UNIONS

RETHINKING LABOUR IN CANADA

Balancing the interests of Canadian businesses and workers to achieve equality and prosperity in a fluctuating economy

PUBLIC SERVICES WORK FOR CANADIANS

Hospitals, schools, community centres, roads, libraries, swimming pools—these services benefit everyone and create jobs that drive our economy. Instead of cutting vital services, governments should make banks and corporations pay their share through fair taxes.

cupe.ca/economics
As the prospects for the global economy lurch between recession and recovery, positive labour relations will be crucial in maintaining a growing economy that reflects the strength and diversity of Canadian society.

The impact of collective bargaining

The International Monetary Fund and the Organization for Economic Cooperation and Development have confirmed that broadly-based collective bargaining is the best mechanism to build a healthy middle class.

In short, when workers, through their unions, are able to bargain freely for decent wages, benefits, and prestige, there are benefits for the middle class and society as a whole.

Canada’s changing labour landscape

In the not-so-distant past, Canadian labour movements were the vanguard of striking workers that stood up to corporate greed and upheld the rights of the unemployed and precarious workers. Today, labor movements face new challenges as corporations seek to maximize profits at the expense of workers.

The collective impact

Left to its own devices, free collective bargaining would fail to meet the common good. Unions have been able to speak with one voice for workers and defend universal social programs.

A healthier future

The government’s involvement in the labour market should play a more positive role in protecting labour rights and fostering a stronger middle class.

For generations, Canada has continued to support and preserve the collective bargaining power of workers, which has allowed for the growth and development of a prosperous middle class.

As a result, working people benefit from fair wages and benefits, including higher salaries, improved working conditions, and better working relationships with their employers.

The evidence is overwhelming that collective bargaining is the key to building a healthy middle class, ensuring prosperity and social cohesion in Canada.

POSTED ON JUNE 2, 2012
The National Post
CANDIDA RAIL

We need to broaden our platform so that all workers can see that unions speak for them too, and are fighting to safeguard their rights.

Evolving and educating

Our government’s support for collective bargaining is crucial. It is the backbone of the fair and healthy society we aspire to build.

As the government’s primary advocate for workers’ rights, labor unions have a critical role to play in shaping the future of the economy.

For more on the impact of collective bargaining, please visit mediaplanet.com/labor.
Unions bring safety to the forefront

The devastating explosion in the Westray mine happened 20 years ago, and the potential for disasters is growing. A wise person — but with no union to support them, their fear, untroubled.

Safety affects everyone, including the employer

The economic impact of the Westray Disaster was immense and immediate. All in miners working underground lost their lives. From then, many lost their jobs. The next year, the company that owned the mine went bankrupt.

A public inquiry found the miners had complained of company cutbacks in safety training and equipment; their negligent behavior toward safety inspections; and being obliged to work in deep coal dust. Only six months before the explosion, one of them had made safety complaints to Labour Ministry inspectors, for which he was fired.

Historic efforts
When efforts to prosecute Carragu and the owners failed, the United Mineworkers union launched the case.

The Multiyear government listened. In 2005, it amended the Criminal Code to hold managers and directors of corporations criminally responsible if they failed to protect the lives of their employees.

Call to protect
Today, unions are advocating for safety in the face of federal government cutbacks. The Canadian Immigration Union (CIU) says its role in border security could hamper efforts to keep criminals out of the country. Fewer resources will make it harder to stop human traffickers as well as the smuggling of drugs and firearms.

The Union of Canadian Correctional Officers has expressed concerns about overcrowding of prisons and inadequate services for mentally ill inmates, which will create an unsafe environment inside the prisons and jeopardize public safety.

“Open source unionism ... can give labour an immense boost in its leverage.”

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Associate Professor, Employment Relations Centre for Industrial Relations and Human Resources & Woodsworth College University of Toronto

The benefits
Opening up to new members who are in favour of union representation but who fail to work for an employer who is recognized by the employer as the exclusive representative of workers for the purposes of collective bargaining may be ignored, increase the possibility of harm to workers and the employer.

Coming to grips
As noted, the route of this idea goes back to the birth of the North American labour movement. In the late 19th and early 20th centuries, directly affiliating with unions was not only possible but actively encouraged. It is only in the last half-century that labour has become closed in its membership, extending privileges only to those workers where a majority support unionism and the union is recognized by the employers as the exclusive representatives of workers for the purposes of collective bargaining.

