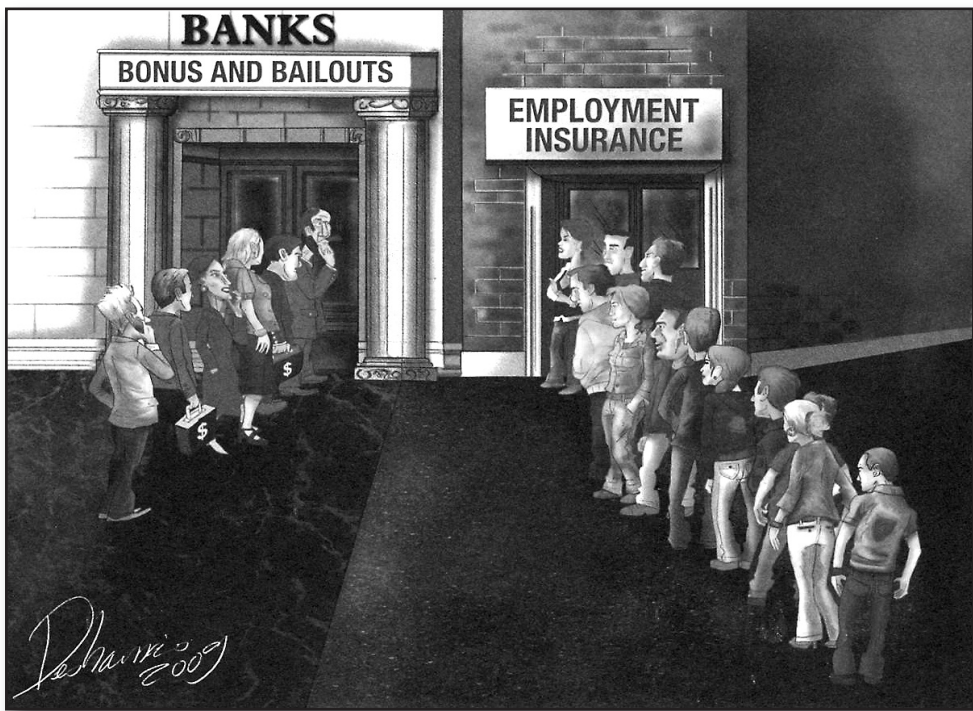


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FIGHTING FOR GOOD JOBS: A Discussion Paper

Introduction:

At this Joint Council, as we celebrate our first 25 years, we mark the beginning of the next period in our history. It will be a period fashioned in our fight for good jobs. In the years ahead our union, indeed the well-being of our communities, will be shaped by our determination to turn-the-tide, and end the reign of neo-liberalism.

To some it might seem daunting. We have been buffeted and battered by raging economic storms. Our days are spent fighting fires. At times we're exhausted dealing with one crisis after another. Some have grown weary of the uphill fight against right wing politicians. Some are fatigued by the steady erosion of popular resistance. Some are overwhelmed by the sheer magnitude of the economic collapse and environmental crisis. Some are disillusioned by the sobering and unsettling realization that successive Canadian governments have made life worse for most Canadians.

The financial meltdown and its aftermath have to be a turning point. Our country's economic priorities need a fundamental shift. We need an entirely different model of economic development because our world needs to look different after this crisis.

The times we are in demand from us a more radical response, more ambitious expectations, more determined resistance and more urgent action.

While it is true that no one union can ever have enough resources or power to win the fight, our strength and our capacity to overcome will be a determining force. Throughout our history we have made change not only imaginable but inevitable. Besides as Victor Reuther reminded delegates at our tenth anniversary celebrations — “sisters and brothers there is joy in the fight.”

Our fight for good jobs is both our rallying point and our strategy for economic renewal. Our goals are straightforward:

More and better jobs, improved wages and working conditions in existing jobs and halting the growth of bad jobs.

The fight for good jobs is why we need a strong union. Building the union is about strengthening our ability to achieve the changes we need in the workplace and in the broader economy.

The fight for good jobs links our union's campaigns — precarious work, severance pay, unemployment insurance, poverty elimination, labour rights, minimum wages, pensions, sustainable economic development.

Whether it is the discussion among auto parts leadership about the need to consolidate bargaining power and to set the standards, or our health care members demand for dignity on the job, or our commitment to raise the expectations of lower paid workers in retail and services, the fight for good jobs strengthens our common goals across different sectors of the union.

The fight for good jobs helps us build alliances with the broader community and to build the practical links in our communities around good jobs coalitions.

The fight for good jobs focuses our economic policy discussions — fair trade, a managed currency, financial and tax reform, poverty reduction, sectoral policy — on clear outcomes.

It gives us a common goal when we speak about a range of issues, everything from improving health and safety in the workplace to ending outrageous class inequalities.

It will mean a determined resistance against employer demands for concessions and roll backs. It will mean raising our expectations. It will mean improving the conditions in our workplace from resisting work intensification to building respect and dignity at work. It will mean strengthening solidarity between different groups and different generations of workers. It will mean fighting for and winning job protecting public policies and job creating economic policies.

For too many years now, we have seen our jobs contracted out and shifted offshore. We've seen the number of good jobs eclipsed by the growth of bad jobs and we have faced an ever escalating pressure on our wages and working conditions that can turn good jobs, bad.

Today workers already victimized by the financial collapse are being left behind in the so-called recovery and are being forced to pay for the restoration of financial power.

Our fight for good jobs is an opportunity to turn that around. Now is the time to assert more control over our workplaces and greater democracy throughout the economy.

A Brief History of What Happened:

In the fall of 2008 the speculative greed of Wall Street collapsed the world economy. What started as a financial crisis rapidly spread to the real economy. As employers cut back and closed workplaces, the financial crisis turned into a prolonged employment crisis. Hundreds of thousands of Canadian workers and tens of millions more around the world, have been thrown out of work.

It is hard to overstate the severity and the hardship caused by the current recession. But the roots of the jobs crisis are deeper than the financial collapse and its aftermath. They are firmly planted in the last 30 years of neo-liberalism.

We know from our own history that the period of neo-liberalism has been much harsher than the preceding era.

In fact the post war period, from about 1945 to 1973, has often been described as the Golden Age. It was a period of prosperity marked by the rapid growth of unions and characterized by the gains workers made in collective bargaining and through the expansion of social programs. The strength of unions, the militancy of workers and the threat of social unrest led to a state-mediated compromise between capital and labour. Workers would share in the wealth they were creating, governments would play a role in the economy and taxes would be used to support social programs and jobs in an expanding public sector.

By the 1970s the business class was organizing a counter offensive.

