# Unions Matter

How the Ability of Labour Unions to
Reduce Income Inequality and
Influence Public Policy
has been affected by
Regressive Labour Laws

Canadian Foundation for Labour Rights

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Design and layout by Skip Hambling

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# Abstract

THERE IS EXTENSIVE RESEARCH literature that suggests there are significant social benefits for countries with strong labour rights and a more extensive collective bargaining system. Income inequality is less extreme according to a variety of measures, civic engagement is higher, there are more extensive social programs such as health care and pensions plans, and the incidence of poverty is significantly smaller. This paper adds to the literature by examining the relationship between labour unions, income inequality and regressive labour laws.

The underlying causes of declining unionization rates will be examined for Canada and will be compared to other developed economies.

The paper finds that regressive labour laws in Canada have reduced unionization rates which has led to rising income inequality and reduced civic participation.

# 1 Introduction

FOR OVER 30 YEARS income inequality in Canada and throughout the world has been rising. The promise of globalization and free trade to increase standards of living has not materialized for everyone. There is a small portion of the population that has greatly benefited and most of the gains have gone to the very rich. The growing concerns of the general public around inequality have given rise to the Occupy movement – the international protest movement against large corporations and the global financial system – for their role in significantly contributing to the growing social and economic inequalities that exist in most industrialized countries around the world.

Inequality affects everyone as more unequal societies tend to produce greater levels of social dysfunction. Unequal societies have many negative attributes including higher crime rates, more people in prison, lower educational scores, and lower levels of life expectancy.[1] Traditionally, economic inequality has been viewed as a question of social justice but there is growing evidence that suggests it also hurts economic growth.

The rise in income inequality is not an inevitable phenomenon. History has shown that when there is political will, problems of inequality can be tackled. During the period between the late 1940s and the early 1980s which is often referred to as the Great Compression[2], income inequality was reduced through government policies such as a progressive tax system, adequate levels of public spending on education, health and infrastructure, and protective labour and employment standards. As well, economic growth rates and rising standards of living exemplified this period.

During the Great Compression, unions were an important partner in fighting for greater income equality. Higher levels of unionization made it easier for unions to bargain fair wages and benefits for their members. This success had spill over effect on the wages of non-union workers. However, since the 1980s, actions by governments which were promoted by powerful corporate interests, have eroded labour rights and undermined the income redistribution effects of unions. Empirical evidence suggests that labour laws matter, not only for unionization levels, but as an important tool to reduce income inequality. In countries where unionization rates decline, inequality tends to rise.

The conservative-leaning World Bank has found that high levels of unionization lead to greater income equality, lower unemployment and inflation, higher productivity and speedier adjustments to economic shocks[3]. Even the International Monetary Fund, once a leader in promoting neoliberal policies to advance economic growth, has now changed its tune, stating that income inequality must be tackled as it is strongly correlated with weaker economic growth over time.[4] Moreover, there is a growing body of international literature across the political spectrum which has established that unions play a critical role in reducing income inequality.[5] Tying this all together, it would be in the best interest of any nation to promote policies and legislation that strengthen labour rights as an effective strategy to reduce income inequality.

Over the past 30 years in Canada, regressive labour laws have significantly contributed to declining unionization rates. During this same period, income inequality has been steadily rising. This paper will affirm the critical role that labour rights and unions play in reducing income inequality, promoting the social well-being of all citizens, and advancing democracy within nations. The following is a small subset of recent research that will be highlighted in this paper.

- Research shows from the 1950s through the early 1980s, Canada saw a period during which income growth was high and shared proportionally across all income groups. During the same period, union density in Canada rose from 28.4 percent in 1951, reaching its highest point of 41.8 percent in 1984. Much of this rise in union density coincided with a major expansion of labour law establishing a comprehensive framework of collective bargaining rights for most Canadian workers[6].

- Michael Lynk's research has pointed to the important role of unions in reducing income inequality during the great compression. "The important contribution of post-war Canadian labour law has been to assist in advancing the growing egalitarian character of our country while fulfilling our commitment to promoting social rights. This was most clearly visible in the years between 1945 and the mid-1980s. As labour laws do their job, the distribution of income, wealth and social opportunities becomes more equitable, and our society becomes more cohesive. Allow labour laws to fall into disrepair, or actively deconstruct them and the virtuous circles that promote egalitarianism become smaller, our economic life becomes more disfigured, and our sense of mutual reinforcement wanes"[7].

- In the past decade, there have been many social science studies around the world which have established a strong link between declining union density and rising income inequality. In May 2012, a study by five UBC economists (Fortin, Green, Lemieux, Milligan and Riddell) attributed 15 percent of Canada's growth in income inequality during the 1980s and 1990s to declining unionization[8].

- Beyond improving the economic return to their own members, unions raise the wages and benefits of non-unionized workers in related industries, in part because non-unionized employers seek to dampen the appeal of unionization.[9]

- This dramatic drop in union density and diminishment of Canada's labour laws has had profound implications for Canadian society. As labour law scholar Michael Lynk states "Labour and employment rights and the laws that buttress them are not the accumulation of privileges by a vigorous lobby of special interests, but the expression of core constitutional and human rights that benefit, directly and indirectly, the majority of citizens living in a modern democratic society."[10]

- The World Bank has noted the positive role unions have on national economies. In the 2002 paper which was based on more than a thousand studies of the effects of unions on the performance of national economies, the World Bank found that "high rates of unionization lead to greater income equality, lower unemployment and inflation, higher productivity and speedier adjustments to economic shocks."[11]

- More recently, a major 2008 International Labour Organization (ILO) study found the countries in which income inequality was lower tended to be those in which a greater proportion of workers were members of unions. “Highly unionized countries and countries where collective bargaining is more coordinated tend to have low income inequality, and greater compliance with [international labour law standards] tends to be associated with lower inequality.”[12]

• Social scientists have consistently shown that unions also play a significant political role in the positive distribution of incomes. Strong labour unions are consistently associated with low levels of inequality and more generous social programs. Jacob Hacker and Paul Pierson wrote “On the one hand, they push policy makers to address issues of mounting inequality. On the other, they recognize, highlight and effectively resist policy changes that further inequality.”[13]

THE OBJECTIVE OF THIS PAPER is to examine trends in unionization and income inequality. The focus will be Canada, but a number of other countries will be compared and examined. This paper reviews regressive labour laws and their impact on unionization. The main finding of this paper is that higher rates of unionization are associated with lower income inequality. Thus, to reduce income inequality, the federal and provincial governments should be encouraged to strengthen labour rights.



# 2 Current Economic Climate
## *A cause for concern*

*"There's no doubt that the big reason for the income differences [is] not so much the poor getting left further behind, it's the rich running away from the rest of us with the bonus culture."*
*• Richard Wilkinson*

AS THE HARPER GOVERNMENT boasts about Canada weathering the 2008 recession and heading into an economic recovery, the majority of Canadians have not recovered. Canadian data reveals that purchasing power is falling and that the average wage paid to Canadians has not kept up with inflation. While the government may be touting an economic recovery, Canadian economist Armine Yalnizyan calls this the ‘wageless recovery’.

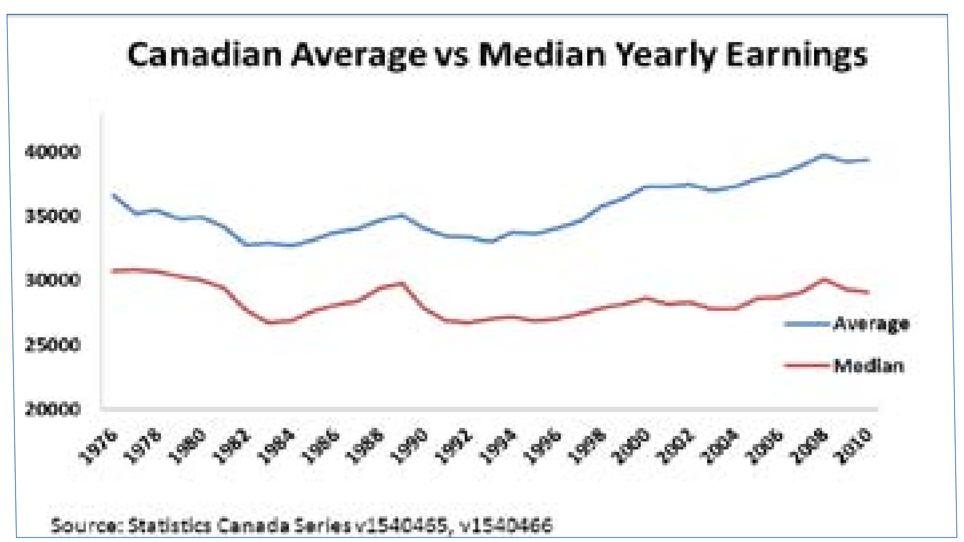
From the lowest point in the recent recession in 2009 to 2011, real average hourly wages have declined by 0.6 percent, falling from $23.11 to $22.99[14]. At first glance this decline does not sound like much but looking closer into the wage distribution, it is the bottom half of Canadians who have experienced significant losses.

