

Living Wage Campaigns and Building Communities

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The Occupy movement's 'we-are-the-99%' protests that erupted in some thousand cities around the world in 2011 have morphed into a growing anti-austerity politics. From Athens to Seattle, Montreal to Madrid, London to Lagos, protesters in their thousands have been marching in the streets against increasing polarization of wealth, income and power. A principal focus of this anti-austerity politics is the need to end poverty wages. In Los Angeles, New York and over 200 other US cities, fast food workers and other low-wage workers have been demonstrating in front of Macdonald's restaurants and other low wage firms. Together with home care workers, retail employees and other low paid workers in the "Fight for \$15" movement, they are demanding a minimum of \$15 an hour as a "Living Wage."

Recently the University of California agreed to a \$15 an hour wage floor. New York State announced a \$15 Minimum Wage for some 200,000 fast food workers and all state workers. Seattle, San Francisco and Los Angeles have also adopted a \$15 Minimum Wage and Chicago and Kansas City have adopted a \$13 wage (Greenhouse, 2015, 2). Similar policies are being debated in other cities, expanding a movement in which over 150 US cities and counties have adopted Living Wage policies over the past twenty years. In Britain almost 1600 organizations have been officially recognized as Living Wage employers (Cooper, 2015), and in 2012 the London Olympics became the first Living Wage Olympics.

Supported by advocacy, educational, research and anti-poverty organizations, such as Vibrant Communities Canada, ACORN (Association of Community Organizations for Reform Now) Canada, and the Canadian Centre for Policy Alternatives, Living Wage coalitions are also spreading across Canada². In many ways, British Columbia is leading the way. VanCity Credit Union became the largest employer in Canada to

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2 In Ontario alone there are Living Wage initiatives in at least 24 communities, including Hamilton, Waterloo, Peel, Toronto, Chatham-Kent, London, St. Thomas, Perth Huron, Thunder Bay, Sudbury, Ottawa, Renfrew County, Simcoe County, Oxford County, Peterborough, Kingston, Brantford, Guelph, Windsor, Grey Bruce, Haldimand-Norfolk, Halton, Niagara and Gravenhurst.

adopt a Living Wage, New Westminster, B.C. became the first Canadian city to adopt a Living Wage for its municipal employees, and Vancouver City Council recently voted unanimously for a Living Wage for city employees.

So what is a Living Wage? And what is the difference between a Minimum Wage and Living Wage? A few Minimum Wages are Living Wages, but usually they are a lot less. Minimum wages are whatever governments say the legal wage floor is in particular places for various kinds of work. By contrast, Living Wages are based on two normative premises. One is a moral premise that workers should be paid enough to raise themselves and their families out of poverty and maintain their dignity in society. The other premise is that everyone should have the means and leisure time to *participate meaningfully in the civic life of their community*. That means that Living Wages are almost always higher than the Minimum Wages that governments legislate.

In Canada there has been a sharp increase in the proportion of workers who work for low wages. Wages in the high paying sectors are growing twice as fast as wages in low-paying sectors (Tal, 2015, 3), especially in rapidly expanding service sectors. In Ontario alone, 700,000 work for a Minimum Wage. Add another million who earn between \$11-\$15 an hour, and we have three out of every ten Ontarians working for low wages – almost doubling the proportion of low wage workers in less than fifteen years. This doesn't include the 11% of workers in Ontario who are not covered by the Minimum Wage (Vosko et al., 2014). Particularly for those working for minimum wages, the proportions of low wage workers are even higher – often much higher – among women, First Nations, youth, racialized workers and recent immigrants (Block, 2015, 8-9; Government of Ontario 2012; Lewchuk et al., 2014; Block and Galabuzi, 2011).

