Two models, the divergence and the convergence models, address comparisons of Canadian and American industrial relations. Most specialists support the divergence hypothesis. It asserts that the two countries’ systems have produced major transnational differences in industrial relations outputs. The convergence model reassessed the assumptions, data, and conclusions of the divergent model and concluded that the two countries’ systems produced very similar, although not identical, industrial relations outputs.

Men have so long mistaken their conjectures concerning facts, for facts themselves.

John Ferriar, 1798:196

The Issue: Divergence or Convergence?

Two models, the divergence, or exceptionalist, model and its antithesis, the convergence model, address the issues of this article—a comparison of the outputs of the U.S. and Canadian systems of industrial relations. Virtually all specialists support the divergence, or exceptionalist, model. It asserts that the two countries’ systems have produced major transnational differences in industrial relations outputs. Accordingly, the model maintains that Canadian unions successfully resisted while American unions acquiesced in concession bargaining during the 1980s and that the
Canadian labor market had undergone the same switch from a goods- to services-dominated labor market as the American but that the structural change in labor markets had little, if any, impact on private unionism in Canada. Its résumé of differences also included assertions that Canadian unions are more active and successful in organizing, that Canadian workers view unionism more favorably than American workers, and that the philosophies of the two countries’ union movements differ radically. Above all, the exceptionalist model averred that Canada had escaped the “American disease”—declining union membership and density in the private labor market—at least until recently. Recently, however, it shifted its argument to emphasize differences in the levels of the overall average union density between the two countries, when it became apparent that private density in Canada had, indeed, been trending downward over the last two decades. Nevertheless, the divergence model continues to conclude that Canada had generated a system of industrial relations distinctly different from the American system. The convergence model reassessed the data, the assumptions, and the conclusion of the divergence model and found that despite significant divergence in public policies, in the structure of labor markets, and in the timing of structural changes in labor markets, the two countries’ systems produced similar, although not parallel, industrial relations outputs. The convergence model also concludes that amending public policies in favor of unions can neither arrest nor reverse the declining trends in the membership and density of the “old (private sector) unionism” in either country. It concludes, too, that the “new (public sector) unionism” in both countries is currently in an oscillatory or wavy mode—stagnation. This article treats the private and public union movements as two separate union movements in each country; otherwise, the data obscure what is happening and why to organized labor. The distinction discounts common union characteristics or affiliation with a national federation because affiliation is more an expression of history than of commonality of origins and development. Indeed, the convergence model argues that the two sectoral union movements share more transnational than intranational characteristics. Finally, the convergence model takes into account matters regularly overlooked or only noted in passing in the various emendations of the divergence model: leads and lags in unionism and structural changes in the labor market, the effect of trade policies and exchange rates on unionism during the 1970s and 1980s, and the automobile pact of 1965.
The Statistical Literature

What accounts for the differences between the two models of union membership and density, since both rely on the same data sources? The reasons are the data themselves and their applications. The U.S. data distinguish between the public and private sectors of the labor market and unionism,1 but not the Canadian. The Canadian data tenebrificate comparisons and must be adjusted to the extent possible in order to make the figures comparable. As they stand, the data reveal the two countries’ union movements and labor markets to be virtual mirror images. In the United States, the union movement and labor markets are predominantly private; in Canada, the labor movement is mostly public, and its public labor market, which was once about twice the relative size of the American (Troy, 1990a), is currently about 1½ times relatively larger; privatization and the growth of private employment during the 1990s reduced its relative size.

There are several sources of Canadian union and labor market statistics. All originate from Statistics Canada, but from different units within the agency. The longest series on membership and density date to 1911 and have been updated annually, except for 1979. They have always been obtained from a questionnaire mailed to unions requesting their membership as of a certain date and without specifying a definition, such as an annual average of dues-paying members or whether unemployed and retired members are included. Currently, the date is January 1. Aside from the question of how many unions actually know their membership as of a single date, reliance on responses to a questionnaire when the respondent has an interest in magnifying claims raises questions of accuracy. Indicative of the problem is the number of unions reporting the same membership annually over a number of years, irrespective of business conditions. Moreover, the same unions reported different figures to another agency within Statistics Canada, the agency that administered the Corporations and Labour Unions Returns Act, hereafter CALURA. The CALURA surveys began in 1966, were discontinued recently, but were expected to resume by 1999. CALURA’s figures also came from responses to a questionnaire, presumably answered by the same union officials who respond to Statistics Canada’s other agency that collects union data. Nevertheless, not only do the individual union’s membership figures differ between the two Canadian agencies; of course, but the national totals differ as well. A

