

WORKING FOR LESS

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



ONTARIO FEDERATION OF LABOUR

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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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EXECUTIVE SUMMARY

The role of unions as a progressive force in Canadian society and a voice for all workers is being challenged across the country. Historically, legislation has both supported and limited unions' ability to negotiate and advocate for improved living and working conditions for workers. In recent years, changes have been made and proposed at the federal and provincial levels that erode some of the security that has previously been afforded to unions. A cornerstone of Canadian labour legislation – the Rand Formula – is one of the latest targets.

The Rand Formula promotes stability and ensures that unions have the resources needed to adequately negotiate on behalf of their members. In Ontario, the Rand Formula is described in the *Labour Relations Act*, which states that if the bargaining unit requests a “dues check-off” clause – a clause that requires employers to deduct union dues from all workers' paycheques – that it must be included in the collective agreement. This ensures that labour disputes do not arise over this issue. The Rand Formula also protects against “freeloaders” by ensuring that all workers who benefit from the terms of the collective agreement pay dues.

This arrangement has recently come under attack in Ontario by Tim Hudak's Progressive Conservatives, who released a White Paper recommending the repeal of the Rand Formula. Hudak framed his proposal as “worker choice reforms”, overlooking the fact that unions are democratic organizations. By law, workers already choose whether or not their workplace is unionized and, in most cases, whether or not to be members of the union.

In the U.S., this type of legislation is known as “right-to-work” legislation, although it guarantees no one a job. Many Americans, including President Obama, have more accurately called it “right-to-work for less money” legislation. The adoption of similar legislation in 24 states, including nearby Indiana and

Michigan, is unfortunately spurring local efforts to bring this type of legislation to Ontario.

Right-to-work ideologues argue that it will boost economic performance and create jobs. However, important insights can be drawn from the U.S. about what the true fallout would be from repealing the Rand Formula in Ontario. Research shows that right-to-work legislation has no positive impact on job growth while at the same time negatively impacting both wages and benefits. Several economic studies also show that employment figures and the health of the manufacturing sector have no correlation to the existence of right-to-work legislation. In addition, research shows that in right-to-work states, wages are lower and workers have fewer benefits. The Economic Policy Institute has reported that wages are lower in right-to-work states. In Ontario, where unionization rates are much higher than in most parts of the U.S., the impact of adopting this legislation is likely to be even greater. In the face of this evidence, claims that eliminating the Rand Formula will have economic benefits for Ontario are clearly not based on facts.

Another impact of right-to-work legislation is lower unionization rates. The unionization rate in right-to-work states averages 7.6 percent, compared to 18.6 percent in non-right-to-work states. In Ontario, where unions are already on the decline, the elimination of the Rand Formula would be devastating for the labour movement. As workers choose to opt out, union resources would decline and difficult choices would have to be made about where to make cuts. This would undermine the ability of unions to join with other progressives to defend workers' rights against the low-wage agenda that is being advanced in Ontario and other parts of Canada.

This paper is part of a suite of materials being

produced by the Ontario Federation of Labour to educate union members and the public about the achievements of labour unions in the past and their continued role as promoters of all workers' rights.

This report is intended to be a resource for union and community organizers in educating friends, neighbours, co-workers, and the media about the negative impact that American-style, anti-union laws would have on the wages and working conditions of all workers if they were adopted in Ontario.

The OFL will be producing companion documents

to this report, including factsheets, related reports, and workshop materials, that will comprise a toolkit for popular education on the role and value of labour unions and collective worker action.

To access these materials, visit: www.OFL.ca/Index.php/Campaigns/WorkersRights

For additional printed materials, or to arrange a workshop presentation for your union or in your community, contact the Ontario Federation of Labour at: info@ofl.ca



INTRODUCTION

Throughout the last century, unions have contributed to many gains for all working people, including fighting for a minimum wage, employment insurance and pay equity. More recently, a link has also been established between income equality and strong unions. Today, however, Canadians are in the midst of an unprecedented fight to defend workers' rights. The ability for unions to act as a progressive force in society is being challenged at the provincial and federal level.

