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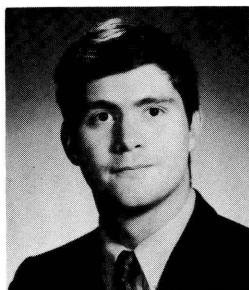
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THE CHANGING FACE OF THE CANADIAN LABOR MOVEMENT

Gunnar T. Miller



Introduction

The decline of the U.S. labor movement has been the topic of a great deal of research and debate in both industry and academia. Analysis in this area is difficult because there are few industrial relations systems analogous to that which exists in the U.S. In order to gain a better perspective on the state of American unions, one might simultaneously investigate a labor movement which is significantly different, in a country with an economic structure similar to that in the U.S. The Canadian labor situation fits these criteria, and many researchers have initiated investigations into the labor economy of our neighbors to the North in an effort to better understand that of the U.S. (Rose and Chaison, p. 109).

A common misconception exists that Canadian social and political attitudes are the same as in the U.S. It is easy to see why this belief is prevalent because the two cultures overlap to a great extent, primarily as a result of common heritage and geographical proximity. Also, the U.S. has played a vital role in shaping

the process of Canadian industrialization, unionization and the rate and pattern of economic growth (Jamieson, p. 1). Because of this U.S. influence, a great number of Canadian union members are affiliated with "international" unions based in the U.S. This has encouraged the evolution of similar labor policy frameworks in both countries. In fact, Canadian collective bargaining practices, union structures, organization and institutions seem almost indistinguishable from those in the U.S. These similarities have prompted some observers to group the U.S. and Canada into a "coherent North American industrial relations system." While this assumption may have been valid twenty years ago, the recessionary periods of the 1970s and 1980s caused the evolution of a distinctly Canadian approach to labor relations (Adams, p. 115). Recently, the Canadian labor movement has exhibited a remarkable divergence from the U.S. in both ideology and practice, which provides an excellent opportunity to view the state of the U.S. labor movement from a different perspective. Through a study of

the causes and consequences of these divergent trends, it is possible to draw more accurate conclusions about the future of the U.S. labor movement.

In this paper I will investigate the factors which differentiate the Canadian labor movement from the U.S. labor movement. I will begin with the key fact which provides the starting point for an investigation into this subject: even though the U.S. and Canada are similar in many social and economic respects, Canadian labor unions have been considerably more successful than U.S. unions in the last twenty years in increasing their membership. Purely economic variables, such as demographics, natural resources and market factors, are partially responsible, but still do not entirely explain this disparity. Public policy, innovations in labor law and differences in political structure are important factors as well, but these are manifestations of a more basic causality. In the course of this paper, I will touch upon these issues in order to set the stage for what I see as the most crucial factor behind the divergence of the Canadian labor movement.

It is a widely held opinion among Canadian unionists that the types of programs which have resulted in the decline of U.S. unionism, such as concessionary bargaining, give-back plans, and other management initiated bargaining strategies, are inherently undemocratic. My investigation will focus on the resistance of Canadian labor to concessionary bargaining and the move toward Canadian union autonomy. This particular aspect of the subject area raises some interesting questions about aspects of Canadian society which extend beyond the realm of labor economics. Is the Canadian sense of the worker's role in a successful industrial democracy stronger or more ideological than in the U.S.? Is Canadian labor's economic reasoning sound? And what ramifications will this sentiment have on the future of the Canadian economy, especially when the very motivation behind the current decline of American unionism is the desire of U.S. firms to become competitive once again in the world market?

Background on the Canadian Labor Economy

Unionization Trends: Canada Outperforms the U.S.

In the period 1956-1980, U.S. union membership expanded 14.8 percent (Rose and Chaison, p. 97), with peak membership in 1974 (Meltz, p. 2). But unions failed to grow as fast as the U.S. labor force, and as a result union membership as a proportion of nonagricultural employment declined from 33.4 to 23.6 percent. While this might not seem a large decline, changes in union density for individual industries show even more dramatic losses in membership. In the construction industry, union density (the proportion of workers in an industry who are union members) dropped to approximately 35 percent by 1980, compared to a 1968 level of 71 percent.

