



## Summary Document

### *Analysis of the current situation and Bargaining Framework*

Document presented to decision-making bodies of the CSN's  
public and parapublic sector federations  
FSSS – FEESP – FNEEQ – FP

February 2009

### Context surrounding next round of bargaining

We are entering into this round of bargaining at a very particular juncture. At the political level, the majority Charest Liberal government has already demonstrated, in its first term in office, just how far it's willing to go to impose its conservative agenda. This is a government that was re-elected for a third term following up on a second minority term that came under close scrutiny. Is the new Jean Charest we are facing now any different? What's hiding under the veneer?

The next round of bargaining will unfold in an economic climate that, at the very least, will be unstable and volatile. We already know that 2009 will be a difficult year in terms of the economy, and it would be unwise to try to predict when the economy will turn around. The financial crisis is already affecting the real economy: massive job losses are starting to compound with the economic slump that has existed for several years now in the forestry and manufacturing sectors. This is a severe recession even if it's different compared to the Great Depression of the 1930s. Nonetheless, Québec is managing a little better than its neighbours, although just a few days ago, after repeating for many months that a balanced budget would be maintained, Finance Minister Monique Jérôme-Forget finally recognized that Québec will have a deficit budget.

The economic debacle is largely to due the failure of neoliberalism: the crisis is a direct consequence of implementing principles of maximum government disengagement and deregulation of the markets. However, to kick-start their economies, even the most right-wing governments are no longer reluctant now to intervene by pumping taxpayers' money into the market economy, but we believe that the key to a lasting solution lies in a better redistribution of the wealth. Along these lines, unions and civil society need to mobilize and make their voices heard to force governments into making budgetary and fiscal choices in keeping with the needs of the majority of the population. We are entitled to demand economic renewal measures that will better defend our rights and better protect our quality of life especially because it is we, the workers and taxpayers, who will pay the price if the elites become disconnected from reality.

For example, the most recent Harper budget—officially a tool for economic renewal—once again contained tax cuts whose economic benefits will be nil. Also, it attacks the rights of workers, especially those in the federal public service, by limiting salary increases to 1.5% in 2009-2010 even though some collective agreements stipulate larger increases. What about the Charest government? Might it not also be tempted to exploit the economic situation to impose new rollbacks on unions and their members? The answer it's come up with so far, suggesting new hikes in rates and possible cuts to certain services, is certainly not very reassuring!

At a first glance, the current juncture does not appear to favour our negotiations, or our demands, but it's concealing some opportunities that need to be seized. It's an

opportunity for us to challenge the neoliberal system and to propose economic and social measures that better reflect our values of solidarity, equity and fairness.

### **Sharing in the wealth is essential**

With the rise of neoliberalism and the right, notions such as the common good, sharing the wealth, reducing the gap between rich and poor have been removed from the public debate at the expense of a vision advocating individual success and enrichment as the driving force of economic development. As the crisis has demonstrated, this vision is a complete failure. It's urgent for us to rekindle a vision of development founded on solidarity and reinstate sharing of the wealth. Among some of the most efficient levers available to our governments, there are some that directly concern public sector employees, namely:

- reinvesting in public services;
- safeguarding and creating quality employment;
- enhancing employees' purchasing power.

### **Reinvesting in public services**

Investing in infrastructure, in public services and anti-poverty (employment, housing, health) programs are some of the most efficient economic renewal measures when it comes to economic benefits. We know that these services are currently underfunded by the government and we need to see to it that sufficient resources are earmarked to make improvements where they are needed as well as get employees involved in the reorganization of work.

At a time of crisis, the importance of public services is amplified and they become more important than ever. A quality health and social services system, capable of ensuring state-of-the-art services to an entire population without people having to impoverish themselves or go into debt to use them, is an immeasurable social gain and we must defend it. An accessible education system that enables workers to re-orient their careers or enhance their skills is an additional tool for doing well in the new global economy. Not to mention other public services that aren't even part of public sector negotiations yet that still play a fundamental role in maintaining quality of life and the redistribution of wealth, notably, public transit, municipal services, Hydro Québec, the University of Québec network, etc. These are all significant assets that the government can use as economic levers providing they use them in keeping with a different vision of development, more respectful of the environment and social justice.

### **Supporting Employment**

Our public services are experiencing serious problems of workforce retention and attraction. Maintaining and creating quality employment in the public sector constitutes an additional tool for revitalizing the economy. In several regions of Québec, the public sector is the main employer. Job creation in the public sector means getting an incomparable motor of the economy moving again. Every new position in our public sector has a direct impact on the quality and availability of

services for the population and helps diminish the excess workload of other employees or, at the least, offers new opportunities for the reorganization of work. The number of public sector jobs for which there are staff shortages has increased significantly in recent years. There are now shortages in all sectors of work and in a growing number of job classes. In some cases, pay is one of the most important reasons for the shortage because it's much lower than in the private sector for a comparable job. Unions can identify a number of potential improvements providing they are combined with the genuine will to find solutions.

