INSIDE

ALL ARTICLES WRITTEN BY TOBY SANGER UNLESS OTHERWISE NOTED

CUPE | Canadian Union of Public Employees

ON THE FRONTLINES

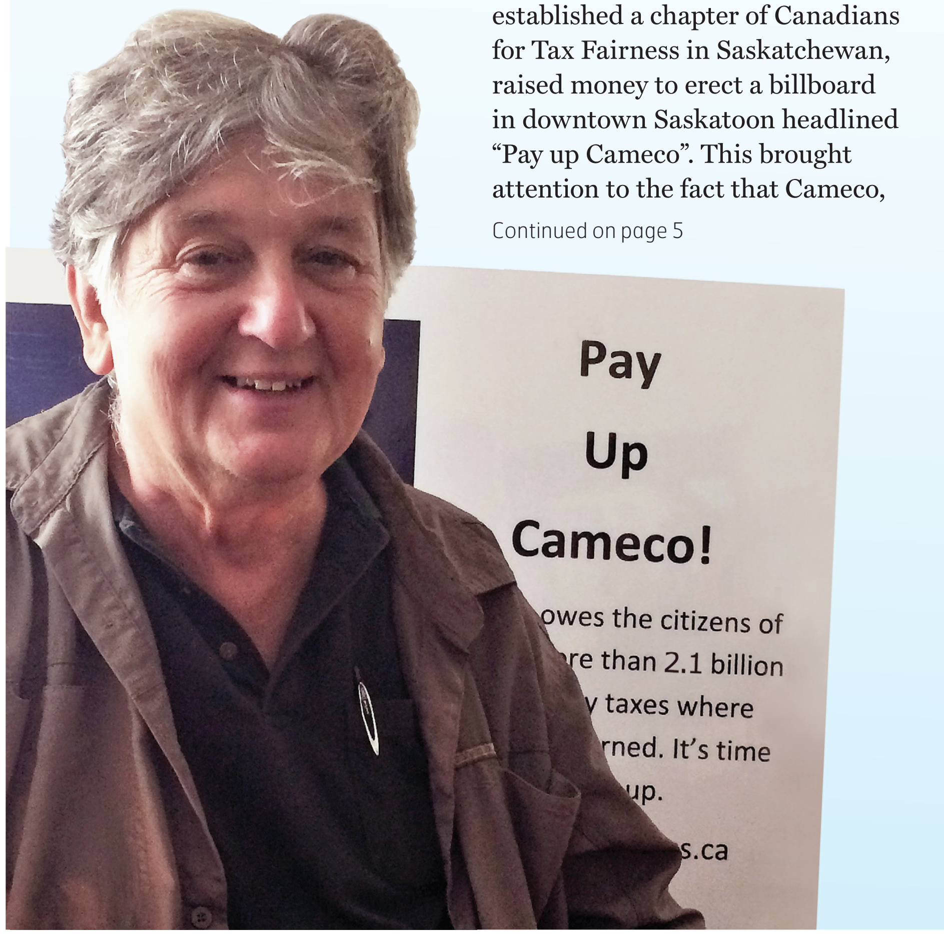
Don Kossick and tax justice

Former CUPE member and longtime community activist Don Kossick is well known in Saskatchewan as a tireless organizer for social and economic justice. Now he's making bigger waves nationally and internationally with a campaign to get Cameco, the world's largest publicly traded processor of uranium, to pay its fair share of taxes.

"Many people do not realize the billions that have been siphoned out of Canada that could go to health, education, human services, local development, etc. The response to our billboard campaigns and the petition signed by thousands show people want the Camecos of Canada to pay back what is owed," said Kossick.

