



WITH A NEWLY OPENED NATIONAL OFFICE IN OTTAWA, MERIT CANADA IS TAKING ANOTHER STEP FORWARD AS THE NATIONAL VOICE FOR OPEN SHOP CONTRACTORS.

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Forty years ago, Canada's construction industry was mostly unionized. Approximately 75 per cent of Canada's construction workforce worked for companies that bargained collectively with American-based craft union affiliates of the AFL-CIO. Now, seven out of 10, or more than 700,000 Canadian construction workers, deal directly with their employers.

Massive changes transformed the construction industry beginning in the late '50s and early '60s in the USA and the late '70s and early '80s in Canada. These changes came about because escalating labour costs, poor productivity, and excessive work disruptions by the building trade unions were strangling the industry. The transition to open shop contracting was facilitated by improved management skills, increased capacity, and sophistication of contractors and their employees to safely execute projects on-time and on-budget. It also provided open shop contractors a voice for their issues in the political arena.

From a Movement to a Business

While the Associated Builders and Contractors (ABC) formed in the USA in 1950 to help open shop contractors counteract aggressive building trade union tactics, no comparable organization existed in Canada until 1975. It was in that year in Trail, British Columbia that the Independent Contractors and Businesses Association (ICBA) formed in an effort to lobby the provincial NDP government to open up public work bids to non-union contractors.

Believing that open shop approaches were simply a better way to do construction, the ICBA leaders recognized the need to go beyond being a political movement to address human resource issues within their sector of the industry. They introduced the Construction Industry Benefit Plan to B.C.'s construction market place along with a suite of services for member companies and their employees.

Alberta and Saskatchewan were similar to other provinces in the dominance of their construction industries by craft unions. During the energy fuelled '70s and '80s, both provinces experienced excessive labour strife and inflationary pressures. The economic collapse that followed the introduction of the National Energy Policy in 1982 put an end to those excesses. In Alberta for example, construction employment went from a peak of 120,000 in 1982 to 65,000 in 1984.

This period unleashed competitive forces, spurring a reversal in market share which saw open shop contractors completing 80 per cent of

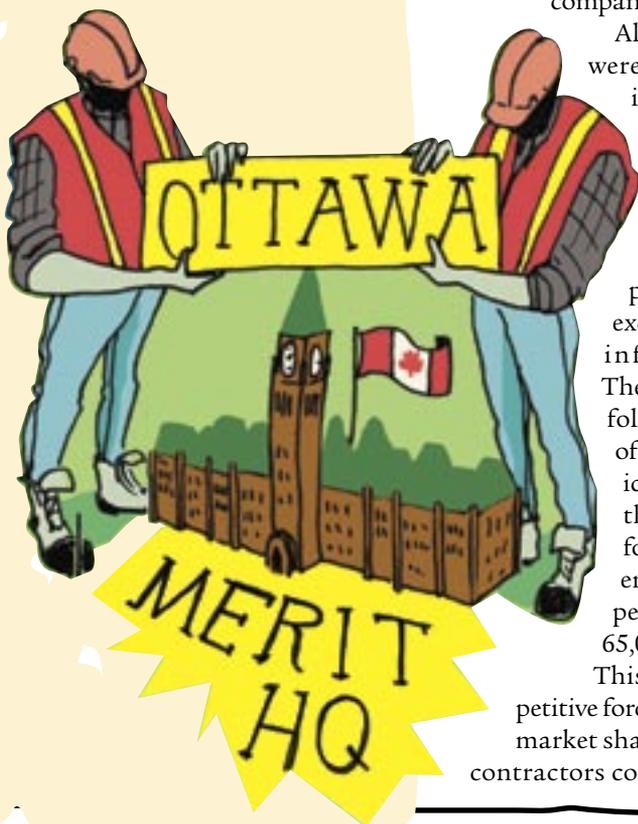
the work. Recognizing the need to develop and sustain this new workforce, open shop contractors developed programs in tune with the new employer-employee relations dynamic.