In Canada, however, union growth during this same period has been vigorous. Between 1956 and 1980 there was a 150 percent increase in union membership (Rose and Chaison, pp. 97-100). By 1982, 39 percent of Canadian non-agricultural workers were unionized (Meltz, p. 5) and by 1986 this figure reached 40 percent (Lipset, p. 26). While much of this growth was in the public sector, a surprising amount of this growth occurred in the private sector also. In fact, Canadian branches of "international" unions grew faster than their American counterparts, increasing 64 percent between 1956 and 1980. This was especially true during the 1974-75 recession, which saw serious U.S. union membership declines (Rose and Chaison, pp. 97-100).

An important indicator of the relative success of a labor movement is the percentage of labor representation elections won by unions. Although Canadian certification data are not as readily aggregated as those of the U.S. due to the more decentralized provincial Canadian industrial relations system, analysis of available data shows unambiguously the Canadian labor movement's relative success in this regard (Rose and Chaison, pp. 100-101). Currently, U.S. unions lose in excess of 55 percent of their certification elections (Lipset, p. 26). In

contrast, Canadian unions win almost 60 percent of their certification elections, with no sign of a downward trend (Rose and Chaison, p. 102). This may not seem to be a substantial difference until one realizes that in the U.S. representation elections are called after at least 30 percent of the employees sign a petition, while in Canada, unions are certified after they prove that they have enrolled 50 to 60 percent of a company's employees as members (Lipset p. 26). Therefore, despite the greater difficulty in calling representation elections in Canada, Canadian unions flourish. In summary, regardless of the measurements used, Canadian union membership is growing while U.S. union membership is on the decline.

Historical Overview: Surprisingly Difficult Obstacles

The above findings indicate that Canadian unions seem to have picked up momentum at the same time that U.S. unions have lost it. This is a rather surprising trend in light of Canadian labor history, which has long been characterized by an inhospitable climate for unionization. Historically, Canadian employers were in a stronger position to resist union demands and were less willing to make concessions. Canadian labor law focused on preventing strike actions and maintaining the status quo. As a result, Canadian workers seemed less able or willing than their American counterparts to organize and aggressively pursue their objectives, and violence and militancy were rare.

The differences between the U.S. and Canadian labor movements were the result of many structural factors. Canada's topography, climate and resources led to the development of a smaller, less diversified, and more centralized economy. Its heavy reliance on foreign trade, especially on the exportation of raw materials, resulted in an economy which is inherently less stable than that of the U.S. The Canadian economy has also been susceptible to strong seasonal fluctuations in income and employment, which have contributed to the weakness of the union movement. Still another factor—one which is often overlooked—is that Canada retained its status as a British

colony for a much longer period of time than the U.S. It thus adopted many of the British traditions of law and order instead of the more volatile revolutionary and frontier traditions endemic to American culture. These British traditions have been reflected in employer resistance to union demands. They have been further strengthened by the limited employment opportunities available to the Canadian worker due to the more highly centralized nature of Canadian business and industry. This centralization came about as the result of the government policy of granting monopolistic and oligopolistic power to certain key industries through cash or land subsidies in order to stimulate economic growth.

For many years, Canadian unions were relegated to industries requiring skilled labor, primarily due to immigration patterns which caused a great deal of turnover of relatively unskilled workers. A notable trend was the emigration to the U.S. of many Canadians, which may have prevented labor unrest by drawing more aggressive or unhappy workers to America. Cultural differences, regional factionalism and inter-union rivalry were further impediments to union organization efforts in Canada (Jamieson, pp. 3-9).

In addition to these unique structural factors which had long hindered the growth of Canadian unions, the Canadian labor movement has faced other difficulties similar to those faced by the U.S. labor movement. These difficulties include an inability to achieve a major breakthrough in the organization of the growing service sector, a declining public image, and the trends toward conservatism in government and uncooperativeness in management (Miller, pp. 38-39).