1The data for the United States, those of the U.S. Department of Labor, Barry T. Hirsch and David A. Macpherson in their series, Union Membership and Earnings Data Book, and those of Leo Troy and Neil Sheflin, Union Sourcebook, do distinguish between the public and private sectors. Troy and Sheflin’s figures date from 1897 to 1983.
minor factor accounting for the difference in totals was the exclusion of some small independent locals in CALURA's count. The figures of international unions in Canada also regularly differed from those reported by the same international unions (headquartered in the United States) and published by the U.S. Bureau of Labor Statistics (BLS) in its biennial directories of labor organizations from about 1952 to 1980.\(^2\) Like its Canadian counterparts, the BLS sent questionnaires to the unions that included requests for their Canadian membership, and the BLS's figures regularly differed from those of both Canadian agencies. The CALURA series also provided industrial breakdowns, but some of these are unreliable, as indicated by reports that enumerated more union members than employees in construction in Quebec. While it is known that some construction workers may at times belong to more than one union, the discrepancy is too large for that to be the sole reason. In the public sector, CALURA's industrial classification identified only the membership and employment of the federal and provincial governments but did not identify a much larger number of public employees, those employed by crown agencies and crown corporations, and those in education, health, and social services. CALURA combined the latter with private services into a general service sector. Crown agencies and corporations were and remain today in virtually all major industrial sectors, with the apparent exception of construction. A measure of the magnitude and scope of government enterprises in Canada was provided in a special report done over a decade ago (Economic Council, 1986). Reclassifying the production of services and goods based on government funding would markedly alter the Canadian data and bring them closer to the statistical system in the United States. For the United States, similar adjustments for government enterprises and funding for health care would have a relatively minor effect compared with Canada. Statistics Canada took a small step in that direction in its Labour Force Survey of 1998.\(^3\) Currently, both countries' statistical agencies assign construction to the private domain, so there is no disparity in this industrial classification.\(^4\)

\(^2\)Beginning in 1984 and to the present, the BLS began publishing general statistics of unionism obtained from the Bureau of Census' Current Population Surveys. Individual union statistics are not available in this series.

\(^3\)The classification between public and private employment in Canada is open to debate. Here, I rely on the source of income (public monies) paid as required by law and thus distinguishable from companies or law firms consulting for the government on an ad hoc basis. I also rely on governmental control or ownership, which in Canada includes crown agencies and corporations.

\(^4\)I am indebted to Daniel J. B. Mitchell calling attention to this particular issue.
Origin and Development of the Divergent Model

Paul Weiler may have been the first exponent of the divergence model (Weiler, 1983). He was followed by numerous specialists, culminating, for the purposes of this article, in the work of Pradeep Kumar (Kumar, 1993). Weiler identified several issues that became thematic in the divergent literature. He held that the two countries’ industrial relations systems produced divergent trends in membership and density and attributed the divergence to employer opposition unchecked by law in the United States, in contrast to less employer opposition and more effective (pro-union) labor laws and enforcement in Canada. His sources for the Canadian data were the Bureau of Labour Information’s historical series (via secondary reports), which combine public and private unionism, and his comparison revealed a widening gap in the average densities between Canada and the United States from the 1960s to 1976. In accounting for the gap, he did note the rapid growth of the Canadian public sector (the “new unionism”), but he also attributed the gap to gains in the private sector (the “old unionism” in Canada) (Weiler, 1993:1819). However, private-sector union membership and density actually had declined in the period 1956–1976 and, for that matter, has continued to do so into the present (Tables 1 and 2). Table 1 reports private union density in the United States and the average extent of organization in Canada, 1953–1973. Until the mid-1960s, the Canadian figures are treated as proxies for private density because membership in Canadian public-sector unions was negligible. But until which year can the average be treated as representative of private density in Canada? Meltz identified 1964 as the beginning of divergence between Canadian and American unionism because that was the year Quebec adopted policies promoting organization and bargaining by government employees, which was soon followed by the federal and provincial governments (Meltz, 1993). As Table 1 shows, the Canadian average rate began to regularly exceed the U.S. private-sector rate of density in 1966. Prior to that year, from 1953 until 1966, the U.S. rate exceeded the Canadian. After 1966, the growth of public unionism in Canada, spurred by federal and provincial labor policies, began to raise the average densities. Table 2, which deals only with private density from 1958 to 1989, demonstrates that private density in Canada has trended downward since peaking in 1958, contradicting Weiler’s conclusions. After 1989, Troy estimated Canadian private density at 18 percent, in 1990, whereas Meltz and Verma calculated it at 20.7 percent, and Bergeron at 21.6 percent (Bergeron, 1993). In contrast to the convergence model’s methods, Meltz and Verma

