

## TECHNICAL NOTES

Information published by the Strategic Policy, Analysis, and Workplace Information Directorate is derived from collective agreements encompassing all industrial sectors and jurisdictions in Canada. Additional information may be derived from surveys of individual companies and the bargaining units involved. Historical data on the construction industry is not available prior to 1983.

### Working Conditions

Working conditions information on collective bargaining negotiations and settlements pertain to all bargaining units covering 500 or more employees in all industries and jurisdictions across Canada. In the **federal jurisdiction** only, the working conditions information covers bargaining units of 100 or more employees.

### Major Wage Settlements (wage adjustments)

The wage information on collective bargaining negotiations and settlements pertain to all bargaining units covering 500 or more employees in all industries and jurisdictions across Canada. There are over 1,000 such agreements covering approximately 2.5 million employees. The term "major settlements" is used in our reports to specify those settlements covering 500 or more employees.

### Base Wage Rate

The base wage rate is the lowest paid classification used for qualified employees in the bargaining unit. In most instances, the base rate is the rate of pay for an unskilled or semi-skilled classification of workers. However, this may not apply in the case of contracts covering skilled workers and professional employees. In some cases, the base rate occupation may not be representative of the general group within the bargaining unit and another classification that is more representative will be chosen.

In a contract, when the base rate is used, the resulting data on percentage change may not necessarily reflect the average wage change for all employees in the bargaining unit. For example, where an across-the-board increase is negotiated for all classifications in cents-per-hour (or other money terms), the percentage measurement on the base rate produces higher results than measurement on any higher rate, including the average rate. Where an across-the-board increase is negotiated for all classifications in percentage terms, measurement on the base rate produces results identical to measurement on any other rate, including the average rate. It should be noted that information on the average rate for all employees in a bargaining unit is not available.

### Effective Wage Adjustments

The effective wage adjustment is the increase or reduction in rates of pay, including estimated **cost-of-living allowance** (COLA) payments. Estimates of the yield of COLA clauses are obtained by quantifying the characteristics of these clauses in each agreement and applying a combination of actual Consumer Price Index (CPI) increases available to date plus a specified projected inflation

rate for the remainder of the contract duration. In succeeding quarters, these estimates are revised using actual CPI values as they become available.

Currently, an **inflation projection of 2.0 per cent** is used when the actual rate is unknown. This figure is based on a rounded average of inflation forecasts. This does not constitute an official forecast. The use of different inflation rate scenarios could result in varying settlement increases. The inflation projection used will be revised periodically to reflect prevailing economic conditions.

By including reasonable estimates of future payments under COLA clauses, the effective wage increase concept facilitates an accurate comparison of agreements with and without COLA and permits the aggregation of all agreements to yield an improved measure of wage settlements.

Method of Calculation:

For an agreement with less than 12 months in duration:

$$R = ((Wf / Wp) - 1) * 100$$

For an agreement of 12 months duration or more, compounded annually:

$$R = ((Wf / Wp) ** (12/t) - 1) * 100$$

The aggregate wage adjustments are weighted by the number of employees:

$$\text{weighted percentage adjustment} = \frac{\sum_{i=1}^n R_i E_i}{\sum_{i=1}^n E_i}$$

where:

- $R$  = the percentage rate of adjustment
- $Wf$  = the base wage rate at the end of the new agreement
- $Wp$  = the base wage rate at the end of the previous agreement
- $t$  = the duration of the agreement in months
- $E_i$  = the number of employees in the  $i^{th}$  settlement
- $R_i$  = the rate of adjustment for the  $i^{th}$  settlement
- $\sum_{i=1}$  = the summation over all the settlements in a group
- $n$  = the number of agreements reached during the given period

**Industry Sectors**

Data is published using the restructured industry sectors devised within the framework of the *North American Industry Classification System* (NAICS). NAICS is a classification system devised by the statistical agencies of Canada, Mexico, and the United States, to provide common definitions on the industrial structure of the three economies. On too many occasions, a statistically insignificant number of contract settlements were reported in several of the NAICS sectors; therefore, these

sectors were merged into larger groupings. Using Statistics Canada's NAICS framework, the 20 larger industry divisions were realigned into our current 11 industry sectors for analytical purposes.

