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NEW DIRECTIONS AND DIVERGENT PATHS: THE NORTH AMERICAN LABOR MOVEMENTS IN TROUBLED TIMES

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Our recent studies traced the extent of the divergence in union growth in the United States and Canada and identified its possible determinants (e.g., Rose and Chaison, 1985; Chaison and Rose, forthcoming; Rose and Chaison, forthcoming). In this paper, we take a step beyond these works by examining the implications rather than the causes of the different growth patterns. We ask whether union performance in organizing, bargaining, and political activity has been affected by stable union membership in Canada and precipitous membership decline in the United States.

Union Membership Trends in the United States and Canada

In the United States union membership stagnated and declined over the past thirty years. The modest membership gains from 1956 to 1979, an increase of 34 percent, largely disappeared in the 1980s. Union density, measured as the proportion of wage and salary employees in unions, fell from 31.4 percent in 1956 to 16.4 percent in 1989. Since 1975 American unions lost about 5.2 million members. In contrast, Canadian unions experienced growth and stability. From 1956 to 1989, union membership increased by 192 percent (2.6 million members) and union density rose from 33.3 percent to 36.2 percent. There was a 2.7 percent increase in membership in 1989, the largest annual gain since the 1981-82 recession. In both Canada and the United States, union membership expanded in the public sector while declining in the private sector. However, the Canadian public sector density rate is now twice that of the United States and private sector density fell far faster in the United States, widening the gap between the density rates in the two countries (Labour Canada, 1989; United States Department of Labor, 1990; Chaison and Rose, forthcoming; Rose and Chaison, forthcoming).

Union Organizing

There has been a long-term decline in the number of new union members gained through the certification process of the National Labor Relations Board. This has been the result of fewer certification elections, lower union success rates and smaller units (e.g., Freeman, 1985). The 1980s proved to be exceptionally frustrating for union organizers in the United States. Whereas union success

rates showed little change, the number of annual elections and employees involved in elections dropped by about 50 percent from 1980 to 1982 and remained at the lower levels throughout the decade. From 1975 to 1981, unions in the private sector gained the rights to represent an annual average of about 157,000 workers through certification elections. The annual average for 1982 to 1987 was only 73,000 members, an almost inconsequential addition to the 10.7 to 12 million private sector union members during that period. This recent decline in organizing activity has been attributed to greatly intensified employer opposition to unionization and the scarce financial resources and staff that unions with suddenly reduced memberships are able to devote to organizing (Chaison and Dhavale, 1990).

In contrast to their American counterparts, Canadian unions have been active and successful in organizing. We found that from 1976 to 1985: (1) the number of certifications attempted and the number of employees unions attempted to organize were two to four times greater in Ontario than in the United States (after adjusting for differences in the size of labor movements); (2) net organizing gains as a percent of union membership (and as a percent of employees attempted) were significantly greater in Ontario than in the United States; and (3) Canadian unions were more active in organizing in the service sector and among white collar and professional and technical workers (Rose and Chaison, forthcoming). Prior research suggests that the higher organizing activity and success in Canada is caused by the interaction of lower employer resistance to unionization and more favorable labor legislation (e.g., determining certification on the basis of signed membership cards or expedited elections and stronger labor board remedies to discourage employer misconduct during organizing campaigns) (Chaison and Rose, forthcoming).

The collapse of union organizing in the United States accelerated the decline in union density as unions failed to offset attrition in membership or keep pace with the expansion of the labor force. In Canada, union membership in the 1980s continued to expand, but not as rapidly as the labor force. This resulted in a modest decline in union density in Canada, but did not create a organizing crisis in the labor movement. Canadian unions still assign a major role to certification elections in their growth strategies. In contrast, American unions were required to do some serious soul searching. Discouraged

by their experiences with the high costs and low yields of the certification process, several unions began exploring alternative organizing strategies, ranging from such variants of traditional organizing as corporate campaigns and internal organizing drives to absorptions of local independent unions and the recruitment of associate members. These approaches may have resulted in membership gains for a few unions, (e.g., the United Food and Commercial Workers and the Communications Workers), but they appear to have had little impact on the aggregate level of union membership.