Last year Kossick, who also established a chapter of Canadians for Tax Fairness in Saskatchewan, raised money to erect a billboard in downtown Saskatoon headlined "Pay up Cameco". This brought attention to the fact that Cameco,

Continued on page 5



ECONOMIC BRIEFS

HIGHLIGHTING RECENT ECONOMIC STUDIES AND DEVELOPMENTS

WORK/LIFE

Making happy families

It's sad but true. Shortly after that little bundle of joy arrives, and the extra work and stress of raising a family sets in, parents often become less happy than their non-parent peers. This "parental happiness penalty" has spawned considerable debate and concern, as some countries struggle with low population growth. It turns out there's a clear cure for this malaise. According to a recent study from the University of Texas, Austin, parents in countries with good family and working life policies were just as happy and often happier than their non-parent peers. Guaranteed vacation, sick leave, paid parental leave and affordable child care make everyone happier, and they provide an even stronger boost for parents. And, interestingly enough, these family-friendly policies had a much stronger impact than providing more cash in the form of child allowances

INEQUALITY

Flightless millionaires

It's often argued higher taxes will cause the rich to flee to lower tax jurisdictions. It turns out this is mostly a myth. The most comprehensive study on this found that the top tax rates in the U.S. have very little impact on migration. A 10 per cent increase in top tax rates leads to just a one per cent increase in those with annual incomes of over $1 million taking flight—and much of the migration of the rich was to Florida. In fact, the very rich are less mobile than those with very low incomes. They stay put because they have family and business connections—and because they like to live in places with a good quality of life and quality public services. This means we can hike tax rates on the rich more to help pay for quality public services that make our communities better, for poor and rich alike.

TAX FAIRNESS

Neo-liberalism oversold

What's going on? The International Monetary Fund (IMF)—which has for years pushed austerity, deregulation, privatization, "free trade" and other neo-liberal policies on countries around the world—now concedes in its flagship publication "Instead of delivering growth, some neoliberal policies have increased inequality, in turn jeopardizing durable (economic) expansion." The IMF now admits that a more progressive tax system is better for economic growth, that deregulating capital flows leads to more volatility and crises, and that austerity contributes to inequality and slow growth. Now that their own experts agree with what the people affected have known all along, it's time for the IMF foot soldiers to call off their hounds and for governments to implement policies that'll improve both equality and their economies.

Economy at Work is published four times a year by the Canadian Union of Public Employees to provide workers and their representatives with accessible information and analysis of relevant economic developments and to assist in bargaining. It replaces CUPE's previous *Economic Climate for Bargaining* publication.

Find *Economy at Work* online at **cupe.ca/economyatwork** with links to relevant materials.

An email edition of *Economy at Work* is available. Subscribe at **cupe.ca/subscribe**.

All content written by Toby Sanger unless otherwise indicated. Edited by Mario Emond and Karin Jordan. Layout by Sarah Walker. Please email **tsanger@cupe.ca** with corrections, questions, suggestions, or contributions.

CUPE Canadian Union of Public Employees

ECONOMIC DIRECTIONS
Latest economic trends at a glance

Economic growth	Another quarter, another downgrade. Forecasters now expect Canada's economy to eke out growth of just 1.3 per cent this year and two per cent in 2017.
Employment	Despite slow job growth, the unemployment rate hasn't increased much. It's expected to average seven per cent this year and decline only slightly to 6.9 next year.
Inflation	Consumer price inflation is forecast to average 1.7 per cent this year and to rise by about 2.1 per cent in 2017.
Wages	Wage increases in major collective agreements settled in the first half of 2016 averaged just 1.2 per cent, similar to 2015 and a paltry 0.4 per cent average for the first year of these agreements.
Interest rates	Interest rates remain close to rock bottom levels with longer term rates dropping in recent months. Sustained increases aren't expected until late 2017 at the earliest.

SPOTLIGHT: Why is the economy acting so sluggish – and a bit wacky?

Usually after a recession, economic and job growth surges back, making up for ground that was lost during the downturn. But this time we've had little of that.

Economic and job growth in Canada and around the world has been far slower than previous recoveries. Each year brings serial disappointment to economic forecasters when growth doesn't meet their expectations. And then the economy spits out numbers in directions that don't seem to make sense.

There are about a dozen theories or explanations for the slow economic growth. Our economy is going through major structural changes and remains highly unbalanced. Major economic measures aren't accurately reflecting these changes, nor do they reflect our underlying state of wellbeing.

Much of Canada's growth was fuelled by a resource, construction and consumer debt-driven spending boom that is fizzling out. Federal and provincial governments must now lead the transition with a progressive new direction to drive growth.