### **Enrichment for employees**

One of the most powerful forces for sustaining the wheels of the economy is unquestionably household income. Ten years ago, Canada's highest-paid CEOs received compensation that was 104 times what the average worker received; today, they take home 218 times the pay of the average worker. For a long time in Canada, the gap between rich and poor narrowed each year and we were very proud of that, but in the last 20 years, the trend has been reversed. In a report on this issue, the OECD observed that economic growth in the last 20 years has benefited the rich more than the poor. This international organization, representing 28 member-countries, underscored that in Canada the gap in wealth between the rich and the middle class had also widened.

In the public sector, the situation is no better: pay is low compared to the private sector and the gap is growing. Are we surprised? Jean Charest's 2005 decree imposed an 8% pay increase over seven years while during that same period, according to the Institut de la statistique du Québec, salaries paid elsewhere for comparable jobs rose by almost twice as much – the increase was 14.4%.

The following chart is based on data taken from a recent report published by the Institut de la statistique du Québec. It compares trends in real pay – purchasing power – of public-sector employees with trends for other unionized employees. Note that public-sector employees grew 4% poorer between 2003 and 2008, particularly subsequent to the two-year wage freeze, while employees in other sectors grew slightly richer by a little more than 2%. However, the data do not take into account the adjustments stemming from the Pay Equity Act.

During that same period, however, the real GDP per capita, which is a measure of collective enrichment, increased by 5.7%. In other words, the situation of public sector employees deteriorated compared to private sector employees, whose conditions, in turn, did not significantly improve. In fact, Québec workers in general have simply not reaped their fair share of collective enrichment.

#### **Regaining the right to negotiate**

The last round of bargaining left a bitter aftertaste amongst the 500,000 government employees. The 2005 decree imposed major rollbacks including some particularly repressive provisions.

In terms of remuneration, the government never conducted real negotiations in view of reaching a satisfactory settlement for both parties. The decree imposed a two-year salary freeze and increases below those awarded in the private sector. The net effect of these measures is that working conditions and salaries have continued to deteriorate and workforce problems are on the rise.

#### **Start negotiations before the decree expires in March 2010**

Seven years later, it is essential to put an end to the decree and replace it with collective agreements as soon as possible, ideally, before it expires on March 31, 2010.

We propose to start preparatory work as soon as possible with a view to filing our union demands by October 2009 at the sectoral and central tables. Thus, we'll be able to demand that the government respond quickly and then start negotiations at the beginning of 2010. This implies carrying out consultation meetings, at least in regard to central table issues, before the summer. The final harmonization at the level of the common front would unfold at the start of the 2009 school year.

We must take advantage of the current economic downturn to demand that the government invest without delay in public services and in public employees. Support for public services must be an integral part of the strategy to overcome the crisis for the benefit of all Quebeckers! With this objective in mind, we also have to challenge Treasury Board to conduct preliminary discussions during spring 2009 to ensure that the two parties are ready to start talks in the fall.

We believe it's important to identify the issues we want to resolve prior to the expiry of the decree and, in the case of remuneration, to achieve concrete improvements. Targeting our demands does not mean throwing in the towel or lowering our sights; rather, it means focusing on a limited number of issues related to pay and employment. Given the current situation, the government must act without delay and further support public services.

All CSN public-sector unions are invited to immediately name both a person in charge of action and a person in charge of information at the local level to ensure that our structures for action and information-sharing are in operation by the spring of 2009.

## **Communications-Mobilization**

### *Putting a value on public services*

#### **Economic asset in difficult times**

In the public arena, we will defend a vision that places investments in public services at the heart of the strategy to get the economy going again.

#### **Social safety net**

We will demonstrate how universal, accessible public services are best for the common good and will underscore the differences between the objectives pursued by government when it delivers public services as opposed to the objectives motivating the private sector.

#### **Impacts on life in the regions**

We will challenge regionally and locally elected officials regarding the importance of good public services in the regions as a tool for fostering regional and local development.

### **A matter of national pride**

In North America, Quebecers stand apart because of their attachment to quality public services. Around the world, citizens are fighting to get public services like ours.

Different types of taxation serve to finance quality and accessible public services collectively for the entire population. It's a societal choice which we will continue to defend.