Canadian observers in the late 'seventies and early 'eighties have argued that although the aggregate levels of union growth and density are higher than in the U.S., it is still the case that only 40 percent of potential union members are organized. Moreover, white collar workers are rapidly emerging as the fastest growing element of the labor force, representing more than 50 percent of Canadian workers; and their numbers are increasing twice as fast as those of manual workers. The white collar

group is, however, the least organized of all Canadian workers, especially in the private sector (Bain, p. 529). Meanwhile, the five largest private sector industrial unions lost 72,000 members in 1982 alone (Neil, p. 64). These developments are significant, because it appears unlikely that manufacturing will regain its lead over the service sector as Canada moves toward a service economy.

Compounding these problems are public attitudes toward unions. A recent survey revealed that 42 percent of Canadians feel that trade unions are a negative force in the Canadian economy, as opposed to only 15 percent who felt this way in the early 'fifties (Neil, p. 64). Another recent poll revealed that 35 percent of Canadians are hostile to the union movement, and only 10 percent believe that it effectively guards their economic interests (Miller, p. 39). These findings seem to indicate declining support for organized labor, despite the fact that almost 40 percent of all Canadian workers are union members. What are the causes of this sentiment? For one thing, today's Canadian worker is better educated, has higher expectations of job satisfaction, and questions the security of the welfare state. Also, organized labor in Canada often deals with politically difficult issues and is sometimes forced to take unpopular stands. Even though the labor movement was instrumental in obtaining many legislated reforms (such as paid holidays and the forty hour work week), most people do not associate these reforms with unionism (Miller, p. 39).

The recessionary climate of the early 1980s has also contributed to the increasing intransigence of business toward unions and a renewed concern of workers over personal job security as a result of the ensuing unemployment crisis (Miller, p. 40). This climate has in turn given rise to additional anti-union sentiment. As competition from foreign goods has become more intense, the belief that Canada needs to become more cost competitive in the international market has gathered strength. Also, demographic changes (such as the increasing average age of the Canadian worker and the growing number of Canadians dependent on the welfare state) have increased the

unemployment rate "acceptable" to Canadian society to about seven percent (Neil, p. 66). The popular acceptance of higher levels of unemployment works against the realization of many of the Canadian labor movement's objectives, because people do not seem to view a relatively higher level of unemployment as motivation for union involvement or support. It might be noted that, just as in the case of Canada, these changes were important in the decline of U.S. unionism as well.

"International" Unionism

While most of the preceding conditions would lead one to expect the state of Canadian unionism to be virtually identical to that of the U.S., the most important factor in this regard would seem to be the overwhelming influence of the U.S. in the Canadian economy. Like post-war Japan and Germany, Canada has maintained a semblance of coherent cultural sovereignty while being transformed by economic forces emanating from outside its borders. For example, by the early 'seventies, American capital comprised more than half of the total invested in Canadian manufacturing (Jamieson, p. 1). Also, American policies and personnel are prominent in the management of Canadian companies, especially in the more than 4,000 branch plants or subsidiaries of U.S. corporations. Furthermore, the overwhelming majority of unionized workers (1.5 million out of 2.6 million) belong to branches of "international" unions, whose headquarters and executives are predominately American (Miller, p. 38). But surprisingly, it is in the very relationships between the Canadian and American branches of these international unions that the differences in ideology between the two labor movements may be best observed.

For example, Canadian unionism has increasingly become more national than international in scope, with a pronounced movement away from U.S. based international unionism. The percentage of union members affiliated with international unions in Canada has fallen from 53.2 to 39.4 percent between 1975 and 1985. The decline over this time period was not exclusively due to a decrease in

international union membership, but also reflected the addition of one million members to national unions. Much of this growth was due to the rise of public-sector unions (Gunderson and Meltz, p. 48). Three groups representing both federal and provincial government employees have replaced the Canadian branches of the United Steelworkers of America and the United Food and Commercial workers as Canada's largest unions (*Economist*, p. 75).