In Alberta, construction contractors formed the Merit Contractors Association in 1986. The first program they introduced was an hourbank benefit plan that covered all employees as opposed to separate plans according to each craft. The second was a supervisory training program to give front line lead hands and supervisors training in how to manage and deploy construction personnel on an open shop job site.

To take advantage of the economies of scale that are derived from nationally available benefits and training programs, open shop organizations quickly formed and flourished in Ontario, Saskatchewan, Nova Scotia, Manitoba, New Brunswick and Newfoundland and Labrador.

Part of the national growth in other provinces is attributable to the series of national and international open shop conferences that the associations began holding in 1990. These conferences served as a starting point for open shop contractors to explore common issues, strategies and program sharing.

This forum led to the formation of the Canadian Coalition of Open Shop Construction Associations, the first pan-Canadian effort to bring together the independent provincial associations. This coalition initially came together in 1999 to intervene in Supreme Court of Canada hearings challenging mandatory union membership requirements to work in Quebec's construction industry. The landmark *R. vs. Advanced Cutting and Coring* case was the first ruling to affirm that Canadian workers were generally free from compelled association with certain union activities.



Merit Canada Takes its Place

Merit Canada was federally incorporated in 2008 and is comprised of eight independent member construction associations operating across Canada (except in P.E.I. and Quebec where it remains illegal to work in the construction industry on an open shop basis). These associations currently represent approximately 4,000 construction companies.

Part of the launch of Merit Canada included the formation of the Merit College of Construction. There was also an accompanying national advertising campaign, a national toll free number and a Merit Canada website (www.meritcanada.ca) that not only provided portal access to each member association's website, but to Canada's largest construction based recruitment website that is free for employers and employees to use (www.constructionjobstores.com). Visitors to the site can also access MeritPerks (www.meritperks.com) which provides a variety of regional and national discount offers to employers and employees.

formulate the slogan, "Get into politics or get out of business". Canadian open shop contractors particularly in British Columbia, Saskatchewan and Manitoba under successive NDP governments and in Ontario under the union friendly Liberals have been forced to get into the business of politics because of union-inspired challenges to their way of doing business.

Most human resource issues affecting contractors such as unionization election rules, apprenticeship, and public works procurement policies are provincially regulated. This has caused open shop associations to focus their attention on provincial issues. For example, the ICBA has effectively dealt with union-only procurement, wage regulation and apprenticeship issues in British Columbia. In 2008, Merit Alberta successfully convinced the provincial government to amend labour legislation to address union "salting" and job-targeting funds. Merit Saskatchewan also achieved success in having the Crown Construction Tendering Agreement and abandonment guideline provisions included in recent legislative amendments affecting the construction industry in 2009.

On a national level, open shop contractors may be affected by federal government programs or policies when the federal government is directly or indirectly involved in funding. There are also programs and policies in place nationally within the exclusive jurisdictional domain of the federal government.

Contractors working on public construction projects are subject to wage regulations that don't exist for any other industry. The federal government



also contributes federal tax dollars to construction projects that contract solely with unionized contractors at the expense of open shop contractors.

The federal government is also responsible for immigration, employment insurance, the Construction Sector Council, and Canada's competition laws. Merit Canada now provides the vehicle by which the open shop construction sector can now hold discussions with federal officials to ensure that programs and policies reflect a more balanced approach reflective of the composition of Canada's construction industry.

In 2010, following the 6th International Open Shop Conference, Merit Canada's board of directors adopted the first national budget for the organization which took effect in 2011. Staff are being recruited and a soon to be opened national office in Ottawa will be co-located with the Merit Open Shop Contractors Association of Ontario. Ottawa will also be the host city for the 7th International Open Shop Conference in 2012.

With Merit Canada now fully open for business, the future of Canada's open shop movement on a national level looks bright. ☐

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"Get Into Politics or Get out of Business"

Fuelled with immense financial resources from union dues and a plethora of check-off funds, labour leaders have wielded tremendous political power throughout North America. In the U.S.A., the overt efforts of construction union leaders to eliminate competition prompted ABC's 1976 national president Joe Rodgers to