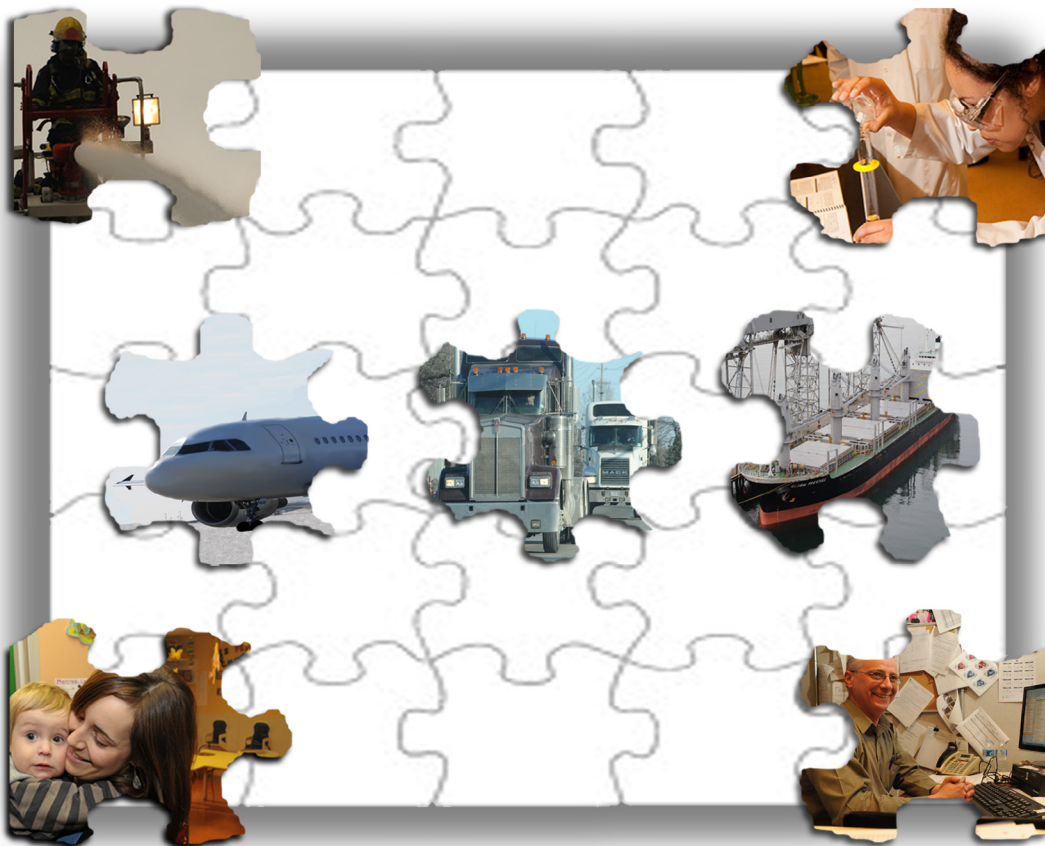




Fair, safe and productive workplaces

Labour

Collective bargaining in Canada 2011



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In brief:

- The overall wage adjustment increased by 1.8% in 2011, but varied across jurisdictions and industries according to economic conditions.
- Union density dipped slightly after having remained unchanged for the previous two years.
- The number of work stoppages declined, although the number of workers involved rose substantially.

Introduction

Collective bargaining in 2011 took place in an uncertain economic climate, which had an effect on bargaining outcomes. This report presents an overview of collective bargaining in Canada in 2011 and describes some of the broad trends that resulted. It concludes with an identification of the main bargaining issues that may emerge in 2012.

1. Economic climate in 2011: Uncertainty after six quarters of steady recovery

The Canadian economy has emerged strongly from the 2008 recession and experienced since then a period of sustained economic growth. This may be attributed to a sound banking system, the strength of commodity exports and other factors such as a reasonably valued housing market and healthy federal public finances.

Over the first three quarters of 2011, the gross domestic product (GDP) grew at an annualized rate of 2.1%¹; this rate is relatively low compared to the six consecutive quarters of growth observed from the end of the recession to the end of 2010, during which the GDP grew on average by 3.3%.

The US economy, by far Canada's largest trading partner, was still stagnating although it experienced a relative expansion towards the end of the year.

Also, the growing worries over sovereign debt and the overall economic landscape in many European countries, had a negative impact on our economy throughout 2011.

Furthermore, the Canadian economy was still fragile at the end of 2011 for intrinsic reasons: the Canadian dollar gained in value and the household debt was at record highs.

Declining business confidence in the economy and a strong dollar forced some companies to cut spending to lower their costs. This had implications for labour relations. Employers were seeking concessions, including pay cuts from unionized workers; while unions were determined to limit downward pressures on the purchasing power of their members and protect their benefits. Consequently, high profile work stoppages made headlines at the end of 2011.

Trends in employment

Nearly all the jobs lost during the economic downturn were recovered in 2011. Nevertheless, as of December 2011, the unemployment rate stood at 7.5% compared to 5.9% prior to the recession.² Over the same period, the employment rate amongst those aged 15 and over decreased from 63.8% to 61.7%.³

1. Statistics Canada, Economic Accounts. (Cansim 380-0002).
2. Statistics Canada (2009): Canadian Economic Observer.
3. Statistics Canada (2011): The Daily.

Full-time employment rose by 1.5% during the year, accounting for all the jobs created, as the number of part-time jobs fell by 0.3%. Even with positive job creation, scarcity of employment was accompanied by a decline in job quality: the number of self-employed Canadians rose by 2.0% in 2011⁴ and high-paying full-time jobs rose by only 0.4%.⁵

Inflation increased in 2011. The annual average increase in consumer prices was 2.9%, compared to 1.8% in 2010.⁶ Faster growth of prices in 2011 was mostly due to the higher cost of gasoline and food.

