

Statement, March 2011



## **MAKING THE CONNECTION**

### **Labour rights, good jobs, tax fairness and quality public services**

#### **Wisconsin: A cautionary tale**

The Governor of Wisconsin recently launched an attack on public services and stripped 175,000 public employees of their collective bargaining rights. Other states (e.g. Ohio, Indiana and Michigan) are following the Wisconsin script. The situation should serve as a cautionary tale for Canadians.

The pretense for the attacks is that state governments are broke and radical measures are required to eliminate budget deficits. This is a false argument.

It wasn't spending on public services or public sector wages that caused the deficits. Governments deregulated the financial sector. Greedy and reckless financial institutions caused an economic crisis. Governments bailed them out and stimulated the economy to prevent a catastrophic crash. That's the main reason for the current deficits.

The other reason is that these governments continued spending scarce public revenue on tax cuts for the richest individuals and corporations. This irresponsible approach to public financing dramatically increased deficits.

These governments could make financial institutions pay for the deficits they caused. The richest individuals and corporations can certainly afford to pay more. Attacking the collective bargaining rights of workers won't, in and of itself, save any money.

This battle isn't really about government finances. It's all about power.

#### **Their side vs. our side**

On one side are a handful of extremely wealthy individuals and corporations. They funnel millions to political candidates with sympathetic views. They field armies of lobbyists. They create think tanks that mimic their position on issues. They do whatever it takes to gain greater dominance.

On the other side are working people. They refuse to be the whipping boy for deficits they didn't create. They know their unions are among the most important counterweights to the power of money and corporations. They believe in equality and democracy.

#### **Nothing new for us**

This tale isn't totally new to workers in Canada. Over the last three decades, we've witnessed hundreds of attacks on labour rights against workers in both the public and private sector. The main difference with what's happening in the U.S. now is the pace and severity of the attacks and the brazen arrogance of the special interests behind the attacks.

Successive federal and provincial governments in Canada have chipped away at collective bargaining rights for years. More than 200 labour laws were passed over the last 28 years which restricted or suspended collective bargaining rights. In the U.S., the recent assault has been swift and brutal with the aim of completely eliminating collective bargaining rights for public employees.

To understand the true significance of this attack, one must understand the broad role unions play in society. Unions do far more than negotiate decent wages and benefits for their members. They play a critical role in ensuring greater economic and social justice for all citizens.

#### **Public services are the great equalizer**

At the same time, public services are the great equalizer for citizens. They enhance the quality of people's lives. They provide families and communities with protection and security against everyday risks. They play a vital role in preparing for and responding to natural catastrophes. They narrow the income gap between the poorest and richest.

Look at the correlation both in Canada and the U.S. between income inequality, the drop in union density and size of the public sector. From the 1940s through the 1970s, we saw an unprecedented period

of economic growth and the role of the public sector was expanding. During this period income growth was shared equally across all income groups. Everyone was getting ahead.

**We chose the common good**

This was the result of a deliberate set of public policy choices that produced a progressive tax system to fund quality public services, collective bargaining rights to give workers a greater say, and large-scale investment in infrastructure and good private sector jobs.

All this changed with the emergence of globalization, free trade deals and the dramatic rise of corporate power from the 1980s until today. The focus is no longer on how we distribute our collective wealth in order to improve the status of all citizens. The agenda is now driven by corporate greed and self-interest. The result is a massive concentration of wealth in the hands of a few. Income inequality is now at its highest level since 1928, just before the Great Depression.

The attack on labour rights has a much broader impact than limiting the ability of unions to protect the interests of their members. It weakens democracy, destroys good jobs, produces greater income inequality and threatens the economic and social well-being of ordinary citizens.

**A democratic counterweight**

Anyone who believes we need a democratic counterweight to the power of corporations and the super wealthy should support the following agenda: strong labour rights; an industrial strategy that creates good private sector jobs (ideally green jobs); tax fairness; and quality public services.

These are key components to a functioning democracy and an equitable and sustainable economy. The labour movement in Canada must continue to make the connection between these issues and mobilize Canadians around them. All together now!

In solidarity,



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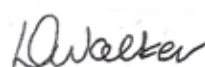
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