

Cities and Civic Workers: The Union Role in Building Better Cities

Book Review

Although Carlo Fanelli's book *Megacity Malaise: Neoliberalism, Public Services and Labour in Toronto* is not about Winnipeg, it offers many insights applicable to Winnipeg and to other Canadian cities. Fanelli is a former Toronto civic employee who looks at civic issues from the point of view of city employees and their unions. His central argument is that the fiscal problems confronting Toronto and all major Canadian cities are not caused by over-spending on civic services nor by excessive union wage demands, although this is what is typically claimed.

The basis of Canadian cities' fiscal problems is in Canada's constitution, which does not give cities the taxing powers to generate sufficient revenue to do all of the things for which they have responsibility. Cities are forced to over-rely on property taxes, which "is unsustainable in the long run." Property taxes are regressive, and don't grow with the economy, leaving cities in a constant state of fiscal crisis. This is made worse by the fact that federal commitments to civic issues have been sporadic and insufficient to meet cities' needs.

This has been worsened further by the ideological dominance in Canada of neoliberalism. This ideology has

driven massive cuts in taxation and in public spending—by 1999 Ontario's Mike Harris government, for example, had made 99 different tax cuts; by 2013 Stephen Harper's government had cut federal taxes to the lowest rate in 70 years—followed by the downloading of responsibilities from senior to lower level governments. Cities have borne the brunt of this offloading, and have not had the capacity to generate the revenues needed to deal with it.

Toronto and Winnipeg have responded with a host of policy measures that do not get at the real root of the problem. Like Winnipeg, Toronto has allowed suburban sprawl to grow, on the grounds that more suburban housing will mean more property tax revenue. But this doesn't get at the underlying structural problems, and in fact generates more costs in the longer run. Selling off valuable public assets to the private sector creates profits for private interests, but produces a one-time only injection of cash that is no solution to the underlying problem and that diminishes future revenue flows. The same is the case with privatization and contracting out and the use of public-private partnerships (PPPs). There is a great deal of evidence that PPPs, to take that example, do

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not generate the savings that cities claim. Ontario's auditor-general produced a major report on 74 PPPs completed between 2003 and 2014 and found that these cost Ontario some \$8 billion more than traditional public financing. Contractors benefit, cities' budgets do not, yet Toronto and Winnipeg continue to make use of PPPs on the largely false grounds that they save public money. The contracting out of city work continues unabated, and any "savings" it produces are typically the result of non-union contractors exploiting vulnerable workers. This is the case with the privatization of Winnipeg's garbage collection service in 2012. The hard work of lifting garbage cans and dumping them into trucks is done by temporary day labourers—many of them young Aboriginal men—hired on a day-by-day basis at minimum wage with no benefits. Described in an expose by Aboriginal Peoples Television Network as "Winnipeg's dirty little garbage secret," this exploitative process is how Winnipeg "saves" money via privatization and contracting out (<http://aptn.ca/news/2015/10/30/hurting-for-work/>).

Spending on valuable public services continues to be cut on the largely false grounds that cities have a "spending problem," while the already massive infrastructure deficit balloons ever further. Roads, bridges, underground pipelines and transit services continue to deteriorate, while parks and recreation facilities, libraries and other essential civic services remain underfunded. The urban fiscal crisis grows unabated.

City governments, desperate for solutions and driven by their ideological orientation, point the finger at out-of-control spending and excessive wage demands by civic unions. Many in the right-wing media promote this simplistic and largely false explanation.

Fanelli points to data showing that incomes have stagnated over the past three decades of neoliberal governance. "In Canada's three largest cities the bottom 90 percent of income-earners made less in 2013 than they did in 1983." Toronto's 2007 Independent Fiscal Review Panel found that the average wage of City of Toronto workers, including overtime, was "less than \$40,000 in 2007." Toronto's unionized workers and their unions are not the cause of the city's fiscal problems.

Yet one of the great "successes" of neoliberalism and its adherents has been to redirect the anger of many modest-income earners at civic employees and their unions. Civic employees are seen as being paid too generously, despite their relatively modest earnings. As Fanelli points out, "the vitriol directed at them is intense, often as if they live lavish lives at the expense of non-unionized workers."