NAICS STATISTICS CANADA	NAICS (revised) LABOUR PROGRAM
<ul style="list-style-type: none"> <li>• Agriculture, Forestry, Fishing and Hunting</li> <li>• Mining and Oil and Gas Extraction</li> </ul>	Primary Industries
<ul style="list-style-type: none"> <li>• Utilities</li> </ul>	Utilities
<ul style="list-style-type: none"> <li>• Construction</li> </ul>	Construction
<ul style="list-style-type: none"> <li>• Manufacturing</li> </ul>	Manufacturing
<ul style="list-style-type: none"> <li>• Wholesale Trade</li> <li>• Retail Trade</li> </ul>	Wholesale and Retail Trade (sometimes simply referred to as "Trade")
<ul style="list-style-type: none"> <li>• Transportation and Warehousing</li> </ul>	Transportation
<ul style="list-style-type: none"> <li>• Information and Cultural Industries</li> </ul>	Information and Culture
<ul style="list-style-type: none"> <li>• Finance and Insurance</li> <li>• Real Estate and Rental and Leasing</li> <li>• Professional, Scientific, and Technical Services</li> <li>• Management of Companies and Enterprises</li> <li>• Administrative and Support, Waste Management and Remediation Services</li> </ul>	Finance and Professional Services
<ul style="list-style-type: none"> <li>• Educational Services</li> <li>• Health Care and Social Assistance</li> </ul>	Education, Health, and Social Services
<ul style="list-style-type: none"> <li>• Arts and Entertainment and Recreation</li> <li>• Accommodation and Food Services</li> <li>• Other Services (except Public Administration)</li> </ul>	Entertainment and Hospitality
<ul style="list-style-type: none"> <li>• Public Administration</li> </ul>	Public Administration
<p><i>Source:</i> Statistics Canada. <i>North American Industry Classification System (NAICS) 2002</i> at <a href="http://www.statcan.gc.ca/subjects-sujets/standard-norme/naics-scian/2002/naics-scian-02index-eng.htm">http://www.statcan.gc.ca/subjects-sujets/standard-norme/naics-scian/2002/naics-scian-02index-eng.htm</a></p>	<p><i>Source:</i> Strategic Policy, Analysis, and Workplace Information Directorate.</p>

## Public and Private Sectors

Public and private sectors are defined by reference to employer characteristics, consistent with Statistics Canada's use of "institutional units" or "entities."

The principal unit of observation is the collective bargaining unit; however, the designation for inclusion in the public sector is in reference to characteristics of the employer with whom a bargaining unit negotiates. Reference to the employer characteristics makes the directives consistent with Statistics Canada's use of "institutional units" or "entities."

While the criteria relate to public-sector classification only, *the private sector is—then defined by exclusion.*

Public-sector bargaining units negotiate wages or other working conditions with an employer who is part of, or an agent of, a government or a government business enterprise. The public sector includes:

- federal administration agreements which are subject to parts 1 and 2 of the *Public Service Labour Relations Act* and the *Parliamentary Employment and Staff Relations Act*;
- Crown corporations;
- provincial administration which consists of provincial and territorial public administrations, plus provincial liquor, wine, and beer stores;
- local administration which consists of municipal and regional public administrations, plus urban transit systems;
- education, health, and social services which consists of teachers, ambulance services, hospitals, health care and social assistance excluding agreements subject to the *Public Service Labour Relations Act*;
- utilities (electric power, gas distribution) which consist of public services, except for Nova Scotia Power, Bruce Power, Enbridge Gas Distribution, Essential Home Services, Terasen Gas Inc., Atco Gas, and Atco Electric which are included in the private sector.

## **Jurisdictions**

Settlement data is available for bargaining units covered by each provincial and territorial jurisdiction in Canada and in the federal jurisdiction for bargaining units covered by the *Public Service Labour Relations Act*, the *Parliamentary Employment and Staff Relations Act*; the *Canada Labour Code Part 1* (covering the private sector and Crown corporations) and those covered by the *Status of the Artist Act* (covering the private sector and Crown corporations).

The federal jurisdiction applies to:

- works or undertakings connecting a province with another province, territory or country, such as railways, bus operations, trucking, pipelines, ferries, tunnels, bridges, canals, telephone, and cable systems;
- all extra-provincial shipping and services connected with shipping, such as longshoring;
- air transport, aircraft, and airports;
- radio and television broadcasting; telecommunications (as defined in section 2 of the *Telecommunications Act*);
- banks;
- defined operations of specific works that have been declared by Parliament to be for the general advantage of Canada or of two or more provinces and territories, such as flour, feed and seed cleaning mills, feed warehouses, grain elevators, and uranium mining and processing; and
- federal Crown corporations.

Settlement data is also available by region for the Prairie Provinces, which includes the Manitoba, Saskatchewan, and Alberta jurisdictions, and for the Atlantic Provinces, covering the Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick jurisdictions.

### ***Collective Agreement Information Retrieval System (CAIRS)***

CAIRS is a database which contains comprehensive data on the provisions of collective agreements under federal jurisdiction (100 or more employees), provincial and territorial jurisdictions (500 or more employees). It is intended for use by negotiators, researchers, arbitrators, and other industrial relations/human resources practitioners as a vehicle to facilitate effective and informed discussions on matters of collective bargaining.