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5The terms new and old unionism are the author’s.
and Bergeron (their former student) included all mining, trade, finance, insurance and real estate, accommodation, and other services in the private sector (Meltz and Verma, undated: note 5, Table 1), even though a significant number of employees in these industries are in the public domain. These inclusions account for Meltz and Verma’s and Bergeron’s larger densities compared with Troy for 1990. Statistics Canada reported union density in the private sector at 18.2 percent for the first half of 1999, and that figure still includes some public data in the private sector. The decline of private unionism in both countries changed the structure of unionism in both countries. It led to the disappearance of large numbers of local unions in both countries, another measure of convergence and one passed over by the divergence model (Troy, 1992a). Another change in the structure of unionism in both countries has been the shift in the composition of membership from private to public. In Canada, most union members are now in

### TABLE 1
DENSITY (%), CANADA AND THE UNITED STATES, 1953–1973

<table>
<thead>
<tr>
<th>Years</th>
<th>Canada (Average)</th>
<th>U.S. (Private)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>33</td>
<td>35.7*</td>
</tr>
<tr>
<td>1954</td>
<td>33.8</td>
<td>35.6</td>
</tr>
<tr>
<td>1955</td>
<td>33.7</td>
<td>34.7</td>
</tr>
<tr>
<td>1956</td>
<td>33.3</td>
<td>34.7</td>
</tr>
<tr>
<td>1957</td>
<td>34.2*</td>
<td>33.9</td>
</tr>
<tr>
<td>1958</td>
<td>34.2*</td>
<td>33.9</td>
</tr>
<tr>
<td>1959</td>
<td>33.3</td>
<td>32.3</td>
</tr>
<tr>
<td>1960</td>
<td>32.3</td>
<td>31.9</td>
</tr>
<tr>
<td>1961</td>
<td>31.6</td>
<td>31.9</td>
</tr>
<tr>
<td>1962</td>
<td>30.2</td>
<td>31.6</td>
</tr>
<tr>
<td>1963</td>
<td>29.8</td>
<td>31.2</td>
</tr>
<tr>
<td>1964</td>
<td>29.4</td>
<td>31</td>
</tr>
<tr>
<td>1965</td>
<td>29.7</td>
<td>30.8</td>
</tr>
<tr>
<td>1966</td>
<td>30.7</td>
<td>30.3</td>
</tr>
<tr>
<td>1967</td>
<td>32.3</td>
<td>30.5</td>
</tr>
<tr>
<td>1968</td>
<td>33.1</td>
<td>29.9</td>
</tr>
<tr>
<td>1969</td>
<td>32.5</td>
<td>29</td>
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<tr>
<td>1970</td>
<td>33.6</td>
<td>29.1</td>
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<tr>
<td>1971</td>
<td>32.4</td>
<td>28.2</td>
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<tr>
<td>1972</td>
<td>33.9</td>
<td>27.3</td>
</tr>
<tr>
<td>1973</td>
<td>35.4</td>
<td>26.6</td>
</tr>
</tbody>
</table>

**SOURCES:** Canada: Statistics Canada (latest revisions); U.S.: Troy and Sheflin, *Union Sourcebook*, 1985.

*Denotes peak density.
the public sector and have been for some time, probably since about 1979. In the United States, private union membership still exceeds the public and will continue to do so until early in the new century. The mirror image of the two countries’ union movements explains the gap in the average densities of the two countries. The transformation from a private- to a public-dominated Canadian movement was noted by several Canadian scholars, but its implications for the divergence/convergence arguments were ignored:

...The rise of public sector unions has changed the shape of the Canadian labour movement. Before the 1960s, organized labour in the country was predominantly blue collar, male, private sector, and US-linked [Ponak and Thompson, 1989:380; emphasis added].

After the 1960s:

The upsurge in union membership in Canada in the decade after the mid-1960s, following a period of relative stagnation, if not actual decline, may be attributed almost entirely to the adoption of collective bargaining by government employees at the federal and provincial levels [Goldenberg, 1988:270].