At the federal level, Prime Minister Harper's Conservatives have used back-to-work legislation to end labour disputes five times in less than two years.* In December 2012, they also passed Bill C-377, a private member's bill that imposes onerous financial accounting requirements on unions. Together with cuts to public services, new rules that allow migrant workers to work for 15 percent less than the prevailing wage being paid to Canadians, dramatic reforms to Employment Insurance, and a host of other measures, the Harper

government is pushing forward an agenda that will have devastating impacts on working people across the country. There have also been suggestions that the Conservatives are considering a range of labour reforms, including legislation that would limit union-funded political action and outlaw both clauses in collective agreements that make union membership a condition of employment and those that make the payment of union dues compulsory.¹

In September 2012, the Ontario Liberal government passed Bill 115, which took away the right to free collective bargaining and gave the Minister of Education unilateral power to overrule contracts, which she used to impose collective agreements on tens of thousands of teachers. These measures have also been accompanied by cuts to public services that Ontarians rely on. Meanwhile, Hudak's Progressive Conservatives have suggested that, if elected, they would make unprecedented legislative changes that would aim to weaken unions and lower wages for all workers. If implemented, these changes would trigger a downward spiral on wages and benefits.

* Air Canada (June 2011, September 2011 and March 2012), Canada Post (June 2011) and Canadian Pacific (May 2012).

One of the latest targets of the attack on unions is the Rand Formula, which has been a cornerstone of Canadian labour legislation for decades. The Rand Formula was a historic compromise that promoted stable labour relations and social justice without making union membership mandatory. It represents a balance between individual objection to union membership and the right of unions to have adequate resources to negotiate on behalf of workers.

In the context of unprecedented challenges to the rights of workers and the role of unions in our society, this paper sets out to discuss the importance of the Rand Formula to Ontario workers. It will also detail the threat posed to the Rand Formula by the Progressive Conservatives in Ontario and by the passage of right-to-work legislation in the American Midwest. The paper concludes by drawing on the U.S. experience to examine what the impact would be if this critical piece of legislation was repealed – most notably lower wages and benefits, as well as decreased union resources.

**Hudak and
Harper are
pushing for
an agenda
that would**

**Drive down
wages for
all workers**



PART I: WHERE ARE WE NOW?

Union Security and the Rand Formula

The Rand Formula was introduced in Canada in 1946 as a way of striking a balance between the need for stable labour relations and individual objection to union membership.² It was laid out by Supreme Court Justice Ivan Rand in a decision that ended the Ford Strike of 1945 in Windsor, Ontario. Two of the workers' key demands during the Ford Strike were that the employer deduct dues from workers' paycheques (an arrangement known as "dues check-off") and that all workers in the bargaining unit be required to become members of the union. Rand's decision struck a compromise. Without making union membership compulsory, it stated that when a dues check-off clause is requested by the bargaining unit, it must be included in the collective agreement.³

Today, the Rand Formula is the basis for labour legislation in all federal and provincial jurisdictions in Canada. In Ontario, it became law in 1980 and is legislated in section 47 of the *Labour Relations Act*. The law states that if a dues check-off clause is requested by the bargaining unit it must be included

in the collective agreement.* This arrangement helps to promote labour relations stability by avoiding labour disruptions over this issue.

The Rand Formula also avoids "freeloading." In Ontario, section 74 of the *Labour Relations Act* lays out the "duty of fair representation" – the union must administer the collective agreement on behalf of all bargaining unit members (even those who are not union members).⁴ Consequently, if workers are able to opt out of paying their dues but still benefit from the gains that the union negotiates, this creates a "freeloader" problem. As Justice Rand explained in his 1946 decision:

"... the employees as a whole become the beneficiaries of union action... It would not then as a general proposition be inequitable to require of all employees a contribution towards

* Two exceptions: 1. This legislation does not apply to the construction industry. 2. If an employee has a religious objection to paying union dues they may instead make a donation to a registered charity in the same amount.

“...the power of organised labour, the necessary co-partner of capital, must be available to redress the balance of what is called social justice...”

Supreme Court Justice Ivan Rand, 1946

The Rand Formula prevents FREELOADING

Since everyone in the workplace benefits from the gains that the union negotiates, everyone must pay union dues.

This means that no one can freeload on the contributions of other workers.

the expense of maintaining the administration of employee interests [and] of administering the law of their employment.”⁵

For many decades, Canada has remained committed to the Rand Formula, recognizing that since unions are responsible for negotiating on behalf of all employees, it is reasonable to ensure that unions have the resources to do so adequately.⁶

The Rand Formula is also essential to ensure that unions have the resources needed to remain a progressive force in our society. In his 1946 decision, Justice Rand explained that organized labour is the “necessary co-partner of capital” and “must be available to redress the balance of what is called social justice.”⁷ Today, unions continue to play an important role in promoting social justice, particularly by curbing the increase of inequality. If the Rand Formula is eliminated and union resources are diminished, the ability for unions to continue to promote and advocate for social justice would be significantly limited. In Ontario, as in the rest of Canada, this would come at a great cost.

