

Centralized Bargaining and the Canadian Construction Industry

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Abstract

In Canada, the road to achieving construction labor relations stability has been long and winding. During the 1960s, there was a dramatic rise in strike activity and wage settlements. This led to sweeping legal reforms designed to centralize bargaining structures and stabilize labor–management relations. Although success initially proved elusive, significant improvements in bargaining outcomes were achieved in the long run. This paper examines developments in the period 1989–2008 and finds (1) the construction industry’s share of total strike activity declined significantly and (2) construction wage settlements were broadly consistent with private sector settlements. Several factors contributed to this trend, including increases in non-union competition, legal refinements supporting centralized bargaining structures, and the maturation of bargaining relationships. There has been a shift away from adversarial and confrontational bargaining toward increased labor–management competition, flexible collective agreements, and the adoption of alternative dispute resolution procedures.

Introduction

During the 1980s, competitive labor policy and technological changes began to have a significant impact on industrial relations in Canada. Changes in the Canadian system were not as extensive as the transformation of the U.S. system at that time, and there was considerable “variance in the responses of the actors, and differing degrees of evolution of the industrial relations systems of various industries” (Chaykowski and Verma 1992:463). In subsequent years, globalization, trade liberalization, deregulation, the rise of neo-conservative labor policies, and waning union political influence contributed to the decline in union bargaining power (Chaykowski 2005). This has been reflected in the decline in private union density (which reached 16% in 2010) and the downward trend in strike activity and wage settlements (Uppal 2010).

The purpose of this paper is to examine the influence of legal, structural, and competitive changes on labor relations stability in the construction industry. The road to achieving stable labor relations has been long and winding. The 1960s was associated with a dramatic rise in strike activity and high wage settlements. The strategic importance of construction activity to economic growth and the turbulent state of labor relations led to government intervention. Specifically, it resulted in sweeping legal reforms designed to centralize bargaining structures and stabilize labor–management relations. Although success initially proved elusive, significant improvements have been achieved in the long run.

The paper begins with a brief overview of the evolution of bargaining in construction. This is followed by an examination of the factors that have contributed to labor relations stability in the period preceding the recent global financial crisis. Focusing on the period 1989–2008 provides the opportunity to build on previous research that examined the formative years of centralized bargaining in the industry (Rose 1986, 1992). The analysis is based on trends in union membership, strike activity, wage settlements, and other bargaining outcomes. As described in greater detail below, the industry has experienced more strategic bargaining, increased flexibility, and new forms of dispute resolution.

Labor Relations Turmoil and Legal Reforms

Both the United States and Canada experienced a sharp upturn in strikes and wage settlements in construction during the 1960s (Mills 1972; Rose 1980). Given the tendency of Canadian governments to heavily regulate industrial relations, policymakers were persuaded there was a need for employer countervailing power in the industry. As a result, a number of inquiries into the construction industry were commissioned, and recommendations for legal reforms were adopted in the 1960s and 1970s. Although there were variations across Canadian provinces, the thrust of legal reforms was to promote stronger employer associations and centralized collective bargaining in major building construction—i.e., the industrial, commercial, and institutional (ICI) sector.

The combination of fragmented bargaining structures and robust economic growth in the 1960s combined to produce unstable bargaining outcomes. Although construction has long been known as a strike-prone industry (Jamieson 1973), the situation deteriorated seriously in the 1960s. Even though the industry at that time represented about 7% of the nonagricultural labor force and 10% of total union membership, it accounted for nearly 17% of the person-days lost due to strikes (Rose 1980). Further, “person-days lost due to strikes increased by almost 200 percent between the periods 1960–64 and 1965–69 and the construction-manufacturing wage differential widened from 19 percent in 1965 to 42 percent in 1970” (Rose 1992:189). In response to these developments, governments were compelled to introduce sweeping labor law reforms in an attempt to centralize bargaining and promote stability.