In reference to Chart 1, the purchasing power of Canadians across all income groups has fallen. But the biggest declines in real wages are experienced by low income percentiles.

**CHART 1**


In Canada, working people have been squeezed by rising costs of everyday goods and worsening household debt, while earnings have largely been stagnant. Consider Chart 2, which shows a growing gap between the average and median yearly earnings from 1976 to 2010. It shows that average yearly earnings have increased by 7.7 percent during the period.

**CHART 2**






But average earnings are typically pulled up by gains made by the rich. When considering median incomes which declined by 5.5% percent, it shows that the lion's share of income gains were going to the rich.

To offset losses of income, many Canadians have resorted to taking on higher levels of debt. According to the Bank of Canada, Canadians have reached a personal debt ratio of 166% meaning that for every $1 earned, $1.66 is owed. At this level, Canadian households are now more indebted than Americans were at the peak of their housing bubble in 2007 when the U.S. reached a staggering debt ratio of 165%. Coupled with growing income inequality and the unnecessary austerity mantra adopted by most levels of government, the growing gap between the rich and poor is a cause for concern.

For over 30 years, income inequality has been rising and this has had an adverse impact upon the economy, politics, and society. More unequal societies tend to produce greater levels of social dysfunction, they commonly exhibit more crime, higher levels of mental illness, more illiteracy, lower life expectancies, higher rates of incarceration, lower degrees of civic engagement, higher teenage pregnancy rates, diminished social mobility and opportunities, lower levels of interpersonal trust, lower levels of general health, and weaker social shock absorbers for the poor.[15] Research by Richard Wilkinson and Kate Pickett focused on the 23 richest countries to examine the incidence of various social problems between different countries and the relationship between social problems and income inequalities. In their research they find the most equal country is Japan, followed by Finland and Scandinavian countries; Canada falls in the middle pack while the U.S. and the U.K. comprise the most unequal of the 23 countries. Among the most equal, the rich have less than

*Paul Krugman, winner of the 2008 Nobel Prize in Economics, gives a simple example of the difference between average and median income. Suppose there are 10 people in a bar and they each earn between $34,000 and $36,000. The average and median income in that room is around $35,000.*

*Now imagine Bill Gates walks into the bar with a yearly income of $1 billion. The average income of the people in the bar soars to $91 million, but the 10 people who were already there are no richer than they were before. The median income remains around $35,000. Only one person is better off, and so inequality rises.*

*The big idea is that what matters in determining mortality and health in a society is less the overall wealth of that society and more how evenly that wealth is distributed. The more equally wealth is distributed the better the health of that society.*

*• Richard Wilkinson and Kate Pickett, The Spirit Level*

four times as much wealth as the poor. Infants born in an unequal society like the U.S. are twice as likely to die in their first year than infants born in an equal society like Japan. Unequal societies perform worse on math and literacy scores. Throughout the book, the authors clearly demonstrate that the more unequal a country is, the worse its performance is likely to be on a variety of health and social issues.

There is also the issue of economic inefficiencies. Widening inequalities create macro-economic impediments to growth by:

- excluding certain groups from the benefits of an expanding economy;
- diminishing the purchasing power of the middle and lower income stratums that sustain economic growth;
- increasing the social costs of policing low-income groups; and
- having economic and social policy-making captured by wealthy groups with all of its resulting misallocations[16].

There is now a growing consensus among economists that improving social economic well-being and reducing income inequality are crucially important factors to improve economic growth.



# 3 The Great Compression

*"Everything we know about unions says that their new power [after World War II] was a major factor in the creation of a middle-class society. First, unions raise average wages for their membership; they also, indirectly and to a lesser extent, raise wages for similar workers, even if they aren't represented by unions. Second, unions tend to narrow income gaps among blue-collar workers, by negotiating bigger wage increases for their worst-paid members. In other words, the known effects of unions on wages are exactly what we see in the Great Compression [between the 1940s and the 1970s]: a rise in the wages of blue-collar workers compared to managers and professionals, and a narrowing of wage differentials among blue-collar workers themselves.*

*•Paul Krugman*

Famously popularized by Paul Krugman, the Great Compression refers to the period between the 1940s and early 1980s when there was a greater distribution of wealth and prosperity. Labour law, unionization and the new labour market institutions that emerged in this period made an integral contribution to the dramatic dampening of the wide income and wealth inequalities that had plagued Canada, the United States and the rest of the industrialized world before 1940.

Between 1951 and 1981 in Table 1, the bottom quintile of income earners in Canada improved their share of aggregate income marginally while the share of the middle three quintiles grew slightly in total. Over the same period, the richest quintile saw their share decline to 41.6 percent from 42.8 percent. The economic boom during the Great Compression was distributed in a fashion that compressed the differences in income between the top and bottom quintiles. This compression stayed relatively stable through these years. The rising tide of economic growth in these years really did lift most boats.

However, in the past three decades, a larger share of total income has gone to the richest Canadians whose shares have increased from 41.6 percent to a staggering 47.3 percent. In reference to Table 1, the middle 20 percent quintile saw their share of income drop to 15.3 percent from 17.7 percent and the income share of the second 20 percent quintile fell to 9.6 percent from 11 percent. The gains of a few have come at the expense the middle class. There has been no 'trickling' down of income from the richest to the poorest. Now, the only boats lifted by the rising economic tide are yachts.

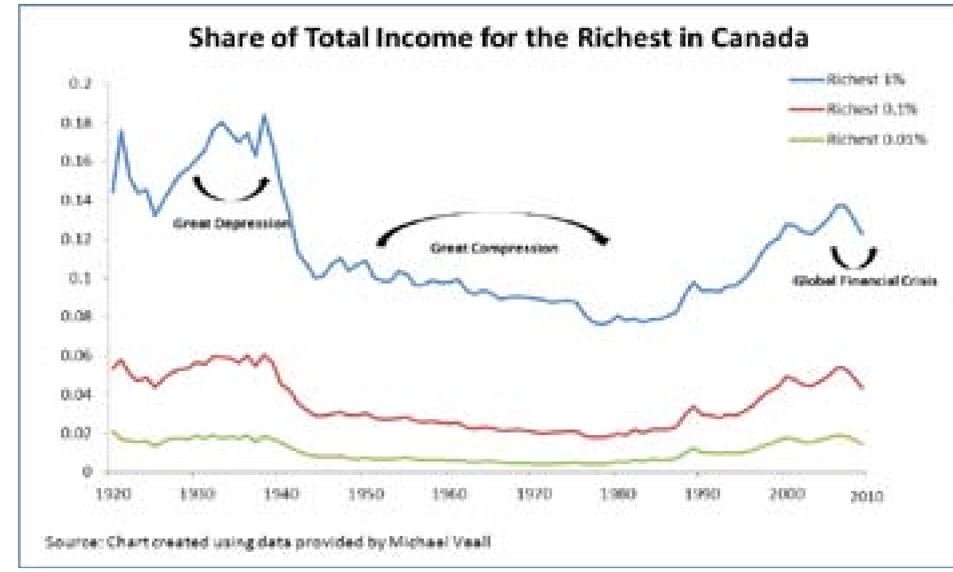
**TABLE 1**

| Share of Aggregate Incomes Received by Each Quintile of Families and Unattached Individuals (%) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1951 | 1961 | 1971 | 1981 | 1991 | 1996 | 2001 | 2005 | 2010 |
| Top 20% (Richest) | 42.8 | 41.1 | 43.3 | 41.6 | 44.4 | 45.6 | 46.9 | 46.9 | 47.3 |
| Fourth 20% | 23.3 | 24.5 | 24.9 | 25.1 | 24.7 | 24.6 | 23.7 | 23.9 | 23.6 |
| Middle 20% | 18.3 | 18.3 | 17.6 | 17.7 | 16.4 | 16 | 15.6 | 15.6 | 15.3 |
| Second 20% | 11.2 | 11.9 | 10.6 | 11 | 10 | 9.6 | 9.7 | 9.6 | 9.6 |
| Bottom 20% (Poorest) | 4.4 | 4.2 | 3.6 | 4.6 | 4.5 | 4.2 | 4.1 | 4.1 | 4.2 |

Source: L. Osberg, A Quarter Century of Economic Inequality in Canada; 1981-2006 (Ottawa: Canadian Centre for Policy Alternatives,

The trends in Chart 3 show a telling story. From the onset of both the Great Depression and current global financial crisis, an increased share of total income in Canada was heavily concentrated with the richest 1 percent. In comparison, when income distribution was more equal, Canada experienced decades of economic stability. In fact, the richest 1 percent saw their share of total income reduced by 45 percent while the bottom 80 percent of Canadians increased their share of total income by 1.2 percent.[17]

**CHART 3**




A number of analysts explored the possible links between income inequality, periods of economic crisis, and growth sustainability. Raghuram Rajan points to economic pressures that led high-income individuals to save and low-income individuals to sustain consumption through borrowing.[18] Michael Kumhof and Romain Rancière argue that the same factors may have played a role in both the great depression and the current recession.[19] What was common at the onset in both periods was that income was highly concentrated in the richest 1 percent.

