



Briefing Note

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RECENT TRENDS IN UNION DENSITY IN NORTH AMERICA

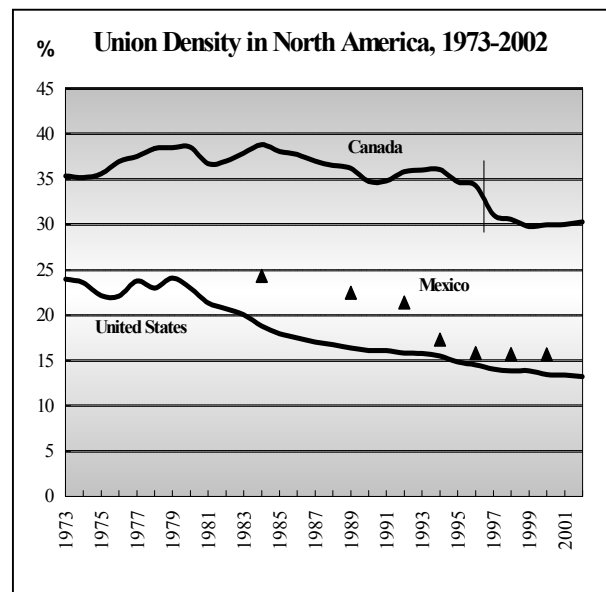
Recent statistics show that the trend toward decline or stagnation in union density in North America is continuing. Union density has been declining or stagnating for the past 20 years despite the resilience of unionization in the public sector, particularly in Canada. This briefing note describes trends in union density in Canada, the United States, and Mexico and summarizes the factors identified in the scholarly literature that are held to account for the decline

Canada

Overall union density in Canada continues to stagnate, hovering at just over 30% in 2002. Density has remained between 30% and 40% over the past 30 years, rising to around 39% in the mid-1980s, and then dropping to around 30% by 1998, where it has since remained. The proportion of workers who are unionized is much higher in the public sector,¹ where density was 72.5% in 2002, compared with 18% in the private sector. Despite the decline in density, the estimated number of union members has risen steadily since 1973, from just over 2.5 million in 1973 to approximately 3.9 million in 2002.

In 2002, the highest density rates were in education (70.2%) and public administration (67.5%), the lowest in agriculture (2.7%) and professional, scientific, and technical services (3.9%). The proportion of Canadian women represented by a union was almost exactly the same as the proportion of Canadian men (30.2% and 30.3% respectively).

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United States

Union density in the United States has been falling steadily since the early 1970s. Density stood at 25% three decades ago, but was about 13% in 2002. The public sector, where the rate was 37.5%, has fared relatively better since the 1960s than the private sector, where the rate was only 8.5%. Since the 1990s, the estimated number of union members has hovered between 16 and 17 million.

In 2002, the highest density rates were in public administration (37.5%) and transportation and utilities (23.0%), the lowest in financial, real estate, and insurance services (1.9%) and agriculture (2.3%). Slightly fewer American women than American men were represented by a union (11.6% and 14.7% respectively).

Definitions and Data Source

Definitions. Union density is the proportion of the employed population (excluding the self-employed) who are members of a union or, in the United States, an association of workers comparable to a union. The data are for persons aged 14 years and older in Mexico, 15 years and older in Canada and 16 years and older in the United States.

Sources. Canada: Data for 1973–1996 is from the Workplace Information Directorate of Human Resources Development Canada, as reported in the *Workplace Gazette* (various issues). Union membership data for this period are based on self-reporting by unions as of January of each year. Union membership for 1979 was estimated as the mid-point between 1978 and 1980. Data for 1997–2002 is from the Labour Force Survey, conducted monthly by Statistics Canada, as reported in *Perspectives on Labour and Income* (various issues). Data for this period are January–September averages for 1997, annual averages for 1998–2001, and January–June averages for 2002. Because of a number of methodological differences, the two data series are not strictly comparable.

United States: Data are from the Current Population Survey Earnings Files, Bureau of Labor Statistics and the Union Membership and Earnings Data Book, Bureau of National Affairs. Data for 2001 and 2002 are not strictly comparable with data for earlier years (see Bureau of Labor Statistics, “Union Members in 2002,” *News*, 25 February 2003). Union membership for 1982 was estimated as the mid-point between 1981 and 1983.

Mexico: Data are from the Encuesta Nacional de Ingresos y Gastos de Hogares and were provided to the Secretariat of the Commission for Labor Cooperation by the National Administrative Office of Mexico.

Mexico

Union density in Mexico, which has ranged between 15% and 16% since 1995, was 15.7% in 2000. After holding steady between 22% and 25% from 1984 to 1989, density plummeted in the early 1990s, falling below 16% in 1996. The estimated number of unionized workers hovered around 3.5 million between 1994 and 1998 and then returned to the 1989 level of about 4 million in 2000.

In 2000, the highest rates were in public administration (31.2%) and services (23.8%, including medical and educational services), the lowest in agriculture (0.5%) and trade (2.7%). More Mexican women (20.8% in total; 42.0% in public administration) than Mexican men (13.3% in total; 25.8% in public administration) were represented by a union.

