

## Manitoba 41<sup>st</sup> Legislature - Bill 7: The Labour Relations Amendment Act

On June 15, 2016, the new Manitoba government introduced Bill 7, *The Labour Relations Amendment Act*, which makes significant changes to provincial labour legislation. One of the key amendments changes how unions are certified in Manitoba.

Under existing legislation, workplaces may be automatically certified if 65% of employees sign a union card. Even if 65% of employees sign a union card, certification is still subject to review by the Manitoba Labour Board. If 40-65% of employees sign cards to unionize, a vote by secret ballot is required.

The proposed changes do away with automatic certification when 65% of employees sign a card to join a union. While the democratic principles inherent in a secret ballot based system are good, what actually happens under systems proposed under Bill 7 is not so good.

Skilled trades and construction professionals of Manitoba stand firmly for democratic rights and principles. They also oppose efforts to weaken democracy through legislation such as Bill 7. They are not alone in expressing concerns about what Bill 7 will do for the rights of Manitobans to join a union.

A number of organizations and individuals have raised serious concerns about what happens when legislation makes it harder for workers to join a union. Some of these concerns are summarized below.

### The International Monetary Fund (IMF)

The IMF has long advocated smaller government, lower taxation and less regulation of business. IMF supported economies have been forced to cut government programs, privatize public services and reduce taxes for the private sector. The IMF has not been a pro-union organization.

Inequality has arisen in many advanced economies since the 1980's, largely because of the concentration of incomes at the top of the distribution.  
IMF: March 2015

The IMF has now concluded that increasing wealth concentration and the rise of the 1% is directly linked to fewer unions and unionized workers in western economies. Please see the [2015 IMF Finance](#) article for details.

### The Organisation for Economic Co-operation and Development (OECD)

The Organisation for Economic Co-operation and Development (OECD) was officially founded on September 30, 1961, when Canada and the United States joined the former Organisation for European Economic Cooperation (OEEC). The OECD promotes free trade, market economies and democratic principles.

New OECD research shows that when income inequality rises, economic growth falls.  
OECD: December 2014

While the IMF has blamed declining union rates to rising inequality, the OECD has blamed rising inequality for slower economic growth in developed economies finding

that countries with rising inequality are growing slower. Please read [Trends in Income Equality](#) and or the [Summary Report](#) for details.

## Perspectives from Nobel Prize Winners in Economics

### Paul Krugman – 2008 Nobel Laureate

“The sharpest increases in wage inequality in the Western world have taken place in the United States and Britain, both of which experienced sharp declines in union membership. Canada, although its economy is closely linked to that of the United States, appears to have had substantially less increase in wage inequality – and it’s likely that the persistence of a strong union movement is an important reason why. Unions raise the wages of their members, who tend to be in the middle of the wage distribution; they also tend to equalize wages among members. Perhaps most important, they act as a countervailing force to management, enforcing social norms that limit very high and very low pay. They also mobilize their members to vote for progressive politics.”

### Joseph Stiglitz – 2001 Nobel Laureate

“We created this inequality—chose it, really—with laws that weakened unions, that eroded our minimum wage to the lowest level, in real terms, since the 1950s, with laws that allowed CEO's to take a bigger slice of the corporate pie, bankruptcy laws that put Wall Street’s toxic innovations ahead of workers. We made it nearly impossible for student debt to be forgiven. We underinvested in education. We taxed gamblers in the stock market at lower rates than workers.”

## A Canadian Perspective

The [Canadian Foundation for Labour Rights](#) cites extensive research literature that suggests there are significant social benefits for countries with strong labour rights and a more extensive collective bargaining system. Income inequality is less extreme according to a variety of measures, civic engagement is higher, there are more extensive social programs such as health care and pensions plans, and the incidence of poverty is significantly smaller. Please read [Unions Matter](#) for more details.



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