Richard B. Freeman and James L. Medoff. Freeman and Medoff added structural changes in the labor market to the divergence model. They began with a finding that structural change could account for “72 percent of the observed decline” in the U.S. density over the quarter century, 1954 to 1979 (Freeman and Medoff, 1984:225). But then they rejected their own findings because, they claimed, the same structural shift had occurred “in virtually all major Western economies,” and without similar declines in

<table>
<thead>
<tr>
<th>Years</th>
<th>Bergeron</th>
<th>Troy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958</td>
<td></td>
<td>34.0</td>
</tr>
<tr>
<td>1961</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td>28.6</td>
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</tr>
<tr>
<td>1970</td>
<td>29.3</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>28.3</td>
<td></td>
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<tr>
<td>1975</td>
<td></td>
<td>25.7</td>
</tr>
<tr>
<td>1980</td>
<td>26.0</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td></td>
<td>20.7</td>
</tr>
<tr>
<td>1986</td>
<td>21.0</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>21.5</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Bergeron (1993:Table 2.1); Troy (1992; 1990: Table 4).
density; they singled out Canada as especially important (Freeman and Medoff, 1984:226–227). Therefore, they concluded that a different factor was responsible for the decline in the United States, namely, employers’ opposition (Freeman and Medoff, 1984:Chap. 15). However, contrary to Freeman and Medoff’s conclusion, Canada did not experience the same structural change from a goods- to a service-dominated labor market as the United States. In the United States, the switch was in private services and was accompanied by a huge growth in associated professional, technical, and managerial occupations (Kutscher and Personek, 1986). In contrast, Canada’s switch to services was primarily the result of the growth in government services, especially in health care, education, and social services. Furthermore, even if Canadian private services could be separated from the general category of services, the magnitude and growth of the high-tech component in the United States also generated a difference in kind: The scale effect spawned a qualitative change that invalidates nominal comparisons between the industries sharing the same classification title in the two countries. The two characteristics of the transformation, size and caliber, stem from Adam Smith’s dictum that market size stimulates the division and specialization of labor. And given that the American labor market is some tenfold larger than the Canadian market, the development of specialized high-tech industries and the expansion of the occupational labor force necessary to service them distinguish the transformation of the American from the Canadian labor market. The erroneous comparisons of structural changes in the two labor markets were further compounded by the fact that the Canadian classification of the service sector combined public and private services. In contrast, the U.S. definition of the service sector is limited to private industries, so the same terminology compares two wholly different service sectors. In addition to incorrectly treating the switch to services as the same across the two countries, Freeman and Medoff ignored leads and lags in structural changes. Even with the inclusion of government services in the service sector, Canada lagged the United States for more than a decade. The transformation from goods to services occurred in the mid-1950s (Fuchs, 1968). In Canada, the changeover did not take place until about 1966 (Worton, 1969). If figures of private services were available for Canada, its lag behind the United States in the transformation of its labor market could have been 15 years or more, not just by more than a decade. Lead-lag analysis, as in analyses of all data sensitive to time, ought to play a major role in international comparisons of unionism and labor markets but is conspicuous by its absence or rarity in the divergent model. On the other hand, lead-lag analysis is a recurring and a central element in the convergence model. Thus, consistent with the
U.S. lead in structural change from goods to services, the “old unionism” in the United States led the Canadian “old unionism” in reaching its peaks in membership and density. Density in the United States peaked in 1953 (Table 1) and membership in 1970. In Canada, private-sector membership apparently peaked in 1979, nine years after the United States. Had it not been for the effects of the Vietnam war on the American data, the lag would have been greater. Likewise, Canadian private density topped out in 1958, nominally 5 years after the U.S. peak in 1953 (Table 1), but analytically the lag was greater. Because of the Korean war, the switch from goods to services employment and the decline of the “old unionism” were delayed in the United States. After discounting the effects of the Korean war, private density in the United States probably would have peaked about 1947, a decade before the private-sector peak of 34 percent in Canada.

**Noah M. Meltz.** One of Noah Meltz’s most important contributions to the divergence/convergence debate was his finding that structural change did not reduce Canadian density (as in the United States) but that paradoxically it actually increased it! According to Meltz, if “the industrial distribution of employment between the two countries had been the same and if . . . the rates of union organization were the ones which actually existed [in Canada], the overall, union rate would have been higher [in Canada] than it was in 1980 by approximately 10 percent” (Meltz, 1989: 322). However, the convergence model disputes this finding. Meltz’s method developed hypothetical labor markets, union membership, and densities. The method imposed a predominantly private American structure of employment in services on a Canadian structure with a relatively larger public service component. In addition, he added trade, finance, insurance, and real estate to the Canadian service sector. In Canada, these industries include many government enterprises. The hypothetical Canadian employment then were weighted by the actual rates of Canadian density, which were biased upward by de facto public-sector unionism in those industries. The resulting hypothetical union membership figures were then divided by the hypothetical Canadian employment to obtain hypothetical density rates. Not surprisingly, therefore, these methods produced the paradoxical result of larger hypothetical membership and density than the actual numbers.