The Great Compression in Canada was possible through a combination of dynamic national policy measures such as a progressive taxation system, adequate levels of public spending on education, health and infrastructure, and protective labour

*Canada ranked 12th out of 17 peer countries on Income Inequality and received a "C" grade in the Conference Board of Canada's Society Report Card issued in January 2013.*

*The report states high rates of poverty and a large gap in income between the rich and everyone else put stress on a society and on the economy. Rising poverty rates and greater income inequality can mean a weakening in labour force attachment and declining social cohesion.*

*Nobel Prize Winning economist Joseph Stiglitz believes inequality hurts economic growth as inequality is associated with more frequent and more severe boom-and-bust cycles.*

*The "hollowing out" of the middle class means that many people cannot afford an education for themselves or their children. The middle class is too weak to support the consumer spending that has historically driven economic growth.*

and employment standards.[20] Families were able to earn a decent income and had access to a range of important public programs and services that provided them with greater economic and social security. There was a generational understanding that through taxes and transfers, everyone would contribute towards quality public programs, with enhanced social benefits flowing back. When it was time to retire, it was the next generation who would earn and contribute back into the system via progressive taxes.

During the Great Compression, decent earnings were possible partly because of strong union presence, a high minimum wage, and a progressive tax system which led to greater economic equality. Economist Paul Krugman states that it was a society without extremes of wealth or poverty, a society of broadly shared prosperity[21]. But due to the resurgence of conservative political dominance, taxes on the rich have fallen substantially. As government revenues declined, so did expenditures on quality public services and programs. As the holes in the safety net grew larger, it caused inequality to soar. Krugman labelled this new era of inequality the "Great Divergence."



# 4 Inequality Divergence

*"We may have democracy, or we may have wealth concentrated in the hands of a few, but we cannot have both.*
*• Louis Brandeis*

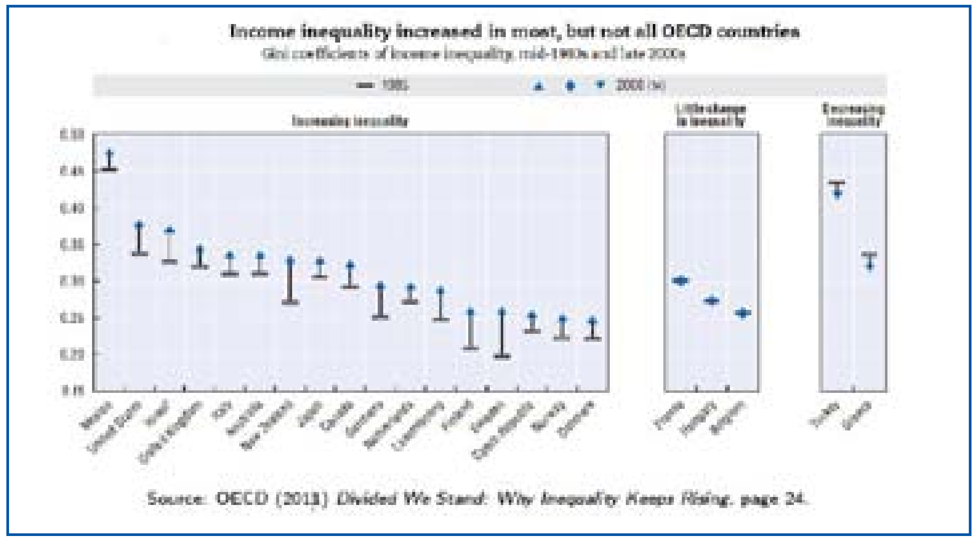
IN MOST COUNTRIES and many emerging economies, the gap between rich and poor has widened over the past three decades. This occurred even when countries were going through a period of sustained economic growth prior to the 2008-2009 recession. The economic crisis has placed additional pressure on the distribution of incomes. Greater inequality raises economic, political and ethical challenges as it risks leaving a growing number of people behind in an ever-changing economy.[22]

Growing income inequality has become an international concern, among both policy makers and societies at large. Today in advanced economies, the average income of the richest 10 percent of the population is about nine times that of the poorest 10 percent.[23]

The Gini coefficient, a standard measure of income inequality that ranges from 0 (when everybody has identical incomes) to 1 (when all income goes to only one person), stood at an average of 0.29 in OECD countries in the mid-1980s. By the late 2000s, however, it had increased by almost 10 percent to

0.316.[24] As Chart 4 shows, it rose significantly in 17 of the 22 OECD countries. Canada, which had relatively stable income distribution up to the mid-1990s, saw a relatively strong increase in the more recent decade. In fact, Canada currently has one of the fastest growing rates of income inequality amongst OECD countries.

**CHART 4**




*The Gini coefficient is a standard measure of income inequality which ranges from 0 to 1; when everyone has identical incomes Gini is equal to 0 and when all income goes to one person the Gini is 1. A national economy with a Gini coefficient below .30 would be considered a strongly egalitarian country (i.e., Sweden, Denmark). Countries with a Gini coefficient over .35 would be designated as having a unenviable rate of income inequality (i.e., the United States).*

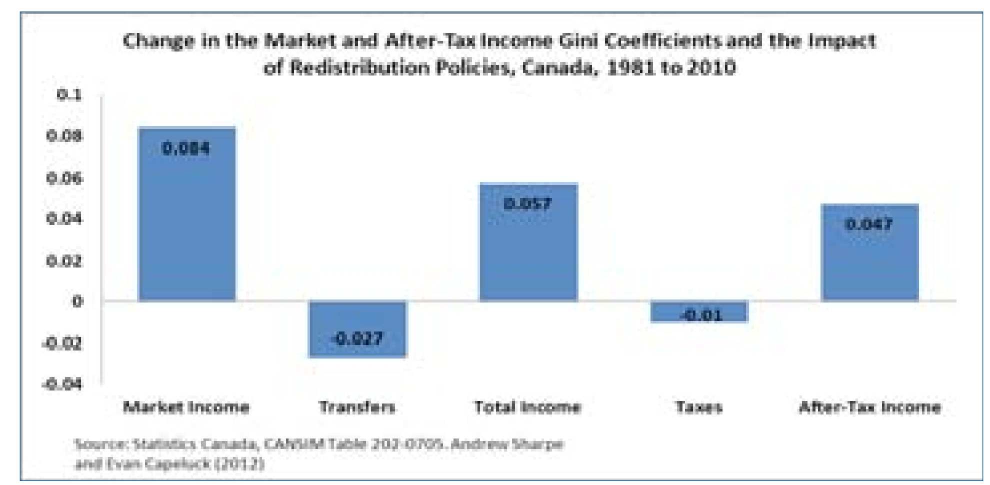
To examine how inequality got to where it is today, we can look to the major political and social transformation of the 1980's. The neo-liberal champions, Ronald Reagan in the U.S., Margaret Thatcher in the U.K., and Brian Mulroney in Canada pushed their governments to break away from the "social contract" in favour of a 'business-friendly' vision. They signed off on free trade agreements which stripped away tariffs and taxes that the government relied on for revenues to provide public services. The neo-liberal policy framework abandoned full-employment goals and focused on targeting inflation, primarily to protect the value of financial wealth. Large corporations and the super wealthy were able to achieve greater influence in the public policy and legislative decision-making process. This in turn led to tax cuts, deregulation of key industries such as finance, weakening of labour laws, and massive cut-backs in public spending. Thus, the redistributive effect of taxes and transfers declined.



There are some economists and policy makers that assume the rise in inequality was the result of technological change and globalization and not due to changes in public policy. However, technical change and increased globalization efforts were political decisions themselves that have greatly benefited the rich. Joseph Stiglitz has argued that while there may be underlying economic forces at play, politics have shaped the market, and shaped it in ways that advantage the top at the expense of the rest.[25] If political changes have caused inequality to increase, then reversing these changes through the political process surely can cause inequality to fall.