The major legislative changes involved employer accreditation and province-wide bargaining. In some cases, these changes occurred simultaneously; in others, centralization occurred in subsequent years. The objective of accreditation was to address weaknesses in contractor organization. In addition to promoting employer solidarity, accreditation was expected to facilitate centralized bargaining “since contractor associations would be in a better position to insist on it” (Arthurs and Crispo 1968:410).

Employer accreditation is analogous to trade union certification and allows a contractor association to acquire exclusive bargaining rights for all the union contractors in a geographic area. Prior to its adoption, contractor associations lacked legal cohesion to bargain effectively. Because individual contractors voluntarily assigned their bargaining rights to associations, the latter had difficulty exerting effective direction and control over their members. Construction unions commonly resorted to whipsawing tactics (e.g., selective strikes against association members or negotiating interim agreements with certain contractors) to pressure the association into agreeing to their bargaining demands. Since associations were vulnerable to union divide-and-conquer tactics, they tended to be no stronger than their weakest link. As a result, building trades unions effectively used whipsaw tactics to exploit these weaknesses. Also, associations rarely held the bargaining rights for all the union firms in a geographic area and, as a result, nonmember firms were able to continue operations during local work stoppages.

Whereas accreditation strengthened contractor organization, it did not significantly alter traditional bargaining structures in most Canadian jurisdictions. Historically, bargaining structures in construction were shaped by labor and product markets. As a result, bargaining was fragmented and uncoordinated. Bargaining took place between a local craft union and an employer’s association employing members of that craft and corresponded to the work and geographic jurisdiction of the local union. The paramount bargaining issue was the establishment of uniform wage rates in local markets. Because major building construction was highly unionized, this allowed unions to take wages out of competition and standardize labor costs for employers (Rose 1980).

Legislation mandating province-wide bargaining addressed other aspects of local-area, single-trade bargaining structures that contributed to instability. To begin with, the narrow geographic scope of bargaining and the mobility of tradesmen enhanced the strike leverage of the building trades unions. Since tradesmen could go on strike and obtain work in neighboring areas, they could offset the cost of a work stoppage. It also facilitated the ability of construction unions to leapfrog wages within and across labor markets. Construction workers could also mitigate their strike costs by securing work in other sectors of the industry, such as residential construction, or on large construction projects covered by multi-year, no-strike project agreements (with tie-ins to local wage rates) (Rose 1986). Another difficulty was that contract expiry dates varied by trade, raising the possibility of sequential strikes.

In most jurisdictions, province-wide bargaining occurs on a single-trade basis between designated provincial employer associations and trade union bodies. Only provincial collective agreements are valid, and there is a common expiration date in major building construction. Under single-trade bargaining model, employers coordinate bargaining on a multi-trade basis through CLRAs – Construction Labour Relations Associations. Multi-trade coordination is not widely practiced on the union side. Formal province-wide, multi-trade bargaining is found two provinces. In British Columbia, bargaining takes place between an accredited employer association (CLRA) and a provincial building trades council. Québec law requires a single employer association and union federations to negotiate a single agreement in major building construction.

The Early Experience with Centralized Bargaining

Legislative reforms did not produce labor relations stability in the short run. As anticipated, the centralization of bargaining led to a decline in strike frequency in the 1970s. However, this improvement was offset by larger and more protracted work stoppages. Specifically, the number of workers involved and person-days lost due to construction work stoppages more than doubled from the levels recorded in the 1960s. While the rise in strike activity was influenced by the strong demand for construction and inflationary pressures, it also reflected union opposition to broader-based bargaining:

In addition, stiff union resistance to changes in bargaining structures, led to longer work stoppages. For example, the first four centralized bargaining rounds in British Columbia produced protracted industry-wide stoppages; in Ontario and Saskatchewan, the relative severity of strikes more than doubled following the introduction of mandatory province-wide bargaining by trade. (Rose 1986:9)

The overall increase in the intensity of union opposition to centralized bargaining in the 1970s reflected deep concerns that bargaining structure changes would alter the balance of bargaining power in the industry. As well, favorable economic conditions contributed to the continuation of large increases in compensation. Specifically, double-digit increases in wages (and wages plus supplements) were the norm during this period (Rose 1992).

