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## Unionization in Canada, 1981 to 2022



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# Unionization in Canada, 1981 to 2022

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The Canadian labour market has experienced numerous changes over the last four decades. Employment has moved away from manufacturing and towards service sector jobs. Technological changes have brought computer-based technologies and, more recently, robotics and artificial intelligence to the workplace. World prices of oil and natural resources have fluctuated considerably. International trade with China and other emerging countries has risen. E-commerce has become a growing part of firms' sales. Since March 2020, work arrangements have been altered substantially, with thousands of employees starting to work from home. In this context, how have unionization rates evolved in Canada? The goal of this note is to answer this question.<sup>1,2</sup>

Changes in unionization are important for a variety of reasons. Unions may influence wage setting directly (Cahuc, Carcillo and Zylberberg 2014) and indirectly by increasing the outside options of non-unionized workers (Beaudry, Green and Sand 2012). They may also affect the hiring practices of non-unionized firms (Taschereau-Dumouchel 2020). Unionized jobs tend to have higher-than-average coverage by registered pension plans (RPPs) (Morissette and Drolet 2001). As a result, changes in unionization may affect the RPP coverage and the preparedness for retirement of various groups of workers. Lastly, unions may negotiate with employers on a certain number of working conditions, such as work from home, a work arrangement that has become increasingly important in Canada and several industrialized countries since the onset of the COVID-19 pandemic (Mehdi and Morissette 2021).

# Over the last four decades, unionization rates fell by 16 percentage points among men but remained stable among women

Overall, the percentage of employees who were union members in their main job fell from 38% in 1981 to 29% in 2022, a drop of 9 percentage points (Table 1). Two-thirds of the decline took place from 1981 to 1997 and the remaining third took place from 1997 to 2022.<sup>3</sup>

<sup>1.</sup> The study uses the Survey of Work History (SWH) of 1981 and the Labour Force Survey (LFS) to document trends in unionization in the main job held in May by employees aged 17 to 64. Because the SWH did not measure the collective bargaining rate (the sum of union members and workers who do not belong to a union but are covered by a collective agreement, as a percentage of paid employment), the focus is on employees who are union members. The main findings of this paper (for example, the diverging trends in unionization between men and women, the dominant role of the commercial sector, and the higher-than-average declines in unionization in British Columbia) hold when one uses the Survey of Union Membership of 1984 and the LFS to document trends in collective bargaining rates in the main job held in December by employees aged 17 to 64.

<sup>2.</sup> For more information on the evolution of the collective bargaining rate from 1997 to 2021, see <u>Collective bargaining coverage</u> rate, 1997 to 2021 (statcan.gc.ca).

For most of the groups of workers shown in Table 1, unionization rates in 2022 are similar to those observed in 2019, before
the COVID-19 pandemic. This indicates that, in general, the changes in unionization rates observed from 1997 to 2022 were
not driven by the COVID-19 pandemic.

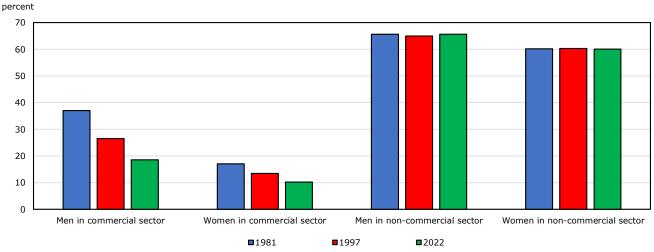
From 1981 to 2022, unionization rates fell by almost 11 percentage points in full-time jobs but rose slightly (by about 3 percentage points) in part-time jobs.

The overall decline in unionization rates observed from 1981 to 2022 conceals significant sex differences: during that period, unionization rates fell by 16 percentage points among men but remained stable among women. As a result, 31% of women were unionized in 2022, compared with 26% of men.

