

Unions' democracy talk is hot air

Jason Clemens and Keith Godin
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A major rebuke of the CAW-Magna deal by leading union figures in Ontario was penned in the pages of the National Post on November 23 (“The Magna sell-out”). One aspect of the article, which has largely been ignored, is the contradiction between the democratic principles espoused by the union leaders and the labour laws advocated unions. If functioning union democracy is the goal, then a number of union-advocated labour laws need to be changed.

In their 800-word admonishment of the CAW, the union leaders mentioned democratic representation and the need for democratic voting no less than nine times or more than once every 2 paragraphs. Interestingly though, unions espouse quite undemocratic rules when it comes to how unions gain power and what they must disclose about their activities.

How Unions Gain Power

There are two steps required for unions to gain approval from workers (certification) to represent them. The first step requires a show of support by a requisite percentage of workers in order to trigger a vote for “certifying” a union. The threshold of support ranges from a low of 25% in Saskatchewan to 50% plus 1 in Prince Edward Island (Ontario is 40%).

The second step in the process is a formal vote for union certification. There are, however, six jurisdictions (Saskatchewan, Manitoba, Quebec, New Brunswick, PEI, and federally covered industries) where a secret ballot vote can be avoided. In these jurisdictions unions can be automatically approved as the exclusive agents of workers if they obtain a certain level of support in the first stage (ranges from 50% plus 1 to 65%). In other words, if enough workers sign union cards in the initial stage, then the respective labour boards can certify the union without a vote. Imagine this type of process in almost any other “democratic” venue. Get enough voters to sign Liberal, Conservative, or NDP membership cards and forego an election. No one would accept such a process as fair or democratic. The ability to make an un-coerced decision free from direct pressure is central to the democratic process.

The ability to forego secret ballot voting in an anonymous manner, which is what automatic certification does, significantly tilts the balance of power in favour of unions against workers and employers since it means that those not favouring unionization must confront their fellow workers and union organizers directly and often times in a confrontational environment. This explains why union leaders zealously protect it when they have it. Union leaders in Ontario, for example, railed former Premier Mike Harris after his government eliminated automatic certification in 1995. Similarly, union leaders in BC were incensed when automatic certification was rescinded in 2001.

Not surprisingly, automatic certification has been shown to increase union success rates. For instance, Professor Slinn of Queen’s University examined the change from automatic certification to mandatory secret-ballot voting in Ontario and concluded that it had a highly significant negative effect on union success.

Similarly, Professor Riddell, also of Queen's University investigated the experience of British Columbia between 1978 and 1998. This is an interesting period because secret-ballot voting was introduced in 1984, eliminated in 1993, and reintroduced in 2001. Riddell found that union success rates fell by 19 percentage points after secret-ballot voting was introduced.

Disclosure: Mandating Public Information

The second principle of a functioning democracy in which the union leaders exhibited hypocrisy is disclosure. Disclosure refers to the quality and quantity of financial information that organizations must make public. The public demands a plethora of information about how our governments and corporations perform. The reason for such disclosure is to ensure citizens and investors are able to make well informed decisions.

Readers, even those who are ardent advocates for greater unionization will be shocked at the dearth of disclosure requirements for unions. Three Canadian provinces (AB, SK, and PEI) do not require any public disclosure of financial information. The remaining 7 provinces as well as the federal government require some financial disclosure but to union members only. Put differently, there is no jurisdiction in Canada that requires public disclosure of union financial information.

In addition, the disclosure requirements that do exist in these eight Canadian jurisdictions are weak. For example, only four of the seven provinces (BC, ON, NB, and NL) require financial statements to be audited. In addition, the seven provinces and federal government, which require financial disclosure to union members, place the details of disclosure at the complete discretion of the union. Specifically, there is no requirement that financial statements indicate a breakdown between representation and non-representation spending. That is, no union in Canada is required to disclose, even to members the percentage of monies spent on worker representation compared to spending on political and advocacy initiatives.

Conclusion:

Workers should possess the ability to organize collectively and gain representation through unions. However, that process must be fair, balanced, and adhere to the core tenets of democracy. Two of those requirements are secret ballot, anonymous voting and the timely disclosure of detailed financial information. Such requirements allow for a fair and democratic choice that is reasonably informed. Anything less than this represents an undemocratic process. The challenge for union leaders is to start living by their own words and principles.

Jason Clemens is a resident scholar and Keith Godin is a policy analyst with the Fraser Institute.