5th BIENNIAL CONVENTION

Building for Tomorrow Together

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DECENT WORK IN A DECENT SOCIETY

INTRODUCTION

Most of the current debate on work has focused on the number of jobs being created. But there is an equally important issue to consider, for example: What kinds of jobs are being created? Do they provide an adequate and fair income? Do workers have some job security and benefits? In short, do the jobs being created constitute what the International Labour Organization (ILO) calls *"decent work"*.

The ILO says: *"Decent work means productive work in which rights are protected, which generates an adequate income, with adequate social protection. It also means sufficient work, in the sense that all should have full access to income-earning opportunities."* It further holds that the choice of full employment and quality jobs need not be counterposed to lower rights and minimum wage jobs – *"... employment, income and social protection can be achieved without compromising workers' rights and social standards."*

The purpose of this policy paper is to present our view of "good" or "decent" jobs as an alternative to the Harris Conservative Government's numbers game. This is accomplished in:

- Part I, by briefly examining the dramatic growth of inequality and the changing nature of the job market;
- Part II, by examining the treatment of those in our society who are disadvantaged and who are being forced on to Workfare or employed in sweatshops;
- Parts III and IV, by examining the role of government and, particularly, the need for improved and enforced employment standards;
- Part V, by looking at the problems of work, training and apprenticeship;
- Part VI, documenting the impact of unions on work and income;
- Part VII, contrasting the advantage of unionization to the severe restriction on

unions through the implementation of "Right-to-Work" laws; and

- The Action Plan, by setting out our vision on the need for policy changes.

PART I
THE GROWING INEQUALITY GAP AND THE CHANGING LABOUR MARKET

As most of us know, whether we are currently working or "between jobs", the world of work is undergoing tremendous change. The manner in which work is organized and with what new technologies is also undergoing a continuous revolution and demanding different skills. Employers are restructuring "their" workplaces and downsizing – that is, throwing us out of work.

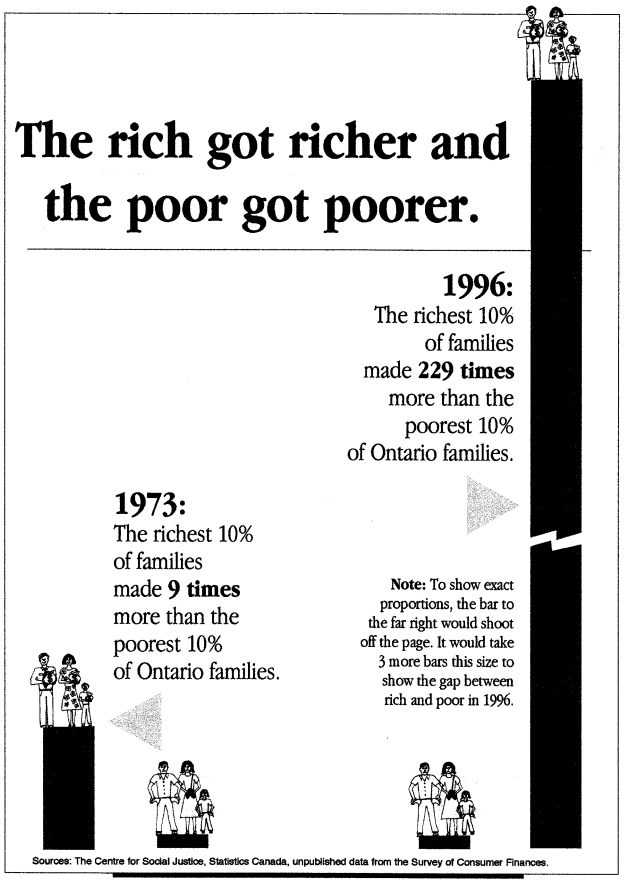
The sectors of the economy in which most people work are undergoing constant change such that, while more manufacturing products are being produced than ever before, they are being produced with an ever shrinking percentage of the workforce. The pressures for downsizing, cost cutting and work intensification are now impacting on the public and broader public sectors as well as industry. At the same time, most growth in employment is found in the largely low-wage, no job security, non-unionized, private service sector and self-employment.

The competitive pressure of an increasingly global capitalist economy, the need to increase productivity and the desire to be profitable are key factors confronting the world of work and compelling such change.

At the same time, the moves by government to cut funding for vital social services, to reduce enforcement of employment standards and health and safety legislation, to erode environment protection legislation, to deregulate, to increasingly withdraw from the economy and foster privatization, and to cut progressive taxes (income), have all led to an increasingly inequitable job market.

Just last year a report on the growing inequality between the rich and poor in Canada called *The Growing Gap* led the Ontario Federation of Labour to initiate a series of workshops across the province. Exhibit 1 shows that, in 1973, the richest 10% of families had an income *nine times* more than the poorest 10% of Ontario families. By 1996, the richest 10% of families made *229 times* more than the poorest 10% of Ontario families.

EXHIBIT 1

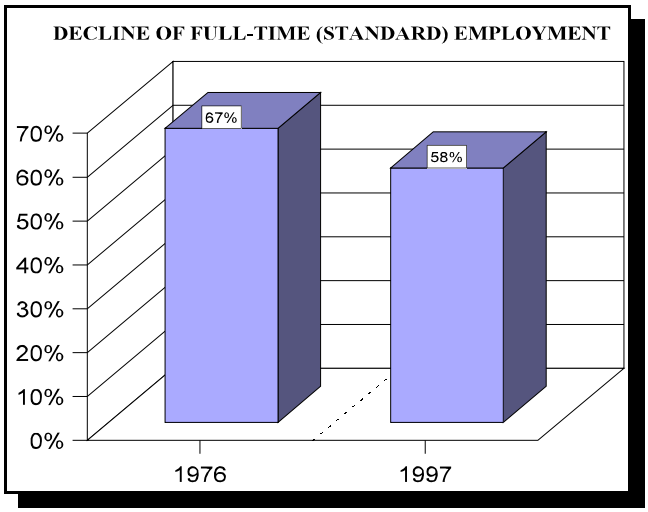


This "growing gap" in our society at large is reflected just as dramatically in the workplace and the income levels of everyone working and living in Ontario.

Key trends in the workplace include the growth of part-time, contract, temporary and self-employed work. This type of work is often termed "non-standard" work or "contingent" work, given its insecure, temporary nature.

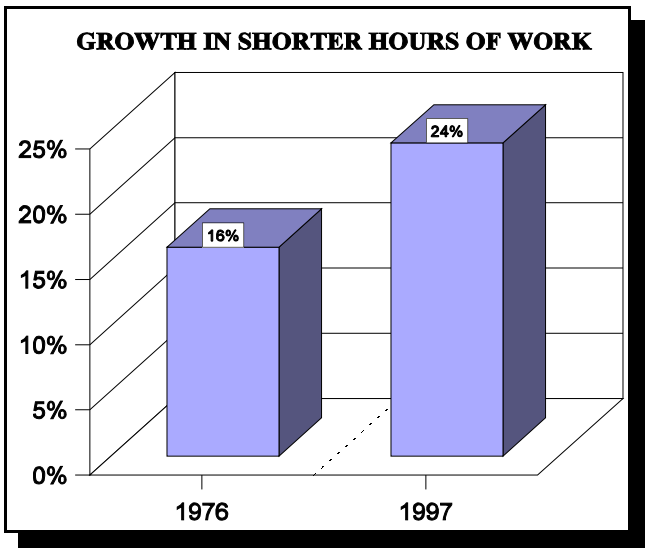
Meanwhile, the percentage of workers in full-time or standard employment (35 to 40 hours) has declined.

EXHIBIT 2



During the same period, the proportion of individuals working shorter hours has increased substantially from 16% in 1976 to 24% in 1997.

EXHIBIT 3



So today, part-time jobs make up almost one in five jobs, whereas in the mid-1970s, they consisted of one in ten. Nearly a third of part-time employees (31.5%) would prefer full-time work. This is three times the proportion of those who wanted full-time work in the mid-1970s. About 50% of those part-timers are young people. Nearly 25% of all the paid employment of women is part-time.

While shorter hours (and pay) is prominent for many, there is also a trend towards longer hours and more overtime for others. More and more workers are pressured into "voluntary" overtime so as to maintain their employment.