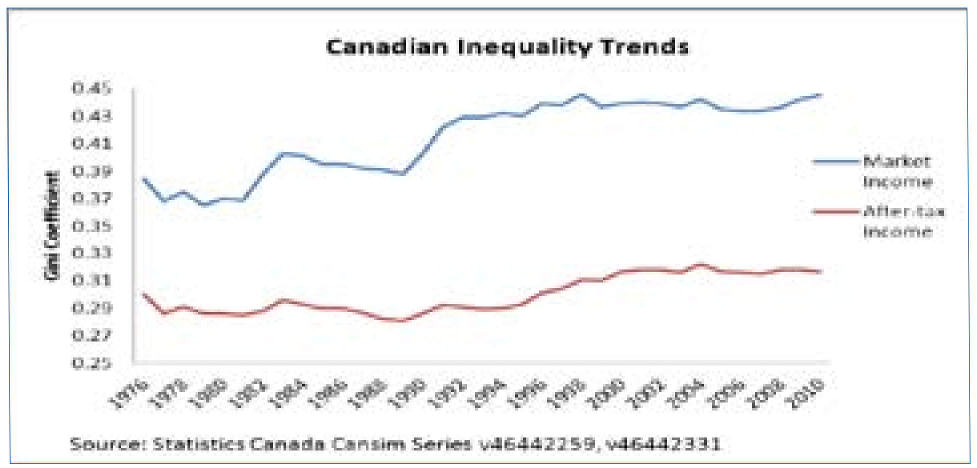
Andrew Sharpe and Evan Capeluck investigated the impact of redistributive policies, namely taxes and transfers in Canada.[26] In reference to Chart 5, the after-tax income Gini coefficient increased by 0.047 points or 13.5 per cent. This increase was fueled by a 0.084 point or 19.4 per cent increase in the market income Gini coefficient; however, 0.037 points or 44 per cent of the increased market income inequality between 1981 and 2010 was offset by changes in the transfer and tax system.

**CHART 5**




We can look at how changes in the political environment have increased inequality. Chart 6 compares Canada's market income and after-tax income Gini coefficients between 1976 and 2010. The trend in Canada for the past three decades shows a steady increase in income inequality. The reason after-tax income sits below market income is that taxes and transfers have played an important role in reducing inequality. Policy goals such as a progressive taxation system mean individuals with higher incomes contribute proportionally more than individuals with lower incomes, thus reducing the gap between the rich and the poor and sustaining social cohesion. However, the effects of taxes and transfers have declined due to the rise of neoliberalism in the 1980s and 1990s. As politics has trumped economics, rising inequality has been the outcome.

**CHART 6**






# 5 Unionization and Inequality

*"The sharpest increases in wage inequality in the Western world have taken place in the United States and Britain, both of which experienced sharp declines in union membership. Canada, although its economy is closely linked to that of the United States, appears to have had substantially less increase in wage inequality – and it's likely that the persistence of a strong union movement is an important reason why. Unions raise the wages of their members, who tend to be in the middle of the wage distribution; they also tend to equalize wages among members. Perhaps most important, they act as a countervailing force to management, enforcing social norms that limit very high and very low pay. They also mobilize their members to vote for progressive politics."*
*• Paul Krugman*

In recent decades, governments, egged on by the corporate elite, have promoted a neoliberal agenda of cuts in public transfers and taxes. The Canadian labour movement has consistently opposed that agenda, and has been a strong advocate for tax fairness and quality public services. Unions have come to be seen as the strongest opponents to the neoliberal agenda, and as such, corporations and many governments have set out on a deliberate strategy to weaken unions. Governments have weakened labour laws, restricted and in some cases eliminated collective bargaining rights. Corporations have lobbied governments to weaken labour rights and intervene in both private and public sector labour negotiations in favour of employers; they have threatened unionized workers with plant closures and unfairly interfered in union drives. Both governments and corporations have been helped along the way by the corporate media which has been more than willing to negatively portray and denigrate unions. One of the consequences of this coordinated assault is decreased unionization rates over the last three decades; rates declined from their peak of 41.8 percent to 31.2 percent in 2011.

Paul Krugman cites strong unions as one of the driving forces that reduced inequality during the Great Compression[27]. Historical and current evidence suggests this to be the case, as there is a strong correlation between high unionization rates and lower income inequality.

In Canada, during the period between the 1950s to the early 1980s, when there was a greater distribution of wealth and prosperity, organized labour played an important role in the political and social transformation of our society. Through effective campaigns and mobilization of workers, unions have played an instrumental role in achieving a variety of social rights for all citizens – minimum wages, universal health care, a public pension plan system, improved public services, public education and progressive taxation. Unions have a history of working in solidarity with various partners to achieve workplace health and safety legislation, workers' compensation, employment standards, income support and training for unemployed workers, equal pay for equal work, and advocating for human rights.[28] These are benefits that all workers, regardless of being union members or not, have a right to. Internationally, where unions are strong, evidence shows they reduce the pay gap between workers and management, men and women, the racial minorities and other workers.[29]

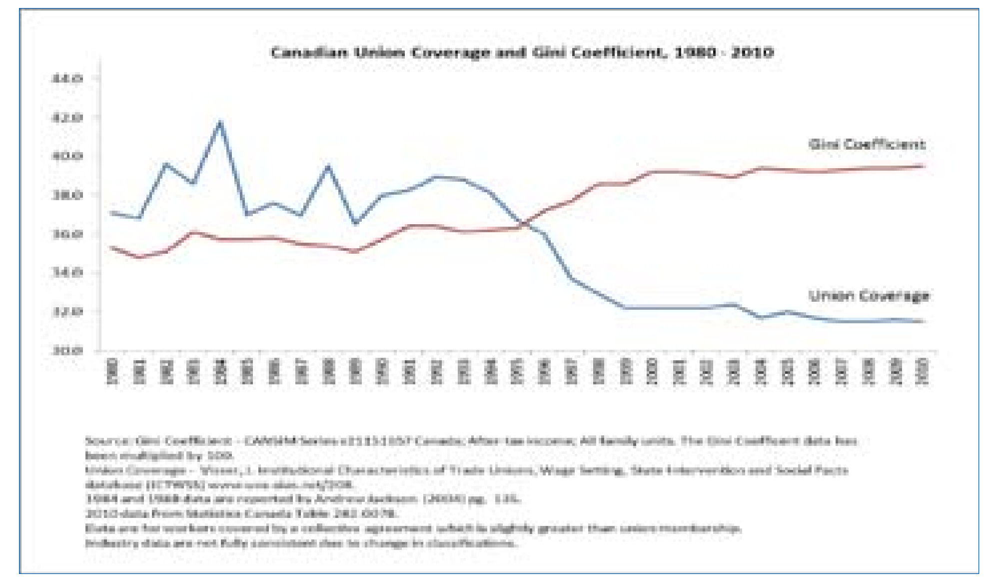
During the Great Compression, gains from economic growth led to more people working and in turn, greater unionization which resulted in better pay for



all workers. The rise in incomes, coupled with increases in private consumption and public investment, led to unprecedented economic growth during this era. From 1951 to 1981, unionization rates increased by 32.4% and coincided with a shift towards a more equitable distribution of income.

Since this assault on labour rights and unions began, income inequality in Canada has been steadily rising. Chart 7 displays the trend of Canadian union coverage and Canada's Gini coefficient. Between 1984 and 2010, inequality in Canada increased from 0.357 to 0.395 and union coverage fell from its peak of 41.8 percent to 31.5 percent. There is a clear divergence over the years between Canadian union coverage and income inequality. The ability of unions to positively influence the transfer of wealth declined, and income inequality has since been on the rise.

**CHART 7**




Source: Statistics Canada

When comparing inequality across Canadian provinces, we see a similar trend between falling unionization rates and increased inequality. Charts 8, 9 and 10 plot the relationship between provincial unionization rates and their respective gini-coefficients for the years 1980, 2000 and 2010. The relationship between union coverage and inequality varies by province as they are not created equal but ideally we would want a lower income inequality and a higher unionization rate which occurs on the bottom right portion of charts 8, 9, and 10. However, over the last three decades Canada has shifted towards the top right corner which represents higher inequality and lower unionization rates. For the provinces of Ontario, British Columbia, New Brunswick, Newfoundland, and Nova Scotia in Chart 8 and 9, there is a clear association between falling unionization rates and increasing inequality which is consistent with national data. In Chart 9, Prince Edward Island experienced a decrease in inequality and Manitoba's inequality index remained relatively constant; while both had increases in unionization. The outliers, in Chart 10, are Alberta, Saskatchewan and Quebec.

The variations across provinces have a number of explanations for the differences. Alberta and Saskatchewan have both experienced natural resource booms and dramatic increase in real estate values[30]. The commodity boom has pushed the value of the Canadian dollar higher which has weakened the manufacturing sector. Coupled with falling unionization rates and neoliberal policies implemented across most of the provinces, such as reduction in taxes and cuts in social spending, inequality has been pushed higher.