The trend away from international unionism has been accelerated by several recent decisions of Canadian branches of international unions to become autonomous national unions. The beginnings of this phenomenon were observed back in the 1970s, when a study of 29 unions with both Canadian and American members showed that 21 of these had either seceded from the international or had moved toward greater independence. Although these moves did not contribute to a large decline in the proportion of international membership, they were important because they foreshadowed the increasingly nationalistic mood of Canadian unions which would become evident in the mid-1980s (Blum and Thompson, pp. 34-35).

This phenomenon is perhaps best exemplified by the recent activities of the Canadian United Automobile Workers (U.A.W.) under their director Robert White. Representing nearly 150,000 members and comprising 11 percent of the international union's membership, the Canadian U.A.W. was one of the first unions to break the Canadian tradition of simply accepting what the U.A.W. negotiated in the U.S. (*Businessweek*, "Bob White . . .," p. 102). The rift between the two segments began in 1980 when Canadian employees of Chrysler refused to accept contract concessions when the company was threatened with bankruptcy. In 1982, White led strikes against the auto companies after refusing once again to follow the concessionary lead of the U.S. (Sorge, "Canadian Branch . . .," p. 49). In December 1984, White proposed a formal separation from the international U.A.W., which would terminate an almost fifty year relationship (Miller, p. 38). It was accepted almost

immediately; and on December 10, the divorce became final (Gunderson and Meltz, p. 48). The principal reason for the split was the issue of Canadian autonomy, which White felt could not be achieved in association with the international union (Sorge, "Bieber Calls . . .," p. 2).

Two views on international unionism are currently prevalent in Canada. One view, embraced by White and his followers, holds that true solidarity in an international labor movement is built by strong independent national unions. To have a significant portion of Canada's unions controlled by leadership in another country is, according to this view, detrimental. The opposing view is that Canadian international unions already have sufficient autonomy. This view contends further that it has been the strong American influence which has sustained the Canadian labor movement at its present level, the fear being that all-Canadian unions will now have reduced bargaining strength against multinational corporations (Miller, p. 38-39). The U.A.W. split may be a risky one indeed. The new U.A.W.-Canada is a much smaller union facing the same large automobile manufacturers. Although the agreement left the U.A.W.-Canada financially solvent, White's union no longer has the parent union's substantial US\$583 million strike fund to fall back upon (Houston, p. 22).

However, events have shown that it is precisely this multinationalism which makes Canadian autonomy attractive. Canadian strike actions in the auto industry almost shut down U.S. auto makers because of single sourcing. U.S. auto makers are currently re-evaluating this single-sourcing policy, and many Canadians fear that jobs may be threatened as manufacturing shifts to a more stable labor relations climate (Sorge, "Bieber Calls . . .," p. 26). However, White and other Canadian labor leaders are betting that labor-cost considerations will prevent such a shift. Canada's labor costs are still lower than those in the U.S. Also, the value of the Canadian dollar has historically shown a high positive correlation with that of the U.S. dollar. Therefore, swings in the strength of the U.S. dollar have little effect on

this labor cost advantage. This may prevent a major reconfiguration of the automakers' North American operations.

Whether White has enough leverage to continue his hard-nosed posture remains to be seen. But it is clear that any changes made by the auto makers will not be simple to effect, primarily as a result of the U.S.-Canadian Automotive Trade Agreement of 1965. This pact lifted tariffs on vehicles shipped between the two nations on the condition that the automakers manufacture a significant portion of autos and parts in Canada. The agreement led to the high degree of interdependence between Canadian and U.S. divisions of the auto companies. For instance, Chrysler produces all of its popular minivans, full-size vans and a significant amount of its trim and engine components in Canada. Canada is also the sole source for Ford's V-6 and 3.8 liter V-8 engines. The consequences to U.S. auto makers of decreasing Canadian production include the incurring of heavy tariffs, as well as having to bear the additional costs of building or modifying new productive capacity to continue production at present levels. White is counting on the considerable expense that moving out of Canada would place on already cost-conscious auto makers, and it is apparent that their options are effectively limited to dealing with his demands (Houston, p. 22).