Collective Bargaining

Although recent wage settlements have been quite modest in both the United States and Canada and below the rate of inflation following the 1981-82 recession, there are indications that Canadian unions achieved more favorable bargaining outcomes. While data from the surveys of Labour Canada, the U.S. Bureau of Labor Statistics, and the Bureau of National Affairs are not strictly comparable, they do indicate that concession bargaining was far less pronounced in Canada. For example, in Canada the proportion of employees covered by major settlements (500+ employees) that received wage cuts or freezes peaked at 26 percent in 1984 and fell steadily to 2 percent in 1987 and 1 percent in 1988. The proportion of American workers covered by major settlements (1000+ employees) receiving wage cuts or freezes peaked at 41 percent in 1982, declined briefly before rising to 39 percent in 1985, and then declined to 18 percent in 1988. Also, only about 2 percent (1982-1987) of collective agreements negotiated in Canada established two-tiered wage systems compared to 8 percent (1983-1988) in the United States. Additionally, lump-sum payments were far less prevalent in Canada (about 12 percent of Canadian agreements and 33 percent of American agreements negotiated from 1986 to 1988 provided lump-sum payments (Bell, 1989; Courchene, 1990)).

How do we account for these differences in bargaining outcomes in the 1980s? To some extent they may reflect differences in economic conditions. However, whereas higher inflation rates in Canada may have justified higher settlements, Canada also experienced higher unemployment. A recent analysis by Bell (1989) concludes that economic conditions by themselves could not fully explain the trend in union

concessions in the United States in the 1980s. In particular, the continuation of concession bargaining into the later stages of economic expansion is a reflection of the erosion of bargaining strength of unions. This seems to be confirmed by our comparison of recent bargaining outcomes in North America. We believe that the significant differences in the incidence of concession bargaining in Canada and the United States can be attributed to the relative institutional stability and strength of the two labor movements. For example, it is noteworthy that at its 1982 convention the Canadian Labour Congress rejected wage concessions as a quid pro quo for job security and unanimously adopted a "no concessions" policy. In contrast, American unions have been divided from their highest to lowest levels on the appropriateness of concession bargaining and the necessary quid pro quos from employers.

An important legacy of the past recession in the United States is increased employer assertiveness and belligerence in negotiations. Freeman's (1989) description of the intense employer resistance to union organizing applies equally to negotiations. Put simply, American management seems to have declared war on unions because of the rising cost of unionism, i.e., the growth of the union wage premium in the 1970s, greater product market competition, and the development of a market-oriented ideology in which managers view unions solely as impediments to flexibility. Canadian employers claim they have experienced the same competitive pressures as their American counterparts. In particular, they have stressed the need to increase flexibility and productivity, change restrictive work rules, and cut labor costs. However, rather than promoting union replacement, Canadian employers have pursued these objectives at the bargaining table and emphasized the importance of reducing adversarialism (e.g., Benimadhu and Paris, 1989). Verma and Thompson (1989) believe that this orientation is shaped by geography (i.e., the absence of low wage/low unionization regions), the presence of a stable and militant labor movement, the restrictions on employers' options imposed by legislation that provides substantial protection for organizing, bargaining and striking employees, and managements' choice to work within the collective bargaining process as opposed to striving for a union-free environment.

In the United States, some employee involvement programs and other workplace innovations were introduced during the past decade, often as quid pro quos for wage, benefit, and workrule concessions.

Canadian union officers and members are quite skeptical about these arrangements. They consider them to be unacceptable deviations from traditional collective bargaining that do not provide significant employee empowerment. While there has been a recent increase in the occurrence of job enrichment programs, semi-autonomous workgroups, quality circles and joint problem-solving groups in Canada, these arrangements are still not commonplace in the unionized sector of either Canada or the United States (Long, 1989; Arrowsmith and Courchene, 1990). Moreover, as Kochan (1989, p. 30) observes: "neither labor movement has developed a coherent and visible program for promoting, supporting, and diffusing [workplace innovations]".

The gradual lessening of the intensity of concession bargaining in the United States (Mitchell, 1989) suggests a certain resiliency, albeit of a defensive nature, in collective bargaining. Over the next decade we expect that American unions, confronting increased management assertiveness, will become preoccupied with the protection of past gains. Bargaining will increasingly focus on issues of job security (e.g., continuous employment and retraining programs, and restrictions on plant closings and outsourcing) and preventing further erosion of benefits, most notably the resistance to increased employee cost-sharing of health care benefits. Canadian unions, with greater institutional strength and facing fewer challenges to their bargaining status, should be able to select their bargaining issues from a broader agenda (Kochan, 1989). Indeed, among the important negotiated breakthroughs achieved in the 1980s were improvements in paid maternity leave in the public sector and pension indexing in the private sector.