For both men and women, unionization fell in the commercial sector (industries outside educational services, health care and social assistance, and public administration) but remained stable in the non-commercial sector. For example, the percentage of men who are union members in the commercial sector fell from 31% in 1981 to 19% in 2022 (Chart 1). However, the percentage of men who are union members in the non-commercial sector remained stable at about 66%.<sup>4</sup>

The decline in unionization observed among men was partly driven by employment shifts away from manufacturing, a sector with traditionally high unionization rates. However, declines in union membership **within** goods-producing industries also played a role. For example, the percentage of union members fell by between 13 and 19 percentage points from the early 1980s to the late 1990s among men employed in forestry and mining, manufacturing, and construction (Morissette, Schellenberg and Johnson 2005).

Chart 1
Percentage of employees who are union members, by sex and sector, 1981 to 2022



**Note:** Main job held in May by employees aged 17 to 64. The commercial sector includes all industries except educational services, health care and social assistance, and public administration.

Sources: Statistics Canada, Survey of Work History, 1981; Labour Force Survey, May 1997 and May 2022.

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<sup>4.</sup> The unionization rates of women fell from 17% in 1981 to 10% in 2022 in the commercial sector but remained stable at 60% in the non-commercial sector. Overall, the unionization rates of women remained fairly stable during that period because the percentage of women employed in the non-commercial sector grew from 33% in 1981 to 42% in 2022.

### Among women, unionization rates diverged across age groups

Regardless of age, men saw their unionization rates drop by 15 to 19 percentage points from 1981 to 2022. However, the timing of the decline differed across age groups. For men aged 25 to 34, unionization fell mainly from 1981 to 1997, whereas for men aged 45 to 54, unionization fell mainly from 1997 to 2022.5

In contrast, changes in women's unionization rates over the last four decades differed across age groups. While young women—those younger than 25—saw their unionization rate fall by 8 percentage points from 1981 to 2022, the percentage of union members increased by between 4 and 6 percentage points among older women aged 45 to 64. Most (or all) of the growth in the unionization of older women took place from the early 1980s to the late 1990s. The growing presence of these women in highly unionized industries and occupations and in full-time jobs accounts for about half of the increase in unionization rates they experienced from the early 1980s to the late 1990s (Morissette, Schellenberg and Johnson 2005).

Changes in unionization rates also differed across provinces. The percentage of unionized employees fell by 15 percentage points from 1981 to 2022 in British Columbia, roughly twice the magnitude of the decline observed in Quebec, Alberta and Prince Edward Island (7 percentage points). Likewise, British Columbia experienced an almost 7-percentage-point decrease in unionization from 1997 to 2022, whereas Quebec's unionization rate changed little over that period.<sup>6</sup>

<sup>5.</sup> About 30% of the decline in unionization of men aged 45 to 54 observed from the late 1990s to 2022 can be accounted for in employment shifts away from highly unionized industries and large firms.

The decline in unionization observed in British Columbia from the late 1990s to 2022 persists entirely, even after accounting for employment shifts across industries and firms of different sizes.

Table 1
Percentage of employees who are union members in their main job, 1981 to 2022