The Canadian U.A.W.'s demands, and their entire collective bargaining strategy, have changed significantly from the days when they usually rubberstamped the agreements reached by their U.S. counterparts. It is ironic that this divergence is most evident in the area of international unions, where one would reasonably expect the least amount of change and nationalistic expression. The progressive sentiment evidenced by the growing autonomy of international unions is also visible in traditionally Canadian unions, and is definitely not limited to the automobile industry.

At this point, two important questions should be addressed. How, in a nation characterized by long-standing structural and economic impediments to organized labor, can the recent membership growth be explained? Also what is the source of progressive sentiment shown by White and other new Canadian labor

leaders, especially in the realm of "international" unionism? These are the questions to which I will now turn.

The Canadian Labor Movement's Divergent Direction

Structural Preconditions

As stated earlier, much of the recent growth of Canadian unions has occurred in the public sector. And much of this growth in public sector unionization was in turn due to Canadian federal and provincial legislation supportive of the organization of public sector workers and to strict enforcement of regulations against unfair labor practices. Both of these factors warrant extensive coverage but are beyond the scope of this paper. Let it suffice to say that these policies are manifestations of underlying factors which explain the relative prosperity of Canadian private sector industrial unions.

The federal government has traditionally played a strong direct role in Canadian economic development, and acceptance of this involvement is endemic to Canadian society. Publicly owned enterprises such as Air Canada, the Canadian Broadcasting Corporation (CBC) and the National Health System have become integral elements of the Canadian economy. Another indication of the degree of government participation is provided by the tripartite labor relations boards which have existed in Canada since the turn of the century. These boards—representing labor, management and government—work together to settle labor disputes while ensuring that the interests of all parties involved are fairly represented.

Along with the influence of the government's involvement, the parliamentary structure of the Canadian government lends itself much more to a multi-party system than in the case of the U.S. (Meltz, pp. 17-18). As a result, Canada has had socialist or socialist-labor party representation in parliament for much of its history. This situation reveals a difference in national tolerance of socialist political philosophy, which may in turn explain a great deal of the relative success of Canadian unions.

U.S. unions made most of their mem-

bership gains in this century in the wake of the Great Depression, and these gains far outstripped Canadian growth at the time. As a result of the Depression there occurred a shift in the U.S. away from a purely free-enterprise philosophy toward one which might instead be labeled social democratic. The New Deal and its associated federally sponsored programs are manifestations of this philosophy. Increasing standards of living over the past forty years have steadily eroded support for this latter philosophy, both in government and among the general public; and the U.S. has gradually returned to an era characterized by popular support for free market competitive individualism.

Canada, on the other hand, has never embraced a free market philosophy to the extent that the pre-Depression and present day U.S. has. Even the most conservative elements of the Canadian government fully support the status quo of the welfare state and nationalized industries. Therefore, Canada is inherently more supportive of trade unionism, while in the U.S. the support of unions is far more fragile (Lipset, p. 26).

Characteristics of the New Canadian Labor Leaders

A key factor responsible for the increasing progressiveness of the Canadian labor movement is the emergence of a new generation of labor leaders. These leaders tend to be better educated than their predecessors, are more confrontational, and have a more skeptical view of the capitalist system. They are fully versed in the protocols of business and government, and are self-assured as to their importance in Canadian society. Although they differ on some points, most of these leaders employ a tough and non-conciliatory rhetoric which they seem willing to back up with militant action (Neil, p. 66). While these qualities may be found in labor and political leaders all over the world, the Canadians are much more pragmatic than most, and many have earned reputations as well-informed and savvy negotiators rather than reactionary socialists (*Businessweek*, "Bob White . . .," p. 102).

The crux of the philosophy of the new Canadian labor progressives is a hard line on

concessionary bargaining, a method which has become increasingly prevalent in the U.S. Wage roll-backs, reduced pay scales, freezes on cost-of-living increases and other concessions are being demanded by employers ostensibly to control labor costs and increase international competitiveness. Canadian union leaders, however, have not embraced these measures for two different reasons. On the pragmatic side, they hold the belief that concessionary bargaining damages labor's position without improving job security (Rose and Chaison, p. 108). They also believe that concessionary bargaining is unnecessary in a recovering economy, and that in order for labor to remain progressive it must return to a period of continual contract gains (*Businessweek*, "Bob White . . .," p. 102).