Despite increased employer solidarity and centralized bargaining structures, contractor groups were dismayed by the results of the turbulent 1982 bargaining round and subsequent economic slowdown. Under increased pressure from construction purchasers, contractors increasingly viewed improvements in construction labor relations as modest or “too little, too late.” From their perspective, centralized bargaining had fallen short of their expectations, and in response to “shrinking markets and rising competition, union contractors began examining ways to remain competitive” (Rose 1986:15). These concerns included not only the magnitude of wage settlements, but the insensitivity of across-the-board wage settlements to local labor market conditions and their impact on the wages of lower-skilled trades. Because they had not achieved significant labor cost savings and work rule modifications (e.g., hiring and travel arrangements), contractors continued to believe they were at a competitive disadvantage. For some union contractors, short-run economic interests assumed greater importance than supporting the long-run stability of their associations. This was particularly evident in western Canada, where non-union competition was more acute and labor law changes removed restrictions on non-union competition; for example, easing restrictions on “double-breasting” (firms operating on a union and non-union basis) and the use of non-union tradesmen on major construction projects.

By the mid-1980s, strike activity and wage settlements began to moderate in response to the economic recession, the declining demand for new construction, and lower inflation. Indeed, over the decade, the relative severity of work stoppages (person-days lost per 1,000 workers) and wage settlements were less than half the levels of the 1970s. As well, the rise in non-union competition contributed to wage moderation and bargaining concessions with respect to travel allowances, hours of work, and overtime. Although there were no reliable data on non-union penetration, it was estimated to account for more than half of new construction in western Canada in 1984 (Rose 1992).

While these improvements were notable, it was unclear whether they represented a temporary adjustment to changing economic conditions or would be sustained in the long run. As described below, the next two decades provided clear evidence of improved labor–management relations.

The Emergence of Construction Labor Relations Stability

Between 1989 and 2008, the economy experienced a major recession in the early 1990s, a slow recovery, and then a prolonged period of economic expansion. Although an expanding economy often leads to increases in strike activity and wage settlements, it appears this influence was mediated by low and stable inflation throughout most of this period. Since the early 1990s, inflation averaged around 2% annually (Uppal 2010).

As reflected in data on strike activity and wage settlements, stability has become the norm in construction labor relations. Whereas strike activity in Canada as a whole has been declining since the 1980s, the decline has been greater in the construction industry. As shown in Table 1, the construction industry's share of total strike activity in Canada has declined significantly over the past two decades. This trend is reflected in terms of the number of strikes, workers involved, and person-days lost. For the period 1989–2008, person-days lost in construction as a percentage of the national total was 5.3%, or approximately one-third the level of the three preceding decades (Rose 1992). It is also noteworthy that person-days lost in construction as a percentage of the Canadian total fell from 7.9% (1989–1998) to 2.0% (1999–2008).

Table 2 reveals that construction wage settlements (1989–2008) were broadly similar to private sector settlements. In 2008, the cumulative wage index in construction was moderately higher in than the private sector (173.2 and 166.0, respectively). That said, cumulative wage indices in construction and the private sector were roughly comparable in 2005, indicating that the construction wage advantage is relatively recent. A broadly similar pattern is found in comparing construction wage settlements with increases in the consumer price index. Additionally, annual increases in construction wage settlements averaged 3.7% since 1989. This is approximately one-half the average annual wage increases recorded in the 1980s and significantly below the 1970s, when double-digit increases predominated (Rose 1992).

There does not appear to be a consistent relationship between bargaining outcomes and the extent of centralized and coordinated bargaining. Nevertheless, two findings associated with strike activity are noteworthy. First, construction strike activity was extremely low in the western provinces, where bargaining is coordinated on a multi-trade basis and non-union competition is prevalent. The share of total person-days lost attributable to the construction industry was 1.2% or lower in these provinces, well below the national average of 5.3%. Second, the highest level of strike activity was in Ontario, where there is no formal coordination of province-wide bargaining by trade. Person-days lost in construction as a percentage of the Ontario total was 12.6%, more than twice the national average.