A major obstacle has been weak wage growth. Hourly wages have increased by an average of just 1.2 per cent so far this year, below inflation, which means real wage losses. Wage growth is being held back by continued public sector austerity and wage repression, "trade" deals that undermined workers' bargaining power, increasingly precarious work, and weak job growth. Many of the new work opportunities involve contract or "gig"-type jobs and activities like Uber that are undermining wages—and public revenues.

There are millions of opportunities in the transition to a greener, more sustainable economy. Good jobs with decent wages and benefits and improved public services must be at the centre of this new economic direction. We also need better measures and objectives for our economy; otherwise, our economy will continue to sputter along and make little sense.

Union membership trends and challenges

The face and composition of Canadian unions, including CUPE, have undergone major changes in recent decades and will continue to do so in the coming decade.

• In 1990, 60 per cent of Canadian union members were male and were still a majority as recently as a decade ago. Today, 53 per cent are female and if recent trends continue that number will reach 60 per cent by 2030.

• Unionization rates have dropped most for younger men and men in general. They've stayed relatively stable for women overall, with the rate decline for younger women being offset by a rise for older women.

• Figures aren't available on the number of racialized or Aboriginal union members, but they are likely increasing their overall share.

• Twenty years ago, there were more union members working in manufacturing than any other sector. Now manufacturing ranks as the fourth largest sector, well below union members in education who account for double their numbers and members in health care and social services who are almost three times more numerous.

Union membership in Canada has continued to grow, reaching an estimated 4.3 million in 2015, and up by 620,000 from fifteen years ago. However, growth has slowed considerably from annual increases of two per cent in the early 2000s down to an average of 0.7 per cent in the past decade.

Although it grew slightly last year, the proportion of all workers who are union members (the unionization rate) has slowly declined from 38 per cent in the early 1980s to 28.6 per cent last year. Still, Canada's unionization rate remains far higher than the US, where it dropped to 11 per cent, which is about half what it was in the early 1980s.

CUPE is by far the largest union in Canada with over 639,000 members, representing one of every seven union members. The next largest is NUPGE with 360,000 members and Unifor with 300,000 members.

Unionization rates vary radically by sector. They're far higher across the broader public sector, whose rate has grown from 70 per cent in 2000 to 72 per cent today. Rates are actually higher now across the public administration, education, health and social services sectors. These three sectors were responsible for the overall growth since 2000, as employment in

UNION MEMBERSHIP AND EMPLOYMENT GROWTH: 2000 – 2015

Select sectors	Annual average employment growth	Annual average union membership growth	Union membership change
All industries	1.4%	1.0%	620,700
Utilities	1.1%	0.8%	10,000
Construction	4.1%	3.7%	116,200
Manufacturing	- 1.8%	- 3.7%	- 294,500
Transportation and warehousing	1.1%	0.3%	11,200
Educational services	1.8%	1.9%	203,200
Health care and social assistance	2.8%	2.9%	375,600
Information and cultural	0.6%	0%	- 600
Public administration	1.1%	1.3%	105,100

Sources: Statistics Canada Labour Force Survey custom tabulation for CUPE August 2016, Employment and Social Development Canada 2015, Canadian Occupational Projection System (COPS) Industrial Scenario 2015-2024.

http://occupations.esdc.gc.ca/sppc-cops/l.3bd.2t.1ilshtml@-eng.jsp?lid=65&fid=51&lang=en

education and health grew at a faster rate than the overall average rate.

Meanwhile unionization rates among private sector workers have declined from over 18 per cent in 2000 to 15 per cent in 2015 — representing a total loss of 24,000 members. The biggest loss has been in the manufacturing sector, where there are now 300,000 fewer unionized workers than there were 15 years ago. Growth in other private sector industries has almost compensated for these substantial losses, led by construction with 116,000 new members and business, building and other support services with an increase of 54,000 new members.

The business, building and other support services (including administrative services, cleaning, waste collection and other contractual services) is the only private sector industry where unionization rates have increased since 2000. With its membership doubling over the past 15 years, it has the strongest membership growth of all sectors. Though the sector experienced high rates of employment growth with increased contracting out, higher rates of unionization demonstrate what can be achieved with targeted campaigns for janitors and cleaners.