Political Activities

The turning point in union political influence in the United States was the defeat of the labor law reform bill in 1978. The proposed legislation would have strengthened and expedited the certification process and curbed employer conduct during election campaigns. A subsequent setback was the rejection of Walter Mondale in 1984, the early and strongly endorsed choice of the labor movement. These events forced the AFL-CIO and many of its affiliates to reappraise their political role, to

strengthen their political departments and to improve relationships with congressional leaders (Bureau of National Affairs, 1989).

Presently, there is little chance of the passage of labor reform legislation similar to that of 1978 or bills dealing with issues that are specific to unions and their members, such as restrictions on double-breasting in the construction industry or the use of strikebreakers (Bureau of National Affairs, 1989; Freeman, 1989). Conscious of insufficient Congressional support for these issues, unions have redirected their efforts toward legislation which affects the broader workforce. For example, their recent victories in the areas of plant closings and polygraph testing were made possible because Congress concurred with the values inherent in the legislation. Hurd (1989, p. 5) concludes that "organized labor's recent success is directly related to the increased social responsibility of its political initiatives".

Canadian unions have been considerably more effective than American unions in political activities. Bruce (1989) believes that labor laws favorable to unions were passed in Canada primarily because of the rise and institutionalization of a social democratic party, the New Democratic Party (NDP), within a highly federalized parliamentary system. This forced the Conservative and Liberal parties to become "progressive conservative" parties that introduced pro-union legislation when they lacked strong majorities and needed support from labor or the NDP. The result was both continuing reform of collective bargaining legislation and laws promoting workers' rights and interests generally. For example, legislation favorable to union organizing and collective bargaining in the 1980s included the extension of bargaining rights to parliamentary employees in Ottawa, first-contract arbitration, compulsory dues checkoff clauses in collective agreements, and the establishment of expedited grievance arbitration procedures. More generally, the 1980s witnessed improvements in health and safety legislation, the introduction of pay equity laws (including the private sector in Ontario), and regular improvements in minimum wages. It is worth noting that most jurisdictions in Canada revised their minimum wage three or more times in the 1980s, improving the minimum wage range from $3.00-$4.00 to $4.00-$5.00 (excluding the Territories). In contrast, the U.S. minimum wage has been raised but once in the last decade and is below the lowest minimum wage in Canada.

As we noted above, in Canada the existence of a social democratic party with a close labor affiliation is related to the effectiveness of collective bargaining laws and union growth. In the American context, AFL-CIO affiliation with the Democratic party might prove problematic, given the antipathy of southern Democrats to much of organized labor's political agenda. The merits of political affiliation often have been questioned, even within the Canadian labor movement. Some critics note that union members regularly vote for Liberals and Conservatives and that the ability to attract new recruits, notably white collar and service employees, is impeded by organized labor's support for the political left. Although serious concerns were expressed about the NDP's handling of the free-trade issue in the 1988 federal election, the Canadian Labour Congress recently reaffirmed its alliance with the NDP on the basis that it is the only political party which supports the interests of working people (Coutts, 1990).

An alternative and longer-run strategy for the American labor movement would be to develop coalitions with interest groups pursuing broader changes in social and economic policy. Such a strategy, however, would require some reassessment of the relative importance of collective bargaining and political action for achieving workers' interests. As Kochan (1988, p. 185) observes, the tradition has been to emphasize business unionism and remain "relatively pragmatic or agnostic with respect to political strategies and alliances". Central to the development of an effective political strategy would be the need to greatly increase voter participation among lower income and occupational status groups. As Bruce (1989, p. 132) points out, "greater electoral mobilization of working-class and poor people in Canada in turn creates additional incentives for major party politicians to bid for their support". As an alternative to political affiliation, this approach would allow labor to remain true to its philosophy of "rewarding friends and punishing enemies" while also pursuing its broader political agenda. It might also increase labor's political influence to eventually achieve labor law reform.

Conclusion

Our analysis suggests that the divergence in union growth in North America has affected union performance in organizing, bargaining and political activities. The American labor movement has a

clearly diminished ability to recruit new members, to counter management's new assertiveness in bargaining, and to develop sufficient political influence to achieve labor law reform. In contrast, the strength and vitality of the Canadian labor movement has been reflected in greater organizing activity and success, widespread rejection of concession bargaining and prowess in achieving legislative goals.

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