**CHART 8**

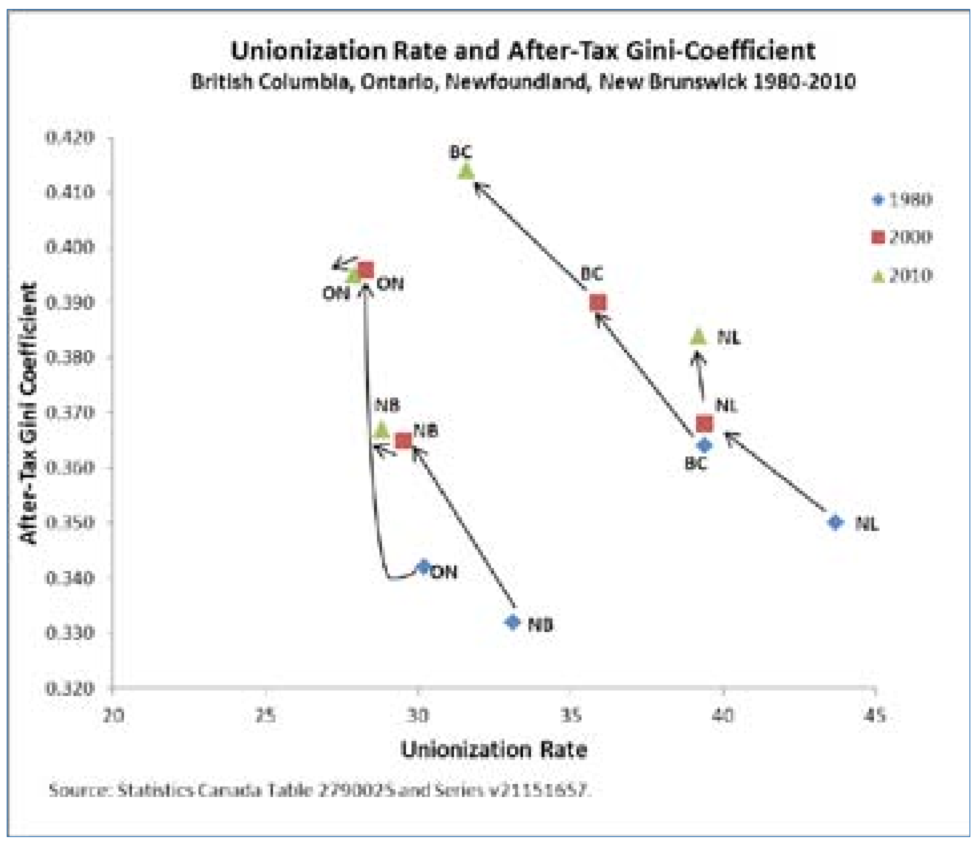



**CHART 9**

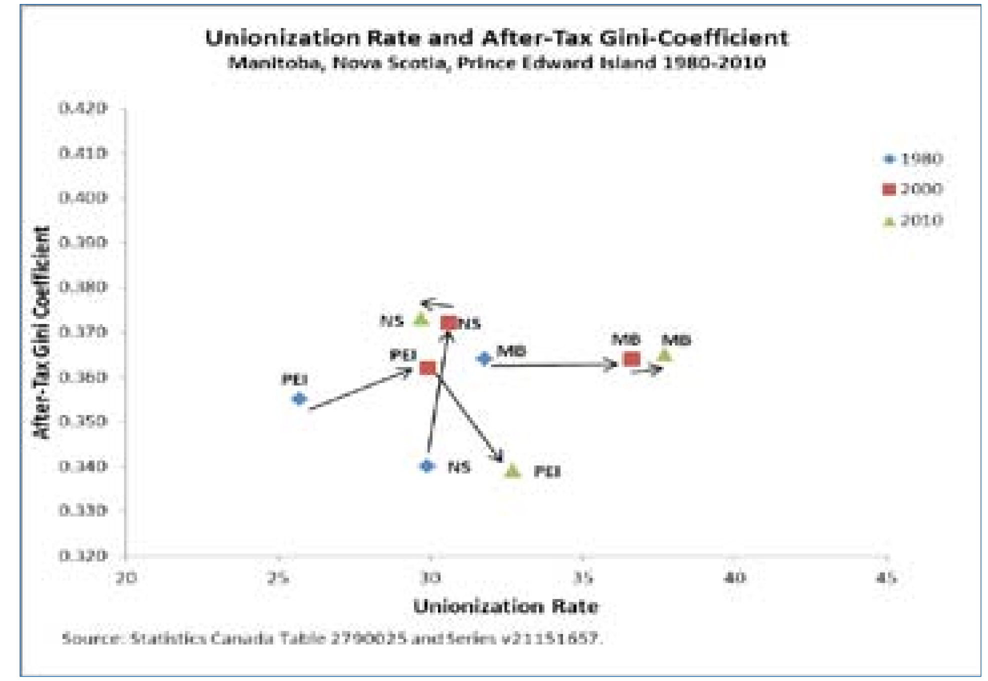
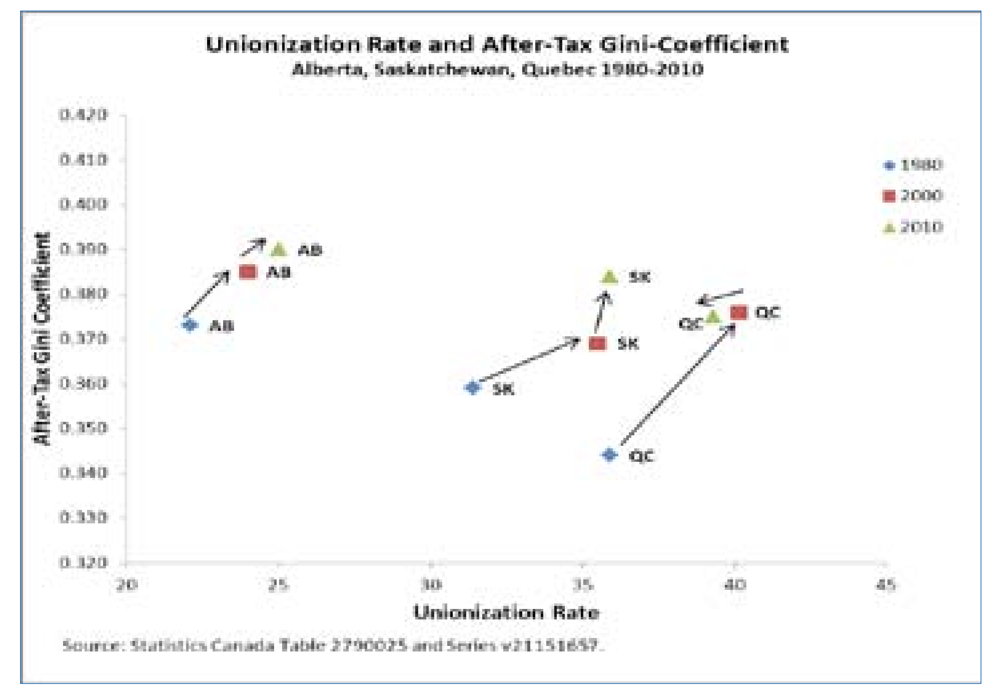



**CHART 10**

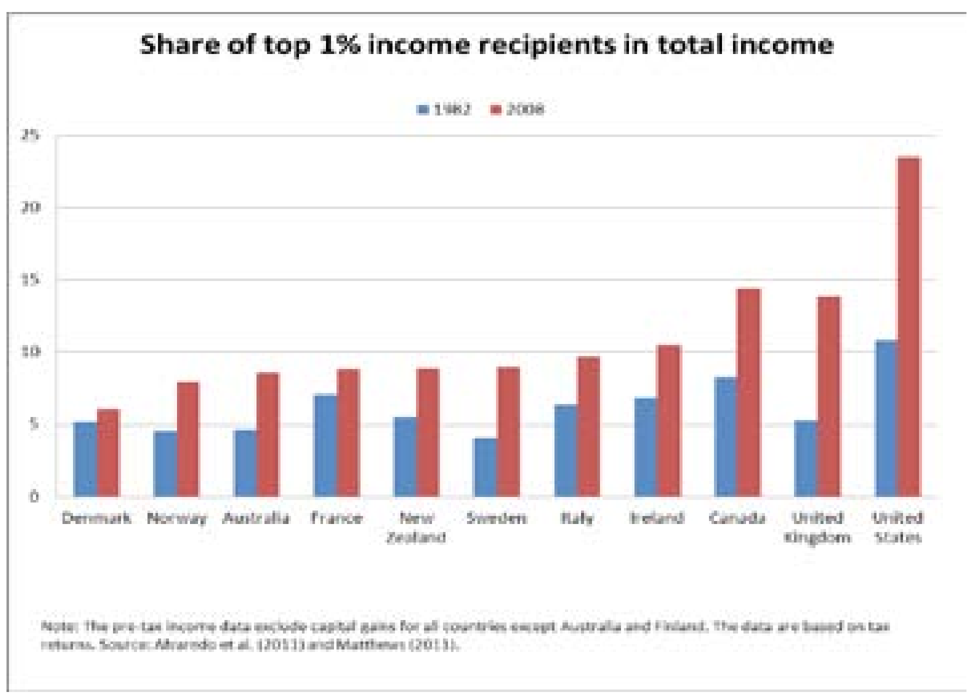


The negative correlation between unionization and income inequality is not just a Canadian phenomenon. There is broad consensus in qualitative and quantitative international research that confirms increases in inequality have been associated with declining unionization rates in developed and developing countries alike.

Works by Laurence Mishel, Daniele Checchi and Jelle Visser have found that unions' impact on labour share of income has been positive and redistributive[31]. This trend has been observed worldwide; even the Organization for Economic Cooperation and Development reported a similar negative relationship exists between union coverage and income inequality[32].