Employment growth in the broader public sector is expected to grow by 1.2 per cent annually over the next ten years. This is well above the overall national average of 0.8 per cent, but also significantly slower than the past decade's two per cent annual average for the public sector. But within the public sector, there will be big differences in job growth rates: employment in health care and social assistance is expected to grow by 1.8 per cent, education services by 0.8 per cent, utilities by 0.6 per cent, information, culture and recreation by 0.3 per cent and employment in direct public administration by just 0.1 per cent annually.

Overall, employment growth is expected to slow in the future, from an annual average of 1.1 per cent in the past decade to 0.8 per cent in the next decade, according to the federal government's Canadian Occupational Projection System (COPS). These projections could be optimistic. A recent study estimated that 42 per cent of Canada's workforce is at a high risk of being affected by automation in the next decade or two. Many of these are lower paid private sector occupations, but certainly not all of them.

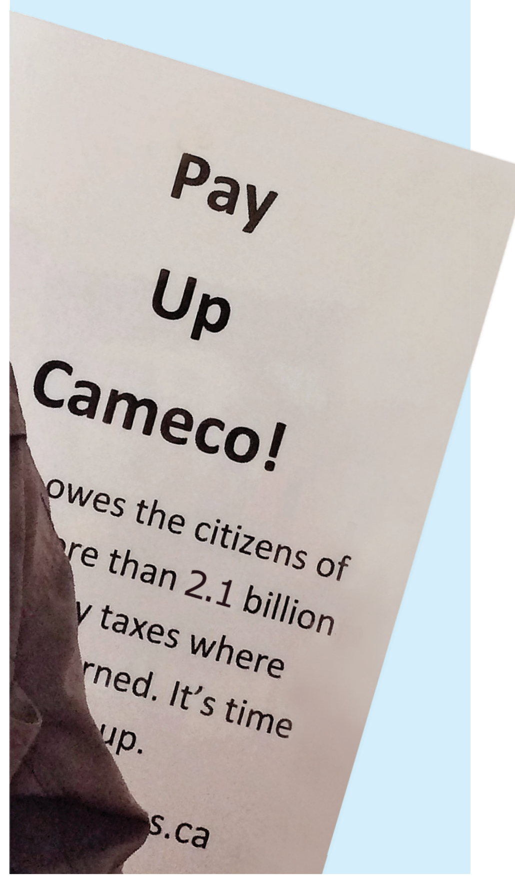
Much of the projected growth in employment will be in the highly unionized sectors of the economy. But the shift to more precarious, contract and temporary forms of employment across all sectors will make it difficult to achieve decent rates of growth in union membership.

Continued from page 1

which was formed in 1988 by the merger and privatization of two crown corporations, was using subsidiaries in Switzerland to evade billions in taxes.

This year Kossick started a petition demanding Cameco pay its taxes; it garnered over 36,000 signatures. The Canada Revenue Agency is finally taking Cameco to court this September, aiming to recover $2.1 billion in taxes plus interest and penalties, which would be Canada's largest tax evasion case.

Whether the CRA eventually wins or loses, this campaign for tax justice has already had a big impact, mainly by publicizing how certain large corporations avoid paying tax, how much it costs in lower revenues for public services, and by pressuring governments to make changes—and how activists like Don Kossick can make a big difference!



Top 10 Union advantages

After declining for many years, support for unions has rebounded since the financial crisis. A growing number of Canadians also say they'd like to join a union. These are some of the reasons why:

1. HIGHER WAGES. On average unionized workers are paid $5.40 an hour or 23 per cent more than those who aren't members of a union. The union advantage is considerably higher for women and lower paid occupations.

2. GREATER EQUALITY. Compensation in unionized workplaces is more equitable overall, with relatively higher wages for lower paid workers and less of a wage gap for women, younger workers and racialized workers. Unions are also recognized for significantly increasing equality across society overall.

3. PENSIONS/BENEFITS. Over 70 per cent of union members have access to a workplace pension, compared to less than 30 per cent of non-union workers. Union members have better health and other benefits, including leave, than non-unionized workers.

