



## Trends in Unionization... in Canada and the Wider World

### Highlights

- As global competition has increased and jobs have migrated from manufacturing and other goods-producing industries toward services, the share of the workforce that belongs to a union (“union density”) has trended lower in most advanced economies. Australia, Austria, Sweden, Germany, Ireland and the Netherlands are among the developed countries that have seen particularly steep declines in the overall rate of unionization in the 2000s.
- Unionization has been relatively stable in Canada since 1999, but it has fallen significantly in the past four decades, dropping from 37.6% in 1981 to slightly less than 29% by 2014.
- Over time, the union movement in Canada (including BC) has become increasingly concentrated in the public sector. More than 70% of employees in the broad Canadian public sector now belong to unions, whereas in the private sector less than one-fifth of workers hold union membership cards.
- The growing importance of the public sector within the Canadian union movement has resulted in women comprising a larger fraction of all unionized workers – a development that reflects the strong presence of women in many public sector jobs. Since the early 1980s, the rate of unionization among women in Canada has been relatively stable, even as it has fallen sharply among men.
- Union density in Canada continues to be positively correlated with age. A worker aged 45 to 64 is two-and-a-half times as likely to be a union member as a young worker aged 17 to 24.
- The rate of unionization in British Columbia is now almost identical to the national average. Since 1981 the decrease in union density in BC has exceeded that in other provinces, with most of the decline occurring in the 1980s and 1990s.

In many industrial countries the union movement is struggling to adapt to the accelerating pace of economic and technological change and related shifts in business practices, the structure of employment, and demographics. As jobs have migrated from manufacturing, resources and other goods-producing industries toward services, “union density” – the share of the workforce that belongs to a union – has been under downward pressure. The steady growth of cross-border trade and capital flows and the continued proliferation of global supply chains have also created

challenges for organized labour. Overall, unions across the developed world have seen their bargaining power diminish, particularly in industry sectors that are exposed to international competition.

Canada and British Columbia have not been immune to these trends. But since the start of the millennium, the labour movement in Canada has been more successful in sustaining its “market share” than its counterparts in many other jurisdictions. The legal and institutional environment affecting union activity differs across the advanced

economies, as does the industrial structure, and these factors may partly explain cross-national variations in the role and influence of trade unions within the labour market.

### **International Trends**

Table 1 provides estimates of union density among wage/salary earners for most of the countries that belong to the Organization for Economic Cooperation and Development (OECD), over the period 1999 to 2013. The data are collected and updated by the OECD on an annual basis. Union density has trended lower in most OECD member countries. However, Canada stands out as one of the exceptions, with aggregate density remaining essentially flat at 27-28% since 1999. This must be counted as an achievement for the Canadian union movement, considering the significant fall-off in density in many other countries over the same period and the common pressures facing unions as a result of industrial change, increased global competition, and technological innovation.

The slide in union density is fairly widespread in the developed world. Australia, Austria, Sweden, Germany, Ireland, and the Netherlands are among the countries that have experienced particularly sharp drops since 1999. The rate of unionization has continued to edge down in the United States, but density there was already unusually low even 25 years ago. Trade unions now loom largest in the labour markets of Sweden, Finland, Belgium, Italy,

and Ireland.<sup>1</sup> For the OECD as a whole, union density has decreased by almost one-fifth since the late 1990s, dipping from ~21% of the workforce in 1999 to ~17% by 2013. Union density in Canada is now significantly above the average for all industrial countries as a group.

	<b>1999</b>	<b>2006</b>	<b>2013</b>
Australia	25.4%	20.2%	17.0%
Austria	37.4%	31.0%	27.4%
Belgium	54.3%	54.8%	55.0%
Canada	28.0%	27.4%	27.2%
Finland	76.3%	70.4%	68.6%*
France**	8.1%	7.6%	7.7%*
Germany	25.3%	20.7%	17.7%
Ireland	38.7%	32.4%	29.6%
Italy	35.4%	33.2%	36.9%
Japan	22.2%	18.3%	17.8%
Netherlands	24.7%	20.0%	17.6%
New Zealand	21.7%	21.2%	19.4%
Sweden	80.6%	75.1%	67.7%
Switzerland	20.9%	18.9%	16.2%*
UK	30.1%	28.1%	25.4%
US	13.4%	11.5%	10.8%
<b>OECD</b>	<b>20.8%</b>	<b>18.1%</b>	<b>16.9%</b>

\* 2012  
 \*\* See the footnote of the accompanying text for more details on the somewhat unusual situation in France.

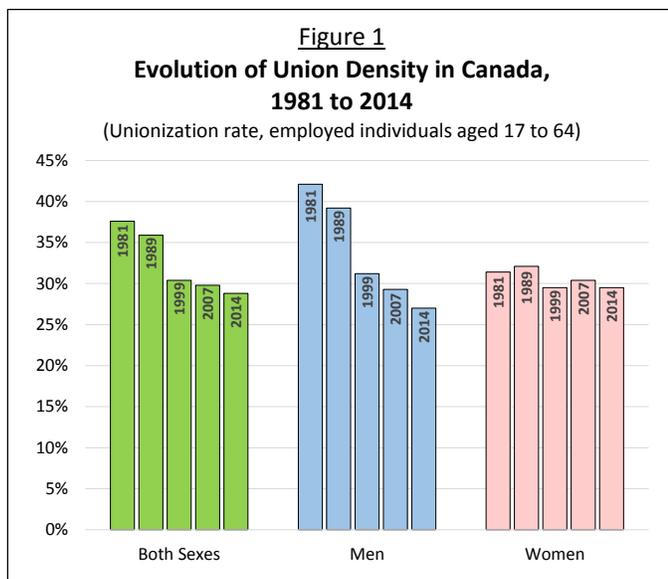
Source: OECD. See:  
[http://stats.oecd.org/index.aspx?DataSetCode+UN\\_DEN](http://stats.oecd.org/index.aspx?DataSetCode+UN_DEN)

<sup>1</sup> The low rate of unionization in France understates the influence of organized labour in the country's economy and labour market. Although reported density is low, by law and custom the agreements reached between trade unions and employers often strongly shape the terms and conditions of

employment in sectors and firms where unions are either not represented or have only a weak presence. See L. Fulton, "Worker representation in Europe," European Trade Union Institute, 2013, available on-line at: [www.worker-participation.eu/National-Industrial-Relations](http://www.worker-participation.eu/National-Industrial-Relations).