Rand Formula Under Threat in Ontario

Canada’s social consensus in support of the Rand Formula came under attack in 2012 from several political parties, including the Saskatchewan Party, Alberta’s Wild Rose Party and Ontario’s Progressive Conservatives. During the summer, Tim Hudak’s Progressive Conservatives released a policy paper that took direct aim at the Rand Formula. It recommended that: “No clauses in any provincial legislation, regulation or collective agreement should require a worker to become a member of a union or pay union dues as a condition of employment.”⁸

Hudak calls this type of legislation “worker choice reforms.” Framing the issue in this way is misleading for two reasons. First, it overlooks the fact that legislation in Ontario does not require employees in the bargaining unit to become members of the union.

The one exception to this rule is when a clause, which makes union membership a condition of continued employment, is included in the collective agreement. In order for such a clause to be included, however, the majority of workers in the bargaining unit must vote to ratify the collective agreement. In other words, workers must collectively make any decision that makes union membership mandatory in their workplace.

In addition, framing these changes as providing “worker choice” does not take into account that unions are democratic organizations. In Ontario, a workplace only becomes unionized when at least 40 percent of employees have signed union cards and subsequently had more than 50 percent of employees in the bargaining unit vote in favour of unionization in a mandatory vote arranged by the Labour Board.⁹ It is undemocratic to suggest that one worker’s individual choice not to pay their union dues should trump any collective decisions made by the bargaining unit.

From the beginning, the Rand Formula was premised on the idea that unions are “mini-democracies.”¹⁰ In his decision, Justice Rand stated:

“The protection which the law in general now affords against an irresponsible organization as a bargaining agent is the power of the employees to choose a new agent.”¹¹

In other words, workers already “choose” collectively through democratic processes whether or not their workplaces should be unionized and in most cases make an individual decision about whether or not to become a union member.

In another clear attempt to mislead the public, American proponents of similar legislation call it “right-to-work” legislation, despite the fact that it does not guarantee jobs to anyone. Instead, right-to-work legislation makes it illegal for unions to negotiate a collective agreement that either requires all workers who benefit from the terms of the contract to pay union dues or that makes union membership a condition of employment.

Most states that have adopted this legislation are in the South and Southwest, areas that have traditionally not supported strong labour movements. The passage of right-to-work legislation in both Indiana and Michigan in 2012 represents a strong anti-union push into the Midwest – the former industrial core of America and the heartland of American unionism. In Michigan, 17.5 percent of employees are represented by unions, making it the most heavily unionized state to pass right-to-work legislation.¹² The legislation marks an anti-union win in the birthplace of one of the biggest and most powerful unions in American history – the United Auto Workers (UAW). This disturbing trend gives new political impetus for bringing similar anti-union legislation to Ontario.

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:

WORKING FOR LESS

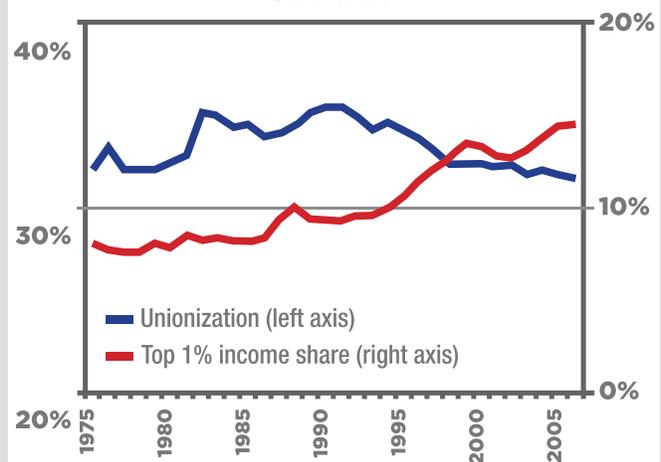
THE ROLE OF UNIONS IN CREATING EQUALITY

Research carried out by the International Labour Organization shows that even though it has been difficult for unions to counteract the trends associated with globalization, strong labour institutions continue to play a redistributive role. In most countries, higher union density and greater coverage of collective bargaining agreements tend to be associated with lower levels of inequality.¹³ Even institutions such as the World Bank have acknowledged that higher rates of union density and bargaining coverage correlate negatively with labour earnings inequality.¹⁴

