

Alberta's NDP government imposes wage and hiring freezes on public sector

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Alberta's New Democratic Party (NDP) government is demanding that public sector workers accept a two-year pay freeze in current contract negotiations, coupled with a hiring freeze across all public services.

Claiming that Alberta's economy is now well on the way to recovering from the 2014 oil-price collapse, provincial Finance Minister and Treasury Board President Joe Ceci declared in a November 28 address that now is the time to pull back purported economic stimulus measures and begin focusing on eliminating the provincial deficit.

He then pointed to the cost-cutting wage agreements the NDP recently reached with the Alberta Teachers' Association as a down payment. "The Teachers' agreement," said Ceci, "was two years of zeros for job stability and investments to help services for kids in those schools. I think that is a wise way to go, and frankly I am hopeful that as we expand our negotiations to other kinds of contracts we will find similar supports there."

Ceci went on to threaten public sector workers with layoffs if they balk at the government's austerity demands. "My hope is," said the NDP Finance Minister, "people will see the benefit of long-term job stability and that (despite their receiving) no raises, they would have their ongoing jobs."

The NDP froze wages for non-union "excluded" and management provincial staff shortly after it took power in May 2015.

Reinforcing the NDP's pitch to big business as a fiscally "responsible" party that can be relied upon to defend their profits and maintain an ultra-low tax regime while balancing the provincial budget, Ceci declared, "We will carefully find \$400 million (in cost-savings) this year and we have found \$500 million in the two previous years. ...The path to balance is ahead."

The economic update Ceci presented late last month included an 18-month hiring freeze across all public

services, a move which will result in hundreds if not thousands of job cuts through attrition as workers who either retire or quit are not replaced.

The NDP's ruthless austerity program is aimed at winning over powerful sections of big business, which have rallied behind the newly-established United Conservative Party (UCP) since Jason Kenney was elected its leader in October. Kenney, a leading member of Stephen Harper's hard-right Conservative government at the federal level for a decade, has pledged to slash public spending by 20 percent and has committed a UCP government to cutting, or at least freezing, the provincial minimum wage for years to come. He has also promoted far-right Western regionalism and made Anglo-chauvinist attacks on Quebec.

The NDP, which is irreconcilably hostile to the emergence of working class-led opposition to the danger posed by the rise of the far-right, has responded by seeking to compete with Kenney for the allegiance of big business. As Ceci presented his economic update, Alberta Premier Rachel Notley was in the midst of a nationwide tour to drum up support for oil pipelines to enable Alberta's major oil exporters to ship tar-sands bitumen to tidewater.

Since Notley came to power in 2015, her government has proven a stout defender of the oil industry's interests, including by abandoning pre-election pledges to increase oil royalties and by steadfastly maintaining low corporate and income tax rates for the wealthy—the so-called Alberta advantage.

The ruling elite remains unconvinced and is demanding that the NDP go even further in imposing the burden of the economic crisis on the backs of working people. Within hours of Ceci's economic update, Alberta's credit rating was reduced by the DBRS Ltd. bond rating service from double-A (high) to double-A. The province will borrow \$9.2 billion this year and the cost of servicing this

debt will climb to nearly \$1.4 billion from \$1 billion last year.

The 2017 NDP budget said the province will reduce health care spending by signing a new deal with doctors, including altering fee-for-service models to save \$400 million. Contracts for nurses, doctors, and for hospital orderlies, technicians and other health-care workers represented by the Alberta Union of Provincial Employees (AUPE) and the Health Sciences Association of Alberta are currently all on the table.

The chief concern of the trade union bureaucracy has been to prevent the emergence of strikes and other protests by workers against the budget cuts and increased work-load due to job losses. “This is a complex process and anyone involved in bargaining knows that it is best done at the table and not in public,” said Mike Parker, president of the 25,000-member Health Sciences Association of Alberta, in response to Ceci’s threats.

In July 2016, Alberta Health Services (AHS) workers represented by AUPE had a contract imposed by an arbitrator after two years of unsuccessful negotiations. Under the arbitrator’s award, the AHS workers received paltry 2-percent per annum wage increases in the first two years of the contract, which was retroactive to 2014, and a 1 percent increase in the third year. This amounted to a pay cut, when inflation is factored in, but for the union there was never any question of fighting the imposed contract.

The AUPE, which covers 87,000 provincial government workers, is currently in a legal strike position, with contract negotiations ongoing since last March 31. Many AUPE workers are low paid, as are a lot of “essential” government staff, such as IT workers, who are excluded from the union by law.

Workers represented by AUPE and the Canadian Union of Public Employees (CUPE) at numerous colleges across the province are also working without a contract. In some cases, the contracts expired six months ago.

Statistics Canada reported unemployment in Alberta in November was still around 7.3 percent, much higher than the national rate of 5.9 percent. Two-thirds of the jobs that were lost in Alberta due to the fall in oil prices are back, numerically speaking, but the new jobs are not the same high-paying oil industry jobs that disappeared in 2014-15. As a result, provincial income tax revenues in the second quarter of the current fiscal year were \$382 million below the province’s forecast. Government revenue from bitumen sales also remains weak.

The grim reality is that during the past two-and-a-half

years of NDP rule the working class has been battered by unemployment, social-spending cuts, and income, fuel and municipal property tax increases. A regressive Carbon Tax has been levied from the beginning of 2017 on any carbon creating goods or services consumed—this in a province with a very cold climate where most people drive and everyone must heat their homes for most of the year.

Also hitting working class Alberta families in the wallet is a 6 percent increase in the provincial education tax portion of municipal tax bills in Edmonton, and a planned 3 percent tax increase in January 2018.

Social conditions are deteriorating rapidly, with Alberta second only to British Columbia in the number of opioid deaths. Yet unlike BC, Alberta has not declared a public health emergency.

Data from the Alberta Council of Women’s Shelters released in the first week of December revealed that 22,274 abused women and children were turned away from shelters in 2016-17 and of those 13,000 were forced to return home to live with their abuser or become homeless. Shelters in cities were most likely to be over-capacity.

The data also showed 53 percent of women entering second stage shelters were homeless. More than half of women who access shelters in Alberta are indigenous, although indigenous people make up just 6 percent of Alberta’s population.

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