Interestingly, the Canadian attitudes toward concessionary bargaining are becoming evident in the U.S., where a backlash against give-backs has begun to develop. Even in U.S. companies where give-backs were agreed to without great difficulty, workers are now becoming disgruntled. Management is also finding that the taking of an overly hostile stance, while it may produce short term benefits, may also cause a great deal of labor strife in the long run, with resulting worker backlash ranging from simple disgruntlement to acts of industrial sabotage. More companies are also now realizing that overzealousness in obtaining concessions may later jeopardize success in implementing cost-saving and productivity-increasing plans (Kirkpatrick, pp. 60-64).

Perhaps the ideology and philosophy of the new progressives among the new Canadian labor leaders is more easily seen by examining specific issues about which they find themselves at odds with increasingly adversarial company management. It can be seen that, even though the Canadian labor leaders face the same obstacles in dealing with management as their U.S. counterparts, their approach is different and generally more effective.

Areas of Dispute

The Competitiveness Dispute

The chief argument put forth by business in defense of its tougher stance during contract

negotiations is that these types of anti-union strategies (e.g., wage-cuts and other give-backs) have been necessitated by the recent recessionary periods. Business leaders claim that their strategies are motivated by a desire to maintain economic efficiency, and that recent setbacks to traditional growth in union gains are a small price to pay in order to assure the economic viability and survival of Canadian firms.

The new Canadian union leaders view this argument as simply an excuse to keep labor costs low in order to increase profits. They point out that there is a growing body of evidence showing that productivity is actually greater under unionism than without it. These studies indicate that there is no statistical connection between union growth and declines in productivity. Moreover, managerial flexibility does not appear to be hampered by unionization, and in many cases unions present challenges which result in an overall improvement in management's effectiveness. These studies conclude that unionism is neither beneficial nor detrimental to productivity in the aggregate. Instead they claim that if an industry or firm is characterized by a good industrial relations climate, productivity tends to be higher. Conversely, if relations are poor and conflict is prevalent, productivity is lower (Freeman and Medoff, pp. 162-80). In fact, it is the belief of many unionists that unionism is the only method by which a mutually beneficial labor relations system can exist and that unionism is therefore a necessary condition for increased productivity. From the unionist's perspective, unions redistribute income within the firm until a more equitable distribution is achieved. Only when union wages bring profits below the market rate of return can a union be considered detrimental.

The logic summarized above is countered by business leaders who note that higher productivity does not necessarily imply higher profits. They argue that the benefits of higher productivity are often cancelled by increased labor costs under unions. The available empirical data so far tends to support this contention, but there are some significant exceptions. Researchers have found two instances where un-

ionism is likely to raise profits: 1) where union-supported labor cost decreases rescue firms which are close to bankruptcy; 2) when a union can act as a cartel and bid up the price of labor in highly concentrated industries, which in turn can cause industry output prices to approach the level of pure monopoly, a socially undesirable result (Freeman and Medoff, pp. 181-88). This is an especially pertinent finding to note in a study of Canadian unionism. As was mentioned earlier, the Canadian economy is already characterized by highly concentrated industries and the goals of socialist-minded union leaders may actually facilitate increased monopolization. Indeed, this reveals the paradoxical nature of the question of the effects of unions on profits. In the general sense, union leaders are correct in taking the position that their activities are socially beneficial; but it is ironic that a majority of Canadian firms are of the type where increased union demands have the potential to actually increase profits, which should in turn cause Canadian industry to encourage union efforts.