There are many factors that help to explain this relationship between a lack of unions and inequality. Michael Lynk, a Professor at Western University, outlines at least four significant effects that unions have on the economy that contribute to more egalitarian social outcomes. They contribute to 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, when strong enough, can contribute to the adoption of a range of progressive public policies.¹⁵ Despite all of this evidence, it is difficult to isolate the impact of unions on inequality from other related factors. A study by economists from Harvard University and the University of Washington, however, 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 2007.¹⁶

**Unionization and Inequality
Canada**



Adapted from source: Toby Sanger, December 2012



PART II: THE IMPACT OF LOSING THE RAND FORMULA

False Promises: Job Creation and Economic Performance

Advocates wanting to outlaw dues check-off clauses claim that it will create jobs by attracting new investment and production. In a high-profile case in early 2012, Caterpillar Inc. shifted diesel locomotive manufacturing from London, Ontario to Muncie, Indiana after the state passed right-to-work legislation. Workers at Caterpillar's London plant had recently rejected a 50 percent wage cut. In Muncie, hourly wages averaged \$13.50 an hour, which was less than half of what skilled workers in London were earning.¹⁷ In December 2012, just over one week after Michigan passed right-to-work legislation, General Motors announced that it was moving production of the next generation of one its models from Oshawa, Ontario to Lansing, Michigan.¹⁸

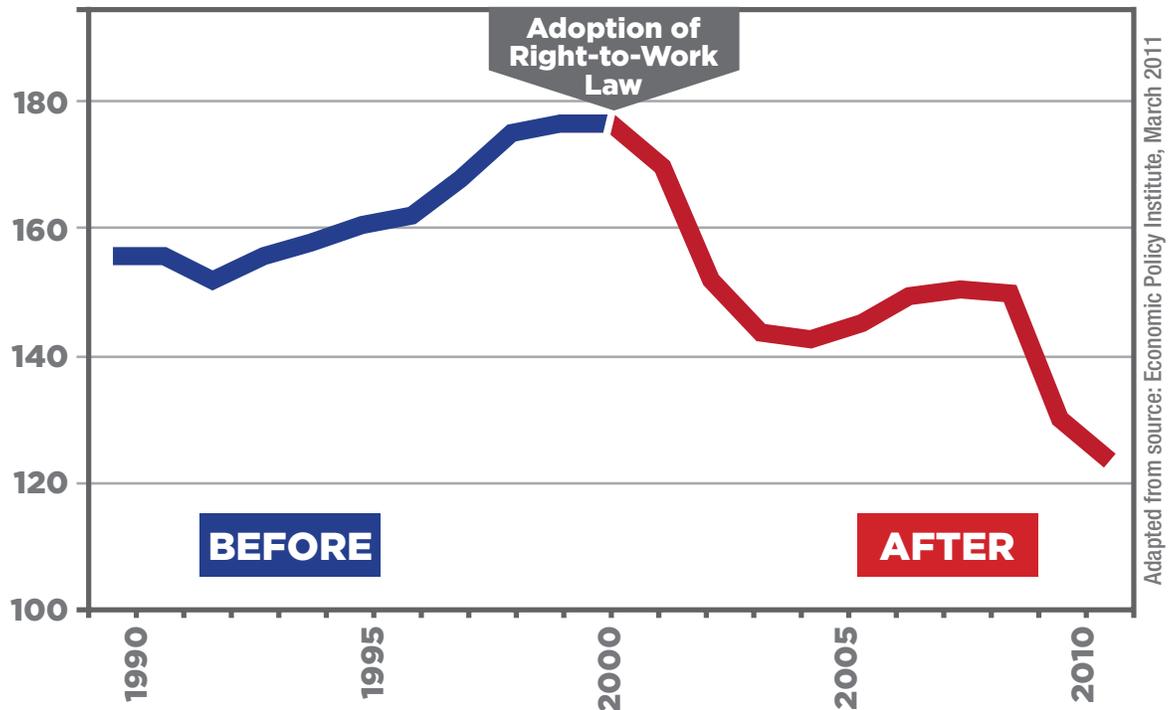
Some have pointed to right-to-work legislation as the reason for these relocations, but it is just one of many factors at play. As economist Andrew Jackson explains, "labour law is only one modest factor among many influencing the production and investment decisions of firms."¹⁹ For example, in the Area Development magazine's annual survey of small American manufacturers, right-to-work legislation has never ranked in the top 10 factors

influencing location decisions. In 2011, although it was considered "important" or "very important" by more than three quarters of the survey respondents, it only ranked 12th.²⁰ A Brookings Institute study based on large companies' location decisions also found that right-to-work laws did not play a prominent role in the typical decision process.²¹