These bargaining outcomes are indicative of greater stability in construction labor relations. Not only has there been a downward trend in strike activity in absolute terms, but the construction decline has exceeded the decline in work stoppages in the Canadian economy as a whole. Further, consistent with wage settlement trends generally, construction wage settlements have moderated over the past 20 years and are broadly consistent with private sector settlements. Taken together, these results indicate the industry has ceased to be a source of instability and a collective bargaining outlier.

TABLE 1
Construction Strike Activity as a Percentage of Total Strike Activity, 198–2008

Year	No. of Strikes	Workers Involved	Person-Days Lost
1989–1998	4.0%	10.0%	7.9%
1999–2008	2.3%	2.8%	2.0%
1989–2008	3.3%	7.2%	5.3%

Source: <http://srv131.services.gc.ca/wid-dimt/pcat-cpws/tirir-sort.aspx> (September 7, 2010).

TABLE 2
Cumulative Wage Change, Construction and
Private Sector, and CPI, 1989–2008 (1988 = 100)*

Year	Construction	Private Sector	CPI
1989	106.1	105.2	105.1
1990	112.6	111.1	110.1
1991	118.3	116.1	116.3
1992	122.1	119.1	117.9
1993	122.6	120.1	120.1
1994	122.8	121.5	120.3
1995	124.1	123.2	122.9
1996	124.2	125.3	124.7
1997	126.0	127.6	126.9
1998	128.6	129.8	128.1
1999	131.1	133.0	130.4
2000	135.7	137.0	134.0
2001	140.1	140.6	137.3
2002	141.9	144.3	140.3
2003	145.9	146.0	144.3
2004	149.8	149.4	146.9
2005	153.5	153.1	150.1
2006	159.1	156.7	153.1
2007	164.3	161.7	156.5
2008	173.2	166.0	160.1

Source: http://www.hrsdc.gc.ca/eng/labour/labour_relations/info_analysis/ (September 7, 2010) and Uppal (2010).

* Wage settlements reflect average annual percentage increase in base wage rates.

Factors Contributing to Construction Labor Relations Stability

Whereas macro-economic conditions have influenced collective bargaining outcomes in construction, other pressures—internal and external—have assumed a major role. The rise in non-union competition, the decline in union density, and legal refinements to centralized bargaining structures have combined to alter the balance of power in the construction industry and stabilize labor relations. The maturation of centralized bargaining has also assumed an important role. While the tradition of adversarial and confrontational bargaining has not have withered away, there is increased evidence of accommodation and labor–management cooperation. This has not only contributed to wage moderation and reduced strike activity, but also to the adoption of flexible work rules and new forms of dispute resolution.

Non-Union Competition and Union Density

As noted above, there was a rise in non-union competition in major building construction following the recession in the early 1980s. Its impact varied regionally and within components of the ICI sector. Non-union penetration was more pronounced in western Canada and in commercial and institutional construction (Rose 1992). Despite limited statistical information, the past two decades have seen a further erosion of the position of the building trades unions in western Canada, including industrial construction. For example, a survey using payroll data as a proxy for market share estimated the non-union share of overall construction in British Columbia increased from 57% to 69% between 1988 and 1996. During the same period, market share held by contractors who bargain with the building trades unions fell from 40% to 27%. While union penetration was higher in the ICI sector, contractors employing the building trades unions only had a 43% share, and another 5% was held by other unions (Kelleher and Lanyon 1998). The union share in the ICI sector is currently estimated at 25%.

The position of the building trades unions has also been affected, albeit to a lesser extent, by the presence of “wall-to-wall” union; for example, industrial unions such as the Christian Labour Association of Canada (CLAC). This development has been modest in most parts of Canada except Alberta, where CLAC has achieved significant penetration.

