada's greater union growth."

Conclusion

This study reveals the divergence in the union growth patterns in North America and suggests that the major determinants of this trend are differences in public policy, employer resistance, and union organizing efforts. There are two immediate implications of the widening gap in the United States - Canada union density rates. First, Canadian sections of international unions may pursue greater autonomy or outright separation from their parent bodies because of resource constraints and different priorities and opportunities for membership expansion. Second, we expect that the Canadian union certification procedure and higher density rates will become prime evidence in the case for labor law reform in the United States.

We believe that the patterns of union growth in North America and their possible determinants are symptomatic of the broader changes in the two industrial relations systems. Although a full discussion is beyond the scope of this brief paper, we note once again that United States' employers seem to have backed down from their commitment to collective bargaining. The widespread erosion of the so-called labor accord (i.e., the set of institutional, economic, political and legal relationships that form the implicit "rules of the game" in industrial relations) is apparent not only in intensified employer resistance to unionization, but is abetted by a weak legal framework. It also shows itself in the frequently proactive negotiating stance of employers that evolved from earlier rounds of concession bargaining, their greater willingness to temporarily or permanently replace strikers, their use of sophisticated union substitution strategies, often based on employee involvement programs, and their transfer or subcontracting of work from unionized to nonunion domestic and foreign facilities. In Canada the labor accord still stands; while one could always find a few

severely strained relationships, there are no major or widespread shifts in employer conduct on the bargaining or organizing fronts (Edwards and Podgursky, 1986; Adams, 1989).

It is ironic but certainly not surprising that as the United States and Canadian labor movements and industrial relations systems move further apart, they have become the subject of a new wave of comparative studies. There seems to be a growing recognition that the best perspective on the future directions of industrial relations in the United States and Canada can be gained by examining developments in the two countries simultaneously, with each serving as a benchmark for what could have been or what should have been.

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