In countries where union density has declined, the top 1 percent has been able to reap the gains. In reference to Chart 11 and comparing the years 1982 and 2008, the share of income to the top 1 percent has increased in every developed economy that has seen a decrease in union density. In particular, where unionization experienced dramatic decreases like the U.S. and U.K., the income share of the top 1 percent more than doubled. In more strongly egalitarian countries, the income share going to the very top has been stemmed or sharply reduced.

**CHART 11**






To get deeper down into the numbers, Table 2 shows that for every country that experienced a decline in union density between 1982 and 2008, the income share to the top 1 percent increased. The decline in union density and the growth in inequality is no coincidence. In a comprehensive study by economists David Card, Thomas Lemieux, and W. Craig Riddell, the authors conclude that 15% of the growth in inequality in Canada can be directly linked with the fall of unionization, whereas the numbers are more than 20% in the U.S. and U.K.[33] A similar correlation was found by the International Labour Organization's (ILO) World of Work Report 2008, which reviewed fifty-one countries[34]. The ILO report stated that countries with a higher union density rate were ones in which income inequality was on average lower. While the precise impact varied from country to country, the trend has been clear: a decline in unionization has seen the corresponding rise in income being captured by the very rich.

**TABLE 2**

| Percentage Change in Union Denisty and Top 1% Income Share between 1982 and 2008 | | |
|---|---|---|
| | Percentage Change in Union Denisty | Percentage Change in Top 1% Income Share |
| Norway | -8.3% | 75.7% |
| Sweden | -13.5% | 120.3% |
| Denmark | -15.7% | 16.1% |
| Canada | -23.6% | 73.3% |
| Italy | -28.5% | 50.9% |
| Ireland | -39.6% | 52.5% |
| United States | -42.0% | 117.6% |
| United Kingdom | -45.6% | 160.9% |
| France | -55.3% | 24.4% |
| Australia | -61.7% | 83.9% |
| New Zealand | -68.4% | 61.9% |
| Source: Based on Authors calculations. Data retrieved from www.stats.oecd.org and www.topincomes.g-mond.parisschoolofeconomics.eu | | |

Jacob Hacker and Paul Pierson argue that among the key factors for rising inequality is the growing power of the rich, coupled with the decline of unions and their political power to influence and shape public policy.[35] Powerful corporate organizations have been able to successfully lobby for economic policies that reflect their interests, especially tax cuts for the rich which have contributed to rising inequality. Unions have traditionally counteracted the forces that increase inequality; however, their decreasing strength has led to stagnant wages for workers, a weakened political voice, and no countervailing power to offset the louder voices.

As a result of governments adopting policies which promote a corporate agenda that includes corporate tax cuts, free trade, deregulation, privatization and low wage strategies, unions have found themselves operating in an increasingly hostile pro-corporate environment. As a result, unions have experienced declines in membership and their ability to improve the social and economic well-being of all Canadians.

On a positive and somewhat ironic note, conservative leaning global financial institutions have been warning of the negative economic consequences of following this corporate agenda. The World Bank has observed that high levels of unionization lead to greater income equality, lower unemployment and inflation, higher productivity and speedier adjustments to economic shocks[36]. The International Monetary Fund has also changed its tune, stating that income inequality must be tackled as it's strongly correlated with less economic growth over time.[37] Moreover, there is a growing body of international literature from across the political spectrum which has established that unions play a critical role in reducing income inequality.[38]

Despite minor distinctions among the scholarly publications, the general conclusion one can draw from such literature is simple: decreasing unionization rates result in increased income inequality. Tying this all together, it would be in the best interest of any nation to promote policies and legislation that strengthen labour rights as an effective strategy to reduce income inequality.



# 6 Declining Unionization Rates and Regressive Labour Laws

*"Extreme wealth and inequality undermines societies. It leads to far less social mobility. If you are born poor in a very unequal society, you are much more likely to end your life in poverty. Social mobility has fallen rapidly in many countries as inequality has grown. If rich elites use their money to buy services, whether it is private schooling or private healthcare, they have less interest in public services or paying the taxes to support them. Those from elites are much more likely to end up in political office or other positions of power, further entrenching inequality."*

*•Oxfam*

OPPONENTS OF UNIONS argue that declines in unionization are the result of globalization and technological progress. But research shows that this argument does not hold water. Alexandra Mitukiewicz and John Schmitt challenged this argument, using 50 years of data from 21 OECD countries[39]. They found that technology did not lead to lower unionization rates and observed that countries with a higher level of globalization have higher levels of union coverage. Instead they found that a key factor in explaining the observed variation in unionization was the broader political environment that unions operate in.

An important factor within that environment over the past three decades has been the diminishing degree of respect and promotion that governments have given to labour rights.

The development of collective bargaining laws during the Great Compression led to increased unionization rates which peaked in 1984 at 41.8% of the Canadian workforce. From this peak, unionization rates have steadily declined.

The right to join a union and bargain collectively has been entrenched in labour relations legislation across the country, but during the past three decades governments across the country have restricted this fundamental right with the passage of regressive labour laws.

**TABLE 3**

Summary of Labour Laws restricting Collective Bargaining and Trade Union Rights 1982 - 2012 (updated January 2013)

| Type of Legislation | Jurisdiction | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Fed | BC | AB | SK | MB | ON | QC | NB | PE | NS | NL | Total |
| Back to work - dispute sent to arbitration | 11 | 4 | | 3 | | 14 | 3 | 2 | | 1 | | **38** |
| Back to work - settlement imposed | 8 | 6 | 4 | 3 | | 5 | 16 | 4 | | 1 | 3 | **50** |
| Suspension of bargaining rights - wage freeze or rollback imposed | 6 | 12 | | 1 | 2 | 7 | 6 | 2 | 2 | 4 | 3 | **45** |
| Restrictions on certification process | | 1 | | | 1 | 2 | 1 | | | | 1 | **6** |
| Denial of workers' rights to join a union | | 1 | 2 | | | 3 | 2 | | | | | **8** |
| Restrictions on scope of bargaining and other union activities | 4 | 15 | 4 | 6 | 4 | 6 | 3 | 4 | 1 | 3 | 3 | **53** |
| Total | **29** | **39** | **10** | **13** | **7** | **37** | **31** | **12** | **3** | **9** | **10** | **200** |

Source: Canadian Foundation for Labour Rights www.labourrights.ca/issues/restrictive-labour-laws-canada



In reference to Table 3, between 1982 and 2012, there have been 200 restrictive labour laws passed by the federal and provincial governments. These restrictive pieces of legislation on labour rights have suspended or denied collective bargaining rights of workers in Canada. In turn, the courts have occasionally ruled that government roll-backs of statutory labour rights have violated the Charter of Rights and Freedoms, but more often, they have given a narrow and illiberal reading of the Charter, and upheld the actions, or inactions, of governments.

The number of restrictive laws enacted in the past three decades is higher than any other period in the history of labour relations in Canada.[40] The federal government has passed 19 pieces of back-to-work legislation, while provincial governments have enacted 69 pieces of back-to-work legislation. These laws not only force workers back to work after taking legal strike action, but also arbitrarily impose settlements on the striking workers.

Government interference in labour relations has become more prevalent. There have been 45 pieces of legislation that have passed in the federal and provincial governments which have suspended the bargaining rights of workers and imposed wage freezes or rollbacks. Derek Fudge has pointed out that since 1982 there have been sixty-four instances where federal and provincial labour laws have been amended to further restrict unions' ability to organize. Eight pieces of legislation have denied groups of workers the right to form a union and six pieces of legislation have restricted the certification process; both changes have negatively impacted unions' ability to organize.

A comparison of key labour market indicators, as shown in Table 4, between the U.S. and Canada is illuminating. Canadian union density rates are more than twice that of the U.S. and both have experienced similar market forces over the past three decades. The high unionization rate in Canada has meant significant social benefits from Canada's more extensive collective bargaining system. Income inequality is less extreme in Canada compared to the U.S. (although in recent years income inequality is growing at a faster rate in Canada compared to the U.S.) The incidence of poverty in Canada is also significantly smaller. Canadians also have the comfort of knowing that they do not have to worry about upfront costs for health care. Unions in Canada, through collective bargaining and their ability to influence public policy and legislation, have contributed to these positive outcomes which have benefited all Canadians.

**TABLE 4**

| Selected Labour Market and Social Indicators Canada and the U.S. | | |
|---|---|---|
| | Canada | United States |
| **Unionization** (union coverage as share employed nonagricultural workforce, 2011) | 31.2% | 11.8% |
| **Unemployment Rate** (unemployed as share of labour force, 2012) | 7.1% | 8.1% |
| **Population below poverty line** | 9.4% | 15.1% |
| **Income Inequality** (Gini Coefficent, 2010) | 0.395 | 0.469 |
| **Absence of Health Coverage** (proportion of population without health insurance, 2011) | n.a.[1] | 15.7% |

1. All citizens, permanent residents, and landed immigrants in Canada are entitled to comprehensive public health insurance.