Workplace and negotiations

Wages were among the top priorities on the bargaining table for unions and employers in 2011. Unions wanted some level of increase since wage settlements have been relatively modest in recent years. Employers, on the other hand, had to ensure that such raises would not negatively affect their costs. Other priorities included employment security for unions, whereas productivity, business competitiveness and flexible work practices were the focus for employers, benefiting from a strong position at the table.⁷

Pensions became one of the key bargaining challenges and a source of conflict between employers and employees. This issue can be explained by a number of factors:

- **The non-performing markets:** the prospects for healthy returns from investments are volatile. As a result, pension plan funds' assets experienced lower performances and deficits during the last few years.
- **The changing structure of the economy putting pressure on pensions:** Several employers used to provide jobs with a defined benefit pension plans. Economic conditions have led them to be more concerned about the costs of benefit packages and their impacts on profits. Therefore, the tendency to shift

to defined contribution plans increased, enabling employers to manage their costs more easily.

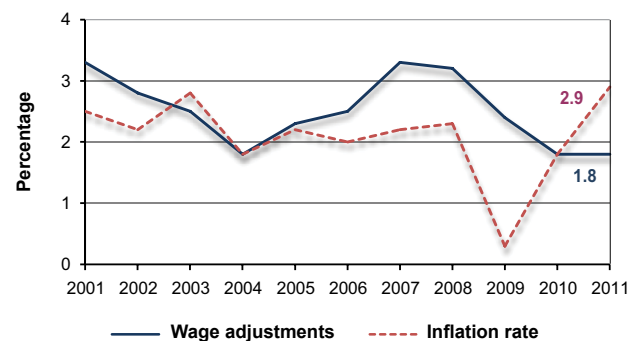
- **Canada's aging demographic situation:** The trend of an aging population became a crucial issue in the last few years and represents a major economic challenge particularly for the funding of pensions.⁸

2. Major wage settlements⁹: wage increases remain moderate

Major settlements in Canada resulted in an adjustment¹⁰ of 1.8% (284 collective agreements involving 656,750 employees), which was the same as 2010 but lower than what the same parties negotiated in the previous round of settlements (2.9%).

Note that, in 2011, the inflation rate (2.9%) was higher than the overall wage adjustment, for the first time since 2003 (chart 1). This is also the greatest difference between wage adjustment and inflation since 1995, when it was 1.3 percentage points at that time.

Chart 1:
Wage adjustments in major settlements and inflation rate, 2001-2011



Sources: Statistics Canada, Workplace Information Division.

4. On average, a self-employed person earns 10%-15% less than an average employee.

5. CIBC (January 2012): Canadian Employment Quality Index, Quantity and Quality of Jobs Falling in Tandem.

6. Statistics Canada (January 2012): The Daily.

7. Conference Board (2011): Industrial relations outlook 2012: going sideways, with a twist.

8. In 2010, the median age of the population in Canada was 39.7 years, meaning that half of the population was older and half was younger. In 1971, the median age of the population was 26.2 years.

9. Major settlements: collective agreements covering 500 or more employees.

10. Throughout the document, the term "adjustment" refers to "average annual adjustment".

Despite the recovery from the recession, caution persisted. Economic disruptions continued to have a negative impact on the financial capability of employers who, throughout the year, sought small wage increases.

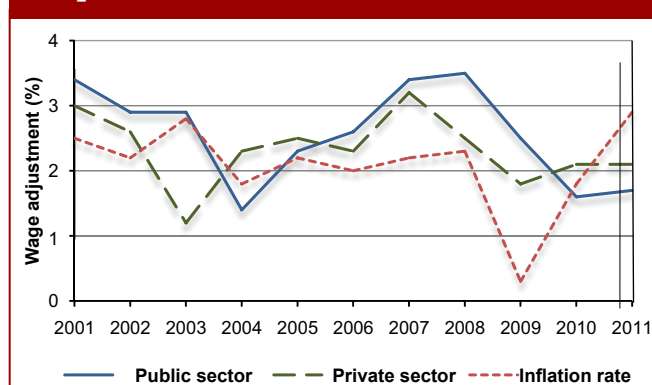
The average overall adjustment of 1.8% hides large gaps among the different sectors of the economy and among the provinces. For example, some sectors, like education, health, and social services did not fare as well compared to the primary industries, where the context was more favourable. On the other hand, certain provinces had more generous increases than others, namely Alberta and Saskatchewan, due to their more favorable economic conditions.

Wage adjustments were higher in the private sector than in the public sector

The average annual adjustment was higher in the private sector (2.1%) than in the public sector (1.7%) (chart 2), a difference that could be explained by increased optimism among private sector employers when establishing their salary budget.

Most of the ratified agreements (63.0%) and employees involved (71.2%) were in the public sector. In fact, 179 agreements involving 467,810 employees were signed in the public sector, whereas 105 agreements involving 188,940 employees were reached in the private sector.

Chart 2:
Wage adjustments in public and private sectors compared to the inflation rate, 2001-2011



Sources: Statistics Canada, Workplace Information Division.

Public sector

Wage freezes and other measures for reducing budget deficits in the public sector were the reason for a lower average annual adjustment. In fact, most of the wage freezes in 2011 occurred in this sector (14 out of 16) and affected 10.1% employees (47,000 employees).

A number of jurisdictions experienced wage restraint measures:

- In British Columbia, 25 agreements involving 47,510 employees generated the lowest provincial adjustment of 0.2%. Among the 14 wage freezes imposed in Canada in 2011, 13 affected the public sector in this province, thereby impacting 91.7% of the employees covered by the negotiated agreements;
- In Ontario, 50 agreements covering 181,050 public-sector employees provided wage adjustments of 1.5% on average.

In some other provinces, wage gains in the public sector were more substantial:

- In Alberta, 32 agreements involving 70,280 employees provided wage adjustments of 2.7%;
- In Saskatchewan, 24,170 public-sector employees covered by 10 agreements received wage increases averaging 2.7%.

The lowest wage adjustments were negotiated by provincial governments, namely an average of 1.5% for 57,660 employees. Employees at Crown corporations and public services companies had the largest gains, namely increases of 2.5% granted to 30,260 employees.

In the federal government, a total of 9,430 employees received an average wage increase of 1.6% in four collective agreements. This adjustment was largely driven by the agreement ratified by the members of three units of the Public Service Alliance of Canada in December 2010.