4. JOB SECURITY AND TENURE. Unionized workers are more likely to be full-time, permanent and to work longer for their employers. For instance, 14 per cent of unionized workers are part-time, compared to 20 per cent of non-unionized workers; 12 per cent are on temporary status compared to 14 per cent of non-unionized workers; and almost half (49 per cent) have ten years of experience with their employer compared to just 35 per cent for non-unionized workers.

5. HEALTH AND SAFETY. Unionized workplaces tend to be safer, with studies for the construction industry showing 30 per cent lower critical injury claims, 17 per cent fewer mobility impairments and 23 per cent lower lost-time claims. Unionized workers are more likely to report health and safety violations and minor no-lost time injuries (due to training, awareness and/or less fear of reprisal), which makes workplaces safer overall.

6. PREDICTABLE HOURS. Union contracts set predictable schedules, standard hours of work, overtime and shift premiums.

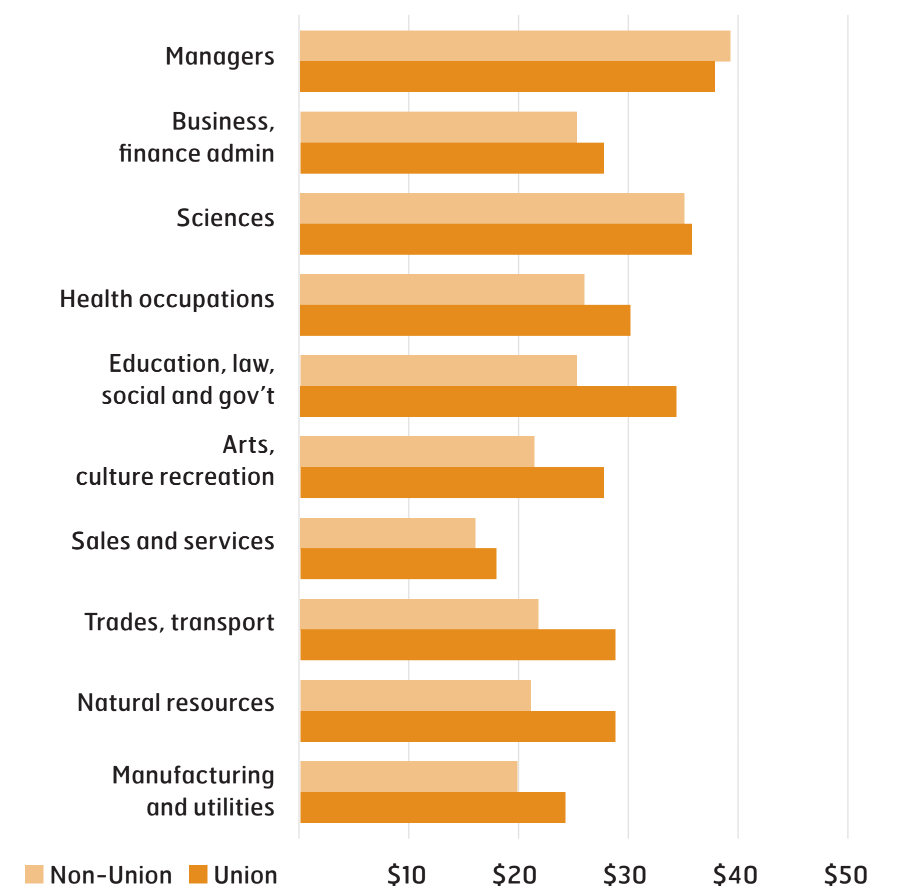
7. TRAINING AND EDUCATION. Training and education is a major priority for unions, included as a requirement through contracts and also extensively provided by unions themselves.

8. TRANSPARENCY AND EQUITABLE DUE PROCESS. Wages are set by common wage scales and grievance and arbitration procedures provide for due process over disputes.

9. WORKPLACE DEMOCRACY. Unions provide democratic organizations through which workers can affect change in their workplaces, communities and in the wider world.

10. ADVOCACY AND POLITICAL ACTION. Unions have paved the way in improving conditions for all workers, levelling the playing field so that non-union employers have to compete with them to attract workers.

UNION WAGE ADVANTAGE BY MAJOR OCCUPATION WAGE/HR



Source: Statistics Canada Labour Force Survey, custom tabulation for CUPE August 2016. Occupations are grouped according to the National Occupational Classification (NOC 2011). Data are available for 140 specific occupations at the "3-digit" level of detail and by province.