**Richard Long.** In another approach to structural change and its effects on unionism in Canada, Richard Long found that “about two-thirds of the loss in union density during 1980–1985 resulted from poor employment performance of established union firms relative to nonunion firms, with
the remainder due to factors such as a higher rate of closures among union plants combined with a failure to organize a commensurate number of new firms” (Long, 1993:699). Comparing unionized with nonunion firms in manufacturing, Long found that between 1980 and 1985, total employment in nonunion manufacturing firms grew 23.3 percent, while unionized firms lost 12.9 percent: Thus “nonunion firms in manufacturing experienced substantial positive growth in total, mean, and median employment, along with a high average growth rate” (Long, 1993:696). Long also found the substitution of nonunion for unionized employment also affected non-manufacturing firms. Thus Long reported that while “unionized firms managed to eke out an increase in their total employment of less than 1 percent over the five years [1980–85] . . . nonunion firms enjoyed a 15.4 percent increase in total employment” (Long, 1993:696). These switches reduced union density in the private labor market, as the convergence model has argued. Compared with the United States, the Canadian transformation reduced private union density about one-half as much as in the United States (Troy, 1992a; Long, 1993:699). The two countries’ density rates were about the same in 1975 (26 percent), but a decade later the rate in the United States was substantially lower than in Canada (15 percent compared with 21 percent). Long offered several reasons for the disparity. One is the smaller size of Canadian than American firms. Another was the lower union relative wage effect in Canada than in the United States. Long also observed that his findings “mesh with the Canadian empirical evidence on unionization and employment growth” (Long, 1993:699), notably Troy’s (convergence) study of 1990.

**Chaison and Rose.** In their latest model of divergence, Rose and Chaison (the two exchange senior authorship and will be identified here as R&C) identified the cause of the gap in average densities as the result of “the higher effectiveness” of Canadian unions in “organizing, bargaining, and political activities [which] are related to the higher and stable union density in Canada and the long and severe decline in density in the United States” (Rose and Chaison, 1996:78). They faulted the convergence model for not disaggregating the reasons for the decline in private densities in both countries, asserting that the convergence model did not account for growth in the nonunion segment of the labor force and not subtracting membership losses from gains. The convergence model did not net gains and losses because the detailed information for such an accounting procedure is not available; R&C did not provide it either. Furthermore, the criticism is puzzling because the convergence model did identify the growth of nonunion employment and the decline of union membership in
manufacturing in both countries (Troy, 1992a; Long, 1993). A smaller downsizing in Canada compared with the United States can be attributed in part to the smaller size of unionized Canadian firms. The study by LaLonde et al. (1996:Abstract) of the unionization of production workers in the United States found “significant declines in employment and output in manufacturing plants.” About a decade ago, R&C finally acknowledged that private unionism, membership, and density had, in fact, declined in Canada (Chaison and Rose, 1988), a recognition that reversed their previous claims of growth.