Lastly, 61,210 employees of local governments had wage adjustments averaging 2.2%.

Private sector

As for the private sector, construction forms the largest industrial area of activity, with 45,750 employees, or 24% of the unionized workforce. Within that group, there were 16 agreements resulting in a 2.1% average wage increase.

The highest average wage increase was reported in the utilities industries sector at 3.0% (three agreements covering 4,360 employees). While the lowest average adjustment was in the entertainment and hospitality at 1.7% (ten agreements covering 10,220 employees).

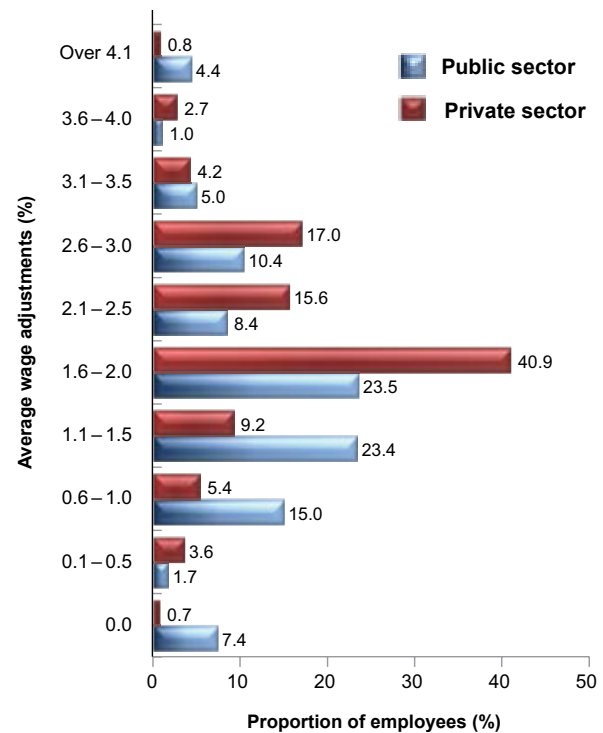
Only two settlements contained wage freezes in 2011: Connor Bros. in New Brunswick (750 employees) and Electro Motive Diesel¹¹ in Ontario (620 employees), for which the parties extended the previous agreement from June 2, 2011, to the end of the year. Electro Motive has been going through a labour dispute since January 1, 2012. The employer called for a 50% wage decrease as well as the elimination of the pension plan.

Still in the private sector, two jurisdictions showed relatively high adjustments compared to the rest of Canada: Nova Scotia, where two agreements granted an average adjustment of 3.4% to 3,700 employees; and Saskatchewan where three agreements covering 2,750 employees provided an average adjustment of 3.1%. In the range of lowest adjustments, New Brunswick recorded a wage freeze for 750 employees covered by a single agreement. However, the private sector in Ontario and Alberta allotted respective wage adjustments of 1.7% and 2.1% on average; these adjustments were obtained through 32 agreements covering 45,160 employees in Ontario and 21 agreements covering 60,440 employees in Alberta. Chart 3 shows the differences in wage adjustments in the public and private sectors.

Large adjustment variations depending on the industry and jurisdiction

Among all the industry sectors, the 316,280 employees in the education, health, and social services sector, representing nearly half of all the employees involved in the 2011 settlements,

Chart 3:
Distribution of employees, by wage adjustments, 2011



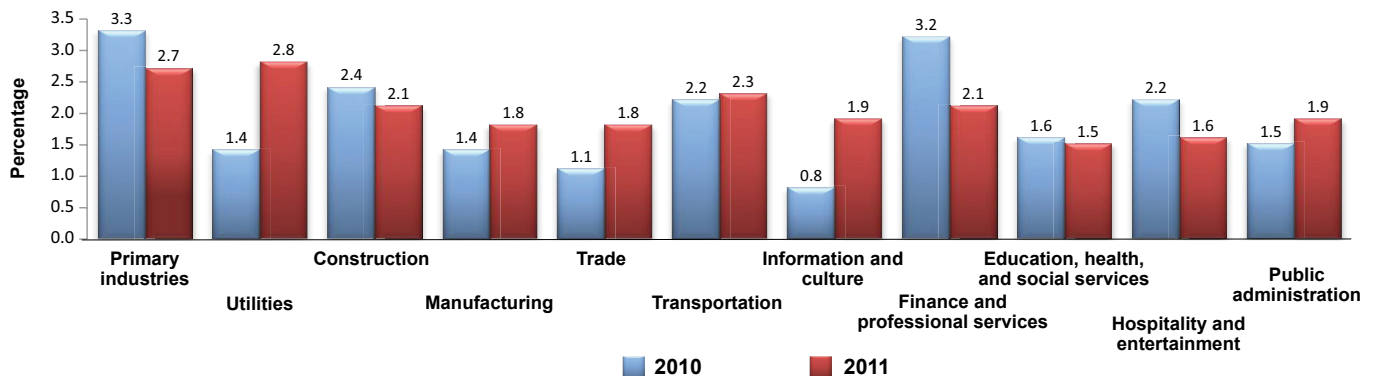
Source: Workplace Information Division.

received the lowest average annual adjustment (1.5%). This moderate increase was largely due to the impact of the wage freezes that affected 39,380 employees in this sector in British Columbia (chart 4).

At the other end of the spectrum, the highest wage increase was granted to employees in the public services sector, with an average of 2.8% (10 agreements covering 16,600 employees across the country).

11. In early February 2012, Caterpillar announced its intention to permanently close the plant where employees had been locked out since January 1st.

Chart 4:
Wage adjustment, by industry, 2010–2011



Source: Workplace Information Division.

In terms of concentration of employees, the public administration sector (17%) and transportation sector (7.4%) rank second and third, reporting wage adjustments of 1.9% and 2.3% respectively. The jurisdictions adapted differently to the economy.