As *The Growing Gap Report* notes: "A remarkable symmetry is emerging. One in five jobs are now part-time. Similarly, almost one in five employees worked overtime in any given week in 1997." Over half of overtime today is unpaid. On average, the overtime worked is equivalent to an extra day per week – an additional nine hours. While such unpaid overtime is common amongst non-unionized employees, it is also demanded by employers of *salaried* unionized employees in the broader public sector and in the private service sector. This contrasts with the paid overtime in the *waged* industrial and resource sectors.

In short, legislated improvements to employment standards and collective bargaining are needed to ensure payment for overtime on the one hand, and on the other, to curb excessive overtime as one essential component in a more equitable distribution of work. The standard work week itself (40 hours) needs to be reduced with no loss in pay, so as to further the distribution of work and assist job creation.

Changes in the occupations and sectors in which people work have also changed. Over the 1960s and 1970s, this employment growth was primarily in the public and broader public sectors, as Ontario built a universal health care system, a public education sector and quality public

services. As these areas have been downsized by governments, the private service sector has become the center of employment growth. New services (and new ways of identifying services) show managerial, professional and particularly service occupations, as constituting a much larger percentage of the workforce. Despite the titles, most of these service jobs pay considerably less than those in manufacturing and resources or the unionized broader public sector.

There have been other developments in the workforce:

- Demographic changes have occurred, such as large increases in immigration. Between 1987 and 1996, annual immigration doubled and tripled what it had been in the previous decade, bringing to Ontario and Canada needed and important talents and skills.

- Today's youth (15-24 years) form a smaller proportion of the labour force, falling from 24% in 1976 to only 14% in 1997.

- At the same time, the preceding decades saw more women entering the workforce. Women with a spouse and children living at home made up 52% of the workforce in 1981. They grew to 71% of the workforce by 1996.

Unemployment

An important factor in the changes in the labour market and the decline of "decent work" is the downward drag of mass unemployment. It is the growth of unemployment on the one hand and the cuts to the social safety net by government on the other, that puts a downward drag on everyone's income level. Unemployment in Ontario averaged above 9% for six consecutive years (1991 - 1996). This is the longest period of sustained unemployment since the 1930s. In contrast, after the recession of the early 1980s, unemployment fell to 5% after five years. Five years after the bottom of the 1991-92 recession, unemployment still exceeded 9%. It was only in 1997 that unemployment began to fall significantly, although it still stands at 7% (May 1999).

The official unemployment figures do not tell us the full extent of the jobs crisis in Ontario. The official figures only tally those who meet the definition of "actively looking for work", and thereby exclude those Ontarians who would like to work but are so discouraged by the depressed conditions that they have given up looking.

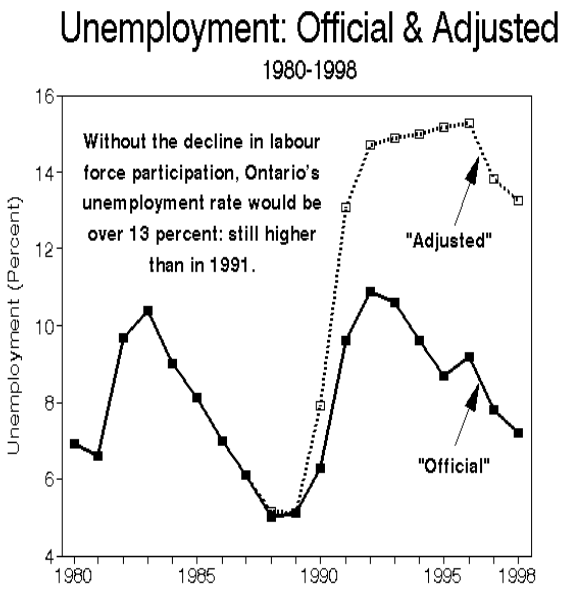
Including discouraged workers in our assessment, called the labour participation rate, provides a more accurate picture of the state of work in Ontario. In 1989, the participation rate was 70%. By 1995, it had fallen to 66%. There has been no recovery in labour force participation since then, even though there has been some modest growth in employment.

This decline in labour force participation represents not only a huge step backwards for Ontario's economy, not only untold hardship for hundreds of thousands of citizens, but also a massive downward drag on those employed. Hours of work, compensation levels, benefits and job security are all impacted negatively. Employment standards and their enforcement therefore becomes more important than ever.

This is particularly true of the two-thirds of the workforce that lacks the protection of a collective agreement. Even unionized workers feel the downward pressure of the working poor and the unemployed when they negotiate a new collective agreement or try to maintain employment levels in the workplace.

Exhibit 4 shows the official unemployment rate, plus a rate adjusted to account for the decline in labour force participation due to so many discouraged workers. The official unemployment rate would be 13% if these workers were included.

EXHIBIT 4



Youth Unemployment

The problems of discouraged workers and hidden unemployment are even more ruinous and tragic for young people than for the workforce as a whole. The official unemployment rate for youth (15-24 years), as of January 1999, fell for the first time since September 1990 to 13.6%. This is still twice the rate for the population as a whole. From a labour force participation rate of 74% in the pre-recession period, the current situation reveals a dramatic decline to a rate of 62%. In short, **youth in the 1990s are living in the 1930s labour market.**

While the overall picture finally indicates some economic recovery from the recession of the early 1990s, as seen in increased job creation numbers, many jobs are "precarious" and provide inadequate income levels. The Harris Conservative Government's citing of job creation figures tells us nothing about the quality of the jobs available, creating the false impression that people are finding good jobs with fair incomes, some job security and benefits. In fact, the jobs being created fail to meet the basic ILO definition of "decent work". Furthermore, unemployment is still the harsh reality for hundreds of thousands of Ontarians.

PART II
CONSCRIPTED LABOUR

Workfare

It has long been the policy of the Ontario Federation of Labour and its affiliated unions that all workers have the right to organize themselves and to bargain collectively to improve their situation. Workers exercised this right before it was codified in any law. Bill 22, *The Prevention of Unionization Act*, was passed by the Harris Conservative Government to legally prevent Workfare recipients from unionizing and improving their work life conditions.

The roots of this government's attitudes towards the poor go as far back as the Elizabethan Poor Laws of 1601. Here the view was that there were the "deserving" and the "undeserving" poor. The "undeserving" poor are both feared and loathed. While "decent" citizens are willing to make a contribution to their society, the "undeserving poor" must be forced to do so. The deserving poor were dependent upon charity.

This thinking is not so different from that of the current Government of Ontario. This government uses legislation as a legal gauntlet to decrease the number of our fellow citizens who need some form of assistance. By re-working definitions and creating complicated procedures, it becomes harder to receive and continue receiving social assistance, but easier to lose it. This is a hardship which this government has increased with Workfare, the welfare allowance cuts in October 1995 and the many other cutbacks to programs and services.

In countering this government's view, it is useful to re-examine the perspectives of an important report commissioned by a previous provincial government, namely the 1988 Report of the Social Assistance Review Committee called *Transitions*. It held that:

> "All people in Ontario are entitled to an equal assurance of life opportunities in a

> society that is based on fairness, shared responsibility, and personal dignity for all. The objective of social assistance, therefore, must be to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life."

Further, it found during its hearings:

> "... overwhelming evidence that the vast majority of social assistance recipients would be willing to take advantage of any opportunities provided them to help achieve self-reliance, without being compelled to do so."

As we have already noted, the realities of the present labour market pose a serious challenge to those entering or returning from a period on social assistance. Even in the current economic upturn, there are not enough jobs for the officially unemployed, for the discouraged workers, nor for the involuntary part-timers who are looking for full-time work and those presently receiving social assistance.

Another challenge is that many poor people work, but this does not guarantee an escape from poverty. As we have seen, there is a polarization of earnings in this country. The economic condition of low wage earners is deteriorating as the number of low wage earners increase. This government's labour market agenda (e.g. freezing the minimum wage, cutting back on pay equity, employment equity and restrictive labour relations amendments) contributes to this deterioration. So does their 22% cut in social assistance!

What people want, and need, are qualitatively better opportunities for "decent work" and to be able to upgrade their education and skill levels. They want and need employment supports, such as access to quality affordable child care when they are seeking employment or at work. This should be seen as an investment in the future social stability and prosperity of our province.