Just Transition: Why we need to look before we leap

Climate change may be the biggest crisis facing humanity. And it brings loads of challenges: environmental, economic and political.

The debate over the “Leap Manifesto” is an example. It outlines a number of progressive policy measures, many of which CUPE supports. But not everyone will be able to make a clean and easy “leap” to new jobs and livelihoods in a more sustainable economy. This is why labour unions are putting a strong emphasis on the concept of “Just Transition”.

Just Transition is based on the principle that the costs of transitioning to a more sustainable economy should be shared by everyone. Workers whose jobs are lost and people whose livelihoods are compromised should be supported with training, compensation, job opportunities and other supports, and workers should be involved in decisions that affect their livelihoods.

A Just Transition program for Canada should involve:

Employment insurance and skills training. We need a better Employment Insurance and skills training system so workers have support for moving to new job opportunities. We need to identify the training gap and the skills – both new and transferable ones – that will help us transition from high-carbon jobs to low-carbon jobs.

Industrial strategies. It is not just workers that are transitioning, but entire sectors and even communities. We need industrial and sectoral policies to be developed by employers, labour, government and other stakeholders that proactively and collaboratively make the transition to a low carbon and more sustainable economy.

Public sector. The public sector has a huge role to play in leadership, regulation and direct investments, including renewable energy production, public transportation and new infrastructure. We can’t leave our future in the hands of the same market forces that have crashed the economy and are ruining our environment.

Communities and social justice. Special attention also needs to be given to local communities, Indigenous peoples, precarious workers, marginalized groups, low income people and social justice. If building a greener economy leads to more poverty and exclusion, then it could hardly be called a success.

For CUPE’s National Secretary-Treasurer, Charles Fleury, a just transition needs to be both comprehensive and compassionate. “The fight against climate change cannot be waged at the expense of workers, communities or developing countries. The final accord should involve a just transition to a carbon-free economy, including financial incentives for the poorest countries.”

The changes we are facing will be significant and transformational, but necessary. We need to plan and act now. Do we need to leap? Yes. But if we are to succeed, we need to look before we do.

Pierre Ducasse and Matthew Firth

CPP expansion: how it will affect you

CUPE, the CLC and other unions have campaigned for many years for enhancements to the Canada Pension Plan (CPP). CUPE members and Canadians may now claim victory as federal and provincial finance ministers recently concluded an agreement to enhance the CPP.

Nine out of 10 provinces, representing more than two-thirds of Canadians, agreed in principle with this expansion. Quebec is planning to consult its population about similar changes to the Quebec Pension Plan (QPP).

The CPP improvement has two features. First and foremost, the paid benefits will increase from 25 per cent to 33 per cent of a worker's yearly average income. Secondly, this agreement will provide a gradual increase to the upper income limit subject to CPP—up to $82,700 by 2025 from $54,900 in 2015. The implementation of these changes will be gradual over the next seven years thus allowing the next generation of workers to fully benefit from the changes. Benefits will be paid according to the number of years of contribution.

These augmented benefits will be paid by an increase of one per cent of both the employer and employees' contributions (from 4.95 to 5.95 per cent). The required contribution for the new upper income limit will be four per cent for both employers and employees.

CUPE welcomes the agreement on CPP expansion because it will benefit all workers. However, low income individuals will benefit significantly less than middle and higher income individuals. Federal and provincial governments must now take steps to increase retirement incomes for lower income earners through enhancements to the Guaranteed Income Supplement or other measures.

There will be many other issues that will need to be addressed with this expansion, including how it will affect existing workplace pension plans. CUPE will continue to provide support and guidance to help our members fully benefit from these changes.

■ **Francois-Matthieu Drouin**

ESTIMATED CPP BENEFITS			
Income level (2025)	$25,000	$50,000	$75,000
Current CPP benefits (2018)	$6,250	$12,500	$14,500
Additional annual premiums (phased in 2019-25)	$215	$465	$790
Additional CPP benefits once fully mature (2065)	$2,083	$4,167	$10,500
Total CPP benefits once fully mature	$8,333	$16,667	$25,000