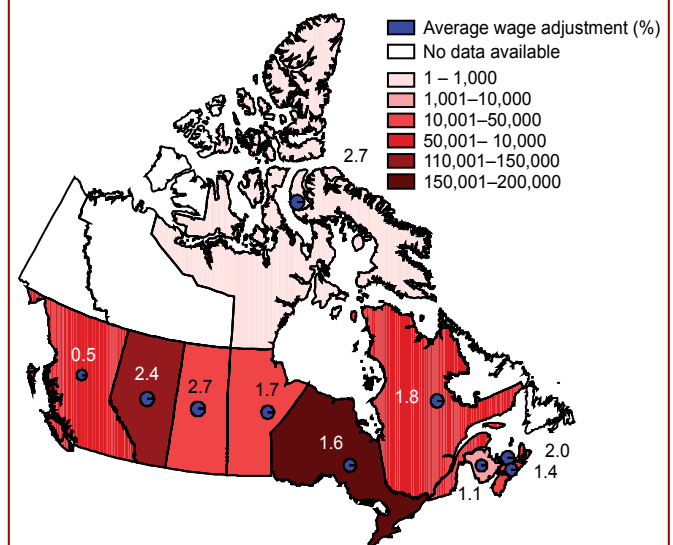
All sectors combined, the lowest average adjustment was seen in British Columbia with 0.5% (25 agreements covering 57,220 employees). Saskatchewan (13 agreements covering 26,920 employees) and Nunavut (a single agreement covering 750 employees) had the highest adjustment, i.e. 2.7% on average.

On the other hand, Ontario as a whole had an average annual adjustment of 1.6% (181,050 employees), while in Quebec, the average adjustment was 1.7% (103,870 employees). These two provinces totalled 43.4% of all employees affected by the settlements in 2011. Including Alberta (19.9%) and the federal jurisdiction (11.3%), this percentage accounts for three quarters of the employees covered (chart 5). Note that in the federal jurisdiction, the adjustment was 2.2% for 74,310 employees (28 agreements).

3. Collective agreement duration

The average duration of the 284 settlements in 2011 was 40.2 months. This duration is slightly less than the 41.4 months set by the 325 settlements in 2010 and the 41.1 months for the 311 settlements in

Chart 5:
Average wage adjustments, by province, and employee coverage

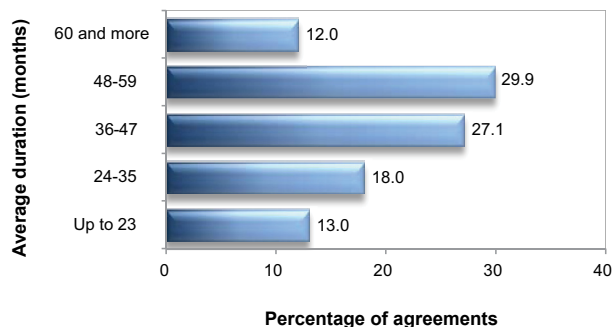


Source: Workplace Information Division.

2009. Collective agreement duration seems to have reached a plateau with an average of 41.3 months from 2008 to 2010.

Out of all the settlements in 2011, 13% had a duration of over 60 months, 29.9% set a duration between 48 and 59 months, whereas for 27.1% of the agreements, the negotiated duration was from 36 to 47 months (chart 6).

Chart 6:
Distribution of collective agreements,
by contract duration, 2011



Source: Workplace Information Division.

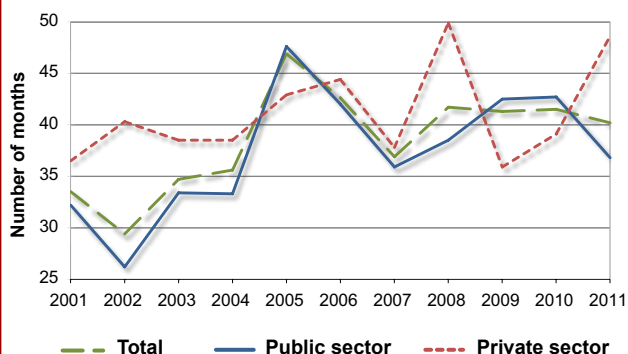
The average duration of agreements in the private sector (48.6 months) was much longer than in the public sector (36.8 months) (chart 7). The trend of long-term settlements in the private sector provides employers with industrial peace, a degree of budget stability, better long-term planning and a decrease in bargaining costs. The unions, however, prefer long-term safeguards and increased security during unstable economic conditions.

A number of long-term agreements were signed in Quebec, where the average duration amounted to 55.7 months, continuing the trend seen in the previous years. This province was the only one where agreements with an average duration of over 50 months were signed during the past three years.

Agreements in the wholesale and retail trade sector were once again for a relatively long average duration (50.0 months). In 2010 and 2009, this highly competitive sector had also been characterized by long-term contracts, namely 56.2 months and 49.3 months. However, in 2011, it was the finance and professional services sector that had the longest average duration with 57.5 months.

Among the major settlements negotiated in the public sector, Quebec City and its police officers, signed the longest at 96 months. In the private sector, the same duration was negotiated for the collective

Chart 7:
Contract duration, by year, 2001-2011



Source: Workplace Information Division.

agreements of the British Columbia Maritime Employers Association in British Columbia and Olymel in Quebec (table 1).

4. Workplace innovations¹²

Industrial relations are constantly changing. In 2011, innovative practices were introduced in a number of workplaces. Below, we have identified several practices of particular interest in recently negotiated Canadian collective agreements.

Supplementary unemployment benefits system

Diffusion Métromédia CMR inc. and the Fédération nationale des communications agreed to introduce a supplementary unemployment benefits system. Its purpose is to supplement income during temporary layoff of permanent full-time employees. A laid off employee receives 25.0% of regular salary plus employment insurance benefits of up to 95.0% of weekly earnings. The maximum period of coverage is limited to 52.0 weeks.

Retirement

The Canadian Broadcasting Corporation and the Canadian Union of Public Employees negotiated a new phased retirement provision. Employees will

12. Innovative practices are clauses of interest in Canadian collective agreements negotiated between a union and an employer. They represent an original solution for the parties and can involve various aspects including: labour-management co-operation, organization of work (e.g. functional flexibility, team work) working-time management, training, compensation, etc. These collective agreements cover 500 or more employees in the provincial jurisdiction, and 100 or more employees in the federal jurisdiction.