The information relates to more than 100 contract provisions covering wages, working conditions, benefits, and innovative practices. The data facilitates individual (qualitative) and comparative (quantitative) analysis sorted by public and private sectors, by jurisdiction, and by major industry sector. The maintenance of historical data allows for time-series analysis.

The coding of collective agreements covers 14 categories in 5 sections as follows:

#### Rights of Parties

- 1) Recognition of Union Security,
- 2) Management Rights to Test,
- 3) Employee Rights;

#### Organization of Work

- 4) Technological Change,
- 5) Distribution of Work;

#### Labour Relations

- 6) Labour Relations;

#### Education, Training, and Employee Development

- 7) Education, Training, and Employee Development;

#### Conditions of Work

- 8) Work Schedules,
- 9) Overtime,
- 10) Job Security and Termination,
- 11) Pay,
- 12) Leaves and Vacation,
- 13) Benefits,
- 14) Provisions Relating to Part-time Employees.

The information is provided through custom reports by contacting Client Services, Strategic Policy, Analysis, and Workplace Information Directorate at 819-997-3117 or 1-800-567-6866.

## Strikes and Lockouts

Data gathered covers strikes and lockouts which amount to 10 or more person-days lost.

A strike is a concerted work stoppage by a group of employees which is done in order to bring about a change in an employer's position, and it occurs during the negotiating process. A legal strike is one that respects all the conditions mandated by law, most notably that the strike is taking place during negotiations. A lockout occurs when work is suspended by the employer or a group of employers in order to pressure employees to change their position, and a lockout must also occur during negotiations.

In some cases, developments leading to work stoppages are too complex to make it practicable to distinguish between a strike on the one hand and a lockout on the other. The major characteristics of strikes and lockouts on which information is gathered are:

**Employer**—Firm or firms employing the employees reported on strike or locked out;

**Location**—Location of the plant or premises at which the strike or lockout occurred;

**Industry**—Industry of employer according to the *North American Industry Classification System* (NAICS);

**Union**—Workers' organization(s) directly involved or concerned in the dispute that led to the strike or lockout;

**Workers Involved**—Total number of employees reported on strike or locked out, whether or not they all belonged to the union. Where the number of employees involved varied in the course of the work stoppage, the maximum number is used in tabulating annual or other totals. Monthly totals are similarly based on the highest figures but allowance is made for changes reported in strikes or lockouts extending over two or more months. The total number of employees shown may include the same employees more than once if they are involved in more than one strike or lockout during the year or other reference period. Employees indirectly affected, such as those laid off as a result of a work stoppage, are not included in the data on employees involved;

**Starting Date**—Day on which the strike or lockout began;

**Termination Date**—Day on which work was resumed. Some work stoppages are never formally settled, and this presents statistical difficulties. In such a case, the work stoppage is usually considered terminated for statistical purposes, at the date by which it was established that two-thirds or more of the employees involved had either returned to work, or had found work with other employers; or the date by which it was reported that the operations affected by the strike or lockout would not be resumed;

**Duration**—Duration of each work stoppage is calculated in terms of working days, including the starting date and all subsequent normal working days up to the termination date. The days counted as working days are those on which the establishment involved would normally be in operation (five days per week);

**Duration in Person-Days**—Duration in working days is multiplied by the number of employees involved. For strikes or lockouts involving establishments in which the number of weekly working days (see Duration above) exceeds the work week of individual employees, the duration in person-days is adjusted by the appropriate ratio. The data on duration of strikes or lockouts in person-days are provided to facilitate comparisons of work stoppages in terms of a common denominator; they are not intended as a measure of the loss of production time to the economy. The expression "time loss" is occasionally used instead of "duration in person-days." The term most commonly used is "person-days not worked" in view of the duration in person-days of all work stoppages in a year is also shown as a percentage of estimated working time based on estimates of the number of non-agricultural paid employees in Canada obtained from the *Labour Force Survey* of Statistics Canada;

**Jurisdiction**—Statistics on strikes or lockouts are also classified according to jurisdiction. The tabulation of statistics on work stoppages by jurisdiction corresponds to a tabulation by province and territory, in addition to the federal jurisdiction (also see "Jurisdictions" defined earlier in the document under Major Wage Settlements).

## **Labour Organizations in Canada**

Information on labour organizations in Canada consists of a compendium of data on union membership, unions, congresses, and other labour organizations in Canada. Included are international and national unions having one or more members, either affiliated or not to a central labour congress. The information also includes labour organizations having more than 50 members, comprised of a single bargaining unit but not affiliated with any other labour congress.

It should be noted that no official recognition is implied by the inclusion of any labour organization in this database. When titles of organizations are given in both official languages, the translations should not be considered official.

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