



Fair, safe and productive workplaces

Labour

Workplace Bulletin

Collective bargaining monthly update December 2014

Key negotiation activities

In December, a key major¹ negotiation occurred between:

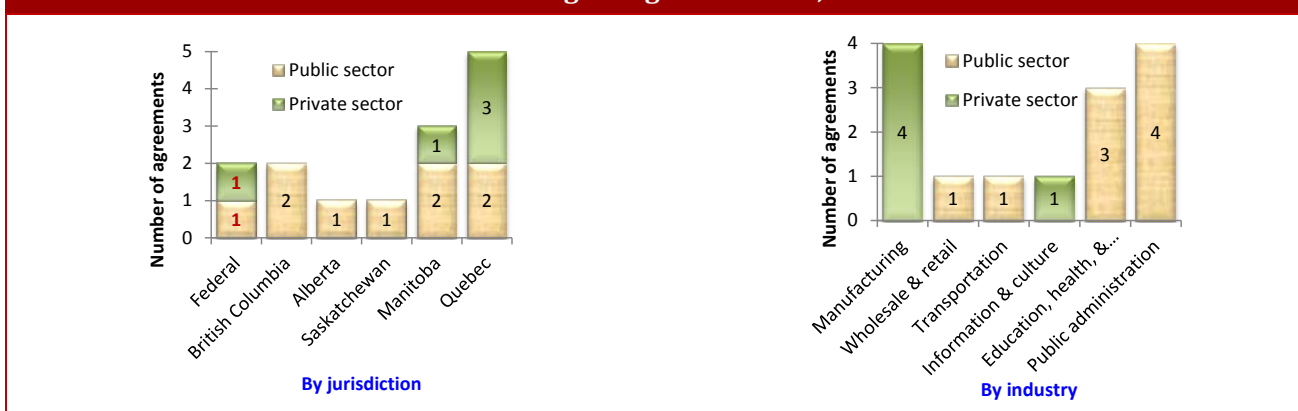
- **The Government of Quebec and various unions:** Negotiations between the parties started in October. The employees demanded a wage increase of 13.5% over a three year period. In December, the Government of Quebec responded to this demand by offering a two-year wage freeze followed by a 1.0% increase per year over three years. So far the parties have not reached an agreement. The collective agreement, which covers 395,880 employees, is set to expire at the end of March 2015.

An updated monthly list of [Key negotiations](#) is available under the [Resources](#) tab on the Labour Program website.

Settlements reached

- In December, 14 major collective bargaining negotiations were concluded, covering a total of 37,100 employees. Twelve of these agreements were settled through direct bargaining, one through bargaining after a work stoppage, and the remaining one through direct mediation.
- Nine agreements, covering 32,150 employees, were settled in the public sector, and five agreements, covering 4,950 employees, were in the private sector [Chart 1].
- There were two settlements in the federal jurisdiction – one in the public sector (3,100 employees), and one in the private sector (920 employees).
- In the provincial jurisdictions, five agreements were reached in Quebec, three in Manitoba, two in British Columbia, and one each in Saskatchewan and Alberta.
- The education, health, and social services industry represented around 70% of all employees covered by the agreements in December.

Chart 1: Collective bargaining settlements, December 2014



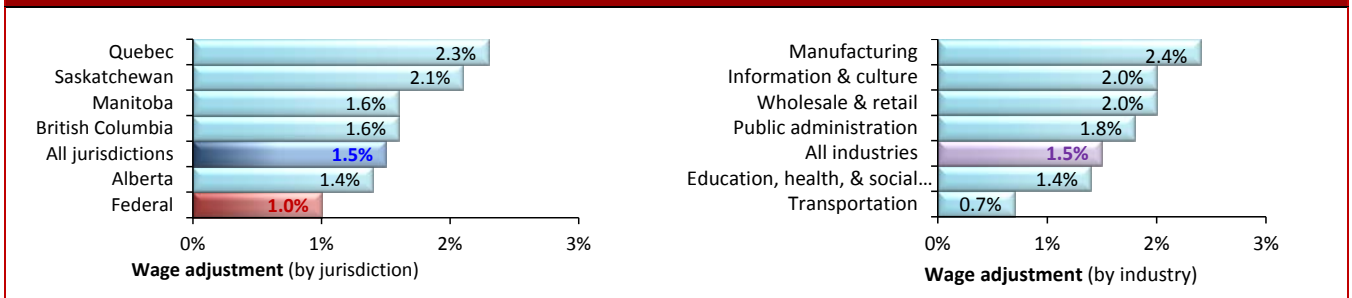
The texts of collective agreements can be accessed through the [Negotech](#), while the list of [Ratified settlements in 2014](#) can be accessed under the [Resources](#) tab on the Labour Program website.