Instead, the Government of Ontario is attracted to the concept of Workfare, which to us means conscripted labour as a condition of eligibility for social assistance. With the federal government ending the Canada Assistance Plan and replacing it with the *Canada Health and Social Transfer Act*, provinces can now implement programs such as Workfare.

Our experience with the OFL's Bad Boss Hotline, wherein thousands of people across the province called regarding employer mistreatment, convinces us that there is a segment of the employer community in this province that is willing to exploit workers. This segment will very likely grow in response to this government's official sanction of the use of conscripted labour through Workfare.

The first area the government tried to impose Workfare was on the social service agencies. To date, the government has failed for a number of reasons, first and foremost because of the decency and common sense of many of those involved in this sector:

- Agencies are aware of the administrative burden that Workfare would impose on their already overextended resources.

- Agencies are aware of the negative impact of Workfare on the availability of volunteers. Many social assistance recipients volunteer time as both self-help and as a contribution to their community. Volunteers do so because they want to, not because they have to. In *Sustaining a Civic Society*, the 1997 Report of the Advisory Board on the Voluntary Sector held that the first principle of voluntary action is that it is willing and non-salaried and thus a conscripted worker is not a volunteer. In 1996, the labour movement and the voluntary sector developed and endorsed a statement, *Principles on the Role*

of Volunteers and Paid Workers in Non-Profit Organizations and Public Institutions, regarding the mutually important, but distinct role of paid work and volunteer activity.

- The labour movement expressed its opposition to using United Way dollars for funding agencies which could become involved in Workfare and displace existing workers with conscripted workers.

It is possible that this government may strong arm some social service agencies to become involved with Workfare as it becomes more desperate to have the program "work". The government has talked more about the public sector Workfare placements since their re-election. To make matters worse, they now envision the extension of Workfare into the *private sector!*

There is a further reason to oppose Workfare, namely its downward drag on the wages and benefits of others – including those of us who are unionized. In New York State today, there are several tens of thousands of people involved in Workfare programs. Many of them are laid-off workers who find themselves forced into Workfare and, in some cases, working in places with a unionized workforce. Not only are they receiving very little compensation while employers get a cheap labour pool, but the unionized workforce now faces the bargaining table with such "employees" in their midst. Why would employers offer collective agreement improvements in such circumstances? Indeed, it would be cheaper for them to block any and all improvements and, if necessary, try to replace unionized workers with the cheap labour of those on Workfare.

Should Workfare continue and increase in the number of participants, it will become a downward drag on everyone's income. **Workfare participants work for a welfare cheque, not a pay cheque**.

The labour movement must reaffirm its opposition to Workfare and to the legislation – *The Prevention of Unionization Act* – that excludes workfare recipients from having the democratic right to organize themselves and bargain collectively to improve their situation.

The Race to the Bottom

Another form of conscripted labour is now found in sweatshops and sweatshop-like workplaces. The coercion here is more the brutal economics of poverty and unemployment than the legal conscription of workfare.

The word "sweatshop" was first used in the 19th Century to describe a subcontracting system in which the middlemen profited from the exploitation of workers. These middlemen earned their profit from the margin between the amount they received for a contract and the amount they paid workers with whom they subcontracted. This margin was said to be "sweated" from the workers because they received minimal wages for excessive hours under unsafe conditions.

A sweatshop is a workplace where workers are subject to extreme exploitation, including the absence of a living wage or benefits, poor working conditions and arbitrary discipline. Sweatshops are often lawless operations in other ways, evading not only wage and hour laws, but also not paying taxes, violating fire and building codes, seeking out and exploiting undocumented immigrants and operating in the underground economy, hidden from public view. Today, many apparel and other workers around the world labour in exploitative conditions unseen since the turn of the century: long hours, sub-minimum wages, unsafe workplaces, harassment and child labour.

Apparel production is labour-intensive: set-up costs are low, barriers to entry are few and rates of return can be high. Therefore, many low wage developing economies with abundant labour supplies have attracted heavy investment in the apparel industry. This has resulted in consistent growth in apparel production levels among low

wage supplier countries with a focus on selling to the world, particularly to developed economies.

But not all clothing and textile industries are found in developing countries, they are also found in Canada and the United States. Indeed, employment in these industries has actually increased in Canada over the last several years.

Most firms respond to competitive pressures by trying to drive down labour costs through sweatshop conditions. Today's sweatshop is a product of the global, private, for-profit economy. Large retailers and manufacturers, seeking greater profits in a highly competitive industry, contract production to a global network of contractors located wherever labour costs are low, whether in China or Honduras, the U.S. or Canada.

Sweatshops exist in an increasing number of manufacturing and service industries. It is in the apparel sector that sweatshops are the most visible. It is the extreme example of the general lowering of living standards and corporate attempts to evade responsibility for workers and their working conditions.

There are too many examples of sweatshop work currently in Ontario – particularly in Toronto. They exist in various sectors, in workplaces and amongst home workers. Home workers are paid on a piece-rate basis by subcontractors, often beneath the minimum wage (they are legally entitled to receive 10% above the minimum wage to compensate for their overhead costs).

Most home workers do not receive any of the provisions of the *Employment Standards Act* including overtime pay, vacation or statutory holiday pay. Since employers conveniently consider home workers "independent contractors", no contributions are made to Employment Insurance (EI) or to the Canada Pension Plan (CPP).

The labour movement needs to be both aware of these ominous developments and vigilant in fighting for workplace improvements. Unionization is one key way to better the lives of working people in this sector. Another is to improve the provisions and enforcement of employment standards. Part IV of this paper on the *Employment Standards Act* and the Action Plan map out the necessary changes.

Given that sweatshop conditions exist around the world, it has become more and more obvious that ***international employment standards*** and ***codes of conduct***, in addition to trade union vigilance, are necessary to stop the global growth of sweatshops.

Sweatshop-like conditions increasingly exist well beyond the walls of sweatshops themselves. What is termed the contract service sector – cleaners, security guards, certain food outlets and many home care workers – suffer from a competitive bidding process which drives down wages and working conditions. With poor wages, minimal benefits, discriminatory travel policies, little health and safety protection, home care workers are an obvious example of the problems faced by workers in this growing sector.

This race to the bottom can only partially be overcome through unionization. New worker friendly laws and rules of governance need to be enacted. Unionized home care workers have no successor rights and find their collective bargaining improvements can put their agency of employment at a competitive disadvantage. When their employer is under bid and loses a contract, they find themselves unemployed and their collective agreement dissolved.

PART III
DECENT WORK AND THE ROLE OF GOVERNMENT

The dramatic rise in income disparity, as shown in Exhibit 1, is mainly the result of a lack of access to employment for those families at the bottom of the income ladder. In 1973, nearly two-thirds of low-income families had some work. Today, we

find that virtually three-quarters of such families do not have any work.

This is precisely why the Ontario Federation of Labour (OFL) and its affiliated unions have long called for the governments of the day, both federal and provincial, to initiate policies for full employment.

This emphasis on full employment is due to the reality that incomes from employment remain the central determinant of living standards for the vast majority of people in a "market" or capitalist economy.

The growing disparities in what people can earn for themselves would be even more significant – poverty, homelessness and social strife – had it not been for the mitigating impact of income transfers and social programs from government. These programs have saved hundreds of thousands of families from a free-fall into destitution. They include: unemployment insurance benefits, social assistance, pensions and income supports for the elderly and, what was family allowance, now the child tax credit. These provisions, together with others such as funding for the construction of affordable housing, the shelter provisions of welfare cheques and tenant protection laws, have been vital in inhibiting the gross inequalities of market economies and labour markets.

Given the battles over the last several years in Ontario, we cannot forget the two most politically prominent equalizing programs – universal health care (Medicare) and public education. Whether rich or poor, Ontarians and, indeed, all Canadians, have been able to receive quality medical attention and education.

Yet it is these very programs and services, designed to compensate for the inequalities of the job market, that have been either cut or seriously eroded by both the federal and provincial governments. It is, therefore, precisely these income transfers and programs that the trade union movement has advocated rebuilding and reconstituting in previous policy papers, convention resolutions and in the Ontario and Federal Alternative Budgets.