**Table 1:
Contract duration, 2011**

Organisation name	Number of employees	Duration (month)	Wage adjustment (percentage)
British Columbia Maritime Employers Association, British Columbia (longshoremen).....	4,500	96.0	2.5
Ville de Québec, Québec (policemen).....	800	96.0	1.7
Olymel L.P., Québec (production employees).....	700	96.0	2.0
Association des entrepreneurs de services d'édifices, Québec (services and maintenance employees).....	6,000	88.9	2.2
Molson Coors, Québec (production and distribution employees).....	850	84.3	0.4
Réseau de transport de Longueuil, Québec (drivers).....	650	84.0	1.7
Sherbrooke university, Québec (support employees).....	1,400	84.0	2.3
Bell Technical Solutions, Ontario (technicians).....	1,730	84.0	2.8
Bell Technical Solutions, Québec (technicians).....	1,090	84.0	2.8
City of Gatineau, Québec (internal employees).....	700	84.0	2.4

Source: Workplace Information Division.

be able to reduce their usual work schedule while receiving a portion of their severance pay as “partial retirement leave”. An employee’s compensation under phased retirement will consist of 50% time worked and 50% “partial retirement leave”.

Severance pay

The Royal Canadian Mint and the Public Service Alliance of Canada negotiated changes to existing severance provisions. Full-time, indeterminate employees can cash out accumulated severance at the rate of one week’s pay per year of continuous service. Those who decide to do this now have two options: either cash out their package right away at their current pay rate, or a portion of their package right away at their current pay rate and the remainder on their separation date, at the pay rate in effect at that time. Employees who choose not to cash out their severance package at this time will be grandfathered, and their severance package in the event of retirement or resignation will continue to grow and will be paid at the time of their departure.

Labour-management co-operation

The City of Montreal and the Canadian Union of Public Employees agreed to establish a committee to prepare an overview on work attendance and measures to be introduced to reduce the absentee rate. The committee will also be tasked with setting project goals and timelines to assist in improving attendance and productivity.

As of December 31, 2012, if overall attendance goals are achieved, the employer will provide to the union a lump-sum payment equal to 0.3% of payroll. In subsequent years, the lump-sum payment will be maintained if absentee rates remain stable, or reduced if rates begin to rise again. Moreover, if absentee rate reductions align with other factors to achieve additional savings for the employer, the parties will determine a formula for sharing those gains, potentially resulting in annual lump-sum payments greater than 0.3% of payroll.

Work time management

The Capital Health Authority and the Nova Scotia Government and General Employees Union have added a provision allowing employees the option of replacing Good Friday, Easter Monday, Christmas Day, or Boxing Day with another paid day off so that other religious beliefs can be accommodated and celebrated.

5. Work stoppages

The number of work stoppages was still in decline in 2011. The fragile economy weakened the bargaining power of unions and encouraged a more cooperative bargaining approach between unions and employers. In most workplace disputes, wages and pensions remained the prominent issues.

For 2011, the number of work stoppages stood at 142, down 17.9% from the 2010 figure of 173. Despite this drop, the number of workers involved jumped 57.9% from its 2010 level to 91,131. This is the highest number of workers involved since 2005. This significant increase can be attributed to the work stoppage at Canada Post. In fact, when this work stoppage is excluded from the overall figure, the number of workers involved in 2011 was lower than the previous year. As stated further in this report, the work stoppage at Canada Post had a significant impact in 2011.

Although work stoppages in 2011 involved significantly more workers than in the previous year, the average duration of stoppages dropped by 10.9% from 49.5 to 44.1 days (chart 8).

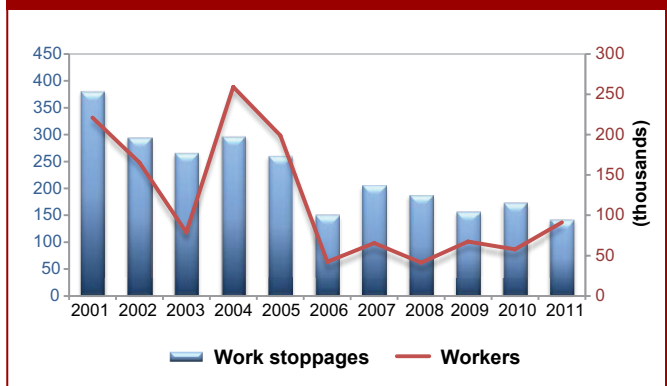
Despite a decrease in average duration of work stoppages, there was a moderate growth of person-days not worked¹³ (PDNW), which increased by 10.5%, from 1.18 million in 2010 to 1.31 million in 2011 (chart 9).

These aggregated results, when broken down by jurisdiction and sector, show significant variations.

Federal jurisdiction

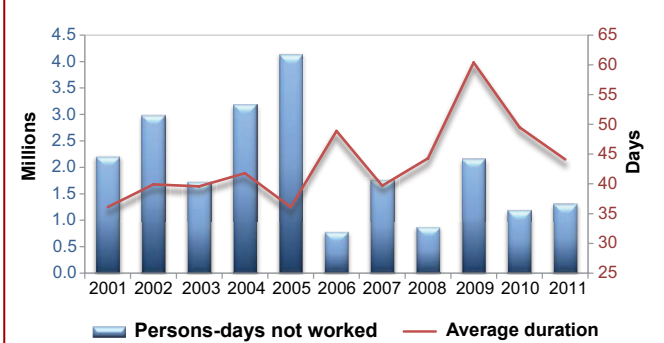
The number of work stoppages in the federal jurisdiction increased in 2011 compared to 2010 from 7 to 10, as did average duration, which rose

Chart 8:
Work stoppages and workers involved, 2001–2011



Source: Workplace Information Division.

Chart 9:
Person-days not worked and average duration, 2001–2011



Source: Workplace Information Division.

from 21.3 to 30.3 days. In total, 52,759 workers were involved in a strike or a lockout in 2011, a number well above the past five years' average of approximately 4,000. This resulted in a substantial rise in the number of PDNW from 12,457 in 2010 to 457,000 in 2011.