Despite claims by its proponents that outlawing mandatory dues improves economic performance and creates jobs, evidence shows otherwise.* Overall, data in the U.S. shows that the health of the manufacturing sector and employment figures vary widely among right-to-work and non-right-to-work states. Most recently, a January 2012 study by Michael Hicks, Director of the Centre for Business

* Some economic evidence suggests right-to-work has a positive economic impact. For two discussions about why this data is selective and flawed see: Sylvia A. Allegretto and Gordon Lafer, "What's Wrong With 'right-to-work': Chamber's numbers don't add up," Economic Policy Institute, February 28, 2011 AND "Bad Work: A Review of papers from a Fraser Institute conference on 'right-to-work' laws" ed. Lynn Spink, Centre For Research on Work and Society, York University, Working Paper Number 16, July 1997, 28.

Oklahoma manufacturing employment before and after adoption of right-to-work legislation (in thousands)



and Economic Research at Ball State University, found the impact of right-to-work legislation on the manufacturing sector differed greatly between states – from significant decline over the first decade after the legislation was put in place to very large gains. His reasonable conclusion from this data is that other factors impact the size of the manufacturing industry in a particular jurisdiction more than right-to-work legislation.²²

This research is consistent with other rigorous studies that separate the impact of right-to-work legislation from other economic variables that would affect job creation, such as tax rates, education levels and other labour policies including minimum wage and unemployment insurance. The authors of one such report find that “right-to-work laws... seem to have no effect on economic activity.”²³ An economist at Hofstra University also found that while per-capita income and wages are both lower in right-to-work states, the legislation has no significant impact on economic growth or employment.²⁴

Some telling case studies illustrate that right-to-work legislation does not always deliver on its promise of job creation. It is still too early to look to Indiana or Michigan for conclusive evidence, but Oklahoma is an illustrative case study. Throughout the 1990s, manufacturing employment in Oklahoma increased steadily. Since the adoption of right-to-work laws in 2001, however, it has dropped dramatically. By 2010, only 123,000 residents were employed in manufacturing, nearly 50,000 less than when the law was voted in. This does not mean that right-to-work legislation caused this decline, but rather indicates that right-to-work legislation failed to increase employment in manufacturing in Oklahoma.²⁵ The Oklahoma Council on Public Affairs, a think tank that advocated for right-to-work legislation, has now released a report acknowledging that Oklahoma has lost manufacturing jobs and become a net job exporter.²⁶ Another telling example is that of North Carolina, a right-to-work state. Despite having the lowest unionization rate in the U.S. at 4.1 percent, it

still lost a third of its manufacturing jobs over the last decade and has an above-average unemployment rate of 9.4 percent.²⁷

There is no straightforward way, however, to measure the relationship between right-to-work legislation and outcomes such as employment and economic growth. For this reason, a report prepared by the Congressional Research Service in the U.S. suggests that it is likely that debates around this issue will be driven by factors other than empirical evidence.²⁸ In short, while the data is not conclusive, the best evidence available demonstrates that right-to-work legislation does not boost employment. Furthermore, while companies sometimes choose to relocate to right-to-work states, there are usually many factors at play in their decision.

The Race to the Bottom

It is important to emphasize that even if some companies relocate to jurisdictions where right-to-work legislation has outlawed dues check-off clauses, no new jobs are being created. When employment or production is simply relocated from somewhere else, there is no net economic growth or overall job creation. Moreover, in order to continue to lure companies, state laws must become more repressive to maintain competitive “advantage,” setting off a downward spiral in wages and working conditions.²⁹ It is workers who suffer most in this situation, as they are forced to accept a lower standard of living.

In his White Paper, Hudak puts forward the position that corporations will no longer “pay a significant premium to employ Ontario workers.”³⁰ The paper states that “worker choice reforms” are important for Ontario in order to compete with the coming

“manufacturing renaissance” in the U.S. that will take place mainly in right-to-work states. The paper claims this renaissance will be fuelled in part by the expectation that “net labour costs for manufacturing in China and the U.S. will converge around 2015.”³¹ This is a dangerous line of thinking that could set Ontario on a path towards incessant anti-worker measures as it tries to maintain and replenish its low-wage “advantage” over other jurisdictions.