Although non-union competition is less prevalent elsewhere in Canada, it is nevertheless perceived as a potential threat to the unionized sector. For example, in Ontario, the non-union presence in major building construction tends to be concentrated in smaller, less complex jobs situated in smaller urban centers and surrounding areas. In contrast, larger and more complex industrial and commercial projects requiring more sophisticated skills are performed by the building trades unions (Adams 1991; Armstrong, Donner, and Dupre 2002).

Increased competitiveness appears to have had a negative impact on the numerical strength of the building trades unions. Some caution must be taken in assessing this given the unavailability of a consistent and comprehensive data source for construction unionization (Akyeampong 1997). An indication of construction union membership and density trends can be taken from periodic surveys based on the Labour Force Survey (LFS) and a revised LFS providing annual unionization data beginning in 1997. They reveal union density in construction fell between 1981 and 1996 from 44.5% to 30.9%. The revised LFS discloses union membership in construction rose by nearly 70% between 1997 and 2008, but union density remained around 30% in this period (Akyeampong 2004; Statistics Canada, various years).

These data suggest the decline of union density in construction has been associated with a rise in non-union competition. Further, despite the impressive gains in construction union membership after 1997, the density rate remained relatively stable. As described below, the rise in non-union competition and the perceived threat it poses appear to have had a sobering influence on collective bargaining outcomes and are among the factors contributing to the reduction in strike activity and more moderate wage settlements.

Legal Refinements to Centralized Bargaining

Even though policymakers were persuaded that accreditation and province-wide bargaining would reduce labor strife and promote stability, it is not particularly surprising that the formative years were associated with intense conflict:

Efforts to change a bargaining structure increase the probability of a strike because change may affect the long-run balance of power in the bargaining relationship. Therefore, there is something worth fighting for. Because of the longer-run strategic importance, these strikes tend to last well beyond what any model would estimate, solely on the basis of short-run gains and savings achieved by either party. (Kochan 1980:261)

The economic challenges of the 1980s were one factor that contributed to the lessening of opposition to centralized bargaining. Another important factor was it became more difficult to stage province-wide work stoppages than local area strikes. The prohibition of selective strikes made it harder for strikers to mitigate their strike costs. Centralized bargaining also minimized local issues as a source of conflict. It introduced greater rationality into the bargaining process and shifted the focus from local problems and personalities to broader and more fundamental issues (Adams 1991).

Nevertheless, another potential problem remained, namely the “minority strike” issue. It was recognized that the proliferation of autonomous negotiation units can lead to sequential strikes and potentially shut down the entire industry:

Building construction is a single integrated industry in which negotiations between one trade and its contractors inevitably affect everyone else. The terms of negotiation settled in one trade set a target for other unions to match, even to surpass. The failure to settle in that trade produces strikes that eventually escalate into shutdowns in the entire industry. (Weiler 1980:203)

Several Canadian provinces recognized the interdependent nature of construction work and adopted measures to reduce the risk of minority strikes. Unlike most other provinces, a multi-trade bargaining model has evolved in British Columbia. Initially, this approach was embraced by the CLRA but not the building trades unions. As a result, the bargaining structures on the union and on the employer side were completely out of sync (Weiler 1980). Under the province's labor law, the labor relations board had the authority to establish a union council to promote industrial peace. Recognizing the instability of construction labor relations, the board determined that a multi-union bargaining agency was appropriate for collective bargaining and imposed a multi-trade bargaining council. Under the council's constitution, ratification and strike votes must have the support of a double majority (i.e., a majority of the unions and a majority of tradesmen in the industry).