Explanatory factors

A combination of factors accounts for the general downward slide in union density. One of the explanatory factors most often identified in the scholarly literature is a two-sided trend: the relatively *rapid* increase in the number of jobs created in industries where union density is traditionally low (e.g., the private services sector) coupled with the relatively *slow* increase in the number of jobs created in industries where union density is traditionally high. This “structural” effect has been used in the past to account for the decline in union density in North America (Troy 1990; Dickens and Leonard 1985) and arguably remains a con-

tributing factor.

In the United States, where structural factors continue to play a significant role in the decline of unionization (Dickens and Leonard 1985; Johnson 2000), employment in the services sector increased 182% between 1960 and 1995, whereas employment in the goods-producing sector increased 19%.² Traditionally associated with low union density, the growing services sector may account for approximately 20% of the decline in density in the United States between 1977 and 1984 (Farber 1990) and approximately 20% between 1984 and 1998 (Riddell and Riddell 2001). Two other structural factors, the decline in employment in the public sector and the increase in part-time employment (among women in particular), have also contributed to the decrease in union density in the United States.

It is possible that structural effects are now playing a less important role in Canada than in the United States (despite the similarities in the two countries’ industrial relations systems). Recent research highlights the asymmetrical effect of such factors as (1) the stronger growth in the United States than in Canada of employment in industries traditionally associated with low union density (Johnson 2000); (2) the fact that employment in the public sector in Canada, in contrast to the United States, has not dropped significantly, whereas union density in that sector is relatively high in both countries; and (3) the relatively higher level of unionization among part-time workers in

Canada (Riddell and Riddell 2001).

In Mexico, it appears that some changes that are akin to structural effects continue to have an impact. After major restructuring in the transportation, fishing, and natural resources sectors (in which there were some 300 mergers or corporate partnerships between Mexican and foreign companies between 1994 and 1997), industrial unions represented only 15.4% of workers in those sectors.

In addition, as a result of large-scale restructuring of Mexican production through subcontracting and a rapid increase in the number of “positions of trust” (*trabajadores de confianza*),³ some unions have seen their control of internal labor markets decline and thus face new obstacles: between 1992 and 1996, the proportion of workers with a fixed-term contract who were represented by a union plummeted from 22.4% to 1.7%. Approximately 408,000 workers were involved in this transition (ENIGH 1992, 1996).

The similarity between the factors that account for the gradual decline in union density in the three countries lends weight to the theory of “convergence” (i.e., the claim that certain institutional features of countries are becoming more similar). Some researchers espouse that theory, noting the combined effect of (1) the relative stability of unions in the Canadian, U.S., and Mexican public sectors and (2) the inclusion of the public health and education sectors in statistics on unionization in the Canadian non-governmental services sector, which masks an even bigger decline in union density in the private services sector in Canada (e.g., Troy 2000).

Other research suggests that a closer look at the decline in union density over the past 15 years indicates that structural factors have been less significant, at least in Canada (e.g., Riddell and Riddell 2001; Johnson 2000).

Other explanations are therefore offered. In contrast to structural factors, which do not directly affect the success of unionization efforts, non-structural factors do affect these efforts. In Canada, non-structural factors include such phenomena as the emergence in certain provinces of a political climate less favourable to unions and the shift from a card-check system to a mandatory vote system for union certification (Johnson 2001; Riddell 2001). The impact of this latter factor could grow in the years ahead, since the propor-

tion of Canadian workers subject to a mandatory representation vote increased from 18% to 57% between 1995 and 1998.

Several research studies focusing on the United States confirm the role of non-structural factors in the decline of union density. The decrease in union density in the United States is attributable to a range of factors, including stiff employer opposition to unions, long and complex union certification procedures (Freeman 1988; Rose and Chaison 1996), the private or public supply of alternatives to the services provided by unions (Kochan, Katz and McKersie 1986; Neumann and Rissman 1984), and the decline in public support for American unions (Lipset 1990).

The situation in Mexico aside, arguments in support of the theory of “divergence” (i.e., the claim that national institutions are not becoming more similar, but have instead retained their distinctive characteristics) round out the list of non-structural factors by suggesting, despite some methodological obstacles, that the mandatory vote system, which is less common in Canada, may account for approximately 20% of the difference in union density between Canada and the United States (Johnson 2000)⁴ or that Canadian society, unlike American society, places more value on the expression of forms of organization and collective rights (Lipset 1990).

Advocates of the theory of “convergence” could retort that a more combative employer stance vis-à-vis the labor movement and a less favorable public perception of unionism are clearly evident in Canada, the United States and Mexico and that some statistical analyses are muddied by overestimated unionization rates in the private sector in Canada in particular.⁵

Finally, although it is difficult to determine the impact of freer trade on trends in union density in North America, some research nevertheless suggests that more open markets can contribute to a decline in union density where unions are already weak, but can help boost density where unions are strong (Lange and Scruggs 1998).

Notes

1. The public sector includes employees of government departments or agencies, Crown corporations, and schools, hospitals, and other public institutions.

2. *Statistical Abstract of the United States*, 1997,

2001.

3. Under article 183 of the Federal Labor Law (Ley Federal del Trabajo), employees in “positions of trust” (*trabajadores de confianza*) cannot belong to a union.

4. For an overview of the various mechanisms regulating union certification in Canada, Mexico, and the

United States, as well as an assessment of their respective degrees of success, see Commission for Labor Cooperation. (1997, pt. 2).

5. However, recent statistics (e.g., Akyeampong 2001) present a more accurate portrait of the situation.

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