

FACT SHEETS

WORKING FOR LESS

**The Coming Threat to
Union Security
in Ontario**

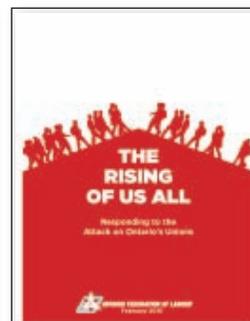
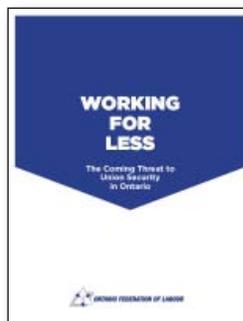


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The Ontario Federation of Labour (OFL) represents 54 unions and one million workers. It is Canada's largest provincial labour federation.

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THE COMING ATTACK ON WORKERS' RIGHTS

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Conservatives across Canada are pushing forward a broad attack on workers' rights. In Ontario, PC Leader Tim Hudak is taking direct aim at the Rand Formula by proposing to outlaw union "dues check-off" clauses in collective agreements. His party has also proposed:

Imposing onerous financial reporting requirements on unions

At the federal level Bill C-377 was passed in the house (and is now in front of the Senate). This Bill imposes financial disclosure requirements on unions that are greater than those required of any other organization in Canada. This bill creates unnecessary, bureaucratic red tape and will be expensive and time-consuming for governments and unions to administer.

Hudak says that if he were elected he would implement similar measures in Ontario.

Outlawing closed shop arrangements

In Canada and Ontario, union membership is mandatory when a clause is included in the collective agreement that makes membership a condition of employment (often known as "closed shop" arrangements). This type of arrangement can strengthen workers' collective voice and ability to take collective action.

Hudak has made outlawing these arrangements a campaign promise.

Limiting union-funded political action

Conservatives claim that union spending on political action brings no benefit to workers. This could not be further from the truth. The ability to negotiate benefits for members and advocate on behalf of all workers depends on the broader political and economic context, which can be shaped through effective political action.

Conservatives want to limit union spending on political action.

These actions are part of a broader agenda that puts profits for a small corporate elite before the well-being of all Ontarians.

We need to start a conversation, not only in union halls, but also in our homes and communities, about what is at stake for Ontarians if this type of American, anti-union legislation takes root in Ontario.



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THE RAND FORMULA AND UNION SECURITY

Everyone benefits, everyone contributes

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What is Union Security?

Union security is a set of rules that ensures that unions can continue to represent workers in a workplace by requiring that:

- (a) workers in the bargaining unit become union members; and/or
- (b) workers pay union dues.

What is the Rand Formula?

The arrangement has been around since 1946, when Supreme Court Justice Ivan Rand released his historic decision that ended the Ford Strike of 1945 in Windsor. The Rand Formula became law in Ontario in 1980. Today, it is at the heart of union security in Canada. It states that if a “dues check-off” clause is requested by the bargaining unit, it must be included in the collective agreement. This means that all workers who are benefitting from the contract negotiated by the union are paying their union dues.

What is Dues Check-Off?

A “dues check-off” clause requires employers to deduct union dues from all workers in a workplace and remit them to the union.

Why the Rand Formula is Important:

- It promotes stability in labour relations by avoiding disputes over the collection of union dues;
- It promotes fairness by preventing freeloading – since everyone in the workplace benefits from the gains that the union negotiates, everyone must pay union dues;
- It ensures that unions have the necessary resources to negotiate on behalf of workers and promote social justice; and
- It allows unions to act as a counter-balance against the increasing power of corporations and a wealthy elite.



**The most
valuable card
in your wallet
is your
union card**



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AVOIDING AMERICAN MISTAKES

In the U.S., laws outlawing mandatory union dues and membership have been dubiously dubbed “right-to-work” (RTW) legislation by their conservative champions. These laws have been passed in 24 states, including two of Ontario’s neighbours - Michigan and Indiana. The impact for workers has been devastating and negative spill-over effects are expected to cross the border. Consider the facts:

Lower Wages

- Wages in RTW states are lower.
- 18 of the 22 RTW states have incomes below the national median.
- The impact on wages could be even greater in Ontario because our higher unionization rates leave more room for decline.