These low wage workers are the 'working poor.' They are found across growing expanses of Canadian labour markets, including retail, cleaning, hospitality, security, care work, and other sectors. In Canada, 1.8 million work for less than they need to pull themselves and their families out of poverty (Cooper, 2015). In 2008, two of every three families living in poverty in Canada had one or more family members in the paid workforce (Canada, 2012, 28). To lift them out of poverty, they need a Living Wage that allows them to make enough to meet their families' basic needs – food, clothing, rent, transportation, child care and other essentials – and have a bit left over for things like their children's soccer team so they and their families can participate more in community life. Based on actual costs of meeting these needs, Living Wage rates vary from community to

community. For example, the Living Wage in Vancouver is \$20.68 an hour; in Toronto it is \$18.52 an hour; in Hamilton – whose Living Wage campaign is the main focus here – it is \$14.95 an hour.

THE BEST PLACE TO RAISE A CHILD

In Hamilton, an Ontario city of half a million, Living Wage coalitions have been making significant gains. They have also been facing formidable challenges. This mix of success and adversity provides insights into the special importance of *community identity* to the success of Living Wage campaigns. The overarching goal of the City Council of Hamilton and Hamilton’s Roundtable for Poverty Reduction, a local coalition of community, faith, policy, municipal groups, charities and private firms, is to make Hamilton “the best place to raise a child” by reducing poverty. Although the rate of child poverty in Canada has been declining in recent years, it is still among the worst among rich countries, ranking 20th out of 30 industrialized nations (Raphael, 2009). Some parts of the city suffer poverty levels that are among the worst in Canada. One of every five Hamilton children lives in poverty, and in some neighbourhoods this runs as high as two or three children in five. Every month the equivalent of over 270 classrooms of children use foodbanks.

A big part of children’s poverty is due to their parents’ low wages. Over 30,000 Hamiltonians go to work for pay – and yet they and their families still live in poverty. A Living Wage is a top priority at Hamilton’s public school board. Teachers and school trustees know personally many of the children who are growing up in poverty while their parents are working for poverty wages. They see the impacts every day in their schools: physical and cognitive developmental delays, poor health, depression and anxiety, aggressive behaviour, kids who are too hungry to learn, and parents who are too stressed out to help them.

At a recent recognition ceremony, about twenty Hamilton organizations received official public recognition for adopting a Living Wage policy. This includes the public school board, the first public institution – and the first publicly elected body – in Ontario to adopt a Living Wage. As school trustee who sponsored the board’s adoption of the Living Wage argued: “the best way to fight child poverty is to pay parents a living wage.” Among the employers recognized was the co-chair of Hamilton’s Living Wage coalition, the CEO of a local manufacturing firm. The head of the Hamilton Chamber of Commerce, who adopted a Living Wage for employees at the Chamber, spoke about how his support of the Living Wage arose in important part because he was raised by a working single mother.

A Living Wage Policy is also a growing priority at Hamilton's McMaster University. For several years the McMaster Community Poverty Initiative (MCPI), a coalition of faculty, staff, students, and unions, in partnership with anti-poverty groups in Hamilton, has been promoting a Living Wage policy. Support has been growing across campus, including among some senior administrators, as part of a new priority of "community engagement" inside and outside the university. The university appointed the co-chair of the MCPI to head up the university's new office of Community Engagement. It was in this context that cleaners at the university, and their union, the Building Union of Canada, made a major gain. Before their most recent contract, many McMaster cleaners were paid only \$13.51 an hour. Since many are single parents, what they earn is what their children live on. Now, thanks to the university administration's agreement to a Living Wage in their contract, they're making a minimum of \$15 an hour.

The way the cleaners won the Living Wage points to the importance of community building. As has been the case for many years in regard not only to the cleaners but also to other low wage, predominantly female, often immigrant workers, including cafeteria workers represented by the Service Employees International Union, university negotiators were very aggressive in contract negotiations. The cleaners were told they were expendable and that the university could get cleaners for even lower than the poverty wages many were making. The university threatened to outsource the cleaners unless they accepted the administration's 'final' contract offer that would keep many well below the Living Wage. This threat came in the middle of summer when most students and faculty were not on campus.