Working people cannot afford to be without these services any more than we can afford to be without work.

In short, economic growth is vitally necessary, we need it for full employment. At the same time, growth alone will not bring about "decent" work. Government intervention in the economy with policies for full employment plus a more equitable distribution of income through social programs, such as those highlighted above, are essential.

Previous policy papers on the economy have detailed the role of government in job creation and the contributions of the public and private sectors (see *Economic Renewal – Our Vision*, 1991, and *The Public Sector and the Social Economy*, 1997).

All of the policy initiatives highlighted above need to be environmentally sustainable. Not only do far too many workplaces contain environmental hazards, but our communities, indeed our planet, suffers from increasing pollution. From the air we breath, to the food we eat, to the viability of life in the world's oceans, one can document the disastrous effects of pollution. Economic policies can, and must be, in harmony with the environment, not counterposed to it.

One example with both significant employment potential and positive environmental effects, is to be found in the construction sector. The re-fitting or retro-fitting of homes, offices and plants, so that they are more energy efficient, healthy, and water conserving, are both possible given new technical developments and necessary given the finite nature of energy resources and, indeed, human life.

The following section outlines one prime example of the role of government in ensuring decent work

through the legislating of basic standards of employment.

PART IV
THE NEED FOR IMPROVED AND ENFORCED EMPLOYMENT STANDARDS

The following outlines what employment standards consist of, their purpose and then proceeds to examine key provisions of the legislation that need improvement, inclusion and enforcement.

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Most, but not all, workers in Ontario are covered by the *Employment Standards Act*. It is the law which sets out basic rights of employment. These rights or standards include:

- Minimum wage:
  $6.85/hour for most workers;
  $6.40/hour for students under age 18;
  $5.95/hour for liquor servers; and
  $7.54 for home workers.
  We say more about this provision below.

- Hours of work: maximum 8 hours/day and 48 hours/week.

- Overtime pay: one and a half times hourly rate of pay for every hour you work above 44 hours/week.

- Vacation pay: 4% of your earnings or two weeks paid vacation per year.

- Public Holidays: there are eight legislated public holidays per year.

- Termination notice or pay instead of notice: if you get fired without written notice, you get one week of pay for every year you worked to a maximum of eight weeks.
- Severance pay: after five years of employment with a large employer, you get one week of pay per year of employment up to 26 weeks.

- Pregnancy and parental leave: Pregnancy leave is a right that enables pregnant women to take 17 weeks of unpaid leave from work. Parental leave is a right that enables natural or other new parents up to 18 weeks of unpaid leave when a baby or child comes into their care.

These are the key provisions of the *Employment Standards Act*. As can be seen, they are very minimal, even excluding mid-morning or afternoon breaks or sick leave. Worse yet, government cutbacks have meant less and less enforcement of what standards exist. Even a low minimum wage can be violated with impunity if the government is not utilizing its powers of enforcement.

The Purpose of Employment Standards

The purpose of workplace standards is to protect employees from employer abuse. There is a power imbalance in the labour market. Vulnerability is not a personal trait of some or all workers. It is an objective situation in the labour market, wherein the employer has the power to unilaterally deprive an employee of her/his livelihood. The employee, on the other hand, has little countervailing power. Minimum labour or employment standards put a small hurdle in the way of the employer's unilateral exercise of this power where it harms workers. When there is high unemployment, as there is now and has been for all of this decade, the employer's power is magnified as the employee's power to stay or leave a job is often only the power to choose between unjust employment or unemployment and poverty.

The Role of the Ministry of Labour

In recent years, the Ministry of Labour has referred more and more often to a concept of "*self-reliance*" in the workplace, implying that it is the responsibility of employers and employees to *jointly* ensure compliance with employment

legislation. This further implies that it is the government's responsibility only to make the laws and not to enforce them. It is our view that the Ministry of Labour should be responsible for the enforcement and collection of its orders. The labour movement opposes the privatization of these functions. Organized workers should not be denied access to publically funded complaint procedures under the *Act*.

It is not only those who work for minimum wages and working conditions who benefit from good employment standards, such standards set the floor for everyone working in Ontario, unionized or non-unionized. Take away the basic floor of standards and everybody falls through, not just those at the bottom.

Necessary Employment Standards Improvements

Despite changes in the labour market with more and more employees facing what is called *contingent work*, that is part-time, contract and "self-employment", and despite the lower participation rate of people in the workforce and higher unemployment, employment standards remain inadequate, poorly enforced and the Ministry of Labour espouses the flawed notion of self-reliance.

The re-elected Harris Conservative Government is now poised to act on its long desire to undergo what it terms a "comprehensive review" of the *Employment Standards Act*. This poses a challenge as well as an opportunity for us. The government will want to further diminish the current rights of employment in the interests of employers and their desire for further "flexibility" and those of us representing working people will want to strengthen employment rights.

Listed below are recommendations that will offer increased protection to employees.

- ***No exemptions from minimum standards***

  The *Employment Standards Act* (ESA) has long, long lists of people who are not covered by some or all sections of the *Act* – from baby-sitters, to cab drivers, to farm workers, to hotel workers, to camp counsellors, to many professionals, to group home workers, and so on. The ESA should be simplified – by ensuring that one law applies to everyone.

- ***Equal pay, benefits and rights for part-time workers***

  More and more jobs are part-time. Employers are replacing full-time jobs with part-time ones and creating new part-time jobs, then treating part-time workers as second class workers – lower pay, no benefits, erratic scheduling. In Quebec, part-time workers must be paid the same wage as full-timers until their wages are twice as much as the minimum wage. In Saskatchewan, there is a requirement for prorated benefits for part-timers (those who work more than 15 hours per week) and for posting schedules in advance. If part-time work is the way of the future, then the ESA of the future has to offer full recognition and protection to part-time workers.

- ***Full protection for home-workers and tele-workers***

  A critical issue for the ESA in the 21st Century will be to ensure that people who work from home are recognized as employees and fully protected by the ESA and other employment legislation, such as the *Occupational Health and Safety Act*, whether they work on a computer, on the telephone, stuff envelopes, assemble jewellery, or sew garments.

- ***Clear distinction between employees and independent contractors***

  The employment trend of the 1990s is calling people self-employed when they are not.

Cleaners come in to work one night and are told "Sign here. You're no longer working for me, you're in business for yourself." The work hasn't changed at all, but the cleaner is no longer protected by the ESA, or health and safety or workers' compensation laws. The same thing is happening to all kinds of sales people, personal service providers, hotel workers, garment home-workers, house painters and even workers in factories! The *Employment Standards Act* should spell out the legal "tests" that make the distinction between an employee and a truly independent contractor, as the *Ontario Labour Relations Act* does. It should be clear that, as long as employees are dependent on an employer, they are employees for the purposes of all legislation and thereby have the full legal protections of such.

- ***Recognition and accumulation of service with different employers***

  More and more people are working more than one part-time job or several contracts in a year in order to survive. They may work full-time but not for one employer, or all year but for more than one employer in a sector – retail sales, restaurant work, tele-marketing, etc. The ESA should be changed so that they can accumulate their service in a sector in order to qualify for pregnancy and parental leave, public holidays and termination and severance pay.

- ***Joint responsibility between employers***

  Contracting out – it is the employers' strategy of the 1990s. Large corporations contract out production to smaller ones in order to avoid having employees and the costs and the responsibilities that go with it. Although the contractors end up with legal responsibility for employment conditions, the large corporation still has overall control in that they constitute the market, dictate the price they will pay for the goods or service and thereby, indirectly, dictate compensation levels and working conditions. We would, therefore, propose that both companies should be held jointly responsible for meeting the rules and regulations set out in the ESA.

- ***Restore the Employee Wage Protection Program***

  The Employee Wage Protection Program, enacted under the previous NDP Government to ensure that employees caught in a workplace closure receive at least a portion of the monies owed to them, should be restored and funded directly by employers. Too many workers are being left high and dry by employers through no fault of their own. The travel industry has created a fund to ensure that stranded travellers can be recompensed – it is only fair that employers take responsibility for meeting their obligations to their employees.