It had regrouped. Corporations were financing right wing think tanks, mounting massive lobbying campaigns, paying for beholdng politicians, and trumpeting a new economic

agenda and championing a renewed conservative ideology. The 70's were a decade of transition and turmoil. Workers were still making some gains, public services were still expanding and social programs were being enriched. But as the economy was plagued by high unemployment and high inflation (stagflation) as well as a series of price shocks and fiscal crisis, that progress came to an end. Corporations used the crisis to usher in a new era. They were determined to tear up the postwar compromise, to roll back wage contracts, to dismantle social protections and public programs and to reassert their power and control, not only in the workplace and the marketplace but throughout society.

Neo-liberalism Gains Control

By 1980 the Right was winning and what has subsequently been called neo-liberalism was tightening its hold and was spread – at times forcibly – to countries around the world.

The next three decades were marked by the consolidation of class power. Throughout this period the voices of those who championed workers rights, social inclusion and equality were increasingly shut out. Neo-liberalism caused a radical transformation of economic, social and public policies and narrowed the sphere of political debate.

Among its achievements was its success in:

- cutting social spending and redirecting public spending to support corporations,
- cutting taxes of the rich and corporations and shifting the tax burden onto workers and consumers,
- dismantling social protections and supports,
- dedicating the state to the role of supporting business,
- exposing the domestic market to competition from cheap labour abroad,
- enshrining investor rights and weakening citizen rights,
- opening new opportunities for private business by deregulating, privatizing and contracting out public services, and,
- transferring wealth to the top.

Under neo-liberalism market values trumped social values and government was 're-invented' to support those with capital over those who laboured.

Labour Market Flexibility

The attack on workers is central to the market fundamentalism of neo-liberalism as is the drive to weaken unions. It's called labour market flexibility. And it means shifting labour market power to employers by deregulating the labour market, reducing labour standards and eroding employment protections.

According to the flexibility proponents:

- UI benefits were by definition too high and their duration was too long and so they had to be eroded.
- Limits on employer rights to hire and fire were by their very existence intrusive and had to be reduced.
- Workers with a sense of job security were less submissive to employer demands and had to be made more insecure.
- Jobs that were regular and fulltime carried with them costs that cut into profits and so jobs had to be made more irregular.
- Prevailing notions of the regular workweek, weekends and overtime pay had to be replaced with working time flexibility.
- Workers who had the right to organize often did and so labour laws had to make organizing more difficult.
- Unions, by definition curtailed the free operation of market forces so they had to be constrained.
- Unions who vigorously represented their members raised workers' expectations and so they had to be tamed or defeated.

In 1994 the OECD (Organization for Economic Cooperation and Development) which is an inter-governmental international organization that brings together the most industrialized countries of the market economy, codified many of these employer demands into its 'Jobs Strategy'.

The OECD Jobs Strategy was the call to action on labour market deregulation. It argued that to decrease unemployment, countries had to cut the social safety net and erode workers rights.

Canada was an enthusiastic supporter.

The last 20 years has seen profound and far reaching changes in Canada's labour market, perhaps more dramatic than at

any other time since WWII. Governments of different political stripes have championed the employer logic that to lower unemployment we must cut social programs, reduce the influence of unions and make labour more flexible.

At the end of the 90's the OECD in a follow-up report commended Canada for "carrying out significant and wide ranging reforms." In a 2006 Canadian government report to the OECD the government notes that "Canada's regulatory and institutional framework supports a flexible, dynamic market." The government was ecstatic that the OECD ranked Canada as the country with the third "least restrictive employment protection legislation among OECD countries."

We are more at the mercy of so-called market forces and the economic power of employers than we have been for generations. The effect of this shift in the power relations that underlie labour markets are visible all around us — we are working harder, for lower wages in more precarious and insecure jobs and with less to fall back on when we lose our jobs.

Neo-liberalism has succeeded. The rich have got richer, corporations have been freed from any restraint, employers are more powerful and government's loyalty to a small elite is unquestioned. All of the gains of economic growth have gone to corporate profits and the wealth of those at the top.

A recent report by the US Congressional Budget Office reported that the gaps between the top 1% of Americans and the bottom 20% has more than tripled between 1979 and 2007. In 2008, before the collapse, the OECD reported that the growth in inequality in Canada was among the worst in the OECD.



For the rest of us neo-liberalism has been a colossal failure. In our workplaces it has meant more insecurity and exploitation, stagnant real wages, and the expansion of precarious and marginal work.

The Jobs Crisis:

Canadian workplaces have changed dramatically over the last few decades. Most aspects of our work lives, from employment standards to the terms and conditions of our employment, have deteriorated. And too many Canadians work in jobs that are worse today than they were a generation ago. We are becoming a low wage economy characterized by stagnant wages and growing numbers of insecure workers.

Three related developments can help explain the downward shift in the quality of our jobs.

First, good jobs, those that are well paid, full time with decent pensions and benefits, are being eliminated. Second, they are being replaced by the growth of bad jobs: Full time jobs in low wage industries and jobs which are contract, temporary or part time with low pay and no benefits. And third, employers have been powerful enough to erode those features of our jobs that define them as good jobs. Employers have succeeded in turning good jobs into bad jobs.

1. The Loss of Good Jobs:

Before there was a financial meltdown there was a meltdown in Canadian manufacturing. In the 5 years before the recent recession manufacturing's share of total employment in Canada fell by close to a third. Our manufacturing base has been stripped away and the sector has been hemorrhaging jobs. Manufacturing employment, for the first time, has fallen to below 12% of total employment. That steep, downward trend has led to the elimination of about 500,000 manufacturing jobs.

While some see this as a natural economic evolution, it isn't. Canada's manufacturing industry has been unusually and severely hammered compared to other industrialized countries.

Manufacturing has not lost its importance. In fact we consume more manufacturing products than at any time in history. What has changed is the location of production. Good manufacturing jobs have been shifted overseas where

they end up paying less, with fewer benefits and worse working conditions. Our trade deficit in manufactured goods has now reached a staggering \$75 billion.

Some sectors have been particularly hard hit.

In auto ...

We've seen close up, the devastation in the auto industry where 55,000 jobs have been eliminated in auto and auto parts since 2001. The loss of well paid jobs in auto is a direct result of a government committed to an overvalued dollar and blind to the devastation caused by unfair imports.

In forestry ...

Canada's forestry sector has also been bleeding jobs. An estimated 110,000 workers, about 25% of the entire forestry workforce have seen their jobs disappear in this decade as hundreds of sawmills, wood and paper plants have closed. Exporting raw logs and the shift of production to the US in the wake of Harper giving into the U.S. on the NAFTA settlement have jeopardized the future of many forestry communities. In BC, for example, 20,000 workers have lost their jobs as mills closed in the flood of raw log exports to the US.

In steel ...

Workers in the steel industry have seen their entire industry restructured and weakened. Steel has gone from one of the most successful Canadian owned sectors to one where independent steel companies have been taken over by companies from around the world. Canadian workers have been battered in a wave of consolidations and mergers, bankruptcies and restructurings. In addition they have faced intense competition from low-wage steel produced in China. At present China accounts for about half of the world's operating capacity. Since the turn off this century employment in the steel industry has dropped by about 50%.