Dangerous Workplaces

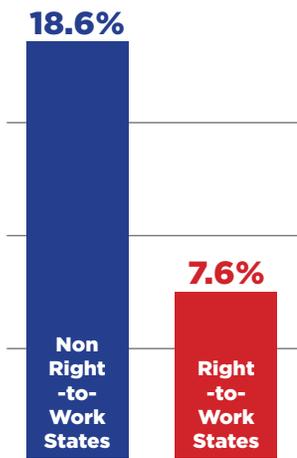
- The rate of workplace deaths is 36 percent higher in states with RTW laws.

Weaker Unions

- Union density in RTW states averages 7.6 percent, compared to 18.6 percent in the non-RTW states.

This kind of American, anti-union, low-wage legislation would be disastrous for Ontarians.

Union Density in RTW States



Source: Andrew Jackson, December 2012

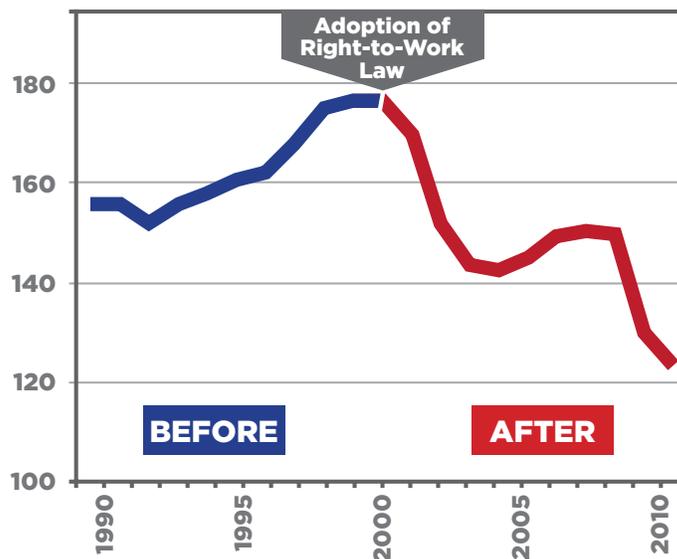
Fewer Benefits

- The rate of employer-sponsored health insurance is 2.6 percent lower in RTW states.
- The rate of employer-sponsored pensions is 4.8 percent lower in RTW states.

False Promises of Job Creation and Economic Growth

- RTW legislation fails to deliver on promises to create jobs and boost the economy.
- For example, Oklahoma’s manufacturing employment increased steadily in the 1990s but has fallen every year since adopting RTW laws in 2001.

Oklahoma manufacturing employment before and after adoption of RTW legislation (in thousands)



Adapted from source: Economic Policy Institute, March 2011

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Workers in Right-to-Work States:

earn **lower** wages

are **2.6%** less likely to have employer-sponsored health insurance

are **4.8%** less likely to have employer-sponsored pensions

are **60%** less likely to belong to a union



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EXPOSING HUDAK'S AGENDA MYTHS & FACTS

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Ontario Progressive Conservative Leader Tim Hudak released his platform, called "Paths to Prosperity: Flexible Labour Markets." However, his path only leads to poverty.

In it, he proposes to:

- Outlaw mandatory union dues.
- Ban mandatory union membership.
- Make union leaders collect dues instead of employers.
- Make unions provide full disclosure of their finances to the public.

MYTH:

Banning mandatory union membership and dues will give individual workers more "choice" and "freedom."

FACT

One individual's desire not to pay dues cannot be prioritized over the collective and democratic decision of workers to unionize in their workplace. This threatens the basic right of workers to take collective action.

In fact, collective action is the only counter-balance to corporate power.

All workers who benefit from the collective agreement negotiated by the union should pay dues.

No worker should be allowed to "freeload" on the contributions of other workers.

In the U.S.: Republicans call it "**right-to-work**" legislation.

In Ontario: Hudak's PCs call it "**worker choice**" reforms.