- ***Strengthen the anti-reprisal measures in the ESA***

  Both the *Occupational Health and Safety Act* and the *Ontario Labour Relations Act* have stronger clauses to protect employees from reprisals when exercising their rights under those *Acts*. We recommend that the ESA have an equally strong clause that allows an Employment Standards Officer to attend a workplace immediately on being informed of a reprisal and to write an order that would protect the employee's job for a substantial period of time.

- ***Prohibit unjust dismissal***

  Without strong anti-reprisal measures and a prohibition on unjust dismissal, employees without the protection of collective agreements will never be able to genuinely exercise the rights granted to them in the *Employment Standards Act* or other

employment legislation. We have pointed out over and over again that more than 90% of employees who make claims under the ESA are no longer employed by the employer alleged to have violated their rights. This is not because they file ESA claims as revenge for having lost their employment. It is because they know that they will lose their jobs, and therefore their livelihood, if they make a claim against their employer. Generally, when employees have to choose between a continued violation of their minimum standards or unemployment, they choose the former. In periods of high unemployment and increasing instability of employment which we have experienced this decade, that choice is even more likely.

Recent amendments to the ESA require unorganized employees to choose between the Employment Standards Branch and the courts for redress when they have been terminated without just cause. The courts have recognized rights related to termination that are greater than those granted in the ESA. But litigation through the courts is generally too costly and lengthy for most employees to access. The ESA should, therefore, be amended to include a prohibition against unjust dismissal.

- ***Overtime pay after 40 hours***

A modern *Employment Standards Act* would provide for more paid leave time and a substantial reduction in the work week itself. Despite employers' insistence that they require even greater flexibility in establishing hours of work and overtime, the 37.5 or 40 hour work week is common in almost 80% of collective agreements in Ontario. Within Canada, the federal government has legislation enshrining a 40 hour-week standard as does British Columbia, Saskatchewan, and Manitoba. Now Quebec has moved to lower its work week. The *Fair Labor Standards Act* in the U.S. has maintained a 40 hour week for the past 60 years.

The overtime premium in Ontario is still only paid after 44 hours. Instead, overtime should be standardized under the law to apply time-and-a-half payments after 40 hours per week and/or eight hours per day.

All overtime hours after 40 hours in a week and eight hours in a day should be voluntary.

Increasingly, European countries are looking at reducing the standard work week to encourage employment growth. France and Germany recently adopted a 35-hour week and Italy declared a 35-hour week by 2001. The federal government, for purposes of unemployment insurance benefits, already considers that 35 hours constitutes a standard work week. *The Ontario government should now move to a 35 hour work week as a major step to providing a more equal distribution of work and more jobs.*

- ***Limit Weekly Overtime***

The maximum work week in Ontario is currently 48 hours, but a largely unenforced permit system allows employers to easily obtain annual and special permits to supplement the 48-hour weekly maximum. With no enforcement, many employers do not bother getting the permits. Employers say that they find the process of obtaining permits confusing, cumbersome and time-consuming. The recent Red Tape Review Commission argues that employers need flexibility to adjust work schedules based on market fluctuations. It, therefore, recommended increasing the maximum work week from 48 to 50 hours per week, or averaging work time to a maximum of 200 hours over four weeks.

It is the position of the OFL that such a recommendation takes us in totally the wrong

direction. Increasing the allowable overtime to 50 hours per week would only exacerbate the existing labour market problems of poorly distributed working time, income inequality and unemployment.

Instead legislative mechanisms should be explored, such as reduced work time, with the goal of more equally distributing work. Legislative provisions in the *Employment Standards Act* and beyond, should be initiated to facilitate the hiring of additional employees rather than current employees working overtime.

- ***15 Minute Breaks***

Most employers and employees have two rest breaks a day. Many think that this is provided for in the *Employment Standards Act*, but the *Act* is silent on the question of these breaks. Yet such breaks, initiated by the unionized workers, are today the norm in factories, offices, retail stores and most other workplaces. The ESA should be updated to reflect this reality and specify the longstanding practice of two 15-minute paid breaks during each seven or eight hour day, in addition to a lunch period.

- ***Minimum three weeks vacation after five years***

The ESA provides exceptionally low standards for vacation entitlements. Currently, workers are allowed only two weeks vacation after completing one year of service. As it stands, a worker can, and many do, receive only two weeks of vacation each year until retirement. Vacations historically recognize that people need a break for social, community, health and family reasons.

It is our view that we should join many other jurisdictions in Europe and increase basic entitlements in the *Act.* At the very least, the *Act* should be amended to not only allow two weeks paid vacation after one year, but should allow three weeks vacation with pay after five years of employment. The *Task Force on Hours of Work and Overtime* recommended this change and argued that Statistics Canada figures show that three-week vacations had become the norm with most companies with more than 20 workers.

- ***Sick Leave, Family Leave and Bereavement Leave***

The Government of Ontario's *Future of Work* document poses the question of how changes in hours of work flexibility can help working parents. Surely a critical issue for people and working parents is paid sick leave. The *Act* is silent on the issue. To bring the ESA into the 21st Century, we must ensure that employees have full job protection and entitlements to paid sick leave. The standard should be set at one day per month, accumulated sick leave.

Paid Family Leave is critical for working parents. Workers, particularly women, are vulnerable to job loss when family emergencies arise. Just as maternity and parental leave protections recognize the social need for such leaves, so too must society ensure workers are protected from job loss through temporary ill health of family members. Full job protection and entitlement to paid family leave must be established as a basic standard under the ESA to a minimum of five days per year.

The *Employment Standards Act* is also silent on bereavement leave. While most workplaces with collective agreements have enshrined the rights of workers to take leave when a loved one or family member die, it is contingent workers who are most vulnerable to job loss and wage loss when a family member dies. Again, basic bereavement leave must be enumerated in the ESA for all workers.

♦ ***Raise the Minimum Wage***

Finally, minimum standards should ensure that those who had regular employment earned a living wage and would not need to rely on the social safety net to supplement their income. That is not the case today. The minimum wage has fallen far below increases in the cost of living. Therefore, a key way in which the downward drag on income levels can be ameliorated and the lives of the working poor improved is to raise the minimum wage.

The Ontario Federation of Labour has long held that the minimum wage should be indexed to 70% of the average industrial wage. The general minimum wage has been frozen by the current government at $6.85 since January 1995. Overwhelmingly, such work is part-time or contract. But even if the impossible happened and someone was able to work 40 hours per week all year at minimum wage, the worker would only earn *$14,248.^{oo}*. This would be the gross income! *This is $3,000.^{oo} less than the poverty line for a single person in an Ontario city!*

PART V
WORK, TRAINING AND APPRENTICESHIP

Today, job training has also come under attack. Working people confront chaos and inequities in training and employment services. The individual worker is now burdened with paying the costs of their own training, which was previously provided without fees or contributions.

On one hand, we have a federal government that has abandoned its commitment to the labour market, apprenticeship and skills development. It chose instead to siphon off our unemployment insurance funds and redirect them to the provinces for so-called "training" of the unemployed in a transparent move to silence provinces critical of the federal cuts to welfare transfers and training programs. The federal government actually enticed the provinces with promises that 55% of social assistance recipients would qualify for the devolved UI (Part 2) dollars under new unemployment insurance rules. Meanwhile, the federal government cut general revenue spending on training in Ontario from $764 million in 1995-96 to only $79 million in 1997-98.

On the other hand, we have a provincial government that wants to get this "hot money" – about $900 million by Premier Harris' count – and to use it pretty much any way it sees fit, without having to meet any standards on spending or listen to the views of labour. One concern is that the Government of Ontario will entertain using a portion of these monies for their Workfare program.

This is the same provincial government that has stated publicly that it will not, on principle, fund labour-based training programs (like the BEST literacy project) and that has removed the legislative requirement that corporations negotiate adjustment programs for workers hit by closures. This is a government that contributes to social and economic inequality – not the betterment of working people.

Across this country, devolution to the provinces has diminished our ability to set enforceable standards. Indeed, devolution is feeding the deregulation and privatization of training and employment services. We urgently need Canada-wide standards that guarantee equitable access, good quality programs, the direct government purchase of public sector programs and non-profit public sector delivery with prohibitions against commercialization.