However, word got out and in a couple of days over 150 faculty, staff and students signed an online petition to the university president expressing their "strong disagreement with the ultimatum" the university had made to the cleaners. They called on the administration to "commit to paying all of its fulltime workers a living wage immediately." As a "community dedicated to the fulfillment of human potential, McMaster University should be leading the way on this issue." After admonishing the administration for its "final best offer" which "perpetuates gender inequality" by keeping workers in the mainly female part of the bargaining unit (but not the mainly male higher skilled part) below a Living Wage, the petitioners said they wanted to "work in a community that values all its members." In closing, they noted that many had been inspired by the university president's public position that the university must "uphold above all else the obligations of the University to serve the

greater good, beginning with our immediate community”.

With public support for a Living Wage for the cleaners growing among the public outside the university as well, the *Hamilton Spectator* newspaper soon picked up the issue. With the administration’s hard bargaining under pressure from many in the university community and in Hamilton, McMaster’s president, often a progressive voice, announced that the administration would offer a Living Wage in the new contract.

CHALLENGES

Living Wage campaigns in Hamilton also illustrate formidable challenges. One is that such campaigns can lead to the redistribution of wages *among* workers: a transfer from higher paid workers to lower paid workers without helping to raise wages for *all* workers and without changing the *overall* distribution between the top salaries and bottom wages in the organization. At McMaster, the lowest paid cleaners got a Living Wage but the wages of the higher paid cleaners and skilled trades in the bargaining unit were essentially frozen. And there was no redistribution of income from senior administration and other highly paid employees at the university, some of whom make annual salaries upwards of \$300,000, \$400,000 and more, on top of generous pensions and other benefits.

A second major challenge is that the Living Wage is calculated on the basis of a fulltime job. This assumption does not reflect today’s increasing numbers of part-time and contract jobs. These and other ‘non-standard’ jobs are growing faster than full-time jobs (Tiessen, 2014, 20; Workers’ Action Centre, 2015). Only about half of the workers in Toronto and Hamilton have standard employment (Lewchuk et al., 2014). About half of Ontario’s workers work less than 40 hours a week (Block, 2015, 5). So in order for them to get out of poverty, they need either full time work or they need a Living Wage that is higher for part time work.

A third challenge is that because the Living Wage focuses on raising the “working poor” out of poverty, it does not address the poverty of the unemployed. There is a danger that the unemployed poor, who are already pervasively stigmatized as ‘non-deserving poor,’ may be further excluded. In response to these challenges, the Living Wage needs to be part of a broader set of policies to reduce poverty. Among them are policies to create more and better jobs, and better protection for those who lose their jobs. Whereas in 1990 seventy five percent of Canada’s unemployed received Unemployment Insurance benefits, today only thirty nine percent do. And Canada’s Employment Insurance benefits are low compared to those in other rich industrialized countries.

More affordable housing is also crucial. At least 200,000 Canadians use homeless shelters or sleep outside each year. Untold numbers more ‘couch surf.’ In the 1990s government support for affordable and social housing was cut, and in 1993 the federal government got out of social housing altogether. About 95% of housing in Canada today is built by private, for-profit developers (Silver, 2014, 84). There is little profit to be made from building housing for very low income people. Often wages and social assistance rates are so low that many people can’t afford to pay their rents. Already one in five Hamilton renters pay over half their incomes on rent (Freeman, 2015). Gentrification in Hamilton encourages landlords to raise their rents higher, forcing many of the poor out of their apartments.

A Guaranteed Minimum Income could be a powerful companion to the Living Wage. As an experiment in the 1970s, the Manitoba and federal governments implemented a policy in the town of Dauphin, Manitoba in which each family received a Minimum Income. Those who were working had their income from the policy reduced by 50 cents for every dollar they earned in employment. While the Minimum Income’s impacts on hours of work were minimal, gains to the community were considerable. Children and adults attained higher education levels. There were fewer hospital visits, work-related injuries, and car accidents. There was less domestic abuse and lower levels of reported mental illness (Forget, 2011; Goar, 2011). Hours of paid employment went down but this was almost exclusively due to mothers of young children delaying their return to paid work so they could spend more time with their children, and to youth who continued in school instead of leaving to work for wages before graduation.