The majority of these increases were the result of the dispute between Canada Post and the Canadian Union of Postal Workers, which accounted for 91% of workers involved and 88% of PDNW in the federal jurisdiction.

13. Person-days not worked: Duration in working days multiplied by the number of employees involved.

Provincial jurisdiction

The number of work stoppages in the provincial jurisdiction decreased by 20.5%, from 166 in 2010 to 132 in 2011. In addition, workers involved, average duration and PDNW all decreased for the second year in a row.

The average duration of work stoppages was more modest, declined by 10.7% to 45.2 days in 2011. Meanwhile, important decreases (32.1%) occurred in the number of workers involved (38,372) for the third year in a row. As a consequence, the number of PDNW decreased by 27.2% to 856,396.

Public/Private

The number of work stoppages in both the public and private sectors has been trending down for the past five years. Work stoppages decreased by 27.3% and 14.7% respectively in the public and private sector in 2011 compared to 2010.

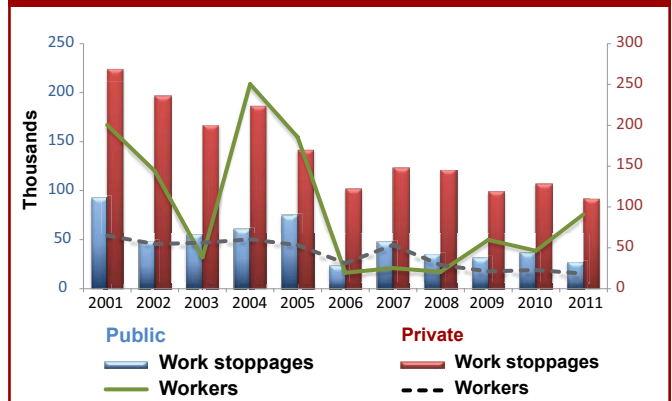
Average duration of work stoppages in both the public sector has been consistently lower than in the private sector since 1994. This trend became significant after 2004, averaging 22.7 fewer days than in the private sector. However, this gap narrowed considerably in 2011 to a difference of only 8.7 days (37.4 days in the public sector and 46.1 in the private sector).

An examination of the number of workers involved in strikes and lockouts reveals a contrast between the public and private sectors. In the private sector,

this figure has been relatively constant from year to year, although displaying a downward trend starting in 2004. On the other hand, the number of workers involved in the public sector has been highly volatile. Comparing 2011 to the previous year, workers of this sector involved in work stoppages nearly doubled, whereas their number decreased by 19.5% in the private sector (chart 10).

The likely explanation for the higher level of volatility in the number of workers involved the public sector is the larger size of bargaining units; the average number of workers per agreement exceeded the private sector figure by 1,674 and 814 workers respectively in 2010 and 2011 (table 2).

Chart 10:
Number of work stoppages and workers involved, by sector, 2001–2011



Source: Workplace Information Division.

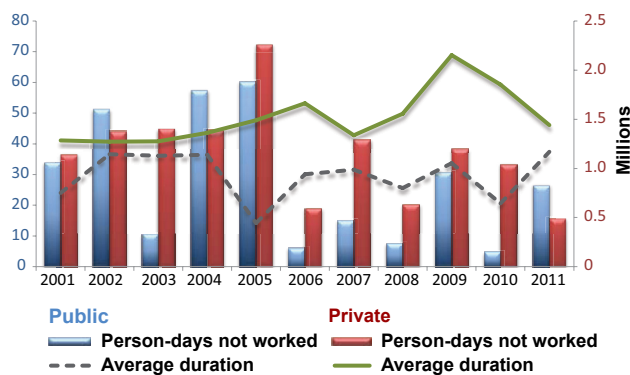
Table 2:
Negotiated major settlements in 2010 and 2011

	Public			Private		
	Agreements	Total number of workers	Average number of workers per agreement	Agreements	Total number of workers	Average number of workers per agreement
2010	185.....	864,790.....	4,675	140	420,050	3,000
2011	179.....	467,810.....	2,613	105	188,940	1,799

Source: Workplace Information Division.

Turning to PDNW, 2011 witnessed a reversal of the previous pattern. For the first time since 2004, PDNW were greater in the public sector (825,337) than the private (488,059), which was due to the dispute between Canada Post and the Canadian Union of Postal Workers (chart 11).

Chart 11:
Person-days not worked and average duration, by sector, 2001–2011



Source: Workplace Information Division.

Significant work stoppages

Three particular work stoppages marked Canada's labour environment in 2011. The first was the ten-month lockout by US Steel Canada inc. of 810 United Steelworkers which accounted for more than 10.0% of the total PDNW. One of the main concerns was the employees' pension plan.

The second conflict occurred in the federal jurisdiction and received considerable media coverage. The nation-wide lockout involving Canada Post and the Canadian Union of Postal Workers put 48,000 employees on the picket line this past summer. The stoppage began June 3 as a rotating strike, involving far fewer workers as the strike rotated through cities across the country. Starting June 15, all workers were locked out by the employer. The lockout ended via back-to-work legislation and arbitration, taking effect June 26. The two main issues of the dispute were wages and pensions.

Finally, the strike involving Air Canada and 3,800 CAW¹⁴ workers was also resolved by the introduction of back-to-work legislation. However, before the legislation took effect, the parties were able to reach an agreement, ending the strike three days after it began. Again, the two issues leading to the strike were wages and pensions.

The latter two work stoppages totalled 429,520 PDNW, which represented 32.7% of the national total.

6. Union coverage¹⁵

Union density¹⁶ continued to follow the same downward trend as in previous years. At the end of 2011, the rate at 31.2% was at its lowest level since the introduction of the Labour Force Survey¹⁷ in 1997.

Union density by public and private sectors

In the public sector, the decline in union density (nearly 1.0%) was greater than in the private sector.

The difference in growth rates between unionized and non-unionized workers in both sectors explains this contrast. While unionized workers in the public sector grew by 0.25%, the number of non-unionized workers increased by 5.0% during the year. By contrast, the difference in the private sector was less severe since the number of unionized workers grew by 1.2%, versus 2.2% in non-unionized workers.