In oil refining ...

The oil industry has been booming in Canada but that growth has not been translated into good jobs in upgrading and refining our resources. Instead the oil industry is determined to ship unprocessed bitumen from the tar sands to the U.S. This past spring the National Energy Board, despite major union and citizen opposition, approved the Keystone XL pipeline. The pipeline will carry about

900,000 barrels of tar sand resources a day to be upgraded in refineries that will be built on the Gulf Coast in Texas. The first Keystone pipeline forfeited about 18,000 high paying jobs that could have been in Canada. The number of lost jobs in this new pipeline project is expected to be double that number.

Jobs in auto, forestry, steel and oil refining are all relatively well paid with earnings considerably above the average of Canadian workers. Unions in all four sectors have negotiated agreements over many years that provide not only decent wages but good pensions and benefits. When these good jobs are eliminated, laid off workers and their families are devastated. Not only are those workers forced to start all over again, few of them will ever achieve the same standard of living. Losing good manufacturing jobs is a double generation hit. It hits those who have lost their jobs and it reduces the job opportunities for the next generation of workers.

In addition to the loss of good jobs in the manufacturing sector we've faced the decline in union density across the sector. In the mid 80's about 44% of manufacturing workers were union members. Today that figure is under 30%. As more and more workers are hired into smaller, non-union workplaces in the manufacturing sector there is a downward pull across the sector and the prospects of good jobs is diminished.

In services ...

The number of good jobs in the economy is influenced by the changing composition of jobs within sectors. It is also affected by the changes in the distribution of jobs across sectors such as the shift away from traditional manufacturing towards service industries. As a share of the national economic activity, goods producing sectors have dropped from about 38% in the 80's to 22% now. Some see in these figures an opportunity for Canada to get more good jobs as our economy evolves from goods production to higher value added services. In other words we get to trade assembly line jobs for software engineers or production jobs for staff in the accounting departments of head offices.

The evidence doesn't support such a view. The tremendous growth in internationally traded services makes it clear that just about any job can be outsourced. We are losing higher paid service sector jobs to the outsourcing of technology and service jobs.

and in the public sector...

Public services have been an important source of reasonable secure, skilled and decently paid jobs. In the decades before neo-liberalism the development of public services and the expansion of public sector unions led to a growth of good jobs. These jobs have been especially important to women where they have helped to close the gender wage gap.

As business succeeds in capturing government, good jobs are contracted out and shifted to the private sector. The loss of public service jobs has undermined the quality of jobs in the service sector. Where work is performed in the broader public sector has a lot to do with the quality of the jobs. Jobs providing patient care in hospitals are paid better than when the care is shifted to nursing homes which may be privately run but with public money. Jobs in nursing homes in turn are paid better than jobs in the privately run, for profit retirement homes. The recent austerity measures announced by governments all across the country have as a clear objective, the elimination of good public sector jobs.

2. The Growth of Bad Jobs:

There are a couple of aspects to the growth of bad jobs. On the one hand there has been a shift in fulltime jobs from high paying industries to low paying industries. And on the other, there is a shift away from full time, regular work.

too many low paid jobs ...

Canada has been a relatively low wage country for some time now. By the early 90's Canada was second behind the US as the country with the highest proportion of low paid workers — workers earning less than two-thirds of a country's median annual earnings. In the US the figure was 26%. In Canada the figure was 21%.

The proportion of low paid jobs should fall over time as the economy grows. That isn't the case in Canada. Prior to the Great Recession, Canada experienced a long period of economic prosperity, at least when it is measured by economic growth and corporate profits. Despite that growing prosperity, the share of low paid jobs in the economy has not receded. In the mid-80's the share of jobs earning less than \$10 hour was the same as it was by the mid years of this decade.

For particular groups of workers the situation has gotten worse. The incidence of low pay among young workers and

new hires has actually increased since the mid 80's. The incidence of low pay, for example, among young males (17-24) increased from 48% in 1986 to 60% in the years preceding the recent recession.

precarious work ...

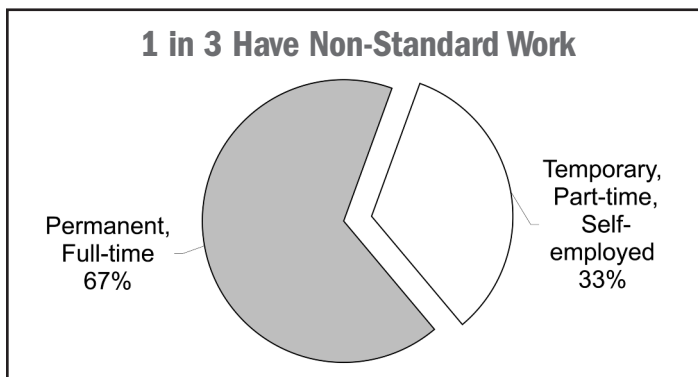
Canada is becoming a more unequal country and the job market bears a lot of responsibility. Precarious employment has accelerated and with it the number of workers with unstable schedules, lower wages, minimal benefits, fewer legal rights and lower unionization rates.

Precarious employment cuts a wide swath through our job ranks. The most at risk include women, new immigrants, workers of colour, aboriginal workers and workers with disabilities. Also at risk are workers over 55, those under 25 and those recently laid off.

Roughly two-thirds of working Canadians have permanent full-time jobs. The other third have work that is temporary, part time, contract or self-employed. These jobs have few if any benefits and even less job security.

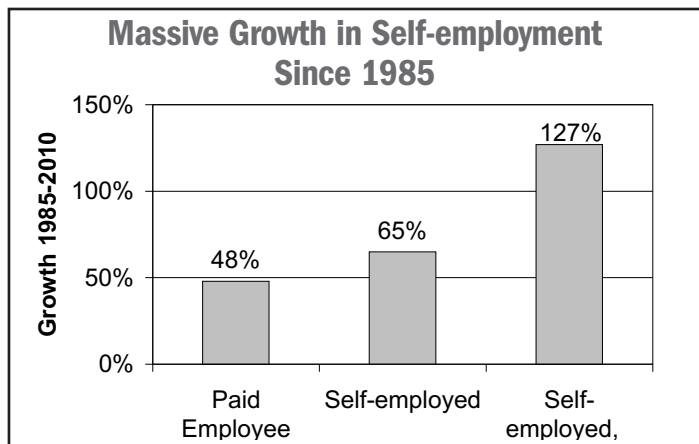
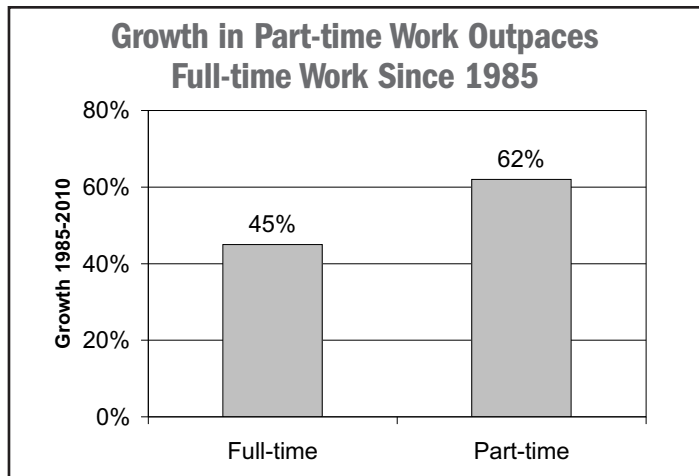
Among Canadians with a job:

- 1 in 5 work part-time;
- 1 in 6 is self-employed; and,
- 1 in 10 is a temporary worker.