Sources:

- Canada Unionization and Unemployment rate retrieved from www4.hrsdc.gc.ca/d.4m.1.3n@-eng.jsp?did=3#D_3.
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An important area of labour law reform that has garnered much research attention in Canada is the legislative framework that governs how unions organize workplaces and the certification process unions must go through to become the bargaining agent.

Traditionally, unions in Canada were certified once a majority of workers in a workplace signed a union card. This card check certification system was a fair and efficient measure of workers' true wishes for unionization, as it minimized employer influence and enhanced the ability of workers to join unions. In the 1970s, all 11 jurisdictions in Canada – the federal government and the 10 provinces – employed the card check system as the statutory gateway to unionization.

Over the past three decades, many governments have abandoned card check regimes in favour of mandatory voting, regardless of whether the majority of workers signed union cards. Today, 5 jurisdictions – British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia – have enacted the automatic certification vote procedure. This change to labour law has increased the incidence of employer interference in union organizing drives. This interference has taken the form of anti-union propaganda, limiting communication between union organizers and employees, threats to dismantle and shutdown workplaces, and various other unfair labour practices as defined by provincial labour boards.

Research shows that mandatory voting can reduce certification success when compared to card check certification by increasing the time for certification campaigns and allowing wider reign for employers to interfere with the union drive.[41] This has hurt the ability of unions to organize workers.

Chris Riddell investigated the impact of union suppression within a mandatory voting regime and the interaction between certification processing time and employer behaviours. Analyzing the number of certification attempts and success rates in British Columbia, Riddell found mandatory voting was detrimental to unions, with a 20 percent decrease in the success of union organizing drives.[42] This is consistent with what had occurred in other provincial jurisdictions when labour laws were changed to mandatory voting. Susan Johnson's research indicated that mandatory voting reduced certification success rates by approximately 9 percentage points compared to what would have been under card check. The primary reason is that under a mandatory vote regime, employers have a greater opportunity to influence vote outcomes and engage in unfair labour practices.

Throughout this period of deteriorating labour rights, both public and private sector union members in Canada have faced suspension and/or restrictions. A common theme has been the use of legislation to unilaterally enforce contracts which favour the employer's bargaining position. In 2011, the Harper government intervened and suppressed labour rights for both Air Canada and Canada Post workers. In the most recent case, Ontario's Bill 115, Putting Students First Act, enforced by Dalton McGuinty's Liberals on January 3, 2013, denied the basic and fundamental rights of teachers and education workers. Bill 115 denied the rights of workers to negotiate a collective agreement and instead the Liberal government imposed a two year contract. Bill 115 directly affects 155,000 workers in Ontario, and indirectly affects all Ontarians.[43]

In the United States, unions have been and continue to be weakened by more regressive and ineffective labour legislation. In the 1960's, the U.S. and Canada had roughly similar unionization rates which hovered around 30 percent. But since then, unionization rates diverged dramatically and differences in labor law and public policy are at the root of this disparity.

Kris Warner studied the impacts of two labour law provisions that explain the divergence in unionization rates between Canada and the U.S. – card check certification and first contract arbitration (FCA)[44]. Because there is no card check process in the U.S., it takes longer to hold a union certification vote, which gives the employers an upper hand when organizing anti-union drives. In the U.S., the time between a union petition and the election to unionize often stretches to months and sometimes more than a year. This has allowed employers to commit illegal acts of intimidation or fire workers in an attempt to discourage employees from voting to unionize[45]. Simply put, the longer it takes unions to organize workers, the longer employers have to organize anti-union campaigns; and since the enforcement of penalties are weak for unfair labour practices, employers have gone largely unchecked and continue to trample labour rights.

In the U.S., if union certification does occur after a cumbersome process, there are no provisions for employers in the U.S. to negotiate a first contract. Recent research states that half of newly certified unions in the U.S. are unable to negotiate a contract two years after certification[46]. If unions cannot make gains for its members through bargaining for a fair contract, unions cannot be fully effective. In contrast, eight Canadian jurisdictions currently include FCA provisions in their labour legislation: British Columbia (1974), Quebec (1978), the Federal jurisdiction (1978), Manitoba (1982), Newfoundland & Labrador (1985), Ontario (1986), Saskatchewan (1994) and Nova Scotia (2012). In Canada, if there is a bargaining impasse, the first step is for the employer and union to apply for mediation. If mediation fails the labour board assigns an arbitrator who could impose a first contract. This process for arbitration is rarely pursued and contracts are rarely imposed[47]. Allowing for FCA provisions can encourage the negotiation process.

Due to the lack of effective labour laws in the U.S., Kris Warner states that unfair labour practices continue to rise and have led to a burgeoning 'union avoidance' industry made up of lawyers, consultants, industry psychologists, and 'strike management' firms[48]. Working against workers' interests, the 'union avoidance' industry has continued to push for weakening of labour rights.



# 7 'Right to Work' Laws are Wrong

*"In our glorious fight for civil rights, we must guard against being fooled by false slogans, as 'right-to-work.' It provides no 'rights' and no 'works.' Its purpose is to destroy labor unions and the freedom of collective bargaining... We demand this fraud be stopped."*
*• Martin Luther King, Jr.*

THE BIGGEST BLOW to Canadian unions may soon be in the offing with American-style 'Right to Work' laws that have been mentioned by conservative leaders in Alberta and Ontario and by the federal conservatives. Contrary to what the name suggests, right to work has nothing to do with paid employment. A core principle of Canadian labour relations has been the Rand formula which ensures that all those who benefit from a union in a workplace, must contribute to costs of the union's operation. Right to work laws undermine that principle; these laws essentially allow workers to receive all the benefits that a union provides through collective bargaining and workplace representation without having any obligation to contribute dues to the union. Giving workers the right not to join a union is one thing, but allowing them to freeload by not paying union dues is another. Put simply, right to work laws are designed solely to undermine unions' ability to effectively represent their members.

The attack on labour rights is being ramped up by the federal government and various provincial governments. The Harper Government recently passed Bill C-377, which imposes strict and excessive financial reporting measures on unions that will add costs and time-consuming administrative requirements to their normal activities. Unions already provide financial information to their members through financial audits, reports, and regular membership meetings. Bill C-377 blatantly discriminates against unions, as it excludes employer bargaining associations. Like unions, these employer bargaining associations are referenced in provincial labour legislation and are formed for the purposes of collective bargaining. The employer member organizations pay dues which they are able to deduct from their taxable income. They also engage in advocacy, political lobbying and public relations activities like unions.

The Conservative government's 'divide and conquer' strategy to undermine union organizing and mobilizing will likely play out in two parts. First, Bill C-377, which was designed to encourage union members to identify political causes they don't support. Second, stoking the discontent of union members, the Harper government is reportedly set to introduce American-style right to work legislation that will outlaw the Rand Formula. This will allow workers to opt out of paying for the union services they benefit from.

Right to work legislation has been pushed by large corporate interests to weaken unions and undermine their ability to negotiate fair wages and benefits for workers. Corporations which seek to increase profits by driving down wages and offering reduced benefits for both union and non-union workers, have fiercely lobbied governments for right to work legislation.[49]

In American states that have adopted right to work laws, workers earn an average of $1500 less annually and have lower rates of employer sponsored health and pension plans.[50] Furthermore, right to work laws do not create jobs. Some states, like Oklahoma, have lost jobs to lower wage countries like China and Mexico, after adopting right to work laws.[51]

As conservative leaders in the federal government, Alberta, and Ontario push for 'right to work' style laws, one of their many flawed arguments is that



"unions are creating job losses." The data in Canada, however, shows that relatively union friendly labour laws do not come at the cost of jobs.

Compare Ontario and Quebec, which have traditionally dominated industrial production in Canada and have distinct labour laws. The unionization rate in manufacturing in Quebec in 2010 was 37.4%, close to double that of Ontario's 19.8% unionization rate in manufacturing. Moreover, the manufacturing unionization rate in Quebec is almost unchanged from 2000 when it stood at 41.7% while the rate has fallen sharply in Ontario from 31.1%. Between 2000 and 2010, Ontario lost 301,000 or 28.9% of the province's manufacturing jobs while Quebec lost 120,000 or 19.9%.[52] Even with Quebec's more highly unionized manufacturing sector than Ontario, Quebec experienced relatively fewer manufacturing job losses.

We can also compare with our neighbour south of the border. As mentioned previously, Canadian labour market performance has been significantly stronger than in the U.S. for several years (even though Canada's unionization rate is more than twice as high). Canada's unemployment rate is significantly lower than America's, and Canada's employment rate (the proportion of working-age Canadians holding jobs) has been higher than in America. In fact, the empirical evidence from Canada and the United States shows that unionization does not have a negative impact on unemployment rates.[53] Hence, the arguments to pass American style 'right to work' laws or any restrictive labour laws in general are misguided.