R&C substitute comparative labor board certifications and elections as indicators of a more energetic organizing effort by the Canadian union movement, as did Meltz and Verma (1996). However, the intended proxy Canadian labor board figures include large numbers of public employers and their employees, marring, if not invalidating, comparisons with the statistics of the National Labor Relations Board (NLRB). The NLRB’s data apply to the private labor market, excepting only the Postal Service, and the NLRB is involved in very few elections because the agency is more than 70 percent organized. At the same time, its figures can readily be removed from the total, unlike the Canadian data. The inclusion of public employee employers and unions in the Canadian figures bias upward the overall unions’ win record. Studies of public-sector representation elections in the United States at the state and local levels demonstrate that unions’ successes far outstrip those in the private labor market. Data separating the private and public in representation elections, like the union and employment data, are not available for Canada. Another measure of Canadian unions’ effectiveness, according to R&C, was their success in organizing jobs in growth occupations and industries—white-collar, professional, and technical occupations and the services. A review of union wins by occupation and industry in the reports of the Ontario Labour Relations Board indicates that both the occupations and service industries were mostly in the public sector. The same occupations are also well organized in the American governmental sector. R&C also claim that the convergence model had overlooked the growth of the labor force in the process of union changes. However, the claim is puzzling because labor force growth is part of structural change, a key element of the convergence model’s explanation of declines in density. After agreeing that labor force growth is a factor in declining density (a structural explanation), R&C minimize its importance by citing Riddell’s finding that structural changes in the labor force could account for only 15 percent of the U.S.–Canada unionization gap (Riddell, 1993). However, the convergence model regards Riddell’s findings to be flawed. His results were derived from a survey for
a single month, December 1984, and a classification of industries that understated the public and overstated private employment and unionism in Canada. Hence Riddell’s measure of structural change, like Meltz’s, compared dissimilar labor markets and union movements. For the private labor market, Riddell estimated Canadian private density at 29 percent in December 1984. However, if education and health and welfare services are transferred from the private to the public sector, Riddell’s estimate of private density declines from 29 to 23 percent. (This compares with 21 percent for 1985 and 1986 reported in Table 1.) Of course, the inclusion of both industries in their entirety into the public sector may overstate the public size of these sectors, but the overstatement is offset by the classification as private of public employment in other Canadian industries, notably transportation, utilities, trade, and finance, in Riddell’s calculations. Moreover, it is problematic to measure structural change, particularly across countries, relying on one point in time. Recall that Freeman and Medoff measured structural changes and density in the United States over a 25-year period.

William B. Gould IV. Gould, a professor of law at Stanford and until recently the chairman of the NLRB, agrees with the convergence model as it applies to union trends but differs on the potential power of a revised labor law in the United States to revive organized labor. In his Agenda for Reform, he commented that “the overall comparative figures for trade union membership in Canada and the United States [are] somewhat camouflaged by the public-private and goods-service disparity” and that “average density in Canada had declined since the 1980s” (Gould, 1993: 209, 211). He also observed that “the economies of the United States and Canada are not truly comparable but fundamentally dissimilar in a number of respects in the public-private sector story, so also is this the case with labor law” (Gould, 1993:213). However, Gould does not agree with the convergence model on the power of the law to contain or reverse the decline of private unionism in the United States—a judgment that might be expected from a former chairman of the NLRB. However, the labor laws of Canada, federal and provincial, are far more pro-union than even the original Wagner Act but nevertheless have failed to stem or reverse the decline of private unionism in that country.

Managerial and Employee Attitudes

Differences in managerial attitudes toward unions and bargaining between the two countries have been another important area of difference
between the two models. According to the divergence hypothesis, Cana-
dian management accepted unionism or at least was not as hostile to it
as American employers. However, when Canadian union leaders were
interviewed about Canadian management’s acceptance of unions and bar-
gaining, their responses contradicted the divergence model. The consen-
sus of 12 major Canadian union leaders, interviewed (about 1986–1987)
by Kumar and Ryan was that management, including, surprisingly, some
in the public sector, vigorously opposed unions. Indeed, as the editors
stated: “Most labour leaders don’t think employers accept the legitimacy
of unions [and] [t]here has been no change in employer attitudes toward
unions or in supervisor attitudes toward workers” (Kumar and Ryan,
1988:9). In examining Canadian unions’ inability to organize banking,
a major nonunion stronghold in the private sector, Kumar and Ryan
commented that “the most important [obstacle was] the employers’ fierce
anti-union attitude, their determination to stay nonunion at any cost”
(Kumar and Ryan, 1988:12).

In a survey of nonunion workers’ propensity to join unions (done by
the Gallup organization), Bergeron reported that 60 percent of nonunion
workers rejected joining unions (Bergeron, 1993:102). An organization
of small business conducted a survey (done by Angus Reid) in 1991 and
found that a “vast majority of employees of small businesses . . . see no
need for organized labour in their workplace” (Canadian Federation of
Independent Business, 1991:5). The survey found that the smaller the
business, the greater was the employees’ opposition to unionism. Only
establishments of 300 or more found a slightly higher employee prefer-
ce for union representation (48 percent, to 47 percent against). In 1997,
Lipset and Meltz (from a poll also done by Angus Reid) reported that a
majority of Canadian and American nonunion workers would not vote for
a union at their workplace. Indeed, they reported that Canadian workers
rejected unionism more decisively than American nonunion workers, a
result that surprised them (and the reviewer) and contradicts one of the
divergent model’s comparative assessments of workers’ attitudes in the
two countries. The results were 67 percent against unionization in Canada
versus 53 percent in the United States (Lipset and Meltz, 1997:Table 4).6