Both Alberta and Nova Scotia passed laws limiting minority strikes under their single trade bargaining models. Alberta provides for binding interest arbitration once 75% of the trades have reached collective agreements. Following a referral to arbitration, any strike or lockout in progress is deemed to be terminated. This was aimed at minimizing work stoppages (and picketing) and leapfrogging of wage settlements. The presumption was that a normative wage settlement would be established once the vast majority of trades reached agreements. Further, interest arbitration would facilitate industrial peace and result in wage settlements based on the industry norm. Additionally, the establishment of a common expiration date in the industry is aimed at rationalizing and stabilizing collective bargaining. In general, arbitrators have adopted the wage pattern in earlier settlements as the primary criterion in their awards.

In Nova Scotia, binding arbitration is required once collective agreements have been settled by all except two or fewer unions. Unlike Alberta, it does not prohibit strikes or the continuation of strikes, but it does impose a time limit on strike activity once agreements have been reached with all but two or fewer unions. Specifically, unions that have yet to conclude a collective agreement may strike or remain on strike until a settlement is reached or 21 days have elapsed from the date when all except two or fewer concluded collective agreements, whichever occurs first. In effect, once the vast majority of construction trades have settled, the countdown to arbitration is triggered. To continue a strike or commence strike action to achieve a better settlement would be of limited value given the statutory time limits and arbitral criteria. The law stipulates that arbitration awards must be consistent with the settlements reached in the current bargaining round and take account of historical relationships within the construction industry. In these circumstances, union strike leverage would be curtailed. There has been only one award to date, and no reasons were given for the decision.

Maturation of Centralized Bargaining

Economic pressures and legal constraints have played an important role in facilitating the parties' adjustment to the new structural alignment. At the same time, the significant improvement in bargaining outcomes also reflects the maturation of labor-management relations. Whereas local issues and personalities historically have been a focal point of disputes, they no longer serve as a basis for mounting a province-wide work stoppage. Increased concerns about non-union competition and the need to retain market share have fostered greater flexibility and pragmatism. The increased willingness to look at the big picture and long-term interests has led to a commitment to make centralized bargaining work.

An important indicator of the shift away from adversarial and confrontational bargaining was the adoption of alternative dispute resolution procedures. In Ontario, the provincial bargaining agents for the electrical trade voluntarily agreed to a permanent system involving final offer selection of monetary items on a total package basis in 1991. The agreement represented a significant departure from the traditional reliance on work stoppages to resolve interest disputes. Indeed, this trade had experienced four work stoppages in the preceding seven rounds of province-wide bargaining.

In British Columbia, interest arbitration has been adopted voluntarily in some cases and in response to the labor relations board (BCLRB) exercising its broad remedial powers to deal with bargaining impasses. Historically, the imposition of a multi-trade bargaining format led to protracted negotiations and many labor relations difficulties, including opposition from some building trades unions (BCLRB 2004). Of note, two-tier bargaining—main table (common terms and conditions) and trades-level talks—has produced conflict over

bargaining format issues (i.e., how bargaining begins, continues, and concludes). For example, this included difficulties associated with determining which issues should be negotiated at the main table and at the trades levels, and how to finalize outstanding trades issues once an overall settlement had been reached. In the 2004 bargaining round, a settlement was reached with 11 of the 15 trades. Three trades voluntarily agreed to mediation-arbitration, and the BCLRB determined that the impasse involving the remaining trade would be resolved by arbitration. Taking into account the voluntary agreement of three trades to arbitrate, the BCLRB concluded that imposing arbitration was consistent with good labor relations and the appropriate way to bring finality to bargaining (BCLRB 2006).

There have also been formal attempts to build labor–management partnerships at the industry level. In Saskatchewan, following a decade of increased hostility stemming from the repeal of construction industry labor legislation, a major downturn in construction activity, and the creation of non-union spin-off companies by union contractors, two important developments took place. First, a newly elected government enacted collective bargaining legislation for the construction industry in the early 1990s. Second, CLRA and the building trades unions initiated a program to improve labor–management relationships in 1994. The parties’ objective was to move away from a historical relationship of confrontation and mistrust toward one based on common goals and cooperation. Although the process of achieving harmonious labor–management relations has proved to be slow and arduous, some improvements were reported (CODC 1996).