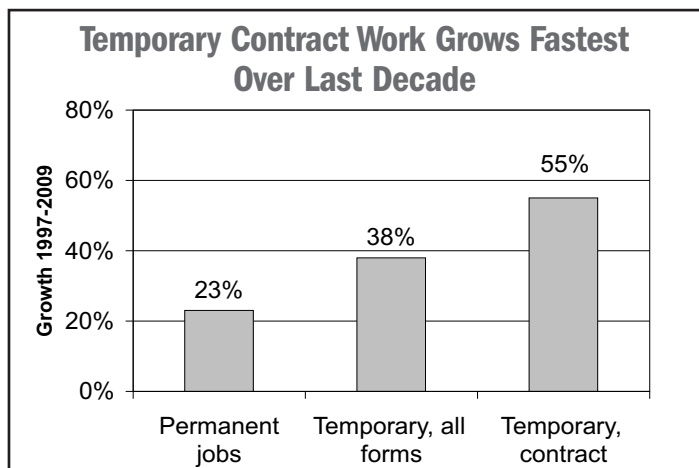
part time work ...

Each year the level of precarious work grows. Since our union was formed in 1985 part-time work has grown one-third faster than full-time work. And thirty percent of part-time workers, or nearly 1 million people, would rather have a full-time job but cannot find one. Average hourly pay for full-time workers is currently 49% higher than for part-time workers. Part time workers' real wages have fallen since the 80's.



self-employed ...

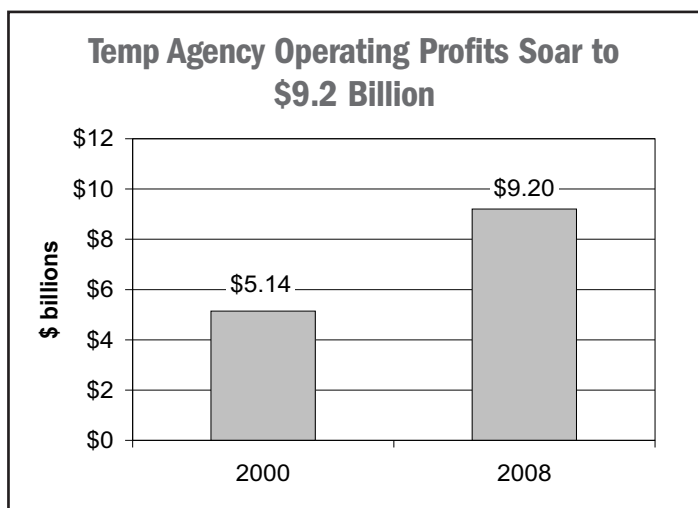
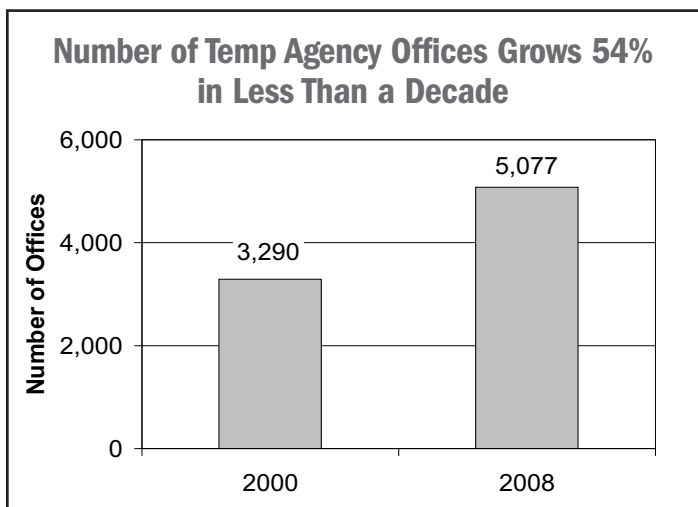
Since 1985 the number of people who are self-employed and working on their own with no employees has grown by 127% to 1.9 million. This compares to growth of just 48% in paid employment over the same period.



temporary work...

In a little over a decade, temporary employment of all kinds has grown two-thirds faster than permanent employment.

Average hourly pay for permanent workers is currently 34% higher than for temporary workers. The proportion of newly hired employees holding temporary jobs has increased markedly, doubling since the mid 80's. And the wages of temporary workers have been falling.



private job agencies ...

One form of temporary work in particular, contract work, has grown more than twice as fast as permanent employment. There are 5,077 temporary and staffing agency offices in Canada, up 54% in the last eight years. An estimated 400,000 workers in Canada are employed through a temporary or staffing agency. Those working for employment agencies earn about 40% less than those with permanent jobs. That helps to explain why annual operating profits of temporary and staffing agencies grew by 79% over the latest eight-year period making this a \$9.2 billion industry.

temporary foreign workers ...

In recent years Canadian governments have created a new category of precarious worker through the Temporary Foreign Worker program. Migrant 'guest' workers are recruited by Canadian employers and are allowed to come to Canada to work for a period of two years. The program was developed by the federal government primarily to help Alberta employers. Since it was first introduced the program has expanded rapidly. In Alberta, in December 2005, there were 16,000 temporary foreign workers. That had increased to 66,000 by December of 2009. At the end of last year Ontario had 95,000 guest workers, BC had 69,000 and Quebec had 31,000. Most of the applicants are considered low skilled and are contracted to wash dishes in hotels, serve food in coffee shops, care for the elderly or work in a warehouse. As can be expected these workers are vulnerable to exploitation. They have few rights and they are totally dependent on the goodwill of their employer. As the program has expanded so too have the complaints of employer abuse – from health and safety violations, to incidents of harassment, and from unpaid overtime and statutory holidays to contracts that were reneged and promised jobs which disappeared.

The growth of bad jobs has trapped many Canadians in insecure, low-pay, dead-end jobs. The 'flexibility' agenda and the deregulation of our labour laws have pushed more and more jobs into low wage substandard work. It is a process still in full swing. Just recently the Ontario Liberals have introduced Bill 68 - Open for Business. This omnibus bill contains significant changes to the employment standards which will create huge barriers to workers and give employers more leeway to pay substandard wages. The bill requires individual workers to try and enforce their ESA rights with their boss before filing a claim and it provides for Employment Standards officers to settle claims for less than what workers are owed.