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Government Cuts

The current government obsession with slashing deficits, through cutting jobs and essential services will ultimately prove to be a Pyrrhic victory with devastating social consequences, warns the Canadian Union of Public Employees (CUPE).

"We started out in the 1980s by emphasizing supply-side economics, which argues that economic growth can be most effectively created by lowering barriers for people to produce goods and services," CUPE’s chief economist Toby Sanger explains. Therefore, cutting income and capital gains tax rates, while reducing bureaucracy, would stimulate production. An environment with less regulation, would stimulate growth, points out Sanger. Cutting public services and jobs will affect both rich and poor alike, argues the Canadian Union of Public Employees, and deepen existing divisions in society.

Growing inequality must be tackled if reasonable conservative institutions like the International Monetary Fund, the OECD, and even the Conference of American States are warning against continued deficit-reducing policies, because of the resulting inequality, surely governments should pay some attention, points out Sanger.

Budget cuts increase inequality, and women, 62 percent of the public sector workforce, will be more affected. Both rich and poor depend on government services – think of the fire service, or food and environmental inspectors.

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"We need to broaden our platform so that all workers can see that unions speak for them too and are fighting to safeguard their rights." It was in that spirit that CUPE lobbied for pension reform in 2009, calling for mandatory pension participation, a national system of pension insurance, and expanding the mandate of the Canada Pension Plan.

"Unfortunately, the campaign wasn’t successful, but we are trying to revive it."
Two years ago a manufacturing plant in Brantford, Ontario went bankrupt, leaving over 100 people without jobs. Many of the workers, members of the International Association of Machinists and Aerospace Workers (IAM), had been with the plant for their entire working life. For about 60 percent, English was their second language, and 75 percent had not graduated from high school.

Change started when IAM and United Way Centrals joined forces with Employment Ontario to support these workers.

Words into actions

Under a provincial program, IAM sponsored the IAM-Glendale Action Centre, which would offer employment skills workshops, information on community services, workshops on budgeting, and coping with stress.

Tying up loose ends

The Centre had to be governed by a committee of affected workers and chaired by a provincially-recognized expert. United Way London and Middlesex just happened to have one on staff. Sharon Lupton is responsible for liaisons with unions in the community and some of her time was freed up so she could work with IAM and its members. The Centre was staffed by affected workers, who provided peer-to-peer support and taught them on the skills they needed to support themselves. Much of the United Way-funded training provided to the Centre staff and affected workers was developed by the Canadian Labour Congress to connect workers with the resources available in their community.

Empowering the community

The entire community came together to help at the Centre. United Way-funded and other local agencies provided a variety of services. Local grocery stores and hotels donated food to the Centre. Employers in the community contacted the Centre when they had job-openings.

Practice and success

Over 90 percent of the workers found jobs or pursued post-secondary education and the community became stronger.

COURTESY OF THE UNITED WAY

What will be the impact of Bill C-377 on working Canadians?

BILL C-377

Living in a free enterprise system offers tremendous opportunities for development also containing inequalities, as evidenced by the global financial crisis and the ongoing global economic crisis facing much of the developed world. Despite the challenges, Canada has a strong attribute and that is a strong civil society. By that, I am referring to the diverse ensemble of non-governmental organizations, faith groups, charities, and trade unions. The relative autonomy of Canada’s civil society, vis-à-vis the state, is a rarity among most countries in the world, and is a primary reason that attracts people to this country. The right to freely associate and conduct one’s affairs without being beholden to government or business is a right that we should guard.

The anatomy of a Bill

Unfortunately, our system can result in conditions unfavourable to workers and citizens, and this is nowhere more apparent than through Bill C-377. This Private Member’s Bill, also known as an Act to amend the Income Tax Act (requirements for labour organizations) was brought forward by Conservative British Columbia MP Dennis Glashan. If passed, the Bill would force workers’ unions dues to be placed under public and more importantly, employer scrutinizing, establishing a universally-accessible website that discloses union finances ranging from salaries and benefits, to administration costs and public action funds that the union actually spends. With Bill C-377, the employers would be able to scrutinize union finances, with the potential consequence of persuading unions to spend their money, with the potential consequence of persuading non-unionized workers that it is not in their interest to organize collectively.