Another example of efforts to transform labor–management relations and build strategic alliances took place in Alberta. In 2007, four building trades unions launched a constitutional challenge over legal restrictions on the right to strike. The thrust of the claim was that these measures limited their bargaining power and infringed their members’ freedom of association. The lawsuits imposed significant transaction costs. Recognizing the market share problems of the unionized sector, the parties enlisted the assistance of a third-party facilitator to improve bargaining through joint problem solving. This intervention led to the settlement of the lawsuits and an agreement whereby the parties identified common issues across trades, formalized joint bargaining, and established a multi-trade framework agreement.

Competitive pressures have also spurred union-management cooperation in other ways, including the negotiation of long-term (four or more years) and flexible collective agreements. This is reflected in the widespread adoption of hardship clauses and enabling provisions that allow collective agreements to be modified to enable contractors to bid competitively on certain projects. These arrangements can provide relief on wage rates, hours of work, and overtime for specific projects. In addition, stabilization funds have been created in response to non-union competition. These funds are administered by local unions and paid to a local contractor to reduce its project bid. Under these arrangements, the terms of the collective agreement are preserved (Armstrong, Donner, and Dupre 2002).

There are some important caveats associated with such arrangements. First, they often represent targeted contract concessions that have been traded off against other issues (e.g., monetary gains). Second, these changes are typically in place for the term of the collective agreement and have to be renegotiated. In British Columbia, “sunset” clauses—temporary provisions covering issues such as the standard workweek and overtime premiums—were made permanent (CLRA of British Columbia 2006). Third, although these arrangements seek to increase the competitiveness of the unionized sector, there is very little data on their actual use and effectiveness (Armstrong, Donner, and Dupre 2002).

Conclusion

Construction labor relations are evolving. Traditionally, major building construction was highly unionized, and the balance of power was held by the building trades unions. Initial efforts to centralize and stabilize collective bargaining failed to stem wage inflation and produced more, not less, conflict as unions strenuously, albeit unsuccessfully, resisted structural realignment. Our findings indicate that over the past 20 years, there has been a shift in the balance of power in the industry and the emergence of stable labor relations. Aided by low and stable inflation rates, wage settlements and strike activity moderated and were broadly consistent with the Canadian economy.

There also have been other important pressures contributing to construction labor relations stability. These include the rise in non-union competition, the decline in union density, and the introduction of legal

refinements to centralized bargaining systems. Stronger employer associations and coordinated province-wide bargaining have reduced the ability of the building trades unions to employ traditional whipsaw and leapfrog tactics and facilitated pattern bargaining in major building construction. Not only has it become more difficult to mount province-wide strikes, but statutory restrictions have been adopted for the prevention and settlement of minority strikes, including binding interest arbitration. The maturation of centralized bargaining has been evidenced by a shift from adversarial and confrontational bargaining to increased labor–management cooperation. This has been reflected in the emergence of voluntary arbitration, strategic alliances to foster labor–management partnerships, and negotiation of long-term and flexible collective agreements.

While there have been notable improvements in construction labor relations stability, some aspects of the traditional system remain intact, notably the industry’s craft structure. Craft autonomy and inter-trade comparisons continue to be an integral part of the system. At various times, it has been difficult to reconcile these interests with efforts to coordinate bargaining on a multi-trade basis. It appears that after more than 30 years, centralized bargaining remains a work in progress.

The future challenge will be to sustain improvements in labor–management relations. This will necessitate accommodating and balancing the often-competing trade interests and emphasizing the need to identify and coordinate common interests. Additional changes will be required at the collective bargaining level and the strategic level. There is ample room for improving the coordination of single trade bargaining as well as two-tier bargaining processes. There is also a need to build new strategic alliances and strengthen existing ones. Such arrangements have produced some tangible improvements in labor–management relations. While competitive pressures remain a threat to unionized contractors and the building trades unions, they also represent an opportunity to explore ways to retain and expand market share.

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