Concerns About Industrial Democracy

The new Canadian labor leaders are driven by a common sentiment that the labor movement must reaffirm the societal importance of its most basic tenets. The traditional union view is that, in an increasingly organized and industrialized society, the only way for an individual to participate in organized decision making is by way of group representation. Labor unions draw their legitimacy from an inherent belief that modern democratic decision making is best accomplished through collective bargaining (Bain, p. 529). Canadian labor leaders view any other method of resolving industrial conflict as inherently authoritarian and undemocratic.

The consensus among the new progressives is that the Canadian labor movement is being forced to expend a great deal of its time and resources simply fighting for general recognition (Williams, p. 461). They see that many of their recent confrontations with management, especially in the service sector, are not concerned with contract specifics but rather

with the basic right to organize, a fight which seems to ignore all previous positive change (Miller, p. 40). On the ideological side, the leftist politics of many labor leaders causes them to judge concessionary bargaining as "business unionism" which ignores social welfare concerns by concentrating on purely economic objectives (Rose and Chaison, p. 108). These leaders feel that concessionary bargaining is an American-inspired plan which has no place in Canada's traditional labor-relations framework. Canadian unionists also view their opposition to the recent negotiating tactics of management as an issue of ethics. In North America, political democracy has been the status quo, and authoritarianism of any kind is seen as bordering on fascism. In their opinion, to claim simple economic expediency as the cause of the rejection of worker's demands is inconsistent with the democratic ideals set forth in the constitutions of representative democracies when presented in the context of labor negotiations. When viewed in this context, efficiency at the expense of democracy has replaced the pursuit of efficiency through democracy. The labor leaders view this as an unacceptable state of affairs (Adams, pp. 146-47). Thus, Canadian labor leaders seem increasingly unwilling to compromise their democratic ideals, and feel that the broad agenda of social progressivism through labor activism has been abandoned by their U.S. counterparts.

Discontent Over Co-Determination

As a result of the recessions of the late 'seventies and early 'eighties, another development has recently become a subject of dissent between the progressives and other union leaders. This period saw the growth of "tripartism," which is the term used to describe the cooperation between labor, business and government to make policy decisions. Originally developed by the government to control wage-price difficulties, tripartism was soon discovered to be useful for solving a wide range of labor issues. Unions were receptive to this arrangement because the trend toward increased government intervention in dispute settlement was making decentralized collective bargaining less attractive. Unions realized that

any gains made in collective bargaining could easily be circumvented by the actions of government monetary and fiscal policy, and tripartism appeared to be an attractive way by which organized labor could influence public policy (Adams, pp. 126-136).

However, tripartism has not worked as well as initially expected, and many labor leaders feel they have been insufficiently consulted under this system. They charge that government and industry have used increasing co-determination as a subtle method of gaining control over labor under the guise of meaningful dialog on planning the future of the Canadian economy. They also find it increasingly difficult to believe that business is truly sincere about such a plan when recent management opposition to unionism indicates otherwise (Neil, pp. 66-67). Labor leaders in Canada have learned that many employers are not only opposed to certain union demands or methods, but are against the very existence of unions in the first place. Therefore, Canadian labor leaders have become quite defensive about the gains they have already achieved and are suspicious of co-determination efforts. They would probably be more willing to cooperate with initiatives put forth by business and government if they felt that their legitimacy as a full partner in discussions was fully accepted (Bain, p. 537).

Other Concerns

A key goal of the progressive unionists is to convince the Canadian public that the idea of planning future economic policy in order to reestablish Canada's position of competitiveness in the world market is misguided. They believe that this is an impossible task, given the fact that emerging nations will continue to be the low cost producers of most manufactured goods. Instead, trade unionists propose a concentration on encouraging more domestic replacement of manufactured goods (Neil, pp. 67-68). However, such a proposal smacks of protectionism and goes against the goal of an interdependent world market, which is one of the traditional hallmarks of the international labor movement.

An additional concern of Canadian labor

is the increasing pervasiveness of new technology in the workplace, which is displacing a good many workers. Business has argued that technological change will create more jobs in the future, but labor leaders are worried that this will not occur. Instead, labor leaders are pressing for a greater voice in determining the appropriate applications of automation and are also encouraging business and government to assist in the development of retraining schemes to ease the transition (Neil, pp. 67-68).

