



Canadian Chamber of Commerce
Chambre de Commerce du Canada



The Truth About Replacement Workers

The Canadian government is seeking to ban replacement workers.

Replacement workers allow organizations in sectors like trucking, rail, ports, telecom and air to sustain a basic level of “lights on” continuity that preserves supply chains and critical services for Canadians – such as:



commuter services in Canada's largest cities



hospital operations



fertilizer deliveries that sustain our food supply

We all respect and want to protect the right to collective bargaining, but anti-replacement worker legislation has the potential to destabilize our supply chains and economy.

Liberal and Conservative governments of the past have all avoided passing such legislation, knowing that it will have profound and lasting impacts on Canada's economy, business, and everyday Canadians. And already, Canada is losing more hours worked to striking workers than it lost at any point during pandemic restrictions, according to 2024 data from Scotiabank. Simply put, a ban on replacement workers is not good for Canada.

Temporary replacement bans have **increased average strike length** by approximately **60%.**¹



Replacement worker bans **reduce wages by about 3.6 percent** (private-sector legislation) and **increase strike incidence by 15%.**²



Bans on temporary replacement workers **reduce the average hourly wage by 3.6%,**



as a result of **lower return for investors** and the **discouragement of investment.**³



In provinces where replacement worker bans exist, **provincial investment has reduced by approximately 25%,** with the effects especially pronounced in the **first five years of the introduction of the policy.**⁴

Replacement worker bans lead to an increase in the **duration of strikes by 35-42 working days** — an increase of **21%.**⁵



According to the Canadian Chamber of Commerce's Business Data Lab, nearly **1/4 of businesses have stated that supply chain issues will continue to remain a key obstacle to growth** and that they expect these challenges to persist well into 2024.

1-3 Benjamin Dachis, Robert Hebdon, *The Laws of Unintended Consequence: The Effect of Labour Legislation on Wages and Strikes*, 2010

4 Budd, Wang, *Labor Policy and Investment: Evidence from Canada*, 2004

5 Morley Gunderson, Angela Melino, *The Effects of Public Policy on Strike Duration*, 1990