		Change							
	1981	1997	2019	2022 1981 to 2022 1981 to 1997 1997 to 2019 1997 to 2022					
		percent		percentage points					
All employees	37.6	31.6	28.6	28.7	-9.0	-6.1	-3.0	-2.9	
Men by age group									
17 to 64 years	42.1	32.9	26.8	26.2	-15.9	-9.2	-6.1	-6.7	
17 to 24 years	29.2	11.9	15.3	14.5	-14.8	-17.3	3.4	2.5	
25 to 34 years	43.3	26.1	24.7	23.9	-19.4	-17.1	-1.4	-2.3	
35 to 44 years	46.1	38.6	29.0	28.2	-17.8	-7.5	-9.6	-10.3	
45 to 54 years	47.8	47.4	31.6	31.0	-16.7	-0.4	-15.8	-16.3	
55 to 64 years	48.6	41.0	31.7	31.2	-17.4	-7.5	-9.3	-9.8	
Women by age group									
17 to 64 years	31.4	30.1	30.5	31.2	-0.1	-1.3	0.4	1.1	
17 to 24 years	23.1	11.2	13.0	15.2	-8.0	-12.0	1.8	4.0	
25 to 34 years	34.7	25.5	29.1	29.7	-5.0	-9.2	3.6	4.2	
35 to 44 years	36.3	35.9	35.8	34.8	-1.5	-0.4	-0.1	-1.1	
45 to 54 years	32.9	40.8	36.2	37.1	4.2	7.9	-4.6	-3.7	
55 to 64 years	29.9	34.7	34.2	35.8	5.9	4.7	-0.5	1.1	
Men with a bachelor's degree	36.6	32.2	25.7	23.7	-12.8	-4.4	-6.5	-8.4	
Men with no bachelor's degree	42.9	33.1	27.2	27.3	-15.7	-9.9	-5.9	-5.8	
Women with a bachelor's degree	49.1	42.9	36.5	37.3	-11.7	-6.1	-6.4	-5.6	
Women with no bachelor's degree	29.4	27.1	27.3	27.3	-2.0	-2.2	0.2	0.2	
Full-time jobs	40.1	33.4	29.5	29.6	-10.5	-6.7	-3.9	-3.8	
Part-time jobs	20.3	22.8	23.9	23.1	2.8	2.4	1.1	0.3	
Commercial sector	29.7	21.1	16.3	15.2	-14.5	-8.6	-4.8	-5.9	
Non-commercial sector	62.5	61.9	61.2	61.6	-0.9	-0.6	-0.7	-0.3	
New foundland and Labrador	45.2	39.9	36.0	39.7	-5.6	-5.4	-3.9	-0.2	
Prince Edw ard Island	38.0	26.9	30.0	31.4	-6.7	-11.1	3.1	4.5	
Nova Scotia	33.8	28.5	28.0	30.1	-3.7	-5.3	-0.5	1.5	
New Brunswick	39.8	27.8	28.0	29.3	-10.5	-12.0	0.2	1.5	
Quebec	44.2	38.1	36.8	37.3	-6.9	-6.1	-1.3	-0.8	
Ontario	33.7	28.1	24.9	24.7	-9.1	-5.7	-3.2	-3.4	
Manitoba	37.9	35.4	33.1	33.4	-4.5	-2.4	-2.3	-2.1	
Saskatchew an	37.9	33.0	30.2	32.6	-5.3	-4.8	-2.8	-0.4	
Alberta	28.4	23.7	23.4	21.4	-7.1	-4.7	-0.3	-2.3	
British Columbia	43.3	35.2	27.8	28.6	-14.7	-8.1	-7.4	-6.6	

**Note:** Main job held in May by employees aged 17 to 64. The commercial sector includes all industries except educational services, health care and social assistance, and public administration.

Sources: Statistics Canada, Survey of Work History, 1981; Labour Force Survey, May 1997 and May 2022.

### Conclusion

The overall unionization rate fell by 9 percentage points in Canada over the last four decades. However, not all groups of workers experienced a decline in unionization. For example, unionization rates fell by 17 percentage points among men aged 45 to 54 but increased by 4 percentage points among women aged 45 to 54. Since unionized jobs tend to pay relatively high wages and to have higher-than-average RPP coverage, these diverging trends in unionization likely affected the Canadian wage structure—directly or indirectly by affecting the bargaining power of non-unionized workers—and the RPP coverage of various segments of the workforce. The labour market is evolving as technological advances increase opportunities for the automation of a growing number of tasks (Frenette and Frank 2020), COVID-19 provides firms with growing incentives to diversify their supply chains, digital platforms increase the possibility of gig employment and work from home becomes more prevalent. Whether unionization rates will keep declining or start increasing is an open question. Time will tell.

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