Lower Wages, Fewer Benefits

In American states that have adopted right-to-work legislation, wages are lower and workers have fewer benefits. It is for this reason that many have rejected the misleading “right-to-work” label. Before Michigan passed its right-to-work legislation, President Obama warned that the new rules would only give workers “the right to work for less money.”³²

Many groups in the U.S. note that on average workers in right-to-work states make \$5,300 less in annual wages than those in non-right-to-work states. This is based on data from the Bureau of Labour Statistics and does not control for factors other than right-to-work legislation that might be responsible for this differential. However, an Economic Policy Institute study that controls for 42 economic, demographic, geographic and policy factors, also found that right-to-work legislation leads to lower wages. Furthermore, the rate of employer-sponsored health insurance is 2.6 percent lower and the rate of employer-sponsored pensions is 4.8 percent lower. These trends also apply to non-union members, with workers facing a 3 percent lower wage rate compared to those in non-right-to-work states. The

IN RIGHT-TO-WORK STATES, WORKERS ARE:

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study also found that for non-union workers the rate of employer-sponsored health insurance was 2.8 percent lower and the rate of employer-sponsored pensions was 5.3 percent lower.³³ Clearly, when unions are weakened all workers feel the impact.

Confirming these trends, a University of Notre Dame study found that in right-to-work states, the average median household income is lower than the national median income. In addition, it found that 18 of the 22^{*} right-to-work states have median incomes below the national median.³⁴ A recent look at the data by Michael Babad corroborates these tendencies. Using data from the Bureau of Labor Statistics, Babad concludes that median hourly wages in right-to-work states were mostly in the range of \$14 or \$15, while in non-right-to-work states many were in the area of \$17 and up.³⁵

Further research has also corroborated the negative impact of right-to-work legislation on non-union workers' wages. Henry Farber, Professor of Economics at Princeton University, found that after Idaho passed right-to-work legislation in 1985, non-union wages dropped significantly relative to other states.³⁶ A 2012 study by economists from the University of Nevada and Claremont McKenna College estimates that the wages of non-union workers in Oklahoma fell 4.3 percent as a result of right-to-work legislation. They also point out that the wage losses of non-union workers could be even higher in jurisdictions where a higher share of the workforce is unionized.³⁷

In Ontario, the adoption of American style "right-to-work for less" legislation would begin to chip away at the \$6.19 per hour union advantage for wages that exists in the province today. These kinds of laws would also begin to undo the gains that unions have played a large role in securing, such as better benefits, better pensions, and equalizing the wage gap for women.³⁸ The impact on wages in Ontario could be even greater than in American jurisdictions

that have adopted right-to-work legislation. For example, when right-to-work laws were passed in Oklahoma in 2001 the unionization rate was 9.7 percent compared to Ontario where 27.8 percent of workers were unionized in 2011.^{39 40} This leaves much more room for decline in Ontario. Furthermore, in the U.S. even non-right-to-work states have already been impacted by the passage of right-to-work laws in 24 of their neighbouring states because the dampening impact on wages spills across borders. Ontario, which has remained more insulated from these spill-over effects to date, could be hit with a more dramatic decrease in wages if this kind of legislation was passed.

Decreased Union Resources

In Ontario, Hudak is explicit that one of his justifications for eliminating the Rand Formula is that he believes unions have become too powerful.⁴¹ The proponents of right-to-work legislation in the U.S. have also acknowledged that one of their aims is to undermine the strength of unions.⁴² It is worth noting that these claims are being made as unions in Canada are already on the decline. Private sector unionization rates in Canada have dropped over the last 15 years by 5 points. In 2011, Ontario had the second lowest unionization rate in Canada of less than 28 percent and less than 15 percent in the private sector.⁴³

Evidence shows that right-to-work legislation in the U.S. has been quite effective at undermining unions. The unionization rate in right-to-work states averages 7.6 percent, compared to 18.6 percent in the non-right-to-work states.⁴⁴ In 1997, economist Jim Stanford also found similar trends, showing that union membership as a share of total employment was about 11 to 12 percent lower in right-to-work states.⁴⁵

Some research has tried to demonstrate that right-to-work laws do not have an independent impact on union density, but these studies typically include those workers that are sometimes exempt from right-

* There were only 22 right-to-work states when the report was published in 2011.