### *Recognizing public sector workers*

#### **Expertise**

Over the years, public employees have gained expertise in their respective sectors of work and it needs to be recognized at its fair value. Every time an employee leaves for the private sector it amounts to a net loss in expertise for our public institutions. We will put the emphasis on employees' expertise and the importance of society keeping that expertise in our public services.

#### **Commitment**

Our daily mission is to take care of people, educate youth and adults and see to the well-being of all society. We do this work because it's absolutely vital and we do it in spite of all the problems that complicate the way we perform our jobs and sap our motivation. The situation is untenable. We can no longer shoulder the responsibility of upholding the quality of our public services without the necessary means and support from our government and our managers. We call on the public to support us in our fight to improve our working conditions as well as services for the public.

#### **Debunking the myths**

Some people believe that the fact that salaries in the public sector lag behind pay in the private sector is justified because of job security. In actual fact, only half of the CSN's public-sector members enjoy job security and, in any event, what does job security really cost for employees in jobs where there's a shortage? Nothing! We will debunk this myth and many others people believe.

The campaign to value public services and the work performed by those who dispense them on a daily basis will also include a component directly touching on the concerns of CSN unions with a view to rekindling a sense of pride and solidarity among members working in different sectors of activity.

#### **Right to enrichment and share of the wealth**

Has the time come for once again putting the issue of employees' enrichment and share of the wealth at the heart of public debate? While channelling our energies into improving working conditions in the public sector, we will also reposition that battle within the more general context of employees needing to see enrichment reinstated.

### **Sectoral and national negotiations**

We will carry out a communications and public relations campaign to galvanize public support for our demands. We will underscore the legitimacy and the soundness of our targeted demands.

We will focus on reaching a satisfactory settlement as quickly as possible and on the actions we'll be taking concretely to achieve it. Between now and the expiry of the labour contract, we will emphasize that we want to work out an agreement with the government and thus replace the decree without getting forced into using strong pressure tactics. An information and mobilization plan will be put in place in support of negotiations.

As well, a report on the status of negotiations will be completed by March 31, 2010. If it looks as though it will be impossible to reach an agreement with the government in the short term, a new stage of negotiations and information-mobilization will have to be defined. This may include not only mediation but preparations in unions for engaging in the necessary pressure tactics.

To keep CSN union members informed about developments and to galvanize the support and participation of as many as possible, we will produce a news bulletin.

A section on the web site at: [www.secteurpublic.info](http://www.secteurpublic.info) will be dedicated to news on collective bargaining and it will enable everybody to stay abreast of developments in our union action.

### **Towards a common front?**

Our motivation here and now is to deliver quality public services and it's that very same motivation that will inspire us to mobilize to improve public services and to value our jobs. This social struggle will be compelling for all citizens, all workers, unionized or not, because it's just as much in their interests as it is in ours to refute the neoliberalism that has brought about such a complete fiasco.

The union movement has to retake the initiative and show courage with a view to benefiting the entire population, especially the middle class and the least well off. This stimulating challenge concerns all of the other unions in public services as well. They share in general our analysis of the situation and our concerns: discussions are already under way between the CSN, the FTQ and the SISP (CSQ, FIQ, SFPQ, APTS and SPGQ) with a view to developing guidelines that will enable an historic common front of public employees to see the light of day. Such an agreement between unions will allow us to focus our energies on regaining the right to negotiate instead of on the period for switching union allegiance scheduled by law to start at the beginning of July 2009. In the meantime, the CSN and the FTQ have already signed a non-raiding agreement in the public sector.

The more numerous we are to support this societal project founded on fairness, equity and solidarity, and the more numerous we are to believe in it and mobilize around it to succeed, the stronger we'll be.

## **Negotiations 2010 Public and Parapublic Sectors**

### **Guidelines for the Common Front**

#### **Mandate sought**

Exploratory talks with a view to putting in place a broad union alliance for the next round of bargaining including a non-raiding protocol between member-organizations (CSN-FTQ-SISP).

To achieve this common front we need to come to an agreement on a strategic framework based on the following common objectives:

- 1- Quick negotiations aimed ideally at reaching a settlement before the decrees expire (March 2010).  
Timeframe for preparations, consultations and negotiations in keeping with the above.
- 2- Negotiations on targeted objectives.
- 3- By spring 2009, simultaneous consultations in unions at least on bargaining objectives at the central table.
- 4- Preparatory meetings with Treasury Board in spring of 2009.
- 5- Harmonize demands by September 2009.
- 6- File sectoral and common demands by October 30, 2009 at the latest.
- 7- Put in place a joint communications plan aimed at recognizing and valuing the public services sector and its employees, and identify common actions to ensure that this round of bargaining is successful.