The samples in both countries included workers in both the public and the
private labor markets. The results for the United States suggest that there
may have been a disproportionate number of public workers in the sam-
ple, because they have a much higher propensity to join unions than those

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6 The authors’ Table 4 reported the percentage of nonunion workers who would vote for a union, not the
percentage who answered they would not. The reviewer subtracted their finding from 100 percent.
in the private sector (Hills, 1985). This could account not only for the unexpected results but also for their inconsistency with previous survey results in the United States. The survey by Decima for the Canadian Federation of Labour in 1990 reported that 66 percent of Canadian workers, public and private, rejected joining a union (Canadian Federation of Labor, 1990:3), a figure virtually the same (65 percent) as in the United States and reported in a survey by the AFL-CIO in 1984 (Harris & Associates, 1984:63). A quality of life survey in 1977 of American workers found that 67 percent of all nonunion workers would not vote for a union in a secret ballot election (Medoff, 1984:7, Table 4A). A survey by The Washington Post in 1986 reported that 75 percent of nonunion workers would not vote for a union in a secret ballot election (Perl, 1987:H1). Of all the surveys, only the surveys of Harris in 1984 and The Washington Post in 1987 asked nonunion workers why they rejected unionism. Harris found that the most important reason was that unions were essentially irrelevant to nonunion workers. Fear of the employer ranked near the bottom of the list (Harris, 1984:Table 22, 65). Similarly, the Post’s survey reported that 62 percent said that they did not believe that they would be fired if their employer knew they actively supported forming a union (Perl, 1987). Nevertheless, adherents of divergence since Weiler view employer hostility in the United States as the eye of the hurricane dismantling the “old unionism” and collective bargaining. In contrast, LaLonde and Meltzer’s found that employers’ opposition had only a marginal impact on the fate of unionism and bargaining in the United States (LaLonde and Meltzer, 1991). They pointed out that the number of unfair labor practices filed against employers in the United States, the measure of employer opposition according to the divergence model, is exaggerated. The reasons are that the section of the National Labor Relations Act under which illegal employer practices are classified included unrelated illegalities and that the number of charges against employers grew because of the growth of employment and because the jurisdiction of the NLRB was enlarged. Curiously, some years after identifying illegal employer opposition as the principal cause of union decline in the United States, Weiler wrote that “most employers still do fight within the legal rules of the contest” (Weiler, 1988:7). The convergence model agrees that

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7The Canadian Federation of Labour was a breakaway group of unions in the building trades that withdrew from the Canadian Congress of Labour over jurisdictional issues in 1982. It has since rejoined the CCL.

8Medoff, as Lipset and Meltz did two decades later, reported the percentage of nonunion workers who would vote for a union in a secret ballot election, not the 67 percent who would have voted no.
employers do oppose unionism but that the effects are not a central factor in the decay of unionism and collective bargaining in the United States or in Canada.

Public Policies and Organizing

Both models agree that Canadian labor policies are more favorable to unions and bargaining than American and that in the past these had contributed to the higher Canadian densities in both sectors of the economy (Troy, 1957, 1958; Meltz, 1989). However, the two models disagree on the efficacy of labor law to stem or reverse the decline in private membership and density. The convergence model contends that labor law does not work in a symmetrical fashion in its effects on union trends: In its initial stages, labor law fosters the monopoly power of unions, but as market forces gather strength, they undermine the power of labor law.

