

300,000 federal workers confront Canada's union-backed Liberal government in struggle for real-terms pay increases

Our reporter
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Negotiations between Canada's Liberal government and unions bargaining on behalf of 300,000 federal government workers remain largely stalled. The government, which enjoys the political backing of the trade union bureaucracy and the social democratic New Democratic Party, is determined to impose concessionary agreements containing large real-wage cuts.

The Treasury Board warmly welcomed the final report of a Public Interest Commission (PIC) in February that strengthened the government's hand. The PIC was established after the Public Service Alliance of Canada (PSAC) declared an impasse in its negotiations with Ottawa for new contracts for 120,000 "core" federal administration workers.

The government termed the PIC report a "clear path forward" for resolving the dispute. In reality, it recommended wage "increases" well below the annual inflation rate, which surpassed 8 percent last year and continues to exceed 6 percent. Price increases for daily necessities like food, gas, and energy are significantly higher than the official inflation rate.

The PIC proposed pay hikes totaling just 9 percent in a three-year contract, for an annual average hike of 3 percent. This would consist of retroactive increases of 1.5 percent to June 2021 (the previous contract expired that month) and 4.5 percent in June 2022, and a 3 percent rise in June.

The ostensibly "progressive" Liberal government initially tabled contract offers in line with those of the hard-right governments of Ontario and Quebec. For the four bargaining units of the "core" federal administration workers, the government offered average annual pay "increases" of 2.06 percent in a

four-year contract.

Throughout the lengthy negotiations, Prime Minister Justin Trudeau and his Liberal government have maintained a hardline stance. In January, the government initiated an "unfair labour practices" complaint before the Federal Public Sector Labour Relations Board accusing PSAC of "flood(ing) the bargaining tables with costly proposals" and refusing to negotiate in "good faith." This is rich coming from a government that forced federal workers to labour throughout the pandemic, portraying them as heroes for administering much-needed public services, and processing generous government support programs to big business and meagre rations handed to individual workers who found themselves out of work. Now that these same federal workers are making relatively modest demands to ensure that their pay keeps up with the skyrocketing cost of living, government officials assert that they are intolerable.

Despite the PIC's pro-government stance, the PSAC leadership also welcomed its report. A PSAC press release said it "offers a pathway to make gains for workers, but still falls short of PSAC's demands to reach a fair contract that keeps up with the rising cost of living." In a strong indication that PSAC is planning to sell out federal government workers by accepting the PIC framework as the basis for a settlement, the union announced Monday that its approximately 250 members at NAV CANADA, which oversees the country's civil aviation system, agreed to a three-year contract with "over 9%" of pay increases. The union ridiculously touted the deal as containing "no concessions."

By April 19, PSAC will conclude strike votes among

the 120,000 “core” group of workers. These workers include the Program and Administrative Services, Operational Services, Technical Services and Education and Library Sciences groups.

Approximately 35,000 Canada Revenue Agency workers, also represented by PSAC, are already in the midst of a strike vote. In late January, a separate PIC filed a report on that contract dispute, but it made no recommendations on wages or any other issue on the grounds the two sides were too far apart.

While PSAC has now called for strike votes among more than 150,000 workers, it is doing everything in its power to drag out negotiations and prevent a genuine challenge to the Liberal government. The strike votes are being portrayed as a means to haggle for a few concessions at the bargaining table. This with a government that is hurtling to the right and preaching the need for “fiscal restraint,” while it showers Ukraine with weaponry and has committed to tens of billions of dollars in military spending to wage war against Russia and China.

The Trudeau government is determined to make the federal government workers and the working class as a whole bear the burden of the massive cost of Canadian imperialism’s war. The push to enforce real-terms pay cuts is also driven by the ruling elite’s commitment to force working people to pay for the massive bailout of the banks and big business at the onset of the pandemic.

PSAC is far and away the largest federal government workers’ union. Its negotiations with Ottawa traditionally set the framework for the government’s agreements with other federal worker unions. This is why the struggle by federal government workers for inflation-busting wage increases deserves the support of the entire working class.

This requires above all that control of the struggle be seized from the hands of the union bureaucrats, whose main concern is to preserve their political alliance with the Liberal government by imposing a sellout agreement to allow the ruling elite’s policies of military conflict abroad and attacks on workers’ rights at home to continue unchallenged. To stop this conspiracy, federal government workers must establish rank-and-file committees to broaden the struggle for their justified demands to wider sections of workers and lay the basis for the independent political mobilization of working people against imperialist war

and capitalist austerity.



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