### **A Closer Look at Canada**

However, taking a somewhat longer-term perspective, it is evident that unions have also lost ground in Canada, especially since the early 1980s, even if they did manage to approximately maintain their position in the labour market in the past dozen or so years.<sup>2</sup> Figure 1 below depicts unionization rates for men, women and both genders combined from 1981 through 2014, based on data collected by Statistics Canada. As shown, union destiny has slumped for men but been quite stable for women. In total, the share of the Canadian workforce that is classified as unionized has shrunk by slightly less than one-quarter since 1981.<sup>3</sup>



It is worth asking why the rate of unionization has held up so much better among women than men. The main reason is a big jump in employment in certain sectors of the economy that are disproportionately unionized, and where

<sup>2</sup> D. Galarneau and T. Sohn, “Long-term trends in unionization,” Statistics Canada, *Insights on Canadian Society*, November 2013.

women are particularly well represented in the workforce: health care, education and social services. The public sector, where union density exceeds 70%, today is home to well over half of all Canadian union members, and women comprise a majority of employees in most parts of the public sector. In contrast, men account for the bulk of employment in industries which have seen the steepest drops in union density – and most such industries are part of the broad manufacturing sector.

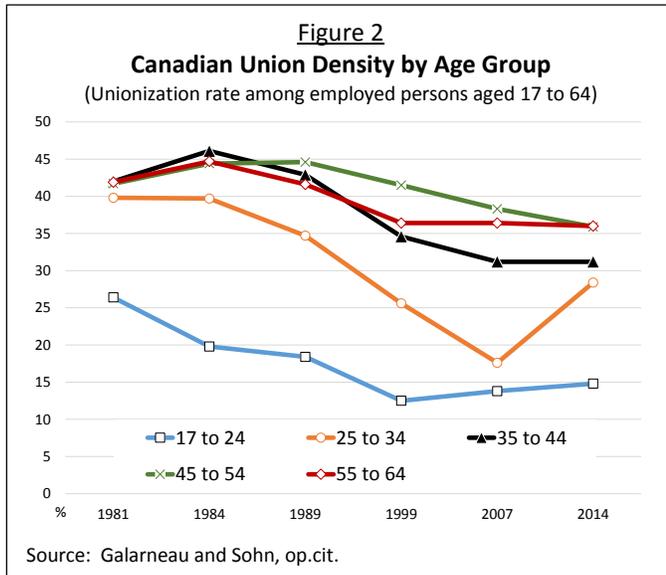
As a result, the unionization rate among men in Canada, which was 11 percentage points higher than that among women in 1981, is now two percentage points below the rate for women – a remarkable shift, one that underscores the growing feminization of the Canadian trade union movement.

Union density also varies by age, typically increasing as workers get older (see Figure 2). In 2012, an employed Canadian aged 45 to 64 was almost two-and-one-half times more likely to be a union member than a young worker aged 17 to 24. The decline in union density among men since the early 1980s spans all age categories but was most pronounced in the 25-34 and 35-44 groups (down by ~17 percentage points for both groups between 1981 and 2012). Unionization has also generally trended lower among young women since the early 1980s but it posted a small gain in the 2000s.

With density hovering a bit below 30% and relatively stable of late, unions remain an important factor in the Canadian labour

<sup>3</sup> According to Statistics Canada, density was 37.9% in 1981 and 28.8% in 2014.

market. Nationally, some 4.7 million workers are covered by collective agreements of one kind or another.<sup>4</sup> That gives the Canadian union movement significant economic and political clout, even if organized labour's overall power has dwindled compared to the 1960s and 1970s.



For unions, the picture in British Columbia is similar to that in Canada. Union density in BC currently sits very close to the Canadian average, a majority of BC union members work in the public sector, and women have been expanding their presence within the ranks of organized labour in the province. Since the early 1980s, British Columbia has recorded the biggest fall-off in unionization among the ten provinces (down by almost 14 percentage points), with most of the decline occurring in the 1980s and 1990s.<sup>5</sup>

<sup>4</sup> Employment and Social Development Canada, "Overview of collective bargaining in Canada, 2013,"

### **What the Future Holds**

Globally, the trade union movement will find it hard to reverse the downward trend in density seen in most advanced economies, although the rate of unionization may stabilize in some jurisdictions. In North America, it is conceivable that mounting public and political concern over income inequality and the proliferation of low-paid jobs in some sectors could help to re-energize organized labour. However, the growing concentration of union membership in the public sector may militate against a revival of unions in a broad sense. After all, historically the principal goal of trade unions was to boost labour's share of income, relative to the share accruing to businesses and the owners of capital. There is an underlying logic to this dynamic in the context of the private sector economy. But it doesn't really fit the situation in the public sector, where the main focus of unions has been on transferring more income from taxpayers to their members. In this respect, the interests and priorities of unions rooted in the public sector would seem to differ from those based in the private sector – and this difference is likely to persist.

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<sup>5</sup> Galarneau and Sohn, op. cit.