

Have Labour Unions Outlived their Usefulness? – You be the Judge

By Marcel Faggioni & Ryan Coles

Opinions towards unions have always been varied and in some cases extreme, with people sitting on either side of the fence. The importance of unions in history can not be denied; however in recent years, we have seen more and more articles written on the withering popularity of labour unions. With greater legislation in place to protect workers and employers focusing more on employee needs leads to the question of whether or not labour unions, as we know them, have outlived their usefulness.

The answer to that question does not come easily. A discussion paper issued from the notable Industrial Relations at Queen's University demonstrates just how complex this topic truly is. The paper looks at trends in union membership over the past 25 years and points out that over this time period union membership has steadily increased. This is reinforced by Statistics Canada who state that from 1997 to 2007, union membership increased by 18.8% or by 660,000 members. While these appear to be impressive gains, these numbers can be seen as deceiving since over this same period, union density has decreased, from approximately 38% in the 1980's to under 30% in 2007. The former statement seems to demonstrate that unions are indeed growing and therefore gaining popularity, while the latter figures appears to be supporting the contention that in fact unions are not as popular as they once were. The research, upon which the article is written, suggests that overall union density within the Canadian labour market has been diluted with the increase in the number of non-union employees in the workforce. This trend is especially pronounced among private sector employers. In fact, the reduction in union density in the private sector continues to escalate in an unabated fashion. Union density measures the number of unionized workers within the overall workforce. The reduction in union density is even more pronounced in the United States, where the losses union membership has been staggering. Even so, the article points out that union density has been increasing amongst public sector workers, non-traditional workers (in the retail, financial services and food services sectors), as well amongst youth and women. So these facts lead us to ask the focal question, why are such trends occurring?

Much has been written on the pros and cons of the unionism in Canada, with both camps on the topic being clearly divided in terms of their views on the matter. Those that support the union movement point to a number of benefits attributed to the labour movement. These union advocates suggest that unions, through their social unionism movement, have contributed positively the increasing the standard of living of not only union members but also that of non-union workers. Some have also argued that social unionism has improved the legislative frameworks under which employees are afforded greater protection on a number of fronts, including job security and the like. They typically point to improvements and continuing improvements in a number of laws in the realm of health & safety, human rights, employment standards, pay/employment equity, just to name a few. Others contend that unions have ensured that workers are provided with an effective voice on the political stage with the lobbying efforts of the various unions and labour federations. Proponents of the labour movement contend that unions

have created a greater power balance between the interests of employers with those of its workers. They go on to argue that without unions, workers (unionized and union-free) would be relegated to the Stone Age in terms of their rights.

On the other end of the spectrum, those who do not support unionism point to the unions' negative economic impact on the economy. Some argue that unions are in large part to blame for increasing rates of inflation due to their inflated demands for exorbitant wage and benefit increases. They contend that unions artificially interfere with natural economic market forces, which in turn creates an economic imbalance in terms of our country's ability to maintain a competitive advantage on a global scale. In regards to public unions, these opponents to the union movement argue that increasing taxes and user-fees on all levels of government are affected by higher compensation settlements between governments and their respective unions. Some also assert that union have become too strong and can hold various sectors of our economy hostage while they seek out unreasonable compensation packages. Many of these opponents also point to the fact that unions breed a certain element of defiance among its bargaining unit members, which in turns translates itself into lower overall levels of productivity, increased rates of questionable absenteeism and general workplace dissension. Others have also argued that unions are no longer as involved in social unionism but rather their focus has shifted more in line with business unionism. This shift arguably has effectively turned unions away from their democratic philosophical roots and driven them to become more interested in increasing membership for the purpose of collecting more dues. They point to the fact that traditional unions have had to diversify its membership base by reaching out into other non-traditional sectors. An example often cited is the United Steelworkers' proliferation into non-mining sectors. Ultimately, opponents to unionism argue that unions have become redundant and are no longer required due to the number of employment-related laws protecting every aspect of the modern workplace.

Regardless of which side of the fence you sit on in regards of the union movement, one could only speculate as to the current reality facing the union movement here and abroad. Those in favour of unions continue to attribute improvements in legislation and protection for employees to the impact of unions while, in more recent months, the economic meltdown in our global economy has been used by the opponents to the union movement to bolster their position on unionism. Some point specifically to the battered North American auto industry and attribute its failure to maintain its competitive edge to over-inflated compensation packages afforded to its unionized workforce. They argue that unions, such as the CAW and UAW, have made such exaggerated compensation demands on the big three auto maker industry over the years that they have effectively priced themselves out of the market. According to some auto industry analysts, the compensation package of unionized workers with the big three (GM, Ford and Chrysler) is generally about 35% higher than that of union-free North American auto workers at other companies, such as Honda, Toyota, and Nissan. Meanwhile others argue that it was not the union that caused the current collapse of the North American auto industry, but instead the overconfidence and poor strategic directions of the companies themselves. In a sense, there are always two sides to every coin.

Looking at our current turbulent economic times, there is no doubt that our changing economy will have some bearing on the very survival of the union movement as we know it. In the grand scheme of things, unions will have to collaborate with employers to ensure that both parties share long-term success and viability. Unions will have to take a long-sighted view and will have to temper their demands accordingly. Without a change in perspective in ensuring long-term survivability, the union movement could potentially dwindle to nothingness, especially in the private sector. Unions can't lose sight of the fact their existence is directly related to the survival of employers. Without employers, unions cannot exist. It comes down to the proverbial "Chicken and the egg" analogy.