3. Making Good Jobs Bad

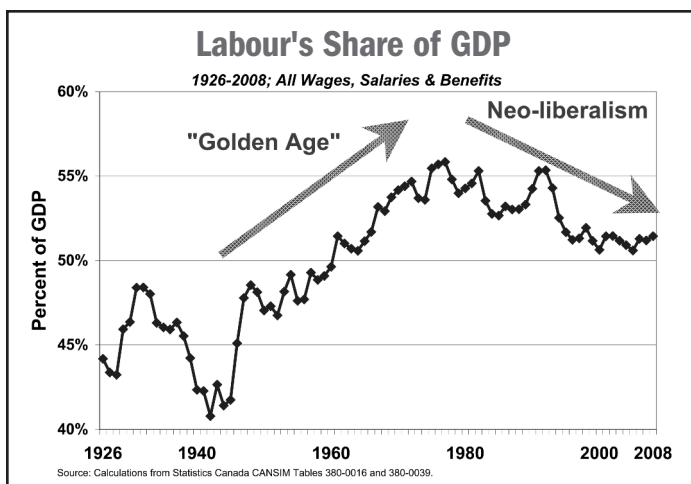
One of the strongest signs of economic failure in Canada over the last 25 years has been the stagnation of workers' real wages. There's a couple of ways to measure the growth of wages. One is to look at the economy as a whole and to



see the relative share of economic growth going to wages and to profits. The other is to track workers earnings, after adjusting for inflation, over a period of years. On both measures the results are startling. Real wages have been flat lined for over two decades. And the share of the national economy going to wages has fallen while the share going to profits has achieved historical records.

Some groups of workers have continued to make progress while other groups have fallen behind. Workers who are union members have fared much better than those who aren't. Newly hired workers' median wages have fallen over the past 20 years. But as a class, workers have seen their real wages and job security steadily undermined.

Neo-liberalism, very deliberately created intense international competition for jobs. It's not surprising that employers' heightened power to close plants, relocate workplaces and weaken unions was used to redefine economic progress. All of the gains of economic growth have



gone to corporate profits and the wealth of those at the top and what matters most to workers and their families, our jobs and our income, have been ignored.

Part of the explanation for stagnant wages is the declining proportion of union membership. Throughout this period the rate of unionization has fallen in the private sector from about 1 out of every 3 workers in the mid-80's to under 1 in 5 today. That can help explain why pension coverage and benefits have been eroded. For example the coverage of employer sponsored pension plans in the private sector dropped from close to 40% in the mid-80's to 27.8% in 2008.

More sobering still, even in unionized workplaces, workers have been under intense pressure to give up hard won gains. Under the threat of economic restructuring, bankruptcies and runaway workplaces employers have frozen wages, introduced two tier agreements, cut benefits and eroded pension plans. In 1977, 31% of private sector workers in Canada had a defined benefit pension plan. By 2007 that number was less than 16%.

case study in grocery stores ...

In some industrial sectors, employers have radically transformed what used to be good jobs.

By the end of the seventies unionized food store workers were earning some of the highest wage rates in the retail industry. Full-time and part-time workers enjoyed good benefit packages that, at times, led other sectors.

But over the last few decades workers in the grocery store sector have suffered a series of significant defeats. Well established wage structures and industry wide standards gave way in round after round of concession bargaining to wage reductions and multi-tiered wage structures, downsizing of full time staff and the expansion of low paid part-time jobs.

In the 1990s when grocery store employers were demanding drastic cost cutting unions accepted major concessions that reduced wages, restricted access to benefits and opened the door to what later became a flood of part time jobs.

In the current decade major industrial restructuring and the expansion of low wage WalMart has led to more contract concessions that have ruptured the prevailing wage scales.

The Gender Wage Gap

THE ECONOMIC DISPARITY between women and men is one of the harshest indicators of women's enduring inequality:

- on average, women earn 71 per cent of what their male counterparts earn;
- women of colour earn only 64 per cent and Aboriginal women earn only 46 per cent of the average salary of white men;
- two-thirds of minimum wage earners are women;
- one in five women aged 25 - 54 make less than \$12 per hour, almost double the proportion of men;
- approximately 70 per cent of women are concentrated in a small number of traditional female occupations – jobs characterized by low pay and poor benefits.

Source: CAW Sisterhood Publication www.caw.ca

In many cases, wage rates which used to be based on seniority, are now based on reaching difficult thresholds of total hours worked. As a result part-time wages and benefits have been ratcheted down.

These changes, together with the introduction of discount banner stores, have lowered wages and undermined jobs across the sector.

In the early 1990's grocery store workers earned about 87% of the average industrial wage in Canada. By 2009 that had plunged to 65%. This alarming change was not the result of dramatic improvements in the average industrial wage. Instead the average real wage of supermarket workers dropped from \$16 hour to \$13 hour. The decline was the result of both wage developments but even more so, the shift to low paid, part time work. Today, most grocery store jobs are occupied by younger workers and women who are restricted to very low weekly hours.

could it happen in auto ...

A few years ago there was a major turning point in the U.S. auto industry. Delphi, the world's largest auto parts company, was spun off from GM in 2000 and declared bankruptcy in 2005. What emerged was a drastic two-tier workforce. New hires earned about half the rate of what existing workers were paid. The new workforce wouldn't get a pension plan, their benefit package was much less and there would be no post retirement health care.

The Delphi model eventually spread to other U.S. auto part companies and then ultimately to GM, Chrysler and Ford.

In Canada we have resisted the two-tier model both in auto

parts and in the assembly sector. To be sure, in auto parts we've experienced setbacks and in major auto we were forced by government to freeze our wages and give up time off the job. But we have, for the most part, resisted a two-tier model of good jobs for some and bad jobs for the next generation of workers.

the changing workplace ...

When Canadians are asked about the quality of their jobs they point to a large and growing disconnect between their expectations and the actual conditions of their current jobs. Issues with the biggest gaps include pay, training, work life balance, career development opportunities, good benefits, sense of pride and accomplishments and job security.

The extension of lean production to workplaces across all sectors of the economy has meant a widespread deterioration in the quality of our jobs. The trauma of repeated workplace reorganizations has resulted in chronic insecurity and often a breakdown in social relations at work.



Employer efforts to cut staff and speed up work have left workers struggling to cope with the demands of their jobs on a regular basis. As our work gets faster and harder, repetitive strain injuries increase and growing numbers of workers report that they are working in pain, getting by with the regular use of pain medications.

In turn, work intensification has led to increased stress, exhaustion and burnout. A growing portion of the workforce now report that they are overworked and work-related depression is on the rise.

After The Crisis... More Crisis

The financial crisis of 2008 has turned into an employment crisis, adding joblessness to the pre-existing job crisis.

