

# Why the union hate, Amazon? What's really behind the closing of Quebec operations

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OPINION

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On Jan. 22, retail giant Amazon announced that it was shutting down its Quebec operations in the next few weeks, closing seven facilities and eliminating more than 1,700 jobs.

While the company maintained that the closings were the result of “a recent review of our Quebec operations,” it’s obvious what the real motive is: shutting down negotiations with the 230 unionized workers at its DXT4 warehouse in Laval, outside of Montreal.

The Quebec Administrative Labour Tribunal certified the union in May of last year. Amazon challenged the certification in October, claiming that Quebec’s entire union certification system violated the Charter of Rights and Freedoms, but the tribunal dismissed that claim.

Meanwhile, the company had started negotiating with the workers, represented by the Confédération des syndicats nationaux. According to Quebec labour law, if Amazon didn’t reach agreement with the workers within a specific time frame, it risked having an agreement imposed by binding arbitration.

So Amazon shut down all seven Quebec facilities to avoid legal challenges. According to a 2014 Supreme Court of Canada decision involving a shuttered Walmart store in Jonquière, Que., it’s a violation of the Quebec Labour Code for an employer to shut down a workplace to avoid negotiating with a union.

But legalities aside, Amazon’s move sends a clear message. It shows just how far the company will go to retain sovereign control over its workplaces.



A delivery truck drives past Amazon’s DXT6 warehouse in the Montreal suburb of Lachine on Monday. The company plans to shut down its Quebec operations. CHRISTINNE MUSCHI/CP

Like many employers, Amazon attaches an outsized economic premium to asserting and maintaining workplace control – one that greatly surpasses conventional cost-benefit analysis.

As a US\$2-trillion company, it could easily afford the higher wages, better benefits and safer workplaces Amazon workers in the United States and Canada are fighting for. Meanwhile it is incurring sizable costs by abandoning the new infrastructure it has built up in Quebec over the past five years. Reverting to a subcontractor-based delivery model in the province will also likely incur costs in terms of lost sales, as Amazon’s rationale for building its own warehouses in Quebec was to speed delivery and increase sales.

Money is not the issue. The issue is control. Above all else, Amazon management wants to retain sole control over all decisions related to its business, unhindered by

any obligations to workers that a collective agreement would provide.

Why is that? Employers such as Amazon value flexibility, which they see as the ability to react nimbly to changing market dynamics and business opportunities. Amazon’s early motto was “get big, fast,” a variant of the Silicon Valley motto of “move fast and break things.” It’s harder to do that if you have to check with your workers first. In this corporate vision, a union just gets in the way.

In Amazon’s case, unions also represent a challenge to its deeply-instilled corporate culture. Amazon is still Jeff Bezos’s baby, even though the founder is no longer in charge. Introducing a union would violate Mr. Bezos’s vision for what he sees as “his” company, and run counter to Amazon’s self-conception as “Earth’s best employer and Earth’s safest place to work.” For Amazon management, as for many employers,

allowing a union to take root would amount to an admission of failure.

So for Amazon, unions are much more than a cost on its balance sheet. They represent a potential check on its sovereign authority.

Amazon management knows the difference a check on corporate authority can make. On the same day it announced its Quebec warehouse closings, United Auto Workers leaders south of the border announced that they had forced international auto giant Stellantis to honour its agreement to reopen a shuttered plant in Belvidere, Ill., and commit to reinvest in other plants. The agreement will save thousands of jobs and revive the community of Belvidere, which was gutted by the closing.

That’s the kind of countervailing power that Amazon fears, and wants to avoid at all costs.

In the face of such concentrated wealth and power, what can a few thousand workers in Quebec do? On their own, not much. But they are not helpless. To start, the Quebec government, instead of saying it cannot intervene in the decisions of a private company, could order the Quebec labour tribunal to “follow the work” and grant automatic union certification to the workers at the subcontractors who are taking work from Amazon’s shuttered warehouses. It could use the Supreme Court ruling in the Walmart case to seek legal recourse. Echoing Federal Minister of Innovation, Science, and Industry François-Philippe Champagne, it could send a message that “this is not the way business is done in Canada.”

But ultimately a durable solution will involve Amazon workers across North America organizing on a much larger scale than we have seen so far. Amazon can ignore a few warehouses here and there, but it still relies on workers to deliver packages and create profits for managers and shareholders. A large enough group could create the check on Amazon’s authority that it has fought for so long.