

Unions in canada

[Countries](#), [Canada](#)



Abstract Unions have been struggling in Canada's current economy. The rate of workers joining unions is on a downward slide, noticeably so in the public sector, despite the fact the unions helped to stabilize and grow the economy in the past. Due to the current economic turmoil, unions have had to resort to strategies that will allow them to lower operating costs and compete with global competitors. Although unions are facing difficulties, they are still of benefit to workers.

History of Unions in Canada and their Effects on the Economy Unions have been apart of Canadian history since the early 1800's. Records show tradesmen in the Maritimes having unions during the war of 1812 despite such organizations not being legalized in Canada until 1872 (Maple Leaf Web). Approximately 31% of all workers in Canada belong to unions (United Food and Commercial Workers Canada)(Canadian Labour Congress).

The public sector - including schools, hospitals, and crown corporations - have a unionization rate of 71%, while in the private sector the rate is 16% and falling (Canadian Broadcasting Corporation, 2012). Historians have credited the growth in Canada's middle-class to unions because they offered higher wages and job security, which allowed for members to have extra income to spend on commodities such houses, clothing, cars, etcetera. This increased the demand for those items, and helped grow and stabilize the economy (United Food and Commercial Workers Canada).

Although unions were of benefit in the past, membership has been on a 30-year decline (Figure 1) and the usefulness of such organizations has come into question due to unionized workers pay and benefits lagging behind workers who are non-unionized (Canadian Broadcasting Corporation, 2012).

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This report will cover the history of unions in Canada, and their impact on the Canadian economy. The factors covered suggest that unions are still of benefit at the present. History of Unions in Canada The Canadian union movement was influenced by Britain and the United States (Class Net)(Maple Leaf Web).

British tradesmen brought over the tradition of the organizations and caused several British unions to open branches in Canada. However, unions weren't legalized in Canada until 1872 after the Toronto Printers' Strike (workers were protesting for nine-hour work days), and the first national labour organization was the Trades and Labour Congress of Canada (TLC), which was formed in 1873 (Maple Leaf Web). Early legislation of unions was derived from the British structure, while the current legislation has been developed from post-World War 2 United States unions (Class Net).

Members have historically been those in the trades - electricians, miners, construction workers, etc -, nursing, teaching, journalism, artistic fields, and athletics (United Food and Commercial Workers Canada). Unions and the Economy In the past unions helped stabilize and grow the economy by decreasing the divide between rich and poor. In current economic times, unionization rates have fallen (Figure 1) causing the pay difference between unionized and non-unionized workers to grow (Figure 2) (Mine Mill 598).

This has resulted in workers not having the excess income to spend to help the economy recover, or the money to pay extra taxes to support public services such as schools, roads, and healthcare. Despite this difference, United Food and Commercial Workers Canada (UFCW) has stated that even workers who have never belonged to a union have benefited by their

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existence, and that Canada is one of the top five most prosperous countries in the world because of them (United Food and Commercial Workers Canada).

The Canadian Labour Congress (CLC) states that union members earn almost \$7 per hour more than non-unionized workers, and that number increases to \$7.95 per hour for many women. They also state that 88.5% of members receive benefits not related to wage, such as prescription drugs and dental plans, and that 92.3% of large workplaces have pension plans, whereas only 68.4% of non-unionized workplaces have them. For small, non-unionized workplaces, 31.1% offered health-related benefits, and only 12.5% had pension plans. In small workplaces that were unionized, those numbers climb to 47.6% and 34.0% respectively (Canadian Labour Congress). However, due to global rivals in various fields of work operating at lower costs, Canadian unions have begun to implement two-tier wages; a technique that was used in the 1980s and 1990s. It involves workers under new contracts to start at lower wages than previously contracted members. New workers will be on par with existing workers after 10 years, though some industries - the auto manufacturing industry, for example - have fought to ensure new workers never converge with current employees' wages. It is believed such strategies will be common in the future (Globe and Mail, 2012).

Conclusion Unions were extremely beneficial for workers when they were first introduced due to the bonuses they offered, increased wages, job security, and the effects such extras would have on the overall economy. In the current economy unions are viewed as unneeded, which has stemmed

the decline in unionization rates and prevented the organizations from being as useful as they could be. Unions are facing struggles in the current economy, but despite such troubles they are still of use in the present because their impact reaches further than just their members, and helps to stabilize the economy.

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