BUILDING COMMUNITY POLITICS

Much of the strategy of Living Wage campaigns in Canada, the US, Britain and elsewhere centres on a ‘business case’ and on local economic development. At the level of individual workplaces and organizations, there is growing empirical evidence associating the adoption of Living Wages with ‘efficiency benefits’ to employers, including higher employee productivity, lower employee turnover, lower training costs, better corporate reputation and other advantages (Brenner and Luce, 2008; Fairris and Reich, 2005; Reich, Hall and Jacobs, 2005). A prominent example is Costco, the ‘anti-Wal-Mart,’ where the yearly turnover is 20 percent in contrast to 50 percent at Wal-Mart, and where the savings in training and recruitment costs contribute to wages and benefits that average \$20,000 more for each fulltime worker than at Wal-Mart (Greenhouse, 2009, 162-4). Furthermore, there is evidence that, as a

result of Living Wage contributions to increased consumer demand and `multiplier effects` that flow from that initial increased demand, local net employment is often modestly higher as well (Card and Krueger, 1994; Dube et al., 2010). Such benefits to employers and local economic development are important Living Wage contributions.

There is another benefit of Living Wage campaigns: their contributions to citizen participation and community civic culture. Living Wage campaigns, and the values of social solidarity and community cohesion they embody, can be strengthened by being linked explicitly to community identity and to `grass roots` participation. Unlike Minimum Wage legislation and Minimum Income legislation, the Living Wage is not something citizens have to wait for politicians and public officials in legislatures to decide. It is a *community option*.

On the one hand, this local character of Living Wages is a source of major weakness. Whereas Minimum Wages apply to *all* workers specified in the provincial or federal jurisdiction, the scope of Living Wages is usually considerably less, so the benefits are fewer. In addition, Living Wage policies are largely urban-centred and leave out most rural areas. And often they are an option that is not exercised by many employers, especially those with small businesses in predominantly lower- skilled, labour- intensive sectors such as retail, fast food, security, cleaning, hotels, etc. Since Living Wages are a voluntary option for individual employers, another weakness is a built-in `free rider` incentive problem. Local employers who do not pay a Living Wage can benefit from or `free ride` on the increases in local purchasing by the employees of businesses that do pay a Living Wage. By contrast, government Minimum Wage laws are mandatory, enforced (to varying degrees) by the state, and typically cover most smaller businesses. Consequently they can provide benefits to larger numbers of working poor.

On the other hand, the community focus of the Living Wage can also be a source of strength, but for different reasons. Partly this is by default: while most provincial Minimum Wages have risen in recent years, and Alberta's new government has committed to increase the province's minimum wage to \$15 an hour, as yet no provincial government has provided Minimum Wage increases that meet a Living Wage across the province.³ And unlike Minimum Wage legislation which is largely based on a calculation of political benefits, Living Wages are, as the name suggests, based on local costs of living.

³ However, in some smaller communities and rural areas, where housing, food and other costs are lower, provincial minimum wages may approximate living wages.

Living Wage campaigns operate at multiple levels. They focus on persuading individual employers to pay their employees a Living Wage, on getting city councils to adopt Living Wage policies for municipal employees, on mobilizing neighborhood business associations to adopt Living Wages, and on negotiating Living Wages as part of local employment provisions in “Community Benefit Agreements” with developers and officials building public infrastructure projects in the community (Galley, 2015). This varied nature can make Living Wage values and arguments part of a *multilayered political conversation* in which community members, not just a few government officials and politicians, talk about the Living Wage in the street, at work and at school, at community and faith events, and across the kitchen table. These civic conversations can contribute to increased public awareness of social and economic inequality and exclusion and, at the same time, to a stronger sense of community belonging and commitment. By expanding the meaning and spaces of politics to include people who are left out, such conversations can contribute to popular participation in public policy-making. In addition to the goal of providing a better material basis for workers and their loved ones to participate in community life, by operating outside conventional electoral representation processes, Living Wage campaigns can strengthen political citizenship.