The impact on all

Bill C-377 will unsettle and costly for workers. Trade unions are already struggling from burdensome legislation costs and political action funds used to administer salaries and benefits, to administering union finances ranging from salaries and benefits, to administration costs and public action funds. The result is a chilling effect on collective bargaining and an increase in the cost of organization. Moreover, these costs would be passed on to the workers who would then have to pay higher dues, with less money going to support the union’s activities.

For workers in the public sector, the Bill would force payroll deductions for the contribution to political funds. Without a proper legal framework, this type of legislation would limit the ability of workers to make decisions regarding their membership.

In summary, Bill C-377 is a cause for concern to community members, unions, and community organizations. It will create significant challenges for workers and their families, and for the community at large.

For more information, visit www.iam.ca or call 1-800-268-8262.
As Minister of Labour, I am responsible for the federal government’s work with respect to labour. This represents only 7 percent of the total workforce in Canada. The government and companies are crucial to our economic infrastructure. At 4 percent of federal private employees, long-term unionization requires them to negotiate the terms and conditions of employment for their own employees in sometimes difficult terms. As a government, we recognize that a diverse and dynamic labour force plays a vital role in the workplace. Our government understands that we require the skills and experience of many new Canadians to help our economy grow and compete in an increasingly competitive global economy. Small and large businesses alike need to continue to attract a strong and diverse workforce that will enhance productivity and promote innovation. Our government is working with unions and employers to help promote industrial peace and labour stability.

Unions have made a contribution to Canadian society and have contributed much, through things like the introduction of benefits we take for granted today, like weekends, sick leave, vacations and parental leave, among others. Through collective bargaining, unions have been able to help ensure that employees have rights to things like a safe workplace and other protections. Unions have played an important role in making sure Canadian workers are valued and receive the respect they deserve for the contributions they make to Canada’s economic success.

Unions have a role to play in the future. They make an important contribution to ensuring that employees have rights to things like a safe workplace and other protections. Unions have played an important role in making sure Canadian workers are valued and receive the respect they deserve for the contributions they make to Canada’s economic success.

With the Conservatives in power, we are seeing an attack on workers’ wages, protections and rights. With major cuts to Employment Insurance, wages down and repeated attacks on the right of employees to bargain collectively, Conservatives have shown that they recognize the future of labour has always taken a back seat to corporate interests. New Democrats disagree and prefer a more balanced, future approach.

The NDP believes in a balanced economy, built on principles of sustainability. Unfortunately, Conservatives are managing our economy in a way that makes the balanced economy our country has built since the Second World War irrelevant and uncompetitive. To make matters worse, we have the luxury of building on a green economy – meaning future generations of Canadians will be at a disadvantage when it comes to competing in tomorrow’s world markets and establishing a stable economic future.


Project labour agreements: new twist or an old saw?

QUESTION: Have you ever wondered how complex building projects like an airport, an electrical project or an old saw?

Answer: There are thousands of workers on those sites and they work under a Project Labour Agreement (PLA).

The systems work because the electrical workers do the cabling and bring electricity to the complex structure; the bricklayers, painters, plasterers, and carpenters make the building; the plumbers, millworkers, steelworkers, electricians and elevator constructors install the mechanical systems that are often too heavy to move by crane and operating engineers; and the operators and labourers work on the foundations.

A structure rooted in history

Construction has been organized along craft lines since the pyramids were built. Contractors must often employ workers within one or two trade groups and only the largest general contractors will employ all trades. Union organization in construction has followed the way in which their employees purchase or produce, they are craft unions for craft workers.

The electrical workers (IBEW) represent a union of specialists who are skilled in their craft: electricians, electronic technicians, and instrument mechanics. The Plumbers (UA) represent plumbers, steamfitters, gasfitters, pneumatic instrument mechanics, and welders. The Plumbers (CfMA) represent cement masons, plasterers and fireproofers, and the Local 46.

A complex negotiation process

The number of trades unions and contractors makes for a large and complex team of workers on the building.

The PLA has proven so useful that some governments, as well as non-unions and alternate unions, have utilized them. It is instructive that governments, as well as alternate unions, have utilized them. It is instructive that governments, as well as non-union and alternate unions, have utilized them. It is instructive that governments, as well as non-union and alternate unions, have utilized them.