The provincial government has also devastated our apprenticeship training programs with botched legislation. The OFL has called for the repeal of Bill 55, the *Apprenticeship and Certification Act*, for good reason. The legislation further deregulates the trades, undermines the journeyperson model, encourages "quick and

dirty" training, shifts the cost to individuals, moves away from time-based apprenticeships, fragments the trades and otherwise sets back labour's agenda for better apprenticeship programs.

We need to reverse the government's current agenda on training, employment services and apprenticeships. It is only good training and apprenticeship programs that contribute to decent work and jobs.

PART VI
THE UNION ADVANTAGE

A key way to improve living standards and reduce the inequalities inherent in the world of work is through joining a union and fighting for improvements in wages, benefits and working conditions. Unions today, as historically, have helped create "decent" work through collective bargaining and job actions.

Collective bargaining both raises the wages and benefits of unionized workers, compared to similarly employed non-union workers, and reduces the pay differentials within unionized workplaces and sectors. As a result, inequality and the incidence of low pay are much lower in countries and sectors with high levels of collective bargaining coverage. In other words, income gaps do not increase with unionization, but rather are compressed. Unions also improve working conditions, such as the pace and stress of work, and democratize the workplace to a considerable extent by giving workers access to due process through a grievance and arbitration procedure.

Average hourly earnings of unionized workers is higher than that of non-unionized workers. This is true whether they work full-time ($19.06 versus $15.57) or part-time ($16.80 versus $9.81). The wage advantage (or union premium) for full-time unionized workers compared to non-unionized workers is over 22% (1998).

Unionized part-time employees not only earned almost twice as much as their non-union counterparts, they also worked more hours each week (19.5 hours versus 16.6 hours). As a result, their average weekly earnings were more than double those of non-union part-timers.

On average, full-time unionized women earned 90% of their male counterpart's hourly wages. Part-time unionized women earned 8% more than their male counterparts.

The union premium is also higher for relatively less educated workers and workers in small firms. In short, unionization improves the position of workers who would otherwise tend to be lower paid, thus bringing about more equality. Even when all factors such as firm size, sector, occupation, age and education are taken into account, the union advantage is significant.

Unionization is even more powerful in terms of gaining access to benefits – 83% of unionized men and 79% of unionized women belonged to a workplace pension plan, compared to 35% of non-union men and 31% of non-union women. Similar differences exist for extended health and dental plans. Union workers average 17 days of paid vacation per year, compared to 10 days for non-union workers.

It is sometimes argued by right-wing academics and politicians that unions only benefit the "elite" of the workforce – but that's not what the facts tell us. Research shows that the impact of unions both raises compensation levels for the lower paid and reduces pay differentials, thus significantly reducing inequality. This is accomplished as collective bargaining results in a shift of some corporate profits to wages and benefits and in the redistribution of monies from high incomes to the middle and lower paid.

At the same time, all income levels benefit from a higher level of job security, due process and even upward mobility through a seniority-based system of promotion. Over 28% of unionized

workers also have access to training, compared to 20% of non-union workers, despite the reality that most training dollars are spent on managers.

Unionization has also been a major reason for progress on equity issues. Access to paid maternity and parental leaves is much higher for unionized workers, and 60% of unionized workers are covered by anti-discrimination clauses in collective agreements. The proportion of workers covered by affirmative action provisions across Ontario also dramatically increased over the last decade and stands significantly higher than that of non-union workers.

Nonetheless, much remains to be done. The unionization rate for the workers with the greatest need for improvement tends to be very low. Although the unionization rate for women is now almost equal to men, this is primarily due to the high level of unionization in the public and broader public sectors. Only one in four women working in the private sector are unionized. In workplaces of under 20 employees, only 6% of women and 10 % of men are unionized. Only about one in four visible minority and aboriginal workers are unionized, compared to one in three of all workers.

When we examine the union rates of youth (under 25 years), we find that just 13% of young women and 16% of young men belong to a union. Special efforts need to be undertaken to bring young people into the union movement despite unfavourable labour legislation. Lacking such efforts, there is the real risk of a widening generational divide between the unionized workforce and the non-unionized workforce.

This is a major challenge given that most young people find employment not in the big workplaces of industry and the broader public sector, but in the small workplaces of the private service sector, not in the full-time workforce but in the part-time, temporary, contingent workforce noted earlier in this document.

Further factors calling for consideration include the imbalance of power between the union movement and the large hotel, retail, food and restaurant chains. To counter this imbalance and the finite resources of the union movement, new forms of union cooperation and targeted organizing need to be explored. To better assist youth to join and maintain union membership, given the transient nature of much of their employment, new forms of union membership need to be considered.

To ensure decent work and equality, our efforts to expand unionization, to organize the unorganized, must increase!

Finally, while the right-wing and business press constantly argue that unions are bad for jobs and the economy, as they raise labour costs, high rates of unionization were an important reason why close to full employment and positive levels of economic growth were achieved in many industrial countries prior to the mid-1970s. Rising unemployment and slow economic growth from the 1980s on, have been driven by problems inherent in market economies and right-wing economic policies of government, not by rising union strength.

Unionization contributes to a healthy economy and makes societies more equal. Yet initiatives fostering inequality continue, as do anti-worker and anti-union policies.

PART VII
THE DANGERS OF "RIGHT-TO-WORK"

While the labour movement is busy trying to raise wages and salaries, maintain jobs and negotiate improvements in benefits and working conditions, others such as the Fraser Institute, the National Citizens Coalition and certain right-wing politicians, are advocating so-called "Right-to-Work" legislation.

The meaning of "Right-to-Work" varies somewhat from place to place, but the most common understanding is that it involves legislation aimed at curtailing the ability of unions to act as the exclusive bargaining agent for a group of workers by enabling select employees the "right" to work in unionized workplaces without joining the union or paying dues. "Right-to-Work" laws, often termed "union busting" legislation, allows individuals to opt out of the collective agreement and negotiate their own individual agreement with management, disregarding the union agreement negotiated by the employees in the rest of the workplace (bargaining unit).

The so-called "Right-to-Work" legislation, what the Fraser Institute calls "voluntary unionism", would outlaw union security clauses in labour contracts. It would ensure that each person has a "right" to acquire and maintain employment with any willing employer without having to join a union or pay dues, thereby undermining the unity, strength and pay levels of those unionized.

The other form of government intervention that "Right-to-Work" advocates want would enable them to dictate, through legislation, how union members govern their own organizations, decide to go on strike, elect their leaders and fund social or political causes.

Further legislation, related to "Right-to-Work", has the intent of restricting the ability of unions to fund social and political causes. Rather than having decisions on issues, such as campaign against the provincial government's anti-labour amendments or their adverse health care and education policies, made through a majority vote or by elected union representatives acting within their convention mandate, "Right-to-Work" advocates would have the labour laws amended so that individual union members could withdraw their dues from causes they did not "personally support" – despite a majority vote! Laws restricting the political activities of unions have already been implemented in Manitoba.

"Right-to-Work" legislation, which is being aggressively promoted by the Fraser Institute and other right-wing pressure groups, could well mean that government would dictate to the parties to a labour contract that they *cannot negotiate union security clauses.* Currently, these clauses ensure that, once the majority of workers have decided to join a union, all employees are required to join the union and pay for the benefits achieved through collective bargaining or other actions including campaigns against government policies.

There is a basic hypocrisy enshrined in the term "Right-to-Work". The law, as enacted by some twenty-one states in the US, guarantees no worker or group of workers any real rights whatsoever, certainly *no right to a job.* What "Right-to-Work" does do – is what it is designed to do – namely undermine the collective strength and stability of unions and the foundations of the collective bargaining process against the potentially capricious hiring, firing and low-wage policies of management.

The evidence is clear, where US state governments have adopted "Right-to-Work" laws, workers have suffered and corporations have appropriated excess profits. By severely limiting workers' right to union representation and by drastically restricting the activities of unions, corporations do not have to share profits through the provision of higher levels of compensation or even attend to workers' legitimate concerns.

Our Position

The Ontario Federation of Labour and all its affiliated unions must uphold the position that union organization, union membership and collective bargaining are inherent and inalienable rights of all workers.

Just as we believe that there is a moral responsibility of unions to conduct their activities democratically, we also maintain that individual workers who are protected by union contracts should share in the financial cost of their collective organization, which negotiates and

monitors the implementation of collectively bargained agreements.