The stable number of unionized public sector workers can likely be attributed to the increased pressure on governments to reduce spending and therefore reduce recruitment (chart 12).

Union density by province

The decline in union density in Canada was reflected in most provinces (table 3), particularly in Alberta, where it fell by 1.7%. Conversely, Nova Scotia experienced the largest increase in union density for 2011 at 1.8%.

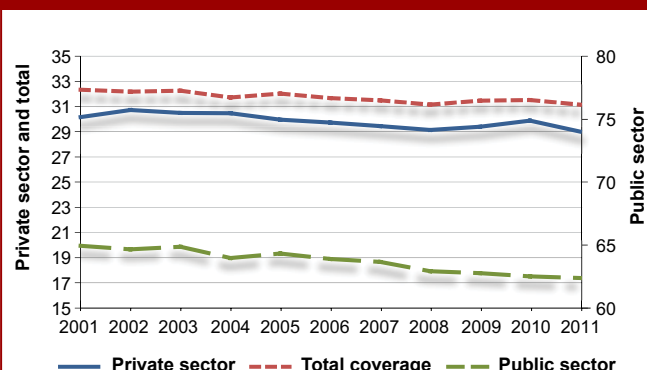
14. CAW: Canadian Auto Workers' union.

15. Statistics Canada defines coverage as union members and persons who are not union members but covered by collective agreements. For more information see Perspectives on Labour and Income—Unionization.

16. Statistics Canada defines union density as union coverage as a proportion of total employed employees.

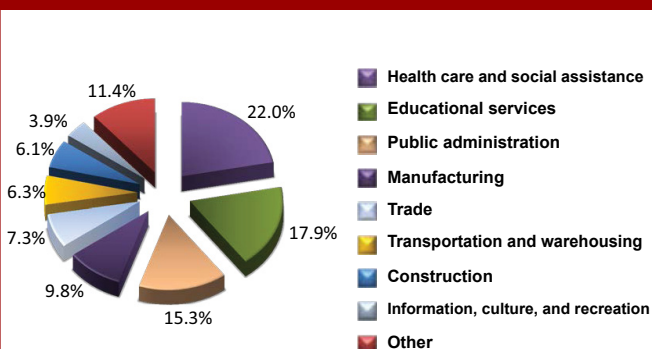
17. Statistics Canada's Labour Force Survey is a sample survey based on self-reporting that can be analysed by gender, age, and other characteristics.

Chart 12:
Percentage of union density, by sector, 2001–2011



Source: Workplace Information Division.

Chart 13:
Share of union coverage, by industry, 2011



Source: Statistics Canada, CANSIM.

Table 3:
Union coverage, by province, 2001–2011

	2010		2011*	
	Workers covered (000's)	Union density (%)	Workers covered (000's)	Union density (%)
Canada	4,532.6	31.5	4,562.4	31.2
Newfoundland and Labrador.....	77.2	39.2	79.8	39.1
Prince Edward Island	19.2	32.7	20.2	32.7
Nova Scotia	116.3	29.7	123.1	31.5
New Brunswick	89.7	28.8	92.4	29.7
Quebec	1324	39.3	1,340.5	39.3
Ontario.....	1559	27.9	1,583.8	27.8
Manitoba	199.7	37.7	196.1	36.3
Saskatchewan	152.1	35.9	151.3	35.3
Alberta	418.3	25.0	404.6	23.3
British Columbia.....	577.0	31.6	570.6	30.8

*2011 annual data is available only up to November.

Source: Statistics Canada.

Union density by industry

Although union density dropped in the majority of industries in 2011, most reported increases in the number of unionized workers. Notable declines were observed in public administration and utilities.

The share of union coverage by industry remained relatively unchanged from 2010 with four industries representing roughly two-thirds of all union coverage in Canada (chart 13).

7. Labour organizations in 2011

The Workplace Information Division conducts an annual survey of international, national, and other labour organizations, as well as of independent Canadian unions consisting of bargaining units of 50 or more members.

Overall coverage

As of January 2011, 4,625,777 workers were covered by collective agreements. This corresponds to a union coverage rate (union coverage as a percentage of non-agricultural paid workers) of 30.2%, practically unchanged since 2003.¹⁸

Coverage by type of organization

Examining coverage by type of organization (table 4) in 2011, national unions represented 68.0% of workers covered whereas international unions claimed 26.4%.¹⁹

Coverage by union size

Unionized workers in Canada are highly concentrated in a small number of unions. Table 5 shows that almost 50% of unionized workers belong to just nine unions, each covering at least 100,000 workers. At the other end of the spectrum, 162 unions having fewer than 10,000 members represent just 8% of workers, with an average size of 2,160 workers.

Table 4:
Composition of unions in Canada, by type, 2011

	Unions		Coverage	
	Number	Percentage	Workers	Percentage
National	184	23.7	3,145,473	68.0
International	39	5.0	1,222,512	26.4
Independent local organizations	265	34.1	181,337	3.9
Directly chartered unions	290	37.3	76,455	1.7
Total	778	100.0	4,625,777	100.0

Note: “National unions” represent only workers in Canada, whereas “International unions” represent workers in Canada and the United States. “Independent local organizations” represent workers that have no affiliation. “Directly chartered unions” are locals representing workers that are directly affiliated to a labour congress.

Source: Workplace Information Division.

Table 5:
National and international unions, by size, 2011

	National		International		Total	
	Unions	Workers	Unions	Workers	Unions	Workers
Under 999	75	27,700	6	2,234	81	29,934
1,000–9,999	67	266,386	14	53,536	81	319,922
10,000–29,999	17	302,054	7	103,339	24	405,393
30,000–49,999	8	298,090	4	154,590	12	452,680
50,000–99,999	11	678,750	5	318,935	16	997,685
100,000 and over	6	1,572,493	3	589,878	9	2,162,371
Total	184	3,145,473	39	1,222,512	223	4,367,985

Note: Directly chartered and independent local unions are not included.

Source: Workplace Information Division.

18. The administrative data includes unions and labour organizations' contact information, affiliation, membership size, and number of union locals are made available in a searchable database, called the Directory of Labour Organizations in Canada.

