

# CANADIAN ECONOMY

## Sector Profile



### Sector Facts and Figures, 2016

Total GDP	\$2.02 trillion
Exports	\$629 billion
Imports	\$677 billion
Foreign Trade Balance <i>Trade balance in 2007</i>	-\$48 billion +\$38 billion
Total Employment <i>Change since 2007</i>	15.9 million +9%
Average Hourly Wage (Excluding overtime) <i>Inflation-adjusted change since 2007</i>	\$23.40 +7%
Productivity Growth 2007-2016	8%
Average Work Hours/Week (Excluding overtime)	30
Average Overtime Hours/Year	36
Greenhouse Gas Emissions (Kilotonnes, 2014)	620,400
Union Coverage Rate	30%
Unifor Members	310,000
Number of Unifor Bargaining Units	2,904
Average Bargaining Unit Size	107

Source: Cansim; Unifor Research Department.

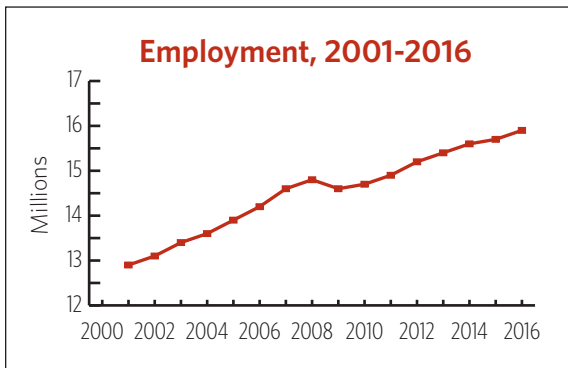


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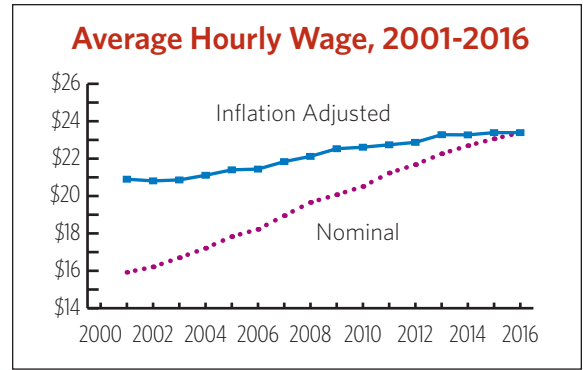
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## Current Conditions

Canadians are closing in on the 10-year anniversary of the global financial crisis. Although we did not suffer the severe economic shock that some countries experienced (think of the U.S. housing crisis or Greece's debt problems), Canada's post-crisis recovery has been marked by weak job creation, wage stagnation, disappointingly low levels of business investment, a structural shift away from large and sustained trade surpluses to chronic trade deficits and, with few exceptions, the absence of a clear, coherent national strategy for economic development.



Compounding the problem of a historically weak economic recovery has been the slump in global commodity prices. Since the summer of 2014, commodity prices have been halved, driven largely by decreases in energy prices, which have fallen by two-thirds. The commodity boom ended for a variety of reasons, including slower economic growth in China and an oversupplied market, the latter resulting



from new technologies such as horizontal drilling and fracking.

And while the energy-producing regions of Canada were major beneficiaries of the commodity boom, one consequence of higher energy prices was an inflated Canadian dollar. The rapid appreciation of the Canadian dollar, which climbed from 62 cents U.S. in 2002 to 1.04 per U.S. dollar in 2011, coincided with the loss of more than half a million manufacturing jobs—one-quarter of Canada's industrial base.

Canada's dismal trade performance over the past 15 years makes a mockery of Ottawa's commitment to "free trade". The Harper Conservatives pursued trade and investment liberalization agreements with dizzying speed, including the CETA with Europe and the TPP with Asia. Rather than ushering in higher export levels and faster GDP growth, Canada's exports plummeted, its trade balance worsened and GDP growth decelerated. Canada's current approach to international trade and investment has failed to stimulate investment, exports or job creation.

This has left Canada's economy in a holding pattern. The Trudeau Liberals have thankfully ditched the balanced budgets mantra, have raised income taxes on the highest income earners and will impose a national carbon tax in 2018. These developments represent an important policy shift, however the federal government remains committed to an old trade and investment liberalization regime that has fuelled wage stagnation, deindustrialization and the Trump presidency.

<b>Ten Largest Unifor Employers</b>	<b>Approx. # Members</b>
Bell Canada	19,600
FCA	10,300
Metro (and associated grocery chains)	9,000
General Motors	6,900
Ford Motor Company	6,700
CN Rail	4,300
Coast Mountain Bus Company	4,200
Air Canada	4,200
Suncor Energy	4,100
Bombardier	3,800

Canada has yet to find a way to maintain and modernize some so-called "old economy" industries, such as advanced manufacturing and natural resources (which are in fact leading centres of innovation and export-intensity), while addressing the problems associated with the expansion of the "gig economy", with its

high levels of precarity. This is perhaps the biggest economic challenge facing Canada.

## Unifor in the Canadian Economy

Unifor's 310,000 members are spread across some 3,000 bargaining units, are employed in three dozen distinct industries and are to be found in every economic region of the country. Approximately one out of every six unionized workers in the Canadian private sector is a Unifor member.

Approximately half of Unifor's membership is stationed in Ontario, with one-quarter in the Prairie Provinces and British Columbia and the remaining quarter in Quebec and Atlantic Canada. Roughly 73,000 Unifor members, nearly one-in-four, work for the ten largest Unifor employers.

## Moving Forward: Developing the Canadian Economy

The failure to stimulate job creation and business investment suggests a broader failure of the model of economic governance that Canada has experimented with over the past generation. This model has been assigned various names, including "laissez-faire" and "neoliberalism". It is a business-led, trickle-down vision of economic development which presupposes that shrinking the public sphere and enlarging the private sphere will produce

more freedom and more prosperity. The primary “job” of government, in this vision, is to free up markets and reduce the obstacles faced by business.

Canadian governments at the federal and provincial levels have, over the past thirty years, undertaken the following reforms: corporate income tax rates have been halved, falling from 50 per cent in the late 1980s to 25 per cent more recently; international trade and investment has been liberalized; crown corporations such as Air Canada, CN Rail, Petro Canada and Potash Corporation have been privatized; labour and other commodity markets have been deregulated; budgetary deficits have been curtailed and public debt has been reduced.

For all the hype about the linkages between free markets and prosperity, the most striking fact about the past generation is how poor economic performance has been. And the financial meltdown of 2008-09 revealed as folly the belief that financial markets can be left free to “police themselves”.

The Trudeau Liberals have promised to utilize the power of the Canadian state, namely its borrowing and spending powers,

to rebuild Canada’s social and physical infrastructure. What’s more, the Liberal government appears committed to a more equitable model of socio-economic development (at least in some respects). This is a most welcome shift in economic policy, regardless of which party it comes from, and should be supported by the labour movement.

## Unifor Sector Profiles

The Unifor sector profiles are a valuable source of quick fact data for the benefit of our members, organizers, researchers and individuals in the wider labour community. These profiles provide context and a labour-focused analysis for each of the 18 major sectors represented within our union. They are intended to spark debate and discussion surrounding the broader themes and key economic-political issues that our 310,000 members face across a wide range of diverse industries.