



Workers resist rollbacks in Ontario

CUPE members have been at the forefront of advocating for legislation that protects all workers across Canada. While we are resisting rollbacks in Ontario, we are welcoming long overdue progress in Alberta and British Columbia.

Ontario Premier Doug Ford has cancelled a minimum wage hike and scrapped labour legislation that protected the most vulnerable and precarious workers. CUPE Ontario is mobilizing with community allies against the move, calling the government out for its anti-worker, anti-union agenda. The changes will hurt all workers and their families, especially those who don't belong to a union.

Our fight to protect these

much-needed gains is happening in the streets - and at bargaining tables. CUPE locals can identify bargaining priorities that protect gains for our members even if an unfriendly government reverses them.

Here are just some of the ways Bill 47, the *Making Ontario Open for Business Act*, will gut Ontario labour protections. They're contrasted with recent changes that show what's possible when governments respect workers.

Minimum wage:

- Instead of rising to \$15 an hour, Ontario's minimum wage will be frozen until October 1, 2020, at \$14 for adult workers, \$13.15 for students, and \$12.20 for liquor servers.

- Alberta's minimum wage rose to \$15 an hour on October 1, 2018, and is the same for adults, liquor servers and students.

- BC has accepted the recommendations of the BC Fair Wages Commission and is increasing BC's minimum wage in stages to \$15.20 by June 2021.

Union certification and security:

- Bill 47 makes it harder for workers to unionize. It eliminates card-based certification for workers in home care and community services, temporary help agencies and the building services industry (which includes food, cleaning, and security services). Most workers return to a two-stage process where 40 per cent of workers must sign cards before a vote is held. The Conservatives will also strip home care and other community workers of their successor rights, forcing them to reapply for their jobs if the contractor they work for changes.

- In Alberta, card-based certification is allowed where more than 65 per cent of workers in the proposed bargaining unit have signed union membership cards.

continued on page 4



INSIDE

2 CARBON TAX: A FIRST STEP

3 ECONOMIC TRENDS MEET CUPE'S NEW ECONOMIST

4 USMCA AND PHARMACARE

CUPE Canadian Union of Public Employees

Pricing carbon first step to tackling climate change

Climate change touches all our lives, and many of our jobs. First responders, energy workers, and municipal workers are among those whose jobs become more dangerous and more important in the face of more frequent extreme weather events.

This fall the Intergovernmental Panel on Climate Change (IPCC) released a report warning that the world must take drastic action over the next 12 years if we hope to limit the risk of extreme heat, droughts, floods, and the resulting human casualties. The IPCC is an international body that was set up in 1988 to assess the science related to climate change, and relies on the work of hundreds of scientists to collect and analyze the evidence required to take action to both mitigate the extent of climate change, and adapt to our changing climate.

The work of the IPCC has spurred governments around the world to commit to action. Over 180 countries have ratified the Paris Agreement, pledging to reduce emissions by setting national targets and reporting regularly on progress.

We need many tools to combat climate change. The one getting the most attention right now is a carbon tax. CUPE's national environmental policy supports putting a price on carbon, but it must be done in a progressive manner that enhances public services and environmental justice and doesn't hurt lower-income, working and Indigenous peoples.

So why have a carbon tax at all? The idea is that the higher up-front cost of fossil fuels will spur



changes in behaviour for companies, governments, and individuals.

In 2016, the federal government released their Pan-Canadian Framework on Clean Growth and Climate Change. The framework gave provinces two years to implement their own carbon tax. Provinces that didn't develop a plan faced a federally-implemented price on carbon.

Ontario, New Brunswick, Manitoba, and Saskatchewan have refused to develop their own plan, with several of these premiers launching or threatening legal challenges of the federal carbon pricing plan. The federal carbon tax for these provinces starts at \$20 per tonne in 2019 and rises to \$50 per tonne by 2022. The two-part pricing system puts a charge on fossil fuels paid by producers or distributors, and levies a separate system of charges for large, emissions-intensive industrial facilities. Most households will see an increase in the price of gas of about 4.5 cents per litre, and \$1 more per gigajoule

of natural gas for home heating.

The federal Liberal government has promised that revenues will go back to residents of the province where they're collected, through a "Climate Action Incentive payment." The rebate amount will be based on where you live, your family size, and your tax return. Residents in small communities and rural areas will get a 10 per cent bonus based on their increased energy needs. Since the rebate is based partly on income, it counteracts the regressive nature of a flat carbon tax. The federal government says most people will end up getting more back than they pay.

Economists agree the price will have to be closer to \$200 per tonne to significantly change behaviour, which is why the price is expected to rise over time. It's the most free-market response to climate change, and there's no question that by itself it won't be enough to prevent a climate catastrophe, but it's a start.

CUPE publishes *Economy at Work* four times a year to provide members and staff with news and analysis on economic issues, and to support our members at the bargaining table.

Find *Economy at Work* online at cupe.ca/economyatwork with links to relevant materials. Subscribe to the email edition at cupe.ca/subscribe.

All content written by Angella MacEwen unless otherwise indicated. Edited by Karin Jordan.

Proofing by Valérie Ménard, Anny Robert and Manon Lajoie. Layout by Sarah Walker.

Please email amacewen@cupe.ca with corrections, questions, suggestions, or contributions.



CUPE | Canadian Union
of Public Employees



ECONOMIC DIRECTIONS

Economic growth

Canada's economic growth has been stronger than expected this year, and is predicted to grow by 2.1 per cent in 2018 and 2019 before slowing to 1.9 per cent in 2020. There continues to be a risk that US President Trump will escalate a trade war with China, which would have a negative impact on both US and world economic growth projections.