Finally, it should be noted that even though Canadian legislation is supportive of the collective bargaining process, substantial restrictions on unionism still exist. This is especially true in the public sector, where recent organizational inroads have been made (McBride, p. 448). Most workers in the public sector are still prohibited by legislation from organizing; and of the minority who are allowed to unionize, a large proportion are not permitted to strike (Glasbeek, p. 16). The new labor leaders see continued restrictions on the right to strike as a substantial curtailment on the ability of organized labor to exercise its economic power in order to make its demands from a position of equality (Glasbeek, pp. 16-17).

Conclusions

In this investigation, I have concentrated on several major recent developments in the Canadian labor movement. Although I have only touched upon the multitude of structural, legal and political factors which differentiate Canada from the U.S., it is important to note that the labor relations systems of the two nations are quite different.

I wish to conclude by addressing a few of the questions put forth at the beginning of the paper. It appears that democratic participation is more important in Canadian labor unions than in U.S. unions. U.S. labor leaders concede that American workers do not join unions to express socio-political attitudes but rather to ensure more short-term economic goals. On the other hand, Canadian unionists fully believe that while job unionism is important, it is the pursuit of more broad social interests which is of primary concern (Donahue, p. 473). I would

add that although this thinking is characteristic of Canadian labor leadership, eroding public support for unions indicates that this sentiment may not be held by most Canadians.

The ramifications of the economic reasoning used by unionists to continue their anti-concessionary policies are still unknown. It is apparent, though, that their logic is at least in part supported by recent analyses of the effects of unions on the health of firms. However, the potential success or failure of these tactics is inexorably linked to the importance which Canada places on international trade. These tactics may be manifestations of increasingly strong nationalism and economic isolationism, which may be the only means by which Canadian industry can remain in a position to continue to grant increased demands from labor. This is certainly a step away from the free-market philosophy which many Canadians profess, but it may be essential for the survival of Canadian labor's ambitious social agenda.

As for the future of U.S.-Canadian relations, the splits in the two labor movements will most likely not mean the end of U.S. investment in Canada. The U.S. is simply too firmly entrenched in the Canadian economy to be able or willing to resist many of Canadian labor's demands in the near future. Labor costs are still lower in Canada, and it will be a while before union demands have a tangible effect on U.S. investment. However, the eventual effects will depend on the long-term success of Canadian labor's progressive goals. Its recent reassertion of grass-roots social unionism may turn out to be a brief phenomenon, depending on the degree to which the typical Canadian worker goes along with these proposals. Unfortunately for the unionists, recent history has shown that the attitudes of business and the general public may prevent the eventual realization of union goals. The deciding factor as to whether Canada falls into step with the patterns of U.S. unionism is thus highly dependent on the character of the Canadian worker, who has demonstrated a decidedly different attitude in the past than have his U.S. counterparts.

For the time being, the recent growth in membership has not only stimulated greater union autonomy in Canada, but may also have

come about as a direct result of the resurgence of Canada's increased desire for self-determination. Viewed in this context, the divergence of Canadian unionism, regardless of its ideological causes, may prove to be the deciding factor in the long-term survival of the Canadian labor movement (Rose and Chaison, p. 108).

Over and above the subject of relations with the U.S., the increasing ideological progressiveness in Canada may one day upset the balance of power in the world labor movement. In many respects, Canada seems to have usurped the position formerly held by the U.S. as the center for the democratic labor movement. Whether Canadian labor leaders rise to prominence in the world labor scene remains to be seen; but the new progressive labor

leaders seem to be providing the proper rhetoric, while at the same time exhibiting the fervor and sense of purpose which have characterized labor leaders of the past.

One last conclusion which can be drawn from this investigation is that the Canadian labor movement is substantially different than that in the U.S. Even so, it is perhaps the best standard by which U.S. unions may measure their relative success. Canada is a land of many contradictions, but its smaller population, similar industrial structures and institutions, and the fervor of conviction within the various components of the Canadian economy provide an excellent opportunity for comparative study.

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