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Collecting input and conducting effective dialogue through project steering teams and labor committees

Tailoring common terms for all parties

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Project implementation

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A basic necessity

The answer to the bargaining conundrum has been the PLA. The agreement applies across Canada on major projects where the Owner must have a number of drivers to satisfy in order to make the project viable. Those drivers include:

- Spanning bargaining rounds by no-strike, no-lockout provisions
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- Spanning bargaining rounds by no-strike, no-lockout provisions
- Collecting input and conducting effective dialogue through project steering teams and labor committees
- Achieving broader Owner policy and objectives
- Winning bids, meeting goals for community and diversity achievement
- Project implementation

In 2007, 27% of small business owners saw employee shortages as one of their most significant challenges, the highest level in 10 years. A recent report indicates a national trend, however, that the percentage of small business owners who report a shortage of skilled trade workers in their area is growing.

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Skilled trades facts

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Pensions, Promises and Justice for Working People

By DON MACKENNON
President
Power Workers’ Union

We teach our children from a young age that “a promise is a promise” and it is important that promises be kept because we know our society will be a better place to live if people keep their promises.

Like many good life lessons, keeping a promise has both a moral and a practical aspect. Our civil law is based in part on the theory that a promise in the form of a contract must be kept, and if it isn’t, the courts will step in to enforce the promise.

This is how we maintain order in our society and ensure that commerce can flourish in the knowledge that a deal made will be enforced. When this isn’t the case, business dries up or flees to other jurisdictions and the community suffers. That’s the practical aspect of the need to keep a promise. The moral aspect is that we view it as wrong to make a promise to someone who relies on it, and then change our minds at the expense of the other party.

Yet people can forget their life lessons as they grow up, particularly when self interest gets in the way of justice. A case in point is the push to eliminate defined benefit pension (DB) plans or replace them with defined contribution (DC) plans.

While pension rules can be complex, the basic concepts are simple. A DB plan is one that promises a defined benefit at the point of retirement (e.g., a pension of 25% of wages per year of service). A DC plan promises nothing more at the point of retirement than whatever contributions made to the pension plan are worth at that date.

Over the years, employers in both the public and private sectors all over Europe and North America implemented DB plans as a means of attracting and retaining skilled labour (the practical aspect of the promise) and providing for a sustainable retirement for their employees as a reward for many years of good service (the moral aspect).

Hence, from the outset, DB plans provided a benefit for both employers and employees and, when times were good, they flourished. In fact, they were more than flourished.

Many of them generated large surpluses (money that wasn’t needed to pay for the pensions promised to employees). Many employers (including the governments of Ontario and Canada) took surplus funds out of DB plans to use for their own purposes. In fact, governments passed laws to allow them to do this, even though the employees claimed that the surplus, or part of it, belonged to the pension plan.

The employees’ claim in this regard was based on the fact that both employers and employees contributed to a DB plan. Pension contributions are taken off every employee’s pay cheque and employers make contributions for every employee they have. The system was designed to have everyone contribute to a fund that would pay employees (including managers) a set pension when they retire. That was the promise.

When interest rates and investment returns started to decline, many DB plans ended up in a deficit position (less money in the plan than the plan actuaries predict will be needed to pay out all the pensions). Note that many of these deficits only matter if the business ceases operations before the investment returns recover. That’s not a likely scenario for a government, although companies do go out of business in the private sector.

Nevertheless, there have been calls to convert DB plans to DC plans. This, of course, is driven by self-interest on the part of employers. A DB plan contains the promise of a fixed pension that was agreed upon by employers and employees at the outset of their relationship, whereas a DC plan does not. The conversion from DB to DC shifts risk from employers to employees. The conversion would leave an employee promised a pension in a specific amount at a specific age without any certainty as to if and when can they retire and how much of a pension they will have when they do. This is not the deal they bargained and not the promise made to them during their working years contributing to a plan.

The proponents of conversion say times have changed and so should the nature of the pension plan, but this theory doesn’t hold. DB plans were set up and funded on the basis of actuarial calculations that, in the long run, either the plan would be fully funded, or the employer would make extra contributions to make up for shortfalls, or the employer would reap benefits from a surplus.

The employers willingly took the risk because they also get the benefit of the regime – they attracted and retained the employees they wanted and they get to take the surplus out of the plan, which many have. There’s nothing unfair about this. In fact, the unfairness would be to break the promise made to employees who have worked for years to fund a plan that promised them a defined pension.

www.pwu.ca

THE PEOPLE WHO HELP KEEP THE LIGHTS ON