Those fortunate enough to hang onto their jobs have seen their hours and their incomes cut.

Too many Canadians have lost their jobs, their homes, their savings and the prospects of a decent retirement.

The recession has wiped out many of the employment gains made by new immigrants, workers of colour, aboriginal Canadians, youth, women, and workers with disabilities in the years before the recession.

For those unemployed the chances of finding a decent job are probably the worst in 50 years

Employers are taking advantage of the recession to attack workers wages, our benefits and our pensions. All across the labour market there has been a ratcheting down — from good jobs to bad jobs and from precarious jobs to no

jobs at all. Wages of temporary workers have fallen in real terms. Unemployed workers are competing for low wage jobs with those looking for work for the first time. There is a major erosion of job quality for those lucky enough to hang onto their jobs.

Many seem to be convinced that somehow the financial and economic storm has passed. Some see Canada's labour market emerging from the global recession faster than most other advanced economies. Some want to take heart in the daily headlines that report on the latest uptick in stock prices, robust CEO compensations packages and returning profitability.

But even if there is an economic recovery, the continuing jobs crisis will have profound and long term implications. Official statistics of economic recovery underestimate the damage caused by the financial meltdown and the magnitude of the jobs crisis.

Last July, the Bank of Canada declared the recession over. Since then a series of articles have glibly reported that somehow we've recovered the jobs that we've lost in the recession.

But a year into the recovery the job situation remains bleak. There are 250,000 fewer full time jobs today than at the start of the recession. There are still 355,000 more unemployed workers.

Today there are more long term unemployed workers. More than 1 in 5 unemployed workers spent over 6 months looking for a job. The number who has been searching for over 12 months has doubled in the last two years.

CAW Worker Adjustment Tracking Study

THE STUDY SUMMARIZES the experiences of laid-off workers at three CAW Action Centres. This is an incredibly tough time to be laid-off. Few have found permanent employment. Only 29% of those currently working are in permanent full-time jobs. One-quarter have worked at three or more jobs since their layoff. Approximately one in six is currently working at more than one job. They are in jobs earning considerably less, without benefits, with less control over working hours and with greater employment and income instability.

This trend reflects those in the broader labour market toward non-standard and more precarious forms of employment.

*CAW Worker Adjustment Tracking Project: Preliminary Findings
First Round Report, June 2010*

The Bankers Are Alright

DURING THE FINANCIAL CRISIS the Canadian government provided about \$200 billion in financial aid to the financial sector.

Between 2008 and 2009 the CEO's of Canada's banks did quite well:

- Toronto Dominion's CEO's total compensation increased by 96%
- Bank of Montreal's CEO's total compensation was up 212%
- CIBC's CEO's salary and bonus increased by 149%
- Royal Bank's CEO's total compensation jumped 162%
- Bank of Nova Scotia's CEO's salary & bonus increased by 67%

The 5 CEO's of the above banks, as a group earned \$53.9 million, excluding pension commitments, in 2009.

There are about 1,500,000 Canadians who are officially unemployed. But the real unemployment rate brings that number well above the 2 million mark. The real unemployment level, what Stats Can calls the R-8 unemployment rate, that includes discouraged workers and those part timers who want full time jobs, is now 50% higher than it was in October 2008.

In July we lost another 139,000 fulltime jobs and in their place employers hired another 129,700 part time workers.

And last year 160,000, workers were on EI work sharing agreements in the hopes of preventing lay-offs.

Before the recession we saw a growing gap between economic growth and wages. Now, after the recession, there is a growing gap between economic recovery and employment growth.

After the depression of the 1930's it was years before the unemployment rate fell to its pre-depression level. In the recessions of the 80's and the 90's it required 7-8 years of economic growth to bring the unemployment rate back to pre-recession levels.

This time around it could be worse. We could face a dramatic increase in unemployment and a major increase in long term unemployment. Already the reality for many families is that unemployment has become chronic and poverty, if it is not already here, is just around the corner.

The prospect of a prolonged increase in unemployment means more poverty and growing inequality.

Some commentators, looking at the global scene, fear that we might lose a decade. Others fear that we risk losing an entire generation of youth.

more business as usual ...

The ILO's (International Labour Organization) decent work agenda calls for a development strategy that acknowledges the central role of work in people's lives. The OECD (Organization for Economic Cooperation and Development) calls for a 'job rich' recovery. The G20 leaders at the 2009 Pittsburgh Summit made a commitment to "implement(ing) recovery plans that support decent work, help preserve employment and prioritize job growth." The G20 leaders even gave a nod to jobs at the June Summit in Toronto.

But we know they didn't really mean it. It's not just a case of too little, too late. Instead, behind the words lies a set of absolutely wrong policies.

The job policies of the last 25 years not only failed to generate and preserve good jobs, they actually helped set the stage for the current crisis. For 25 years we've been told to:

- Open the door to foreign investors and employment would be created. Not so.
- Reduce Canada's tax brackets from 10 to 3 so the rich will pay less and invest more of their money in Canada. Didn't happen.
- Provide generous tax breaks to companies so they would ramp up production and create jobs. Not so.
- Keep wages low to encourage the creation of jobs. Didn't happen.
- Reduce the size of government thereby making more room for the private sector to create jobs. Not so.
- Become internationally competitive by reducing labour costs and thereby create jobs. Not so.
- Increase labour market flexibility to create employment. Didn't happen.

- Negotiate more free trade deals to open up foreign markets to be served by jobs in Canada. Didn't happen.

Instead of a serious look at the failure of those policies we get more of the same. It is ironic that while there is a growing consensus for more regulation of the capital market (however limited) at the same time there is a renewed commitment to a global agenda of labour market flexibility. The OECD talks about a job rich economic recovery but proposes that “more flexible labour markets will be a key adjustment mechanism.”

All across the country we see more labour market deregulation more flexibility, and more job destroying policies.

Saskatchewan recently announced it is freezing the minimum wage at \$9.25. Ontario has decided that individual workers should be responsible for enforcing employment standards with their employers. BC has decided to roll back business taxes despite the fact that corporate tax breaks have a much weaker economic impact than public investments. Ontario has decided to provide over \$3.5 billion in corporate tax cuts despite the fact that most of those dollars will end up in the finance sector and will swell the coffers of already cash rich corporations.

Good jobs with decent wages and benefits have been

undermined and destroyed by the economic development path of the past. Now a new round of deficit hysteria is fuelling the contracting out and privatization of public and social services.

Governments are quickly searching for exit strategies from stimulus spending. They want to jump fast from a trickle of stimulus to a whopping level of restraint. Instead of supporting the economic recovery we hear a whole lot about restraint, austerity and labour discipline. Already the attack on public sector workers is heating up.

