

After Ontario minimum wage hike

Canadian businesses claw back wages from low-paid workers

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Workers in Ontario and across Canada have expressed outrage at actions taken by employers seeking to cut the take-home pay and benefits of minimum wage workers in the wake of the Ontario provincial Liberal government's implementation of new employment standards.

Ontario Premier Kathleen Wynne's misnamed Fair Workplaces, Better Jobs Act, which became law on January 1, is a key initiative of the provincial Liberals to rescue their abysmal poll numbers in the run-up to this June's election. A central provision of the new law boosts the minimum wage for most workers from \$11.60 (US\$9.33) per hour to \$14 (US\$11.26) effective immediately, with another hike to \$15 (US\$12.06) scheduled for next January.

Prior to its implementation, the law was effusively praised by the trade unions and pseudo-left groups as a tremendous step forward for workers, with the International Socialists proclaiming it "historic." However, the Liberals made sure there were so many loopholes in the legislation that employers have been able, notwithstanding the minimum wage hike, to reduce workers' paychecks.

Within days of the wage increase, workers across the province began to receive notifications from their employers announcing reductions in take-home pay and benefits, and changes to workers' employment status.

In a particularly scandalous move that has received much attention in the Canadian media, Ron Joyce Jr. and Jeri-Lynn Horton-Joyce, the owners of two Tim Horton's franchises, and heirs to billionaire Ron Joyce Sr., the co-founder of the Tim Horton's coffee shop empire, ordered their workers to sign a document acknowledging their loss of paid breaks, paid benefits and other monetary incentives. Workers at their franchises have calculated that the cutbacks—entirely legal under Wynne's new standards—will cost a veteran full-time worker \$51 per paycheck which, despite the minimum wage hike, means an actual wage cut.

Other employers have sought to exploit the gaping loopholes in the employment standards provisions to

maintain their profit levels. Rainbow Foods has eliminated paid breaks. Car dealerships have shifted drivers' status from wage labourers to "independent contractors." Department store workers have reported cuts to their scheduled hours of work. A province-wide, all-day breakfast chain, Sunset Grill, boosted their prices and ordered a 25 percent increase in tip clawbacks to "offset" a 20 percent minimum wage hike.

"With this increase, it's like a double whammy for us," one Sunset Grill server told Vice News. "It's like we don't even get a wage increase at all." Another said, "We basically run the restaurant. At the end of the day, this is an insult. We work our asses off."

Under Ontario law, servers and other staff in "tip intensive" industries receive a lower minimum wage—currently just \$12.10 per hour.

The cutbacks reach into every aspect of low-wage work. In industries requiring uniforms, workers have now been ordered to buy their own.

These loopholes are not an unfortunate by-product of the legislation. The trade union-backed Liberal government bent over backwards to assure businesses that their bottom lines would not be impacted. Shortly before the Fair Workplaces, Better Jobs Act came into force, the Liberals handed a 1 percent corporate tax rate cut to small businesses on the first \$500,000 of profits to offset the cost of any wage increases.

Moreover, the government added outright exemptions for some employers. For example, the new law gives workers in Ontario 10 days of personal emergency leave, two of which are paid. In a provision kept secret by the government in the run-up to enactment of the legislation, the act denies all workers in the auto sector those same minimal protections. Instead, autoworkers will be entitled under provincial law to seven days of sick or emergency leave and three days of bereavement leave, all unpaid. ("Canada: Ontario Liberals impose two-tier employment on autoworkers")

Due to a decades-long marketing campaign to sell the Tim

Horton's coffee chain as a cornerstone of Canadian cultural identity (although, awkwardly for nationalists, its current majority owner is the Brazilian investment firm 3G Capital), media attention has focused on the cuts at those franchises.

Reacting to the firestorm of outrage at the cuts, Premier Wynne branded the franchise owners who had imposed benefits cuts as "bullies" and called on them to follow "the spirit" of the law. This is rich coming from a premier who has repeatedly outlawed strikes to force workers to accept rotten concessionary contracts, slashed social spending and presided over public sector job cuts.

Andrea Horwath, leader of the provincial New Democratic Party, which propped up the strike-breaking, pro-austerity Liberal minority government from 2012 to 2014 and campaigned to the right of the Liberals in the last provincial election, questioned "independent contractor" re-classifications, but otherwise simply called on employers to "follow the law."

None of these politicians cared to address the fact that the employers' offensive against low-paid workers is entirely legal under the Liberals' legislation. Together with the unions, they seek to present the issues involved as purely local in character, even though there is a relentless drive by big business in Canada and around the world to gut workers' social rights and accelerate the transfer of wealth from working people to the rich and super-rich.

The response of the trade unions has been equally cynical.

At a protest outside a Toronto Tim Horton's, Toronto and York Region Labour Council President Jim Cartwright called on franchisees to seek permission for price increases from their home office to offset the wage hike. Ontario Federation of Labour President Chris Buckley, appearing at another protest, echoed Wynne's remarks, while avoiding any criticism of the Liberal government. For good measure, Buckley added some bluster about stepping up pressure on franchise owners for "fairness." Buckley, as autoworkers who got to see him up close when he was the president of Canadian Autoworkers Local 222 know full well, has a long history of delivering such blather while presiding over the imposition of concession contracts and the elimination of jobs, including the CAW's infamous scuttling of opposition to the closure of the Oshawa GM Truck plant.

The union bureaucrats' studious silence on the Liberal government's role in launching the latest round of attacks on workers in Ontario comes as no surprise. With a provincial election approaching, the unions have already opened their war chests to fund yet another multi-million dollar pro-Liberal election campaign, conducted on the bogus pretext of "stopping" the Tories. In reality, the unions' consistent support for the Liberals over the past 15 years has enabled the ruling class' preferred party of government to enforce

right-wing, anti-working class policies that go far beyond those implemented by the Progressive Conservatives under Mike Harris and his Common Sense Revolution. These include the privatization of public utilities, brutal social spending cuts and further tax handouts to big business and the richest 1 percent.

What the unions want to avoid at all costs is a broad-based working class mobilization against the political establishment and the capitalist profit system, because this would undermine their cozy corporatist relations with Liberals and big business as a whole. As part of the unions' open transformation over the past three decades into pro-corporate entities with interests diametrically opposed to those of the workers they claim to represent, top union bureaucrats have been integrated into tripartite business-government-union committees and Liberal-led government consultative bodies. A prime example of this was the months-long "independent" review that laid the basis for the Fair Workplaces, Better Jobs Act.

A mass working class movement directed against the entire political establishment and their accomplices in the trade unions is precisely what is required. Recent events in Ontario have once again thoroughly exposed the rotten politics of the pseudo-left groups who have promoted campaigns such as "Fight for \$15 and Fairness," which are aimed at boosting the pro-capitalist unions' much diminished authority and helping them to develop a new dues base among low-wage, service workers. It is not possible to conduct a struggle for better wages and working conditions in alliance with organizations which seek to prop up the political parties responsible for decimating workers' wages, living conditions and public services.

Workers at Tim Horton's and other companies must take the struggle into their own hands. Action committees must be formed, controlled by rank-and-file workers, to lead the struggle for a livable income, which in major cities like Toronto or Ottawa would be well above \$20 per hour. This is above all a political struggle, requiring the fight to develop the independent activity of the working class in opposition to all of the capitalist parties. This can be accomplished only through the adoption of a socialist and internationalist program to connect the struggles of workers in Ontario and across Canada with their class brothers and sisters internationally.



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