But for ALL workers it means:

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MYTH:

Unions have outlived their usefulness and Ontario's workforce must be "flexible" to be "competitive" with low wage economies.

FACT

Research shows that stripping workers of their ability to work collectively has no positive impact on

job creation or economic growth. Instead, these reforms would mean lower wages and fewer benefits for all working people.

Ontarians should not be expected to compete for lower wages and accept a lower standard of living for their families. We need an economic strategy that puts people first and commits to eliminating poverty, protecting public services and ensuring a good quality of life for all Ontarians.



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THE RACIST ROOTS OF ANTI-UNION LAWS

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Legislation that outlaws mandatory membership and dues has its roots in the racist and segregationist American South of the 1940s.

At the time, U.S. anti-union laws were being championed by the same leaders and organizations who opposed women's rights, child labour laws, the 8-hour workday, and dismantling racial segregation.

One of the strongest advocates for what has become known as "right-to-work" laws was Vance Muse who

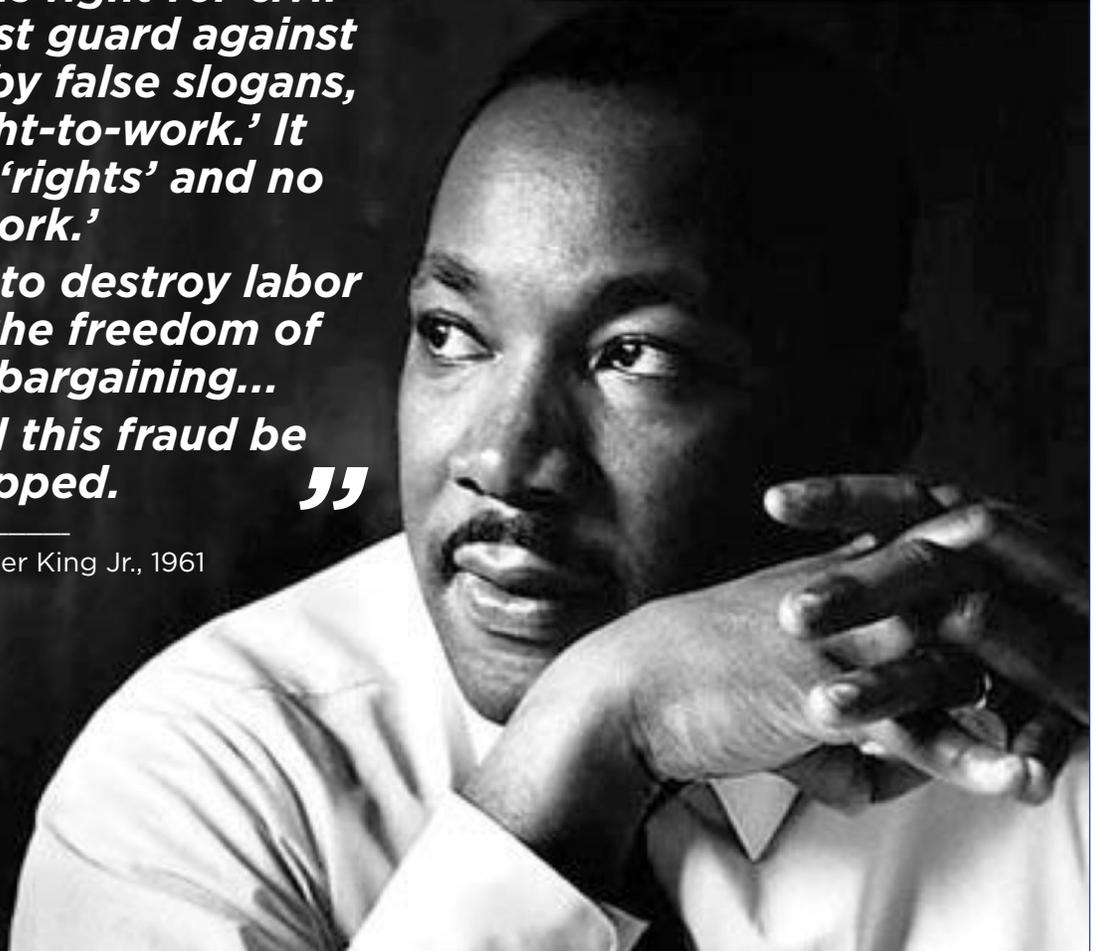
once proudly promised that the anti-union laws would "keep the color line drawn in our social affairs."