For example:

- Ontario has imposed a 2 year wage freeze through which the government plans to save \$750 million to help it pay for the whopping \$3.6 billion in corporate tax cuts.
- BC imposed a wage freeze on the public sector and has announced plans to eliminate about 1500 jobs along with additional regressive measures from cutting health care to increasing user fees.
- NB introduced a 2 year wage freeze.
- Manitoba introduced a 2 year wage freeze
- The 2010 Quebec budget implemented a payroll freeze for civil service until 2013-14 and announced plans to replace only one of every 2 employees who retire.

A Job Should Keep You Out of Poverty, Not in It.

FOR MANY PEOPLE, HAVING A JOB IS NO LONGER A WAY OUT OF POVERTY. The minimum wage in most provinces is so low that even someone working full time at a minimum-wage job falls far short of the poverty line. There are campaigns in almost every province and territory demanding an increase in the minimum wage and social assistance rates and advancing the call for a living wage.

On July 1, 2010, the minimum wage in Newfoundland and Labrador rose to \$10 per hour. The Make Work Pay Coalition played a leading role through its \$10 by 2010 Campaign which was launched in 2006.

In a unanimous city council vote on April 26, 2010, New Westminster, B.C. became the first municipality in Canada to adopt a living wage policy. The policy requires that direct city employees and contract employees be paid at or above an hourly family living wage. The Living Wage is based on actual costs of living and raising children in a specific community.

Spearheading the campaign was a broad coalition of over 40 organizations under the banner “A Living Wage for Families”. Living Wage campaigns have been gaining ground across the U.S. and the U.K. and in Canada.

B.C.'s lowest paid workers have been left behind by the Campbell government where the minimum wage has been frozen since 2001. The B.C. Federation of Labour's \$10 Now! campaign is calling for an immediate increase to \$10 per hour along with an indexing formula and a subsequent increase to \$11 per hour one year later.

*Sources: Newfoundland and Labrador Make Work Pay Coalition News Release, June 30, 2010
B.C. Federation of Labour, The \$10 Now Campaign www.bcfed.com/issues/minimum_wage
CCPA Press Release, April 28, 2010*

- Even in NS where the NDP government committed to “fair, free and open” bargaining with provincial public workers their plan is to make the civil service 10% smaller by 2013.

The federal government has made it clear that public sector workers “need to share the pain of austerity”. The provincial governments’ decision to cut programs and freeze wages has created an employer chorus at the local level calling for wider wage freezes and new initiatives to contract out local services and get rid of good jobs.

It is a cynical and damaging logic that argues that because private sector workers have been hit hard it is somehow only fair to whack public sector workers. It would make a lot more sense to support the spending power of health care workers and sanitation workers and instead require the rich and the corporate sector to contribute their fair share. Communities hard hit by the loss of jobs in the private sector can only be further hurt by cuts to the public sector whether through wage freezes or the elimination of jobs.

where will growth come from ...

Most recessions end when people start spending again. People can’t spend unless they have adequate incomes. They don’t get adequate incomes unless they have decent jobs. These are not startling observations. What is surprising is how consumption kept growing over the last 25 years despite the fact that workers wages were stagnant.

Workers adopted a range of strategies. In some cases it was more members of the household working. In other cases it was longer hours. In still other cases it was multiple jobs. But what really stands out is the growth of household debt. And that fuels unsustainable growth.

A recent report by the Certified General Accountants Association of Canada notes that household debt had reached \$1.4 trillion in December 2009 and that household debt was 2.5 times more than it was in 1989. The report also noted that the share of debt represented by credit cards and lines of credit grew from 21.1% in 1989 to 77.7% in 2009. And the debt to income ratio reached a new record of 144.4 % by the end of 2009. Canada has the dubious distinction of ranking the highest in terms of the consumer debt-to-financial assets ratio among 20 OECD countries.

Even though consumers want to continue spending they are up against the limits of household debt. Corporations on the other hand, have record surpluses but they are not investing or hiring. The private sector is not creating good jobs. It is hardly creating any jobs at all. And governments have done an abrupt shift from stimulus to austerity, freezing public sector wages, increasing consumption taxes, selling off public assets and reducing public investment.

It’s hard to find the engine that will pull us back onto a recovery path. Workers want to, but can’t. Corporations can, but won’t. And governments are once again choosing capital over labour.

Even before the recession the economy was not performing well for workers. It hasn’t been effective at generating good jobs. The current recovery isn’t strong enough to absorb the number of workers who are jobless. And if there isn’t a recovery in jobs then our economy is vulnerable to yet another recession. But more worrying still our communities are vulnerable to grinding poverty and social unrest.

Fighting for Good Jobs

Good jobs aren’t confined to any one economic sector or any group of occupations. Jobs can range from ‘bad’ to ‘good’ depending on a set of characteristics that define them, from the level of wages and benefits to issues of dignity and security and whether or not there is union representation.

A health care worker on ‘contract’ at irregular hours with few benefits and no pension providing care to a patient at home has a much different job than the same worker in a hospital.

A green job producing wind turbine blades or solar panels in a non-union plant staffed with agency workers is a much



What is a Good Job?

THE GOOD JOBS FOR ALL COALITION is an alliance of community, labour, social justice, youth, and environmental organizations in the Toronto region. An economy with good jobs for all is one of their key demands. Factors that are critical in providing good jobs include:

- The right for every worker to be treated with respect and dignity.
- The ability to have full-time, stable employment.
- The right for everyone to have a living wage.
- The need to have work that is safe and healthy.
- The enforcement of labour rights and standards in all forms of work.
- The right to have a collective voice at work through unionization.
- The investment in public education and life long learning.
- The recognition of diverse qualifications, skills, learning and creativity.
- The provision of benefits for medical, dental, vision and disability needs.
- The equitable access to work, extended training and advancement.
- The opportunity to participate in a greener economy.
- The ability to retire with dignity.

Source: www.goodjobsforall.ca Click Declaration on Home Page.

different job than a plant where workers are represented and bargain collectively.

How we see our jobs might be subject to a measure of individual opinion, but there is a general consensus on the common ingredients of good jobs:

- Decent pay that allows an adequate, secure standard of living for workers and their families, and full participation in society.
- Regular, predictable, year-round hours. No excessive overtime.
- Access to full-time hours for those who want them.
- Health, insurance, and pension benefits (including for part-time workers).
- Excellent health and safety conditions and training; comfortable working conditions.
- Workplace protection (including against arbitrary punishment or dismissal) and elected representation.
- Equal, fair treatment at work; freedom from harassment or discrimination.
- Paid time off work for holidays and vacations; family care needs and personal days; and life-long education and training.
- Meaningful and productive work, that allows for personal development.

The fight for good jobs is woven into the fabric of our union. For us the fight for good jobs is instinctive. It's in our DNA. The central purpose of unions is to make jobs better.

It guides our day-to-day work – from the representation we provide members to the demands we table in collective bargaining; from the coalitions we forge in our communities to the political campaigns we take on to influence laws that improve quality of life for all.

It's difficult in a short discussion paper to review all our efforts in the fight for good jobs. It's not that we are announcing a 'new' campaign or developing a different issue. We've been at this for a long time.