Settlement outcomes

Wages

- Major collective bargaining settlements in December provided base-rate² wage adjustments averaging 1.5%³ annually over the duration of the contracts, a slight increase from 1.4% in November [Chart 2].
- The average wage adjustment (1.5%) was lower than the one (2.6%) recorded in the previous round of negotiations between the same parties.
- The Bank of Canada has forecasted that inflation in 2015 will range from a low of 0.3% in the second quarter to a high of 1.2% in the fourth quarter⁴. If inflation indeed remains low as predicted, employees covered under the settlements in December would find their real wage growing.
- The two agreements that were reached in the federal jurisdiction had an average wage increase of 1.0%.
- Agreements in the public sector recorded an average wage increase of 1.4%, while those in the private sector recorded an average of 2.3%.
- By jurisdiction, Quebec had the highest average wage adjustment (2.3%).
- Amongst all industries, manufacturing had the highest average adjustment (2.4%), whereas the lowest was in transportation (0.7%) [Chart 2].

Chart 2: Wage adjustments and rate of inflation, December 2014

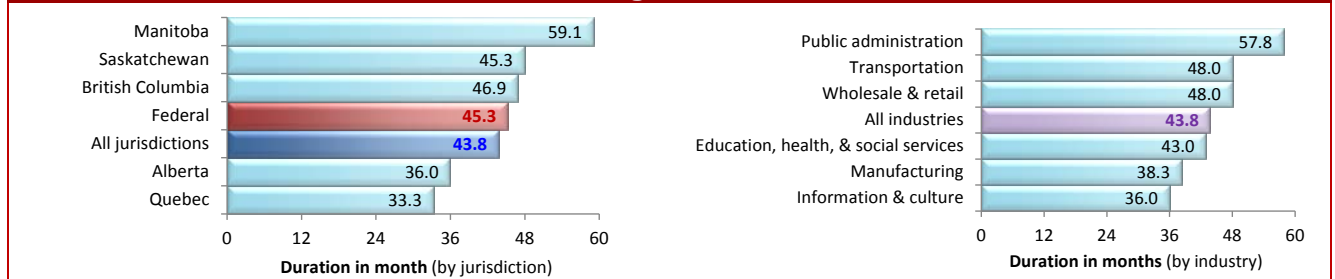


More information on [Wage settlements](#) can be accessed under the [Resources](#) tab on the Labour Program website.

Duration

- Agreements reached in December had an average duration of 43.8 months [Chart 3]. Agreements in the public sector were longer than those in the private sector with average durations of 44.7 months and 37.9 months respectively.
- The previous round of negotiations between these same bargaining parties concluded with an average contract duration of 43.6 months.
- The agreement with the longest duration (96 months) was negotiated by the 520 employees of the City of Quebec represented by the Alliance des professionnelles et professionnels de la ville de Quebec. The shortest term (12 months) was recorded in two agreements, both in Quebec as well, covering 1,650 employees in the manufacturing industry.

Chart 3: Duration of agreements, December 2014



Major work stoppages

- Three major⁵ work stoppages in December, involving 11,440 employees, resulted in 18,280 person-days-not-worked (PDNW). In the previous month, five work stoppages involved 9,585 employees, and recorded 9,220 PDNW.
- One of the three work stoppages recorded in December was in the public sector, and involved 9,900 employees of the City of Montreal, Quebec.

More information on [Work stoppages in Canada](#) can be accessed under the [Resources](#) tab on the Labour Program website.

Fourth Quarter 2014

- Forty-four major settlements, covering a total of 80,445 employees, were reached during the fourth quarter of 2014. These agreements recorded annual base-rate wage adjustments averaging 1.6%, slightly lower than the average in the third quarter (1.8%).
- A majority of negotiations were settled through direct bargaining (32 agreements). Out of the remaining negotiations, five were settled through direct mediation, two through conciliation, three through arbitration, and two required bargaining after a work stoppage.
- Twice as many settlements occurred in the public sector (30 agreements) than in the private sector (14 agreements). The average wage-increase in the public sector remained lower than that in the private sector.
- In the federal jurisdiction, five agreements covering 7,910 employees were settled for an average wage increase of 1.5% [Chart 5].