Fighting back against the anti-union measures proposed by Canadian Conservatives is about much more than defending unions. It's about standing together for a society that is just, fair and equitable for all.

“In our glorious fight for civil rights, we must guard against being fooled by false slogans, such as ‘right-to-work.’ It provides no ‘rights’ and no ‘work.’

Its purpose is to destroy labor unions and the freedom of collective bargaining... We demand this fraud be stopped. ”

Martin Luther King Jr., 1961



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THE ROLE OF UNIONS IN CREATING EQUALITY

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A study by economists from Harvard University and the University of Washington, suggests that the decline of organized labour explains one fifth to one third of the growth in inequality in the U.S. between 1973 and 2007.

Unions Elevate the Wages and Improve the Lives of All Workers

Unions have significant and positive effects on the lives and living conditions of all workers. Unions achieve more egalitarian social outcomes through:

- higher wages for union and non-union members, especially in related industries;
- raise the pay for the lowest paid workers;
- decrease the gap between executive pay and mainstream wage rates; and
- Contribute to the adoption of a range of progressive public policies.

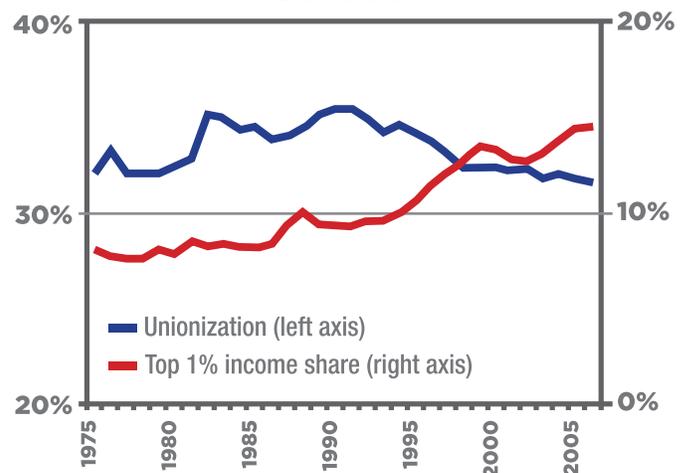
According to the International Labour Organization, strong labour institutions and higher union density play a redistributive role in society and tend to be associated with lower levels of inequality.

Unions Boost the Economy and Help Reduce Inequality

The World Bank found a negative correlation between union density and inequality in labour earnings. It concluded that by every meaningful economic indicator, countries with higher rates of unionization have:

- lower unemployment and inflation;
- higher productivity;
- speedier adjustments to economic shocks; and
- A smaller wage gap between men and women.

**Unionization and Inequality
Canada**



Adapted from source: Toby Sanger, December 2012



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TORIES ATTACK UNIONS TO SILENCE THEIR CRITICS

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Don't be fooled by the Conservative rhetoric justifying their attack on workers' rights and union-funded political action on the basis of transparency and worker freedoms.

Unions Are the Collective Voice of Workers

Whether at the bargaining table or in the halls of government, individual workers are recognizing the need to work together to counteract well-heeled corporate lobbyists and secure public policies that challenge inequality and promote the livelihoods of every family.

Conservative politicians are undermining union funding and silencing workers' collective voice because they see worker-led unions as the strongest opposition to their plans to convert Canada into a low-wage economy.

De-Funding Unions is a Way to Neutralize Opposition

If the tactic seems familiar, it is. The Harper government employed the same strategy when it de-funded church-based charities and immigrant advocacy organizations, smeared environmental groups and fired outspoken public servants.

Canadian Conservatives have learned from Republicans in Indiana, Alabama, Louisiana and other states where anti-union laws have been passed that attacking unions is the best way to silence your critics.



Unions need adequate resources to “redress the balance of what is called social Justice.”

Justice Ivan Rand, 1946



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