
ENGAGING IN EQUITY BARGAINING IN THE NEW ECONOMY: A PRIMER

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WHAT IS THE NEW ECONOMY?

There is much talk these days about the new economy. What does this refer to? In my mind it is not completely new. This so-called new economy has features of the old economy, especially those prior to the welfare state model. The new economy places a greater role on the market as opposed to the state for the redistribution of wealth. In the new economy we see a growing gap and polarization between the rich and poor as a result.

The weakening of the importance of the state is also seen in the attack on public services and public sector jobs, for example through an increase in various forms of privatization and contracting out. This means an attack on good union jobs, a good standard of living and established gains through collective bargaining. As a result there is greater vulnerability for all workers, partly due to a rise in precarious employment or, as former Toronto

mayor Mel Lastman called it in strike by CUPE municipal workers in Toronto, there needs to be an end to 'jobs for life' otherwise known as job security. The new economy is also marked by greater global competition and the mobility of capital that makes Canadian workers, especially those employed in the private sector, more vulnerable to losing production and jobs to competition from low-wage countries around the world. Essentially then, the new economy refers to an attack on good union jobs and the standard of living we struggled for many years to achieve.

Not all aspects of the new economy - our current economy - are negative. The situation is uneven. While that attack on good jobs and the welfare state is going on we have made gains over time and entrenched key equality rights in collective agreements and in legislation such as protection against harassment, equal pay for women, same-sex benefits and more. But it is these gains that are at risk and under attack.

WHAT DO WE MEAN BY EQUITY BARGAINING?

A broad range of issues fall under the umbrella of equity bargaining and that range has grown broader over time. Historically in Canada, there was a greater emphasis on achieving equality for women through collective bargaining, as a result of

the influence of the women's movement in the seventies and eighties and the feminist organizing that was done within the unions to change priorities and practices. Over the past few decades the conception of equity was broadened to address the need for equal rights and treatment for a broader range of equity-seeking groups, which reflected the development of identity politics in Canadian society. In the union movement, workers of colour, gay, lesbian bi-sexual, transgendered and transsexual workers, aboriginal workers, and disabled workers organized for more equal rights and treatment as well. In other words, over the past few decades, equity rights have come to encompass a fuller spectrum of equality issues.

WHAT DOES THE NEW ECONOMY MEAN FOR EQUITY BARGAINING?

Essentially the new economy means tougher collective bargaining especially in some areas of the economy where there is intense competition from low wage workers and on some issues, particularly on costly items such as raising wages for low-wage workers, or raising wages and providing benefits to casual and precarious workers. This new economy is about paying less for labour, not paying more. In the private sector this competition comes from around the globe - wherever production costs may be

cheaper - and in the public sector competition tends to be mainly from the private sector by contracting-out the work, displacing the existing workforce and hiring new private contract employees with lower wages and fewer workplace rights. The increases in wages for women workers as a result of decades of struggle for pay equity legislation are particularly vulnerable under these conditions of the new economy. Especially since Canadian pay equity legislation covered only public sector workplaces or large private sector employers in the case of Ontario, the only province where pay equity legislation covered the private sector.

But, at the same time, many equity issues are not costly, and employers can be forced to address these issues. For example, in some unions there have been advances in areas such as anti-harassment training and human rights training or strengthening seniority systems to benefit equity-seeking groups where they have been employed for a long time, helping gain better access to preferred jobs, more choice over shift schedules, or weekends off.

These important developments to promote equal treatment of equity-seeking groups are not large cost items to employers in the same way that raising wages for a predominantly female workforce is. But these gains are also vulnerable under the conditions of a new economy since they give

workers a sense of rights and entitlement when employers are seeking to have a vulnerable and divided workforce.

WE NEED TO RE-EXAMINE TRADITIONAL UNION PRACTICES

Characteristics of the new economy also expose limits to collective bargaining since many workers are left out of the benefits unionization can bring. For example, non-unionized, part-time and casual jobs are too often excluded from the gains organized workers have made in equity and other rights. Yet, the workers in these jobs are often from disadvantaged, equity-seeking groups, such as workers of colour, aboriginal or disabled workers.

The growth in casual and precarious employment means we need to re-examine traditional collective bargaining practices and approaches to continue to ensure that those who need equity gains the most actually benefit from them. Traditionally, we have seen collective bargaining as the wedge to push for broader coverage. But, is this happening? And if not, we need to push for legislation that will cover a broader range of workers and ensure those who are most disadvantaged and exploited, often equity-seeking groups, are having their rights and standard of living raised.

One simple and widespread practice we should examine is how unions distribute negotiated wage increases. The norm is to negotiate a percentage wage increase. Yet, this contributes to a growing gap because it benefits higher paid workers more than those at the bottom of the wage scale. For example, a 5 percent increase for someone making \$20 an hour will generate an increase of one dollar an hour. For someone making only \$10 an hour, the same 5 percent wage increase will only generate a fifty-cent an hour wage increase. Those who are paid more, benefit more from a percentage wage increase. Yet, surely the worker making only \$10 an hour needs more money to survive.

Something as basic as this can start to make a difference. It is limited but it starts to open the door to the broader discussion of reviewing our common practices and re-examining them in order to ask who is benefiting the most and ensure we address the needs of the lowest paid workers who are having the hardest time and who are often members of equity-seeking groups.

Related to this is the extent to which we continue to negotiate wage adjustments and special increases for higher paid and skilled workers. Should unions continue to benefit those that the market favours because they are seen as skilled, because there may be a skills shortage, because it is harder for employers to attract and retain these

workers? Most unions have become complicit in rewarding skilled workers more because of these pressures. However, unions should re-examine how we distribute or redistribute the wage cost we extract from the employer and argue that we don't want more money going to the higher paid, we want it going to benefit the lower paid workers.

Or, what about negotiating top-ups for paid parental leave? There was a big push in the 80s to negotiate top-ups - employer contributions to supplement unemployment insurance benefits for maternity leave. Since then the government has extended employment insurance benefits from pregnant mothers to also include fathers through parental leave provisions and to cover adoption as well as natural childbirth. Yet, few unions, with the notable exception of the Public Service Alliance of Canada (PSAC) with the federal government, have continued to push the employer to pay the top-up for this expanded range of parental benefits. But many more have not. We need to recapture our earlier momentum on this issue and continue to push employers, through collective bargaining, to supplement the low employment insurance benefits available for parental leave.

We need to continue to look at and re-examine all of our union practices using an equity lens to critically evaluate the effects - who is benefiting, who is not and what we

should be doing to promote greater equity.

Ultimately, it comes down to, "how do we get our members committed to making these changes?" This is an important issue precisely because they are influenced by the dominant arguments and beliefs behind the rise of the market, the rise in inequality, and individualism - the need to make it on your own merit. So, we have a lot of work to do within our membership to counter those messages and to really get a solid membership commitment to do things differently and to push the agenda on equality in standard ways such as how we negotiate wage increases and by continuing to push a broad range of equity issues.