Jobs

The unemployment rate hit a 40-year low in 2018, staying between 5.8 per cent and 6.0 per cent throughout the year. Job growth is expected to be slightly slower in 2019.

Wages

Average wage adjustments in collective agreements were 1.9 per cent in the second quarter of 2018, lagging behind overall wage growth which was 2.3 per cent.

Inflation

Inflation is expected to remain close to 2.0 per cent throughout 2019 and 2020.

Interest rates

The Bank of Canada raised its key lending rate to 1.75 per cent in October 2018, the third increase in 2018. The bank is expected to increase rates up to three times over the course of 2019, but how quickly it does so may depend on the health of Alberta's oil sector. Raising rates too quickly could worsen the situation the industry is already facing lagging investment and low prices.

Spotlight on CUPE's new economist

In September, CUPE welcomed Angella MacEwen as our new economist and said "see you soon" – but not goodbye – to Toby Sanger.

Angella comes to us from the Canadian Labour Congress, where she worked as the economist for six years. A leader in her field in the progressive community, Angella's also well-known in the national media for her insightful analysis and ability to put right-wing pundits in their place on programs like CBC's Power and Politics.

Her second day on the job, Angella was on Parliament Hill representing CUPE at the Commons Finance Committee's pre-budget hearings. In November,

she delivered the opening keynote to delegates at CUPE's National Sector Council Conference. Her talk focused on building an economy that respects all workers.

She told delegates how a university course helped her reframe economics through a feminist lens, and gave her the language she needed to challenge mainstream economic theory. Her speech busted some key myths about economics, including that it's a neutral science.

"If you use the wrong model of the economy to look at an issue, you're going to get the wrong answer," she says. Instead,

Angella described how she takes an intersectional approach to economics that recognizes

and analyzes the impacts of intersecting forms of discrimination.

A research associate with the Canadian Centre for Policy Alternatives since 2006, Angella is a regular contributor to the Alternative Federal Budget. She's also a policy fellow with the Broadbent Institute, and sits on the steering committee of the Progressive Economics Forum, as well as the Trade Justice Network. She holds a Masters in Economics from Dalhousie University, and an undergraduate degree in International Development Studies from Saint Mary's University in Halifax.

You can follow Angella on Twitter at @AMacEwen. As for Toby, he's gone from CUPE, but not from our movement. You can expect to hear regularly from him in his new role as executive director of Canadians for Tax Fairness.

■ Emily Turk



continued from page 1

- The BC government is scrapping regressive Liberal-era legislation that enabled mass privatization and the layoff of thousands of health care workers. The changes will end contract-flipping and guarantee successor rights, ensuring health care workers, including our members in the Hospital Employees' Union, have union and job security.

Personal and family sick leave:

- Bill 47 eliminates 10 personal emergency leave days, two of which were paid. Ontario workers will only have access to unpaid leave - three days for personal illness, two days for bereavement and three days for family responsibilities.
- Alberta workers have recently gained access to five days of unpaid

personal and family responsibility leave and three days of unpaid bereavement leave.

One change the Ontario Conservatives aren't scrapping is the new 10 days of domestic violence leave, where the first five days are paid. Alberta has introduced 10 days of unpaid leave.

National public pharmacare: the antidote to USMCA rules

Canada's recent agreement to join the United States and Mexico in a new trade deal makes CUPE's call for a national public pharmacare plan more important than ever. That's because the United States-Mexico-Canada Agreement (USMCA) makes significant changes to the rules governing biologic medicines.

Biologics are a class of drug made from living cells. There are 17 biologics currently available in Canada and our combined out-of-pocket, public, and private insurance spending on them is over \$7 billion annually. Of the 10 drugs we spend the most on per year in Canada, seven are biologics. That's up from one in 10 a decade ago. This is a concern because biologics are

extremely expensive, and companies are developing more of them since they generate large profits.

Biologics aren't just expensive, they also contribute to growing privatization in our health care system. A network of private infusion clinics delivering biologics has appeared across Canada, and in some cases pharmaceutical companies pay extra fees directly to doctors who deliver biologics infusions in their offices. This is a direct result of our current system of drug coverage, where hospitals must pay for expensive medicines delivered onsite, while the cost of medicines delivered offsite is covered by patients out of pocket, or by the more than 100 public and 100,000 private insurance plans across Canada.

USMCA makes the current system even more expensive by extending data protection on new biologics from eight to 10 years. In Canada, prescription drugs are protected by two types of intellectual property: patents and data protection. Patents give drug manufacturers exclusive rights to produce a new medication for 20 years. Data protection refers to the information companies collect from the clinical trials they conduct on the safety and effectiveness of new drugs. This information is essential to making and selling the drugs.

Patents, but not data protection, can be challenged and overturned in court. This allows much cheaper generic versions of drugs to reach the market more quickly. If the patent on a biologic is overturned in court and the data protection exceeds the patent, the impact of the USMCA's additional two years of data protection could mean as much as \$300 million more per year in prescription costs.

The best way to counteract any increase in drug costs that could result from the USMCA is to have a national public pharmacare plan. A single payer buying drugs for the entire population can leverage significant bargaining power to negotiate lower drug prices, and will counteract the privatization pressures that come from a fractured system of drug coverage and expensive, but effective, biologics.

■ Amanda Vyce