It is important to refute 'right to work' laws that will lead to rising income inequality. By undermining union strength and the rights of workers to bargain collectively, employers will have an upper hand in driving down the wages and benefits of workers. Instead of restricting labour rights, we need to strengthen labour rights as a means to reduce income inequality.

# 8 Reducing Income Inequality through Collective Bargaining and Union Activism

*"Strong responsible unions are essential for industrial fair play. Without them, the labor bargain is wholly one-sided"*
*• Louis Brandeis*

AS MEMBER DRIVEN organizations, unions represent their members' interest to management and make members' collective voice heard not only during bargaining, but in the day-to-day operations of the workplace. The strength of unions at the bargaining table leads to improved wages and benefits for workers. In Canada, the wage premium for union workers for comparable jobs has been 7% to 14%, holding constant for other factors that determine wages.[54]

Beyond improving the economic return to their own members, unions raise the wages and benefits of non-unionized workers in related industries, in part because non-unionized employers seek to dampen the appeal of unionization.[55] Data in U.S. cities have consistently proven that in places where there are industries with high wage unionized jobs, workers in other all other industries benefit because it gives them higher bargaining power for their own job as well.[56]



Union activism is a constant check for policy makers in the dialogue of reducing inequality and a resistance to policy changes that favour the affluent. Traditionally, unions have played a significant role in public policy and legislative decisions that impact the distribution of income. Working in coalitions across a spectrum of interest groups, unions have been able to push policy makers to address issues of rising inequality. Some examples that unions have won through their lobbying efforts have been minimum wage laws, public pension plans, unemployment insurance and occupational health and safety legislation.

Unions also represent the broader voice of all workers throughout the world when it comes to advancing democracy, economic equality and social justice. Unions have been a critical vehicle of change to achieve the transition from dictatorship and corruption to democracy and the rule of law in many countries. Whether it was opposing the military dictatorships in Latin America in the 1970s, supporting Solidarność and the pro-democracy movement in Poland in the 1980s, leading the boycott campaign against South Africa Apartheid, or supporting recent struggles for democracy and social justice in the Arab countries, unions have been a major force in bringing about democratic change around the globe.

Unions have also supported initiatives that improve the lives of all people, such as: supporting poverty reduction strategies, the fight for gender equality, combating racism, advancing social inclusion and human rights for equality-seeking groups, and advocating for healthy communities. From organizing education events to holding mass rallies, unions have mobilized the broader society in order to educate and to resist the erosion of human rights that lead to greater inequality.

Union political activism is extremely important in advancing economic and social justice. Political Scientists Jacob Hacker and Paul Pierson argue that it is the political role of organized labour on issues of economic and social policy that matters most in the political economy[57]. Hacker and Pierson find that the decline of organized labour has greatly diminished the pressure on policy makers to sustain or refurbish commitments to social provisions made during the Great Compression. When politicians and corporations remain silent on gross violations of human rights, unions are a strong line of defence to advocate for equality.

The counterweight provided by organized labour to corporate power on policy makers cannot be underestimated; neither can the power of unions to address the broad economic well-being of most all workers, regardless of whether they belong to a union or not. The equalizing effects of unions on the incomes and the social rights of all workers are undeniable. The ability of unions to strengthen the organized voice of workers on economic issues and to enhance equality and social justice for all citizens, has to be collectively acknowledged.



# 9 Unions and Democracy

*"The haves are on the march. With growing inequality, so grows their power. And so also diminished are the voices of solidarity and mutual reinforcement, the voices of civil society, the voices of a democratic and egalitarian middle class."*
*• James Galbraith*

UNIONS HAVE BEEN, and continue to be, an important force for democracy, not just in the workplace, but also in the community – locally, nationally, and globally. Unions make democracy work better. They press for better social, economic and environmental policies, through various forms of political action and through coalitions with others who have common aims.

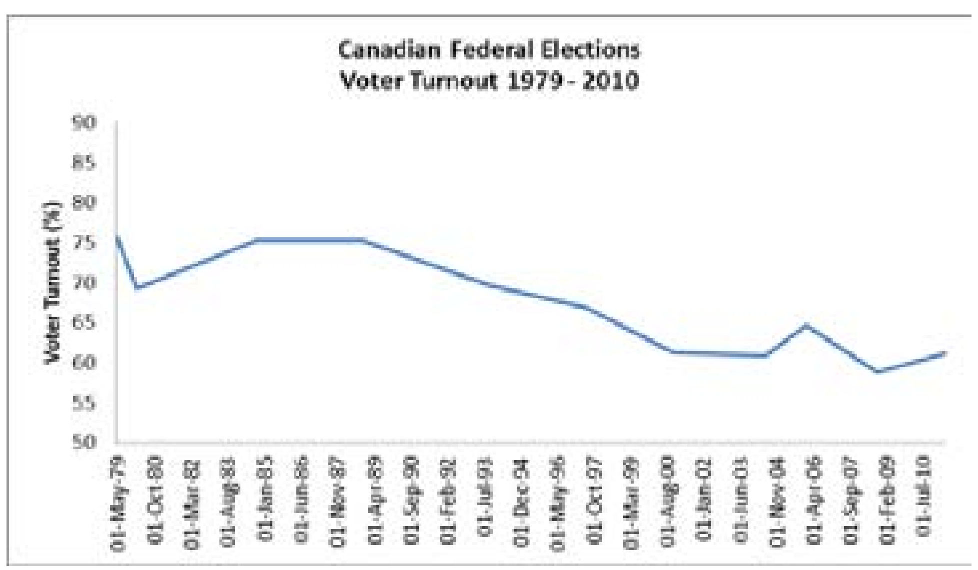
A just and democratic society depends on a healthy and free labour movement. It is no coincidence that in countries where there are free and active trade union movements, there are more democratic, transparent and representative forms of government. In those countries where there is no union movement or where the movement is vulnerable, the vast majority of citizens continue to be trapped in poverty. It is in these conditions that instability and extremism thrive at the expense of democracy.

Even though less than one third of all Canadian workers are currently union members, Canadians —whether they are union members or not—should care about declining union density because unions give working people a bigger say in our economy and our political system. This is ultimately good for democracy.

A lot of research on the importance of unions tends to focus on how unions improve wages for both union and non-union workers. This research is valuable but it does not address the critical role unions play in making democracy work better. Unions help boost political participation among ordinary citizens and convert this participation into an effective voice for policies that benefit the great majority of Canadians.

The democratic structure of unions affects attitudes and behaviours of workers outside the workplace. Researchers Alex Bryson, Rafael Gomez, Tobias Kretschmer, and Paul Willman found that union membership in Canada is associated with a roughly 10 to 12 percentage increase in the propensity to vote[58]. They point out that if workers are involved within the democratic structure of their unions, they will have increased attachments to democratic governance elsewhere. This was further confirmed even when controlling for other factors that could affect voter participation; union status had a significant effect on voting participation.

**CHART 12**




Source: Elections Canada



When looking at voter participation in Canada (Chart 12), we can see union density acts as a complement to voter turnout. As unionization rates have declined for the past three decades, we see a similar trend in voter turnout. Through awareness and participation, unions have mobilized voters to bring them to the polls.

Bryson's et al. research is reinforced by research on voter turnout done by the Organization for Economic Co-operation and Development and the Institute for Democracy and Electoral Assistance. Their findings show that countries with higher unionization rates have higher voter turnout. Looking at average voter turnout data between 2000 and 2010, they found that the top ten unionized countries have a 77.9 percent voter turnout, while the bottom ten countries have a 61.8 percent voter turnout.[59]

As union density declines, this otherwise positive influence on democracy is having reduced effect and should be a cause for worry for everyone who cares about democracy.[60]

# 10 Conclusion

*"The different sorts of equality are finally inseparable but up to a certain point they are sufficiently distinguishable, and one may speak of political equality, equality before the law and economic equality. Without the last, the first and second exist only measurably, and they tend to disappear as it shrinks."*

*• William Dean Howells*

OVER THE PAST three decades in Canada and throughout the world, increasing corporate power, aided by governments that promote pro-corporate policies, have resulted in massive inequality and social exclusion. Continuing along this ill-fated path greatly threatens Canada's ability to build a more egalitarian society based on our common good and common wealth. Our values of compassion, sharing, and caring are in danger of being overtaken by the corporate elite's notions of individual responsibility and survival of the fittest.

Balance must be restored to the scales of economic equality and social justice. The only democratic counterweight to the power of corporations and the super wealthy is an agenda that supports and promotes strong labour rights and unionization. These are key components to a functioning democracy and an equitable and sustainable economy.

The labour movement in Canada and its progressive allies must continue to make the critical connection between reducing income inequality, strong labour laws and high rates of unionization. Unions and labour rights have a strong demonstrative impact on a nation's ability to achieve greater income equality, social justice and enhance democracy through civic participation. Unions matter and are a critical factor in ensuring the economic and social well-being of all Canadians.

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