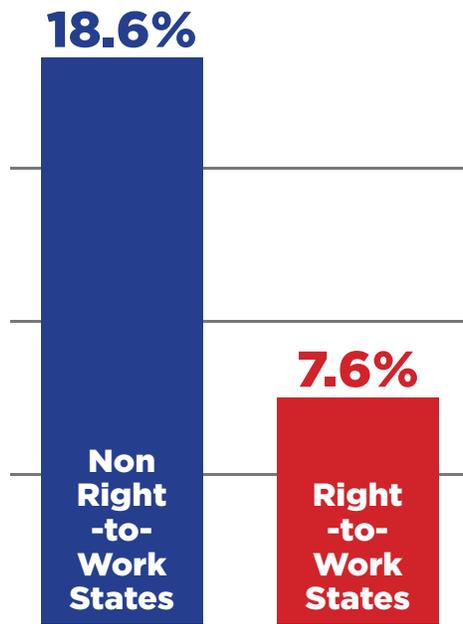
to-work legislation (e.g. government employees, agricultural workers), diluting the impact. When these workers are excluded, right-to-work has a significant impact.⁴⁶ One study measured the difference in union representation rates between right-to-work and non-right-to-work states is attributable to right-to-work laws.⁴⁷

If the Rand Formula is dismantled in Ontario, union resources can be expected to decline, since some employees will choose to opt out of paying dues. This will undermine the financial viability of unions and force them to make difficult decisions about where to cut back. Unions will also be put in the difficult position of being obligated to represent all employees equitably whether or not they are paying dues. Jeffrey Murray, a management lawyer in Ontario, predicts that this situation is likely to breed resentment in the workplace and will foster divisive politics.⁴⁸ Union efforts to organize and bargain collectively will likely be impacted as well, tipping the balance of power further towards employers.

With fewer resources, unions will also have diminished political clout to exercise during elections. It is not surprising that proposals for this kind of legislation in Ontario are coming from the Progressive Conservatives rather than the other major parties, both of which have relied on union support in past elections.* Declining union resources will reduce the ability of the Canadian labour movement to push back against the low-wage agenda when the ability to do so is crucial.

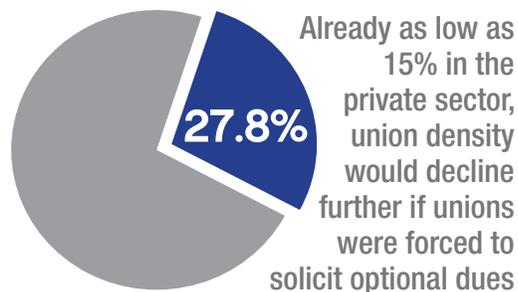
* For further discussion of the role of Hudak's anti-union and low-wage agenda in silencing his political opponents see Susanna Kelley's "Right to work, Mr. Hudak and Unions," Ontario News Watch, December 17, 2012 <http://ontarionewswatch.com/onw-news.html?id=462> and Sid Ryan's "Hudak and Harper Attempt to Silence their Critics," Huffington Post, July 19, 2012 http://www.huffingtonpost.ca/sid-ryan/tim-hudak_b_1681298.html

Impact of Right-to-Work Laws on Union Density



Source above: Andrew Jackson, December 2012
Source below: Canadian Labour Congress