19. The Workplace Information Division's estimate is slightly lower than Statistics Canada estimate (31.9%). Statistics Canada, CANSIM table 0282-0077. This small discrepancy can be explained by different data collection methods, the timeframe, etc.

Affiliation

Among labour congresses in Canada and the United States, the Canadian Labour Congress (CLC) represents the largest share of workers covered by collective agreements at 69.9%, as shown in table 6, a slight increase from last year's share of 69.6%. The remainder of the affiliated workers are covered by the Confédération des syndicats nationaux (CSN) representing 6.7%, the Centrale des syndicats du Québec (CSQ) 2.7%, the Centrale des syndicats démocratiques (CSD) 1.6%, Change-to-Win (CtW) 1.5%, the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) 0.8%, and the Confederation of Canadian Unions 0.2%. Unions representing the remaining 16.5% of workers covered are not affiliated with any congress.

Affiliation changes and mergers

During 2011, three independent unions affiliated with the CLC: the Professional Institute of the Public Service of Canada (50,733 members), the Ontario

Public Service Staff Union (320 members), and the York University Faculty Association (1,385 members). Conversely, two nationally affiliated unions became independent: The Laurentian University Staff Union (236 members) disaffiliated from the Confederation of Canadian Unions (CCU); and the Association des travailleurs(euses) de la Caisse populaire de Victoriaville (125 members) disaffiliated from the CLC. Lastly, The Laborers' International Union of North America (68,650 members) changed affiliation from CtW to AFL-CIO/CLC.

The Fédération de l'industrie manufacturière (approximately 30,000 members) was formed through the merger of the Fédération de la métallurgie and the Fédération des travailleurs et travailleuses du papier et de la forêt in February 2011.

Legislative and regulatory changes

There were no significant legislative changes in Canada in 2011 regarding union certification rules.

Table 6:
Union coverage, by congress affiliation, 2011

	Workers	Percentage
Canadian Labour Congress (CLC)	3,234,361	69.9
CLC only	2,118,476.....	45.8
AFL-CIO/CLC	613,871.....	13.3
CtW/CLC	501,959.....	10.9
Directly chartered unions	55.....	0.0
Confédération des syndicats nationaux (CSN)	316,313	6.7
Federation	310,313.....	6.7
Directly chartered unions	6,000.....	0.1
Centrale des syndicats du Québec (CSQ)	125,329	2.7
Centrale des syndicats démocratiques (CSD)	75,400	1.6
Federation	5,000.....	0.1
Directly chartered unions	70,400.....	1.5
Confederation of Canadian Unions (CCU)	7,902	0.2
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) only	36,040	0.8
Change-to-Win (CtW) only	68,650	1.5
Unaffiliated unions	761,782	16.5
National.....	578,453.....	12.5
International	1,992.....	0.0
Independent local organizations	181,337.....	3.9
Total	4,625,777	100.0

Source: Workplace Information Division.

Amendments to first contract arbitration provisions under *Newfoundland and Labrador's Labour Relations Act* came into force in May 2011. These amendments allow a union or employer, where unsuccessful in negotiating a first collective agreement, the ability to apply directly to the Newfoundland Labrador Labour Relations Board to inquire into the dispute, and if the board considers it advisable, to settle the terms and conditions of the contract. The duration of collective agreements resulting from first contract arbitration also increased from one year to a minimum of 18 months, with a maximum term of up to three years. Previously, only the provincial Minister of Labour could refer labour disputes to the board for first contract arbitration, after conducting an investigation. The process was streamlined with the elimination of these two steps.

In addition, on April 29, 2011, the Supreme Court of Canada released a key decision regarding the right to collective bargaining. In *Fraser vs. Ontario (Attorney General)*, the Court confirmed the constitutional validity of *Ontario's Agricultural Employees Protection Act, 2002* (AEPA), which excludes farm workers from the general collective bargaining regime under the *Labour Relations Act* but gives them the right to form associations and make collective representations to their employers about terms and conditions of employment.

The Court found that the AEPA did not violate section 2(d) (freedom of association) of the Canadian Charter of Rights and Freedoms. In its view, section 2(d) of the Charter protects the right to associate to achieve collective goals. It also requires that both the employer and employees meet and engage in meaningful dialogue on workplace issues, and that the employer consider employees' representations in good faith. However, section 2(d) does not impose a specific collective bargaining process, a particular model of labour relations or a particular outcome. The AEPA was found to meet these constitutional requirements by protecting the right of farm workers to associate and make representations to their employer, and providing access to a tribunal for resolving disputes regarding compliance with the Act. While the AEPA does not expressly impose a duty on employers to consider their employees' representations in good faith, the Court found this duty to be implied in the legislation.

8. Looking ahead to 2012

Economic uncertainty and concerns over the strength of recovery will influence the industrial relations climate in 2012. The public-sector focus is on reducing deficits and the private sector will try to restrain or reduce labour costs in the face of greater competition in the marketplace. Current economic conditions will tend to limit unions' expectations but the levels of 'restraint' or types of 'concessions' employers could demand may determine unions response at the bargaining table.

A number of very large public sector institutions will dominate bargaining, notably in Ontario (public administration and education), and other provincial/municipal governments across the country; the broader public-sector negotiations will also involve large bargaining units in the health-care sector in British Columbia, Manitoba and Saskatchewan. In the private sector, North American auto makers (General Motors, Ford, and Chrysler) will headline contract negotiations.

Wages are usually one of the major issues at the bargaining table. Overall, the Workplace Information Division (WID) is projecting an increase of 1.9% in 2012. Some industrial sectors will perform better than others and therefore wage settlements will vary across the board.

For employers, other issues at the bargaining table will be about restructuring to compete against lower-cost producers, flexibility in working conditions, and productivity. In the struggling industrial sectors, employees will be sensitive to employment security. Pension plan sustainability and protection could be a dominant issue and unions are expected to be more militant in protecting these benefits.

There is always the potential that negotiations during difficult times could result in more labour disputes. In relative terms though, work stoppages have been in decline and this trend may continue in future years. Increasingly, both unions and companies will be challenged in finding suitable compromises during uncertain economic circumstances.