Why American Private Density Is Less than the Canadian

The convergence model identifies the greater impact of competition on the American economy than the Canadian as the factor principally responsible for the gap in private densities between the two countries. Thus, even though the two countries are each other’s best customers, during the critical years in the 1980s, when American unionism lost ground rapidly, the Canadian unions, although also losing ground, were shielded from the full impact of cross-country competition because of higher tariffs and exchange rates: “From 1979 to 1985, as the [U.S.] dollar appreciated and structural change accelerated, U.S. labor resources shifted out of mature industries and production jobs most susceptible to import competition and toward the service-oriented manufacturing jobs in which the United States had a comparative advantage” (Little, 1989:68). The Canadian government also levied higher tariffs than the American traded goods and services (Little, 1989). The automobile agreement from its inception in 1965 contributed to the stability of the Canadian auto union at the expense of the U.S.-based international. The cumulative effect of these market factors dramatically changed the relative densities of the two countries’ private union movements. From 1975, when the densities of the two countries were about equal, the American density plunged more than half, from 26 to 12 percent by 1990. In Canada, the comparative figures are 26 percent and in 1990 to 18 or 21 percent. Between 1975 and 1990, U.S. membership in manufacturing shrunk 2.5 million, and density plunged from 36 to 21 percent (Hirsch and Macpherson, 1998:Table 1d).
The cyclic downturns of 1979–1980 and 1981–1982 reduced manufacturing membership and density in the United States, but unlike previous cyclic episodes, union membership never recovered from these episodes. Canadian unionism in manufacturing also suffered from cyclic downturns in the 1980s, but the cheaper Canadian dollar and higher tariffs limited their effects. Prior to the Free Trade Agreement (FTA) between the United States and Canada (effective January 1, 1989) and later the North American Free Trade Agreement (effective January 1, 1994), Canadian tariffs exceeded U.S. tariffs, protecting Canadian private density, especially in manufacturing, from competition. Prior to the FTA, Canadian tariff rates on U.S. goods, weighted by value of the traded products, averaged more than five times American tariffs on Canadian imports, 3.8 to 0.7 percent (Little, 1989:Table 3, 8). Canadian unions in car and auto parts manufacturing were in a favored position relative to the United States because of the duty-free auto pact of 1965, which committed the U.S. manufacturers to minimum levels of production in Canada. The previous comparative disadvantage of Canadian auto production was converted into a comparative advantage through lower labor costs, now enhanced by economies of scale and a sharply depreciated Canadian dollar (1978–1984). Significantly, the Canadian wing of the Auto Workers’ Union seceded from the international in 1983, when, after benefiting from favorable market forces, its leadership asserted it would not agree to the concessions that the international had accepted in the face of intense Japanese competition. More than any single transnational event, this one gave rise to the invidious charge of the divergence model that U.S. unions were not as “tough” as their Canadian counterparts. In collective bargaining this referred generally to the “give backs” that unions in the United States conceded during the 1980s. However, in contradiction to the rhetoric of Canadian unions “toughness,” Blanchflower and Freeman (1992) showed that the wage-lifting power of American unions greatly exceeded that of Canadian unions in the 1980s. They reported that relative union to non-union advantage of American unions was 20 to 25 percent, whereas the Canadian unions’ relative advantage was 10 to 20 percent (Blanchflower and Freeman, 1992:65). Such a disparity is hardly evidence of a flabby American labor movement! Instead of the “toughness” argument, Long noted that the Canadian unions’ smaller impact on wages contributed to the smaller decline of private density in Canada compared with the United States (1975–1985).
Union Philosophies

Pradeep Kumar (building on the work of Ian Robinson) added a new element to the divergence model, union philosophy. In fact, he singled out the philosophy of Canadian unions, which he calls social unionism, as the key factor in the divergence between the two countries’ industrial relations systems (Kumar, 1993:168). He defined social unionism as a philosophy of “unionism directed toward social change, emphasizing broader working class issues rather than the narrower interest [i.e., economistic, or materialistic interests] of their members” (Kumar, 1993:59). Robinson asserted that social unionism’s “very nature better prepares [the union movement] to transform economic system failures into fuel for a social movement promoting progressive change” (Robinson, 1994:670). Kumar and Robinson’s concept of the Canadian unions’ philosophy implies that they have exchanged “trade union” for “class” consciousness. Accordingly, this would put the Canadian unions at odds with American unions’ continuing pursuit of a redistribution of income—“more”—from employers. However, Kumar and Robinson’s preconception of Canadian unions’ goals withers under an examination of what Canadian unions actually do. Thus, as already noted, Blanchflower and Freeman reported that while Canadian unions’ relative wage effects in the 1980s were smaller than those of the American unions, they were larger than those of other industrial countries (Blanchflower and Freeman, 1992:65). Such a record hardly demonstrates a renunciation of material gains, or giving them a secondary role, or substituting the “transformation of economic failures into progressive change.” Instead, Canadian unions continue to pursue “economistic” goals. Hence the two countries’ union movements converge, not diverge, in their philosophies.

Summary

The comparison of Canadian and American industrial relations is more than an exercise in contrasting two models of industrial relations theories. If the divergence model was right, then the Canadian system is unique, not only in North America but also among all G-7 countries. It would be an example of Social Darwinism, the evolution of a distinct system of labor relations in the industrial world. If the convergence theory is

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10For the purpose of this article, Mexico is excluded from the definition of North America.
correct, then the Canadian system is just another example of what has happened to industrial relations systems across all G-7 nations. And such is the conclusion of the convergence model.

REFERENCES