It's what we do everyday at bargaining tables whether we are making jobs better or fighting like hell to hang onto things that once lost, would make our jobs worse.

At times it is about specific developments at particular bargaining tables such as the recent bargaining between Local 3000 and Servantage Services, British Columbia's second largest commercial janitorial cleaning service company. The bargaining committee put in place a "wage escalator" clause, tied to provincial minimum wage legislation which guarantees automatic wage increases in proportion to future provincial minimum wage hikes. In an industry

notorious for low-pay and harsh working conditions, the agreement guarantees not only wage protection, but consistent improvements.

At other times the focus is broader than any one bargaining table such as the decision by our auto parts leadership to launch a broad and far reaching campaign to stop the downward spiral. Included in the plan are measures to:

- Reconfirm our commitment to our bargaining principles and reject the idea that jobs will be saved by endless cost-cutting.
- Set in motion a process to consolidate our bargaining power in the sector, including a mechanism for workers to develop common minimum standards for wages and working conditions.
- Strengthen links between workers in assembly and parts plants to ensure that our auto parts work is not moved to non-union and low-wage facilities.

There are times when our fight for good jobs gets developed through specific union campaigns to raise public awareness, get media attention and change government policies such as our Manufacturing Matters campaign or current initiatives around Precarious Work.

At times our fight for good jobs is defensive, trying to protect our members who are victims of layoffs, runaway plants and uncaring governments. The plant occupations,

protests and demonstrations around severance pay and changes to EI will continue as will our efforts to support workers in the public sector who are under attack.

At times our demands are understandably focused on the needs of our members. At other times, our efforts are about improving the broader social wage and winning universal improvements such as our campaign to improve public pensions.

Over the years our fight for good jobs has focused on particular workplace issues, from resisting lean production to winning ergonomic changes, from our efforts to prevent cancer, to reducing workplace stress and eliminating workplace bullying.

In our fight for good jobs we have developed comprehensive sectoral strategies to protect and strengthen important economic industries from shipbuilding to fisheries, from rail to air, from aerospace to auto.

At times the fight for good jobs sees us join with others in common cause campaigns to increase the minimum wage, to improve employment standards, to win protections for temporary workers.

Often we win at the bargaining table. At times we win in changing government policies.

We've won specific domestic purchasing arrangements. We've secured funding for rail and shipbuilding. We still

Fall Out of the Great Recession is Racialized

IN LATE 2009, STATISTICS CANADA ISSUED A REPORT CALLED CANADA'S EMPLOYMENT DOWNTURN. The report noted that recent immigrants had been more affected by the economic downturn than other groups of workers. And those differences were quite alarming.

Between October 2008 and October 2009, 12.9% of recent immigrants (who landed within the last 5 years) had lost their jobs. While more than one in ten new Canadians had been laid off, the job loss figure for Canadian born workers was much lower at 2.2% (two out of every hundred).

The report also provided some evidence about employment losses among off-reserve Aboriginal workers. Among off-reserve Aboriginal peoples age 25 to 54, the pace of employment losses during this 12-month period was double that of the non-Aboriginal population.

To the degree that laid off workers face a downward spiral in income and economic well-being, then poverty in our communities will become even more racialized.

*Source: Statistics Canada: Canada's Employment Downturn
The Daily Nov. 12, 2009*



have an auto industry. Working with others we've won increases in the minimum wage in Newfoundland and Labrador, Quebec and Ontario, we've secured additional protection for temporary workers, we've won increases in EI, we've won new legislation around workplace violence and the list goes on.

Along the way we've learned about the need to be responsive to our base. The need for focus and perseverance. How to be creative and imaginative. The need to reach out and build ties. The need for clear objectives and winnable demands. The need to organize and mobilize.

All that we have learned, all that we know, all the strength that we have, and all the resources we can muster will be needed in the time ahead.

We Need to do More:

"China's leadership is terrified by the prospect of social unrest from rising joblessness..."

The Economist

"The era of high joblessness (U.S) will likely change the life course and character of a generation of young adults...It may already be plunging many inner cities into a despair not seen in decades..."

The Atlantic Monthly

"...the turmoil in the labor markets of countries such as Spain and Greece may lead to a new round of worker activism and political instability..."

CNNMoney.com

Workers are the victims of the financial crisis. We've paid

for it with our jobs, incomes, homes, savings and pensions. Now, in the aftermath of the crisis we continue to pay through the prospect of a prolonged period of high unemployment. Although we are the victims of the crisis we are paying for the restoration of the financial power of those who crashed the system through a massive transfer of public finance. And we will pay again through the austerity measures governments have introduced, which undermine public services and social programs.

After two decades of race-to-the-bottom job policies we are now caught in a vicious cycle of job losses, government austerity and more job losses.

The financiers who collapsed the world's economy have effectively restored their power and privilege. It is an amazing accomplishment. But what hasn't been restored is their legitimacy or the credibility of their world view.

And that provides us with a new opening.

Admittedly, our movement is weaker now than in the past. Decades of attacks on workers and unions have left us bruised. But we are far from defeated.

Throughout history the labour movement has been pivotal in the fight for economic rights, political freedoms and social justice. There would be no social progress if workers didn't demand it, mobilize around it and sacrifice to win it.

We are at such a moment in history. The crisis and its aftermath can change everything. It is the moment in time when things get turned around. We must rise to this occasion.

There can be no economic recovery without a recovery in jobs. But what we're offered is a jobless recovery and greater inequality. We are at a time, where we can accept that state of affairs, start seeing high unemployed as normal, regard bad jobs as good ones, or we can organize and build resistance against it.

In the years ahead, despite everything else we do, we need to focus on three ambitious objectives. The first is to build the strength of our union and the vitality of the labour movement, the second is to convince governments there a high price to pay for their continued disdain and third is the need to construct a new model of economic development.

There isn't a blueprint. Instead there is an invitation to join the discussion.

When the Great Depression started in 1929 job loss was widespread and unions were weak. It took a number of years of grinding hardship before there was a concerted, organized fight back. But once workers and the unemployed were mobilized, governments had to respond to the growing political pressure. The resulting changes were far reaching. Today the situation is much different but what is the same is the need for different economic priorities and the political pressure to achieve them.

We will continue fighting for good jobs at the bargaining table and in the political arena. And we will involve more of our members and activists, our friends and allies in the discussions and the actions that will make change happen.

In the months ahead:

1. Local unions, in major centres, will take the lead in planning 'Good Jobs' community forums and Locals across the country will be offered the 1-day CAW workshop on Precarious Work.
2. CAW Area offices, in every province, will host strategic roundtables on winning back the right to organize.
3. The National UPC will schedule a special session of political mobilizing.
4. Departments in the national office will develop Good Jobs in the Green Economy workshops.
5. The national union will sponsor a Jobs Summit on the Post Crisis Economy: Making it ours.

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NOTES:
