

## **Hot economy, lukewarm wages**

True to Alberta's labour history, workers continue to be undervalued in spite of the boom

By Radical Randy

Well folks, the Apocalypse may finally be upon us. Alberta, we are told, is suffering from a labour shortage. If this keeps up employers face a truly terrifying prospect: paying their workers a decent living wage!

But not to worry: Alberta's Conservative government will help bosses keep those pesky employees in line. Their policy of creating panic over the alleged worker shortage disguises the underlying lack of employee power in the province.

A recent Parkland Institute study *The Spoils of the Boom: Incomes, profits and poverty in Alberta* described how plummeting vacancy rates and skyrocketing housing prices have led to growing homelessness and people at risk due to incomes not keeping up with rents.

Alberta's \$8 minimum wage has not been keeping up with inflation. Neither have social assistance payments for single parent families, or the pay rates for most middle-income Albertans. Most the province's wealth goes to the top-income bracket and corporations (read: foreign shareholders).

What's worse, all of this is occurring despite a noticeable increase in working hours for most Albertans.

Those with memories of the 1970s boom years may find it mystifying that most wages haven't risen with demand for labour. It is easier to understand this phenomenon by examining it in the light of overall recent labour history.

## **Productivity doesn't pay**

During the last two decades of the 20th century, worker productivity doubled. Meanwhile people have seen their real wages stagnate or decline in real terms since the mid-70s.

A Canada-wide study, *The Rich and the Rest of Us: The Changing Face of Canada's Growing Gap* by Armine Yalnizyan of the Canadian Centre for Policy Alternatives, examined Canadian incomes over the past three decades. It found that everyone except the upper 10 per cent of the population has been working longer hours while most of the economic gains have gone to this top group. The lowest half of the population showed a drop in their share of total income.

Part of the reason for this may be the increased worker insecurity that has worked to the benefit of employers. The deficit hysteria of the '90s was used by the Chrétien government as a pretext to slash social programs, including Unemployment Insurance.

Oddly enough, finance minister Paul Martin somehow managed to find sufficient wiggle room shortly thereafter for huge tax cuts for the wealthy and the corporations.

During the '90s, Ralph Klein's evisceration of Alberta's social programs helped to fuel desperation among workers and the poor in this province. Meanwhile, a number of Canada's higher-paying manufacturing jobs were outsourced to developing world sweatshops, leaving McJobs for many (or Wal-Mart jobs for the lucky ones), temp jobs, and increased insecurity for working Canadians – a situation employers were happy to exploit.

High interest rates also led to high unemployment and those who still had jobs learned their place if they knew what was good for them. A subservient workforce had been properly disciplined. Corporate media and right wing “think tanks” happily cheered this new worker flexibility. All of this helped contribute to the fact that the proportion of the country's Gross Domestic Product (GDP) wealth going to labour, as opposed to the investors, reached its lowest rate in 50 years. The benefits of increased worker productivity went to the owners, not the employees.

The boom seems to have benefited American oil companies more than anyone else. Workers in the oil and construction industries may be better off but many others are not. With the skyrocketing rent and housing prices many of Alberta's working poor find themselves holding several jobs just to have a place to live and are worse off than they were before the boom. Many have no choice but to keep working past retirement just to make a few extra bucks. Must be that ‘Alberta Advantage’ in action.

### **Get a haircut and get a real job?**

Right about this point any right-winger in the vicinity can be counted on to pipe up with the following dull, time-worn gem: “Well if someone can't survive at a low-wage job why don't they just get more training for a better paying career?”

While this may work for a given individual with the right aptitude (assuming they can afford the tuition) it hardly makes sense for the working population as a whole. Are we all to become doctors or lawyers, pipe-fitters or electricians? Are the other jobs to simply go unfilled? How about this for a radical idea: anyone working at a full time job should be entitled to a living wage. Certainly a family with both parents working full time should be able to raise their children with some degree of security, or is that too lefty a concept?

### **The erosion of workers' rights and the work-life balance**

Employees are expected to be loyal to their jobs and sacrifice for the company, but the moment they are no longer needed they may expect to be immediately laid off or downsized. More and more of our lives revolve around our jobs, with lengthy overtime virtually taken for granted. Many find extra, longer hours the only way to get by without a decent base pay rate. Work to live, and live to work. Time not spent on the job is to be devoted to upgrading skills or polishing resumes and job hunting techniques. What else

would workers do with the extra time, waste it with their families or pursuing personal interests? Even school children find themselves buried under additional homework. They may not wind up learning any more but at least it prepares them for ever longer work hours.

One reason for the persistence of lower wages in Alberta is the active hostility of the provincial government to collective bargaining. Alberta's labour laws allow employers to stall indefinitely on first contract negotiations. The province also limits many union's right-to-strike, as illustrated by the construction industry. Management-friendly company or "dummy" unions divert workers from joining real unions that might produce actual job results.

Employers have gone to great lengths to keep workers from organizing by using a divide and conquer strategy. Historically racism, sexism, and linguistic barriers were used to prevent workers from conspiring together and to give some employees the belief that they had more in common with the bosses than with each other. The corporate media has helped sell the idea over the last few decades that workers and the wealthy owners have common interests and that any statement to the contrary is divisive class warfare rhetoric. In reality, a class war has been waged for the past several decades but it has been extraordinarily one-sided.

Corporate media faithfully report labour strife while ignoring past union accomplishments such as our rapidly vanishing eight-hour workday. Many unionized workers can't find jobs in Alberta's booming economy since employers would rather import easily exploitable, lower paid temporary foreign workers to labour under unsafe conditions.

The response of some to the mention of a union may be summed up as, "I don't need one since I'm such a valuable worker that I can dictate my own terms to the company and they'll be forced to pay me what I'm worth and I'll do it without any help."

My, how macho. Let's all be impressed. The absurdity of their viewpoint in light of the massive power imbalance involved doesn't seem to occur to these people. Another reason some workers oppose union membership is their expectation that management can be trusted to deal fairly with them without union solidarity. Don't forget to leave the hot chocolate and cookies out for Santa. Perhaps if they run on the company's treadmill fast enough and long enough, they'll finally get ahead. Someone should tell these people the corporate rat race is over. The rats won.

### **Misdistribution of wealth and anger**

The existence of a low paid reserve force of workers is an absolutely essential component of our economic system, not an accidental by-product. The only way to maintain the current misdistribution of wealth is with an underclass of desperate workers one or two paychecks away from living on the street. These people are kept in line with the looming threat of joining the even more impoverished homeless.

Corporate media functions to help divert the understandable anger of many workers in the direction of foreign enemies or criminals roaming the streets, anything other than their exploitive employment environment. The alienation and sense of hopelessness that our unfair distribution of wealth and power produces may well lead to maladaptive responses such as alcohol or drug abuse.

It is therefore hardly a major shock that many Albertans' real wages haven't risen, that the economists' favourite fetish, supply and demand, hasn't boosted their paychecks. As long as the economy is dominated by transnational corporate interests and driven by the business-friendly, neoliberal policies of right-wing politicians, there is little danger of most workers getting a fair deal. CEOs can sleep easy in Alberta.

Fundamentally, the issue of workers' pay and benefits comes down to a question of the purpose of an economy. Shouldn't it be the sustainable production of useful goods and services for the vast majority of the population, especially those who produce them, rather the creation of ever more wealth for plutocrats? Is our economic policy to be held hostage to the dictates of greedy global investors? Does the economy exist to serve the people or vice versa?

Well, that's it. Break's over. I think I hear your supervisor coming. You'd best be getting back to work. And remember, work harder – your boss isn't rich enough yet.

For more information, check out:

[www.ualberta.ca/parkland](http://www.ualberta.ca/parkland)

[www.policyalternatives.ca](http://www.policyalternatives.ca)

[www.afl.org](http://www.afl.org)

Lies the Media Tell Us, by James Winter