Amazon's Québec Shutdown: What It Means For Canadian Workers And Union Rights

On February 5th, 2025, The CSN Union called on Canadian consumers to boycott all Amazon products.

CSN represents Amazon workers at the Laval, Québec warehouse, who were poised to sign Amazon's first collective agreement in North America within the year. Experts commented that Québec's strong labour laws would have soon required Amazon and its workers to negotiate a collective agreement, or face binding arbitration. However, that prospect was dashed, on January 22nd, when Amazon announced it would shut down all seven of its facilities across Québec.

CSN called this move a clear retaliation against the Laval worker's collectivization efforts, and a violation of Québec's *Labour Code* provisions, which protect worker's attempts to organize from employer retaliation. Amazon representatives claim their decision came to a simple calculus of reducing Amazon consumers' costs. Instead, Amazon is opting to replace its Québec employees, and revert to its former third-party recruitment model; where third-party workers are not recognized as Amazon employees, and are unable to unionize. As a result, nearly 2,000 permanent Amazon employees across the province are anticipated to lose their jobs.

While Ontarians eagerly awaiting their Prime packages may not be concerned by these developments, the reality is that similar drastic union-busting actions could occur in Ontario, especially as, just weeks ago, Amazon workers at a new Windsor warehouse expressed interest in unionizing.

Although Canadian labor laws are designed to penalize employers who suppress or retaliate against unionization efforts, these penalties often come too late to undo lasting damage. This has already occurred in the last 15 years, involving one of Canada's largest wholesalers, and resulting in two landmark labour rulings from the Supreme Court of Canada (SCC).

In *Plourde v. Wal-Mart Canada Corp.* the SCC determined an employer operating a recently unionized workplace had no legal obligation to stay in business. Subsequently, an international chain's decision to close one of its Canadian locations could constitute legally sufficient reasons to terminate its employees at that site. The decision favoured Walmart, who closed its Jonquière, Quebec location the same day Québec's Minister of Labour referred the parties to arbitration, to negotiate what would have been North America's first collective agreement with the

wholesale chain.

The main claimant, Plourde led a complaint under section 15. of Québec's *Labour Code*, alleging that his employment was terminated as a result of his union activities. Section **17.** of the *Code* provides that, where an employer dismisses an employee after the employee has exercised their labour rights, there is a presumption that the employee's dismissal resulted from them exercising their rights. This presumption is only overcome if the employer can demonstrate that the employee was terminated for a "good and sufficient reason". In a 6-3 majority decision the SCC found that a decision to close a business location constituted "good and sufficient reasons", even if the closure was driven by "socially reprehensible considerations", such as staunching collectivization efforts. Subsequently, a remedy under section 15 of the *Code* remains unavailable to an employee when their workplace no longer exists due to closure, regardless of the company's underlying reasons.

Yet half a decade later, in *United Food and Commercial Workers, Local 503 v. Wal-Mart Canada Corp.*, the SCC ruled in favour of the same Jonquière workers, concluding a store closure in retaliation for unionization could entitle dismissed workers to remedies under s. 59 of the *Québec Labour Code*. In a 5-2 decision, the SCC expanded on *Plourde* in finding that s. 59 may impose financial consequences to employers, including paying compensation in relation to an employee's losses stemming from their termination. Yet, the court acknowledged that it could not order the reinstatement of dismissed employees for workplaces that no longer existed.

Applicability of Plourde & United Food and Commercial Worker's Rulings Beyond Québec

While Ontarians may assume that rulings on Québec's *Labour Code* are irrelevant beyond the province's borders, the *United Food* decision specifically emphasized that similar labor laws exist in other provinces. Thus, the SCC indicated that employers in other provinces who close their businesses as a tactic to cauterize greater unionization efforts remain liable to compensate dismissed employees. That is, if the employer cannot prove that the closure wasn't a retaliation for it's employee's collectivization efforts.

However, as legal commentators have noted in the case of Laval's warehouse workers, economically powerful employers that close company locations following union certification may not face judicial penalties for years; and likely only after irreversible damage to employees has already occurred. In the case of Jonquière's Walmart employees, hundreds of workers waited nearly a decade before receiving compensatory remedies after Walmart shuttered their workplace.

Unfortunately, global retailers like Wal-Mart and Amazon have the resources to prolong legal battles for years, challenging judicial proceedings all the way to Canada's highest court. Meanwhile, most of their workers cannot afford to wait out this process and must seek employment elsewhere.

The reality is while employees have legal recourse against global retail goliaths like Amazon and Walmart, justice may not be granted until years after the fist shot of their sling is fired.

Steps to Take If an Ontario Employer Dismisses Employees During Unionization

Similar to Québec's *Labour Code*, Ontario's *Labour Relations Act* (LRA) provides employees with remedies against employer's who retaliate against unionization efforts. Sections 70 & 72 of the LRA prevent employers from interfering with the

formation of a union, or intimidating workers in an effort to stop their collectivization efforts. Additionally, section 96(4) of the Act grants the Ontario Labour Relations Board the authority to impose corrective action on the employer, or demand compensation for employees wrongfully dismissed due to union activities.

If you are a non-unionized employee who has been wrongfully treated while attempting to organize a union, or a unionized employee facing retaliation, and or dismissal for union-related activities, you may have legal recourse available through the Ontario Labour Relations Board.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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