From this neoliberal-created anger grows the right-wing populism that produced Rob Ford in Toronto, with his constant attacks on public spending and on City of Toronto employees and their unions. The popularity of Donald Trump in the USA has similar roots. After 40 years of neoliberalism that has produced deteriorating public services and stagnating incomes, people have genuine grievances. So it is ironic and deeply disturbing that their legitimate anger is falsely directed at those who are not the real cause of the problems—in Toronto, civic employees' unions, and elsewhere at immigrants and people of colour.

It is Fanelli's contention that the unions that represent civic employees—particularly large numbers of whom are women, and growing numbers of whom are recent immigrants and people of colour—have an important role to play in building better cities. The two major unions in Toronto are CUPE locals 79 and

416. CUPE 79 is Canada's largest municipal union with 18,000 members, and CUPE local 416 has 6,200 members, most of whom are outside workers. These two locals have been involved in a series of strikes since the turn of the 21st century, attempting to protect civic employees from constant attempts to impose concessions on the false grounds that excessive workers' demands are the cause of Toronto's fiscal problems. In some cases, especially the 2009 strike, these Locals have not been as well prepared as they ought to have been, Fanelli claims.

He makes the important argument that civic unions whose members provide important public services should be building alliances with the people who use those services, most of whom are people of similarly modest incomes. He points to some cases where such alliances have been successfully constructed in defense of valuable public services—for example Toronto library workers who built strong alliances with users of libraries, and in the USA the Chicago Teachers Union, which built effective alliances with parents in low-income neighbourhoods to fight off attempts to cut educational funding and, as is the case in so much of the USA, to turn public education over to the private sector. A similar example in Winnipeg is the Citizens for Transit coalition comprised of various advocacy groups committed to improved transit services together with the Amal-

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gamated Transit Union Local 1501.

In the 2009 Toronto civic workers' strike, however, Fanelli argues that unions did not do enough to engage and educate their members or to make connections with the many users of civic services. What Fanelli is advocating is a return to "social unionism." Unions can be successful, he argues, only if they position themselves as the allies of all other working and low- and moderate-income people who on a day-to-day basis make use of public services that are essential in their daily lives and that are delivered by civic employees. A part of this process requires turning around the public perception that civic employees are the problem; that they are, as Rob Ford inaccurately claimed, paid too generously. This means engaging and educating union members around a political program at the centre of which is the value of public services, and then using the value of public services as the means by which to build alliances with the users of those services.

At a broader level, it requires getting at the real roots of the fiscal crises of major Canadian cities, and that means the federal government will have to play a sustained role in funding civic services and meeting cities' needs. At the moment there is "a complete absence in Canada of a national policy for cities or for municipal funding of crucial infrastructure,

transportation, housing, immigration and poverty alleviation.” The revenues needed to produce such a national policy can be found by reversing the many tax cuts made by governments led by Stephen Harper and Mike Harris and others. Doing so would enable senior levels of government to invest in a systematic and sustained fashion in the cities where the vast majority of Canadians live.

Neoliberalism has done a lot of damage in Canada in the last three and a half decades. Nowhere is that more the case than in big cities like Toronto and Winnipeg. The adoption of neoliberal approaches to fiscal issues at the federal, provincial and civic levels has been a major factor in producing severe underinvestment in public services and a massive infrastructure deficit which, in the absence of renewed public investment, will simply be passed on in even worse condition to future generations to deal with.

In Toronto, civic governments led by the likes of Mel Lastman and Rob Ford have falsely blamed the city’s fiscal problems on “spend thrift public services and union salaries,” and have vowed to solve urban problems by attacking moderately paid workers and their unions. Fanelli does a very good job of demonstrating that the problem is not overpaid public sector workers, and that repeated demands for union concessions and more “flexible” work arrangements are misplaced. Similarly misplaced is a Winnipeg Councillor’s recent call to consider privatizing Winnipeg Transit because mechanics’ overtime incomes are high—the real problem is best solved by hiring more mechanics.

Yet such kneejerk demands will continue as long as neoliberalism maintains its grip at city hall. It follows,

Fanelli argues, that civic unions are in a particularly important position as front-line defenders against continued neoliberal attacks directed at those who are not at all the cause of our urban problems. Civic unions can best play this role if they engage in a form of unionism that involves reaching out to the broader public to build critically informed and engaged alliances in support of the public services that are so essential in the daily lives of Canadians.

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