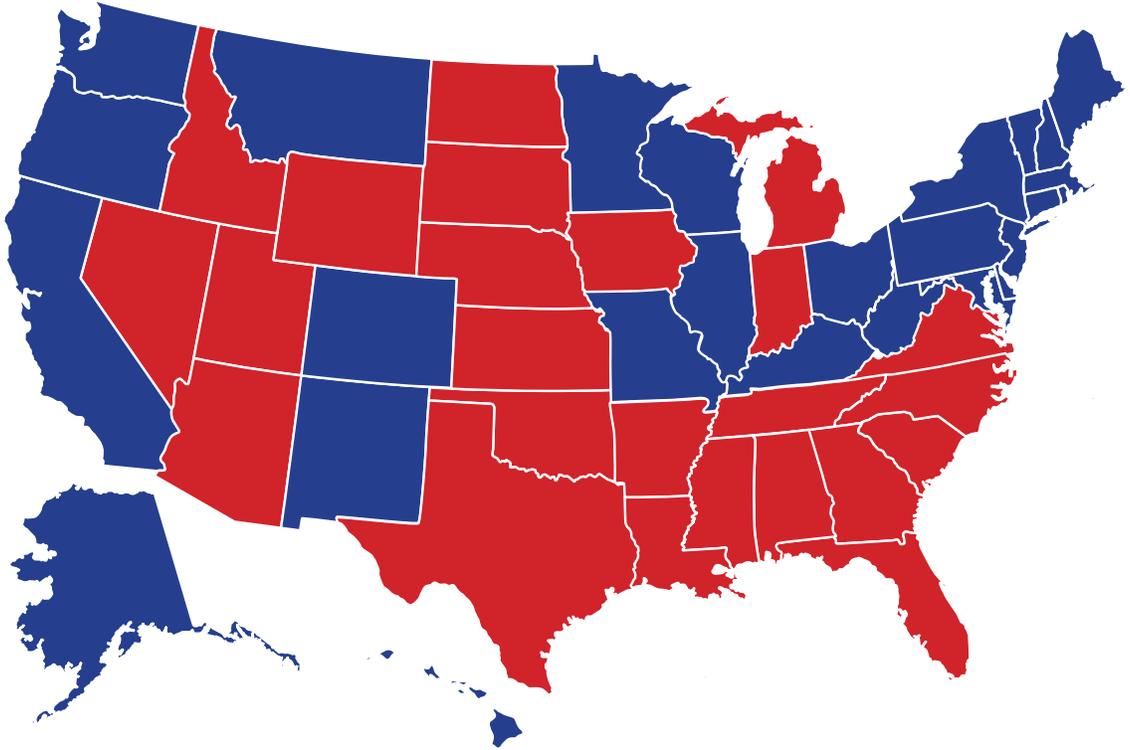
Ontario's Union Density



**Right-to-Work
States**



**Non Right-to-Work
States**



***“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

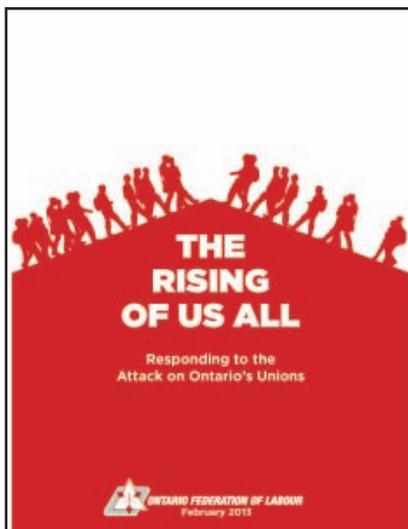
CONCLUSION

The reforms that Hudak's Progressive Conservatives are proposing in Ontario are similar to legislation that has been passed in many U.S. states. President Obama and many others have correctly stated that this legislation only grants workers the "right-to-work for less." Much can be learned from the American experience about the impact this type of legislation would have in Ontario. Most certainly, Ontarians could expect lower wages, fewer benefits, and weaker unions.

This "work for less" legislation is part of a broader agenda in which profits for a few are prioritized over the well-being of all Ontarians. Driven by an ideological anti-union agenda, right-wing politicians are pushing forward these reforms under the guise of worker "choice" and "freedom." Given the fallout caused by this type of legislation, however, it is clear that it does not grant workers any "choice" other than to "work for less." We need to start a conversation, not only in union halls, but also in our homes and communities, about what is at stake if this type of American, anti-union legislation takes root in Ontario.

In addition to "work for less" legislation that would eliminate the Rand Formula by outlawing dues check-off clauses, other pieces of legislation that are part of the same low-wage agenda have also been discussed in Ontario and Canada. These include onerous financial reporting requirements for unions, restrictions on union-funded political action, and restrictions on mandatory membership clauses in collective agreements. While not directly dismantling the Rand Formula, these legislative actions threaten the underlying spirit and values of this arrangement – including ensuring stable labour relations and acknowledging the need for strong unions to counteract the increasing power of corporations and a wealthy elite.

An alternative path forward would prioritize equality, social justice and democracy for Ontario workers. It would also recognize the importance of collective bargaining and the central role of unions in building a stronger economy and ensuring a better quality of life for all workers. This path would reject self-defeating policies like "work for less" legislation, which contribute to a downward spiral that lowers wages, benefits and standards of living for all working people in Ontario.



Also see the companion document, "*The Rising of Us All*". Download both documents at: www.OFL.ca/Index.php/Campaigns/WorkersRights

END NOTES

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