Chart 4: Wage adjustments by quarter and sector, 2014

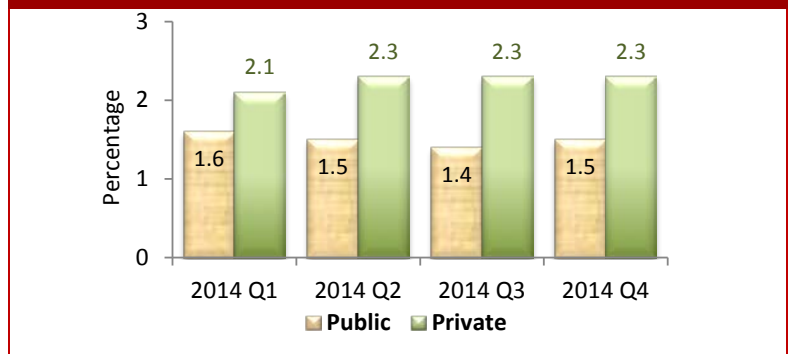
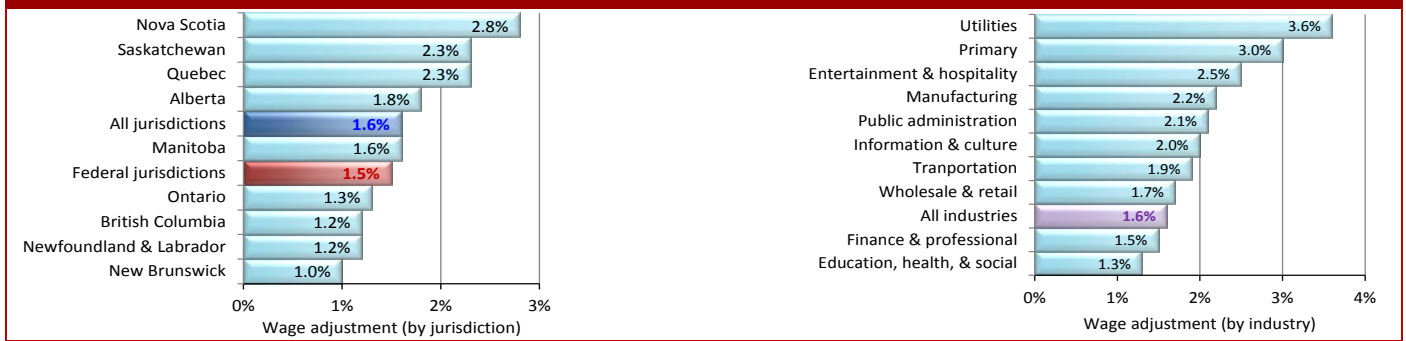


Chart 5: Wage adjustments by quarter and jurisdiction, 2014



- Among all other jurisdictions, Nova Scotia had the highest wage adjustment (2.8%). This occurred in a single agreement between the Capital District Health Authority and its 2,550 employees represented by the Nova Scotia Government and General Employees Union. In contrast, the lowest wage adjustment (1.0%) was recorded in New Brunswick between the New Brunswick Association of Nursing Homes Inc. and its 2,800 employees represented by the Canadian Union of Public Employees [Chart 6].
- Alberta had most employees (27%, 21,920 employees) covered by four agreements during this quarter. A majority of these employees were from the education, health, and social services industry.
- By industry, utilities recorded the highest average wage gains (3.6%), although the number of covered employees was small compared to the other industries. In contrast, more than 64% of all employees ratifying their agreements in the fourth quarter were from the education, health, and social services industry, and received the lowest wage gains (1.3%) [Chart 6].
- Agreements concluded in the fourth quarter had an average duration of 44.6 months, slightly lower than the average in the third quarter (45.8 months).
- Eight major work stoppages involved 20,958 employees – most (93%) of them in the public sector. These work stoppages resulted in a total of 35,080 PDNW, much lower than the 648,410 PDNW recorded in seven work stoppages in the third quarter.
- Throughout 2014, 17 major work stoppages (12 in the public sector and five in the private sector) involved 70,674 employees, and resulted in a total of 1,255,620 PDNW. In comparison, the same number of work stoppages involved 195,001 employees, and accounted for 893,590 PDNW in 2013.
- In 2014, most work stoppages (eight) were in the education, health, and social services industry. In 2013, the construction industry saw the highest number of work stoppages (nine).

Chart 6: Wage adjustments in the 4th Quarter, 2014



Features

Literature scan

- The Institute for the Study of Labor, a German-based research organization, examined how individuals would react to employment possibilities in transition economies. Titled, [Informal Employment in Transition Countries: Empirical Evidence and Research Challenges](#), the paper reviews a stock of literature that attempt to test for labour market segmentation in transition economies along the formal-informal divide. It sums up that if given a choice, the relatively risk loving individuals are more likely to choose informal employment and self-employment.
- The Fraser Institute recently published a report, titled, [Comparing Government and Private Sector Compensation in British Columbia](#). The study estimates wage differentials between the government and private sector in British Columbia. It concludes that the government sector enjoys a clear wage premium, and has more generous non-wage benefits than the private sector.
- In Canada, labour mobility is governed by a mix of legislation and treaties at the federal and provincial levels, suggests the Canadian Labour Congress in its research paper, titled, [Labour Mobility in Canada: Issues and Policy Recommendations](#). Emphasizing that the free movement of labour is economically efficient, as well as an important policy goal of the government, the paper finds that labour mobility has been more successful within Canada than between Canada and other countries.

Contact

For more information, please contact the [Workplace Information and Research Division](#) or call us at 1-877-259-8828. If you have a business unit either federally registered (with 100 or more employees) or provincially registered (with 500 or more employees), using the above link please send us the memorandum of understanding or other documentation if a collective bargaining agreement is reached.

Note: This bulletin is based on December 2014 data/information, which was collected as of January 23, 2015.

- 1 All data reported in this bulletin relates to major collective agreements covering 500 or more employees across Canada.
- 2 The base wage rate is the lowest paid classification used for qualified employees in the bargaining unit.
- 3 The wage adjustment averages are employee-weighted.
- 4 [Monetary Policy Report Summary](#), Bank of Canada, January 2015.
- 5 Major work stoppages involve 500 employees or more. Work stoppage data for December does not include data from the Ontario province.