While "Right-to-Work" legislation or eliminating the Rand Formula are not presently on the government agenda, indeed they have specifically promised not to touch the Rand Formula, they have indicated that they intend new assaults on union protection.

Their threat is to manipulate the decertification procedure so that workers could more easily be stripped of their collective voice at the bargaining table. Given past experience, one suspects that the government will claim that this will enable a worker to better exercise their democratic right to be "union free". The government's commitment to free choice or workplace democracy is hollow at best.

Workers' democratic right to have a union has been confronted with more barriers than ever before. The Harris Conservative Government repealed the former NDP Government's labour law reforms, known as Bill 40, and implemented an onslaught of new restrictive labour laws – particularly concerning organizing. One need only mention the latest set of anti-labour amendments, Bill 31, widely known as the "Wal-Mart Bill". With the passage of this Bill, the Ontario Labour Relations Board (OLRB) can no longer certify a union even where an employer has been found guilty of gross misconduct and violations of the *Ontario Labour Relations Act* (OLRA), such as the intimidation of employees and the firing of workers suspected of wanting a union. Thus, even where workers, against great odds, are able to organize, the government merely re-writes the laws to suit employers.

The government's threat to manipulate the decertification process for purposes of so-called freedom of choice fails to stand up when matched to the barriers they have created to inhibit people from exercising their democratic choice to join a union. Freedom of choice for them means only the freedom of employers to intimidate workers and restrict unionization. There is no democracy in a non-union workplace. This hypocrisy in the government's proposed policy needs to be confronted and exposed if working people are to maintain and expand their rights so as to enjoy decent work in a decent society.

CONCLUSION

This policy paper has examined the changing world of work. It has focussed on the growing inequality gap and the changing nature of the labour market in Ontario. It has also looked at the impacts of high unemployment and the conscription of those out of work into Workfare.

The paper has also briefly examined the role of government in terms of job creation and income supports. It particularly detailed the necessary changes in employment standards as the government is planning to conduct a review of this legislation. The impact of unions on "decent work" and compensation levels has been examined as the facts concerning the "union premium" show. "Right-to-Work" legislation was seen as a potential danger to the progress of Ontario and the quality of work life of its citizens.

All of the subjects discussed have been analysed from the perspective of bettering the lives of working people such that everyone can enjoy "decent work". This won't happen automatically, it will take action on our part. The following section outlines the action steps necessary for progressive change.

ACTION PLAN

Given these challenges facing working people, the Ontario Federation of Labour and its affiliated unions commit to fight for the following:

- the maintenance, improvement and creation of social programs that foster full employment and a fairer distribution of income;

- the immediate return of the 22% cut from social assistance;
- the elimination of Workfare and its replacement by programs for full employment;
- the elimination of sweatshops and the improvement of conditions through better enforced employment standards and successor rights; and
- improved conditions for workers in the contract service sector – including home care workers.

With the Government of Ontario poised to open the *Employment Standards Act* to a comprehensive review, the OFL and its affiliated unions will press for the recommended changes outlined in this policy paper, including:

- the elimination of occupational exemptions from the *Act*;
- equal pay, benefits and rights for part-time workers;
- full protection for home workers and teleworkers;
- implementation of clear distinctions between employees and independent contractors;
- recognition and accumulation of service with different employers;
- joint responsibility for employee working conditions between employers involved in contracting out;
- restoration of the Employee Wage Protection Program;
- strengthening the anti-reprisals in the ESA;
- prohibiting unjust dismissal;
- provide more leave time;
- reduce work time to 35 hours per week with no loss in pay as an immediate step to distribute work and thereby create more employment;
- overtime pay after 40 hours;
- limiting weekly overtime;
- the right to 15 minute rest breaks per work shift;
- three weeks vacation after five years;
- the inclusion of provisions for sick leave, paid family leave and bereavement leave; and
- raising the minimum wage to 70% of the average industrial wage.

In the area of training, employment services and apprenticeships, the OFL will fight for:

- the strengthening of apprenticeship programs for both construction and industrial trades, including:
  - genuine upgrading of skilled occupational groups;
  - safeguards for the quality of programs and the working conditions of apprentices and journeypersons;
  - core trades skills (not hollowed-out and fragmented "competency" modules);
  - government and employer funding for apprenticeship training;
  - time-based apprenticeships;
  - a union-based model (not one that gives employers most of the say); and
  - **commitment to public sector institutions as the preferred trainers;**
- an employment standard that recognizes each worker's fundamental right to, at least, one

week of paid annual leave for training and education;

- a Canada-wide training tax that employers would pay on a levy/grant basis to provide for the training and education of employed workers;

- free access to high school upgrading and literacy/numeracy upgrading;

- publically funded training and education for the unemployed. The costs of lifelong learning must not shift to individuals through loans, vouchers, and lifelong debt;

- an end to public and UI spending on training subsidies to employers and commercial training providers;

- labour laws that obligate employers to negotiate with unions for adjustment and re-training programs in the event of a closure or downsizing; and

- a labour vision of training and learning that:
  - emphasizes enforceable standards for equity and access;
  - high quality programs;
  - direct government course purchases;
  - **support for delivery which is preferably by the public sector or alternatively, is non-profit with prohibitions against commercialization; and**
  - an equal voice for unions in the determination of workplace training and education programs.

Given the inequalities in the labour market, workers need fairer labour laws and unionization more than ever. The OFL and its affiliated unions will therefore:

- call for the repeal of all anti-labour legislation and the enactment (and re-enactment) of labour law reforms that assist workers to exercise their democratic right to join a union;

- oppose any attempts by the Harris Conservative Government to enact "Right-to-Work" laws or manipulate the decertification procedures so as to further inhibit people's right to join the union of their choice; and

- continue to make organizing the unorganized a priority and to strategically target particular sectors and explore new forms of union cooperation to facilitate unionization, particularly for youth.

SUMMARY

Most of the current debate on work has focussed on the number of jobs being created. But there is an equally important issue to consider, for example:

- What kinds of jobs are being created?
- Do they provide an adequate and fair income?
- Do workers have some job security and benefits?

In short, do the jobs being created constitute what the International Labour Organization (ILO) calls *"decent work"*.

The ILO says *"Decent work means productive work in which rights are protected, which generates an adequate income, with adequate social protection. It also means sufficient work, in the sense that all should have full access to income-earning opportunities."* The ILO further holds that the choice of full employment and quality jobs need not be counterposed to lower rights and minimum wage jobs – *"... employment, income and social protection can be achieved without compromising workers' rights and social standards."*

The purpose of this policy paper is to present our view of "good" or "decent" jobs as an alternative to the Harris Conservative Government's numbers game.

This is accomplished in ***Part I*** by examining the growing inequality gap and the changes in the labour market. The world of income and work is undergoing tremendous change. In 1973, the richest 10% of families had an income **nine times** more than the poorest 10% of Ontario families. By 1996, the richest 10% of families made **229 times** more than the poorest 10% of Ontario families.

Key trends in work include massive corporate restructuring and downsizing, the continuous introduction of new technologies, the rise of part-time work, contract work and self-employment.

The percentage of individuals working shorter hours has increased substantially from 16% in 1976 to 24% in 1997. With this rise of "contingent" work comes less job security, no benefits, no union and lower income levels.

At the same time, the percentage of workers in full-time or standard employment (35-40 hours) has declined from 67% in 1976 to 58% in 1997.

While nearly one in five jobs are part-time, almost another one in five employees worked overtime. Over half of this overtime, which averaged the equivalent of an extra day's work per week, was unpaid.

Legislative improvements to employment standards and collective bargaining are needed to ensure payment for overtime on the one hand, and on the other, to curb excessive overtime.

A further factor affecting the labour market and the decline of "decent work" is the downward drag of mass unemployment. Official unemployment stands at 7% in Ontario, but is at 13% if discouraged workers who have stopped actively looking for work are included. For youth, the unemployment rate is double that of the labour force as a whole.

Part II, entitled "Conscripted Labour", examines Workfare which was established by Bill 22, *The Prevention of Unionization Act*. This *Act* prevents Workfare recipients from improving their work lives through unionization. At the same time, the Harris Conservative Government plans to place more Workfare participants in workplaces of both the public and private sector. Workfare participants work for a welfare cheque, not a pay

cheque. The labour movement reaffirms its opposition to such exploitation.

