

You Ought To Know

ISSUE: 15

What is the cost of a strike?

It's hard to say – we haven't had a strike in 34 years!

For IBEW members covered by our Principal Agreement, there has not been a labour disruption since an eight-week strike in 1990. That was the third strike in a row (1986 and 1988 prior to that), so the Parties decided to try something new.

Since 1992, IBEW members have benefited from the Joint Proposal which guarantees a reasonable wage increase without the risk of a labour disruption. It's safe to say that our contractors have also benefited from the Joint Proposal with labour stability and a more productive workforce. Perhaps most importantly, our clients have benefited from the certainty of no labour disruption. It has worked well because it was built together.

Unions are an important part of our society, and our contractors are proud to be signatory to the union. We know unionized workplaces are 31% safer^[1], employees are paid well, and they receive better benefits and pensions than their non-union counterparts. We believe the Joint Proposal brings stability to our members, their clients and their IBEW member employees.

While the right to strike is a fundamental part of Ontario's labour relations system, strikes can have true and very real costs, causing hardships for both workers and businesses.

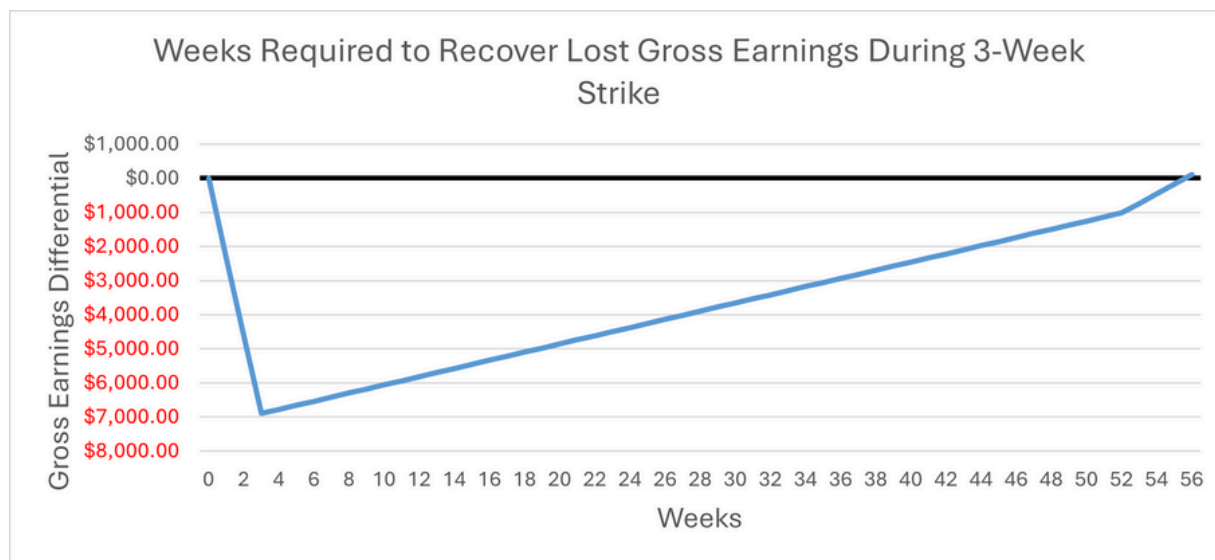
- Financial strain for workers: Strikes can lead to lost income, with workers receiving minimal strike pay or none at all. This can cause significant stress and make it difficult to cover regular bills, even if the strike results in slightly better wages in the long run.
- Impact on clients and contractors: Strikes can disrupt productivity for clients and their contractors. This can hurt their bottom line, damage their reputation, and hinder their ability to win future projects. In turn, this can have a negative impact on workers' job security if contractors struggle to find new work.

How long does it take a union member to recapture earnings lost during a strike?

We calculated a few scenarios and have used a 15-day strike as an example. Based on average earnings of \$2,600/week and presuming the union member received strike pay of \$300/week, it would take approximately **56 weeks**^[2] of full-time, 40-hour work weeks to earn the money lost during the 3-week strike. In other words, the union members won't begin to see the benefits from their wage increase until after 56 weeks. The chart below shows a loss of \$6,900 after a 3-week strike, and the time it takes to make up that loss.

[1] Ontario Construction Secretariat. (2021, January 12). 31% Safer: The Union Safety Effect Updated Report. <https://iciconstruction.com/2021/01/11/unionsafetyeffect2021/>

[2] We made those calculations based on: Wage package in 2022: \$65/hour (before strike) and wage package in 2023: \$68/hour (4.6% increase)



How has the Post-negotiated Wage Adjustment worked since 1992?

As mentioned in previous issues of YOTK, since 1992 the Joint Proposal has included a mechanism that could increase our negotiated wage amount – a post-negotiated wage adjustment or PNWA. Based on what we have been told, IBEW members would not vote in favour of a Joint Proposal, thereby deferring their right to strike, unless they could benefit from the increases of other ICI trades. Therefore, there is a formula applied based on the wage package increase of other trades on our list if it's higher than our increase to ensure this benefit is realized.

Looking back to 1992, there have been rounds of bargaining with a cap on the PNWA amount and rounds without a cap on the PNWA amount. For each round of bargaining, the IBEW-ETBA settlement has been above the average settlement of all ICI trades -- until 2022. That was the first round of bargaining since 1992 where we ended up below the average increase – by 27 cents. In total, our increases have been \$6.02 over the average settlement during the period.

Overall historical performance clearly indicates the PNWA's effectiveness in securing competitive wage adjustments for IBEW members, while ensuring there is no disruption to jobs or paycheques.

Do you know what You Ought to Know?

We hope that you're benefitting from the facts and insights we've shared through the publication thus far, and we welcome your questions and content ideas for future issues at any time. Contact Jodi Travers, ECAO's Labour Relations Manager, at jtravers@ecao.org. You can find all previous issues on the ECAO website under Publications.