To the extent Living Wage campaigns are embedded in community consciousness and identity, public moral and political pressure can come not only from those workers who are directly affected by Living Wage as a ‘labour issue’ but also from the community itself as a focus of civic identity and community development. In Hamilton there is broad support across all party lines in city council for a Living Wage policy. “Anchor institutions,” such as large public and non-profit employers (Dragicevic, 2015), with strong identification with Hamilton, such as the university, community college, hospitals, the Catholic school board, and others are also likely candidates for Living Wage policies. Large private sector employers, including the main newspaper and other media firms, credit unions and other financial institutions, the airport, and Hamilton’s iconic steel and other manufacturing companies whose history is deeply intertwined with the city and its sense of itself, are also strategic to linking the Living Wage as part of Hamilton’s community identity. Faith organizations, the city’s beloved Hamilton Tiger-Cats CFL team, and prominent community service organizations such as the YMCA and YWCA, are also strategic candidates for early Living Wage adoption. To the extent the Living Wage campaign and its values become integral to how people in Hamilton see their city, a new community conversation with

employers who have yet to adopt Living Wage policies can begin, along the lines of “This is Hamilton. Hamilton is a Living Wage community. You’re part of Hamilton, so why aren’t you paying a Living Wage?”

The Hamilton and District Labour Council is also making a Living Wage a top priority, vigorously promoting an online petition calling on the City Council to adopt a Living Wage for municipal employees (Hamilton and District Labour Council, 2015). At a time in Ontario when union density has fallen to 14% in the private sector, even further to 11.3% for part-time workers in the private sector, and to 6.7% among the rapidly increasing numbers of small workplaces in the private sector (Block, 2015, 6, 10-11), Living Wage campaigns are a way to help build *community unionism*. Living Wage campaigns can promote community issues linked to unionized workplaces, and build solidarity among union and non-union workers to help create a kind of informal *community collective bargaining around a Living Wage floor*. Especially where, as is almost universally the case today, unionized workers are being pressured to make contract concessions, a Living Wage floor can help to limit employers’ ability to coerce already low paid workers to make more wage concessions or lose their jobs (as we saw for example in the case of the McMaster cleaners).

Living Wage campaigns are also about building intergenerational solidarity. A disproportionate and growing number of young workers are working for poverty wages. Although the Canadian Charter of Rights and Freedoms prohibits discrimination on the basis of age, Ontario allows employers to pay workers under 18 years of age, who work 28 hours a week or less, a lower minimum wage of \$10.30 an hour. Wage reductions for young males have been particularly dramatic: between 1981 and 2011, real wages for men 17-24 years old fell more than 14 percent (Morissette et al., 2012). In 2014 some 400,000 workers, male and female, in Ontario aged 15-24 were paid \$11 or less an hour, and another 305,000 made \$11-15 an hour. Together they comprise four of every five low paid Ontario workers (Block, 2015, 10-11).

The impacts of low wage work also extend to parents and other family members, and this opens up new bases of community support for Living Wage policies. Parents, including many who may have higher, more secure incomes, increasingly experience the impacts of the low wage economy through their children who can’t find decent, stable jobs, live with their parents because they can’t afford rent, can’t afford escalating costs of post-secondary education, can’t afford to start their own families and can’t participate in their communities in ways their parents do. Growing numbers of low-paid, precarious jobs are transforming the Living

Wage into a broader community issue linking generations, as well as income and employment groups. Finally, starting at community levels, Living Wage campaigns can be part of building a more 'bottom up' politics that contributes to more horizontal inter-community, province-wide and nation-wide politics which can foster more genuinely democratic popular participation and social solidarity.

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