Another form of conscripted labour is increasingly found in sweatshops and sweatshop-like workplaces. While it is in the clothing and textile sector that sweatshops are most visible, sweatshops exist in a number of manufacturing and service industries. Sweatshops are the most extreme example of the general lowering of living standards and corporate attempts to evade paying even minimum wages and obeying other basic standards on working conditions and health and safety.

Sweatshop-like conditions exist well beyond the walls of sweatshops themselves. The whole contract service sector – cleaners, security guards, certain food outlets and increasingly, home care workers – suffer from a competitive bidding process which drives down wages and working conditions. The workers in this sector desperately need a union, but this race to the bottom can only partially be overcome through unionization. New worker friendly laws, inclusive of successor rights, must be enacted.

Part III speaks to the role of government in the face of rising income disparity, and the need for full-employment policies. The emphasis on full-employment is due to the reality that people's incomes from employment remains the central determinant of their living standards.

The growing disparities in what people earn would be even more significant had it not been for the assistance of income transfers and social programs, such as pensions, unemployment insurance, social assistance and the child tax credit. Given the battles over the last several years in Ontario, we cannot forget the two most prominent equalizing programs – universal health care and public education.

This section of the policy paper, in calling for full employment policies and showing their importance to people's income and quality of life, reaffirms our position that economic growth needs to be environmentally sustainable.

Part IV is an in-depth look at the need for improved and enforced employment standards legislation so as to ensure quality employment for all. It is not only those who work for minimum wages and working conditions who benefit from good employment standards, such standards set the floor for everyone working in Ontario, unionized or non-unionized. Take away the basic floor of standards and everyone falls through, not just those at the bottom.

Despite the growing inequality in the labour market, the rise of a contingent workforce and the increase in the percentage of the workforce employed at or near the minimum wage, the re-elected Harris Conservative Government is now poised to act on its long desire to open up the *Employment Standards Act* to a comprehensive review. The government will want to further diminish the current rights of this *Act*, rather than strengthen them. The Action Plan lists the specific amendments we should fight for to improve this legislation and thereby improve the income levels and working conditions of everyone in Ontario, unionized and non-unionized alike.

Part V concerns a further aspect of the struggle to maintain and create decent work, namely job training and apprenticeship. Today, job training has also come under attack. Working people confront chaos and inequities in training and employment services. The individual worker is now burdened with paying the costs of their own training which was previously provided without fees or contributions.

The provincial government has also devastated our apprenticeship training programs with botched legislation. The OFL has therefore called for the repeal of Bill 55, legislation which further deregulates the building trades, undermines the journeyperson model, encourages "quick and dirty" training and otherwise sets back labour's agenda for better apprenticeship programs. The

Action Plan sets out a series of recommendations to reverse this backward course and reinstate quality training and apprenticeship programs.

Part VI is entitled "The Union Advantage". In addition to improved and enforced employment standards, full employment policies, better training and apprenticeships, unionization improves people's work lives. The wage advantage (or union premium) for full-time unionized workers compared to full-time non-unionized workers is over 22%.

Unionized part-time employees not only earned almost twice as much as their non-union counterparts, they also worked more hours. As a result, their average weekly earnings were more than double those of non-union part-timers.

To ensure decent work and more equality, our efforts to expand unionization, to organize the unorganized, must increase.

Part VII considers the dangers of Right-to-Work legislation. Far from making it easier for workers to join a union and improve their wages and working conditions, certain right-wing politicians, the Fraser Institute and others advocate Right-to-Work legislation, or what they sometimes term "voluntary unionism". They advocate curtailing the ability of unions to act as the exclusive bargaining agent for a group of workers by enabling a minority of employees to have a so-called "right" to work in unionized workplaces without joining the union or paying dues.

The other form of government intervention that "Right-to-Work" advocates want would enable them to dictate, through legislation, how union members govern their own organizations, decide to go on strike, elect their leaders and fund social or political causes.

The OFL and all its affiliated unions must uphold the position that union organization, union membership and collective bargaining are inherent and inalienable rights of all workers in a democratic society and should not be restricted by Right-to-Work laws.

The Harris Conservative Government has already indicated their intention to further manipulate the decertification procedure. They intend to make decertifying a union easier. Given past experience, one suspects that the government will claim that such legislation will better enable a worker to exercise their democratic right to be "union free". The government's commitment to free choice and workplace democracy, however, is hollow at best when compared to the barriers they have erected to the democratic right of workers to join a union.

Each of the seven parts of this paper have been analysed from the perspective of bettering the lives of working people such that everyone can enjoy "decent work".

This will not happen automatically. It will take action. The following Action Plan outlines the steps necessary for needed change.

ACTION PLAN

Given these challenges facing working people, the Ontario Federation of Labour and its affiliated unions commit to fight for the following:

- the maintenance, improvement and creation of social programs that foster full employment and a fairer distribution of income;

- the immediate return of the 22% cut from social assistance;

- the elimination of Workfare and its replacement by programs for full employment;

- the elimination of sweatshops and the improvement of conditions through better enforced employment standards and successor rights; and

- improved conditions for workers in the contract service sector – including home care workers.

With the Government of Ontario poised to open the *Employment Standards Act* to a comprehensive review, the OFL and its affiliated unions will press for the recommended changes outlined in this policy paper, including:

- the elimination of occupational exemptions from the *Act*;
- equal pay, benefits and rights for part-time workers;
- full protection for home workers and teleworkers;
- implementation of clear distinctions between employees and independent contractors;
- recognition and accumulation of service with different employers;
- joint responsibility for employee working conditions between employers involved in contracting out;
- restoration of the Employee Wage Protection Program;
- strengthening the anti-reprisals in the ESA;
- prohibiting unjust dismissal;
- provide more leave time;
- reduce work time to 35 hours per week with no loss in pay as an immediate step to distribute work and thereby create more employment;
- overtime pay after 40 hours;
- limiting weekly overtime;
- the right to 15 minute rest breaks per work shift;
- three weeks vacation after five years;
- the inclusion of provisions for sick leave, paid family leave and bereavement leave; and
- raising the minimum wage to 70% of the average industrial wage.

In the area of training, employment services and apprenticeships, the OFL will fight for:

- the strengthening of apprenticeship programs for both construction and industrial trades, including:
  - genuine upgrading of skilled occupational groups;
  - safeguards for the quality of programs and the working conditions of apprentices and journeypersons;
  - core trades skills (not hollowed-out and fragmented "competency" modules);
  - government and employer funding for apprenticeship training;
  - time-based apprenticeships;
  - a union-based model (not one that gives employers most of the say); and
  - **commitment to public sector institutions as the preferred trainers;**
- an employment standard that recognizes each worker's fundamental right to, at least, one week of paid annual leave for training and education;
- a Canada-wide training tax that employers would pay on a levy/grant basis to provide for the training and education of employed workers;
- free access to high school upgrading and literacy/numeracy upgrading;
- publically funded training and education for the unemployed. The costs of lifelong

learning must not shift to individuals through loans, vouchers, and lifelong debt;

- an end to public and UI spending on training subsidies to employers and commercial training providers;

- labour laws that obligate employers to negotiate with unions for adjustment and re-training programs in the event of a closure or downsizing; and

- a labour vision of training and learning that:
  - emphasizes enforceable standards for equity and access;
  - high quality programs;
  - direct government course purchases;
  - **support for delivery which is preferably by the public sector or alternatively, is non-profit with prohibitions against commercialization; and**
  - an equal voice for unions in the determination of workplace training and education programs.

Given the inequalities in the labour market, workers need fairer labour laws and unionization more than ever. The OFL and its affiliated unions will therefore:

- call for the repeal of all anti-labour legislation and the enactment (and re-enactment) of labour law reforms that assist workers to exercise their democratic right to join a union;

- oppose any attempts by the Harris Conservative Government to enact "Right-to-Work" laws or manipulate the decertification procedures so as to further inhibit people's right to join the union of their choice; and
- continue to make organizing the unorganized a priority and to strategically target particular sectors and explore new forms of union cooperation to facilitate unionization, particularly for youth.