

Fight for \$15 and Fairness

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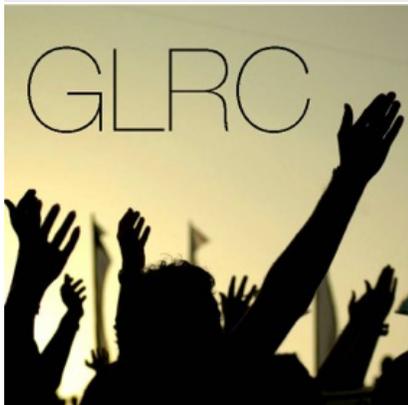
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April 15, 2016 marks a national Day of Action in Canada, with workers taking to the streets to demand a \$15 minimum wage. In Ontario alone, there are more than 15 different actions organized by the Fight for \$15 and Fairness campaign. The April 15 Day of Action comes the day after a nation-wide Fight for \$15 fast food workers' strike and day of protest in the United States. The explosion of the low-wage economy in North America over the last twenty years has seen the rise of extreme inequality and a widening income gap. Workers are making less than they ever have relative to the wealthy, and union density is declining as labour laws have made it increasingly difficult to effectively organize. However, the power of workers organizing and taking action through the Fight for \$15 has turned the demand for a \$15 minimum wage from an idealistic dream into a reality for millions of people.

The Fight for \$15

The Fight for \$15 was launched with a day of protests and walkouts in New York City in the fall of 2012, reviving the powerful discursive vestiges of the Occupy Wall Street movement that began only a year prior. Hundreds of workers went on a one-day strike and were supported by large demonstrations throughout the city. The Fast Food strike was the product of a year of organizing by the Service Employees International Union (SEIU) and local community organizations, such as the New York Communities for Change.

The one-day strike strategy employed by the Fight for \$15 campaign utilized section 7 of the National Labour Relations Act. This section of the Act provides workers with the right to strike for economic reasons, whether they are unionized or not and without being fired by their employer. While workers had the right to strike, ensuring that workers were not fired subsequently was and remains a major issue for the campaign.

After the successful New York fast food strike, a second round of coordinated one-day strikes and actions were undertaken in the spring of 2013. These one-day strikes rotated weekly from city to city, taking

place in Chicago, New York, Detroit, Seattle, Washington, St. Louis, and a number of other major centres in the northeast. The organizing model remained the same: local organizations, often with SEIU money, developed contacts and built towards strike actions.

The success of these spring actions propelled the movement forward as the SEIU, local organizations, and striking workers gained confidence and momentum. As Trish Khale, a Chicago striker, explained, “after striking on April 24, campaign organizers in Chicago asked if any workers wanted to get on a bus and drive five hours to St. Louis or Milwaukee to support workers striking the next week. Hands shot up. A few people lamented that they were scheduled to work that day. In the front of the room, a middle-aged African-American McDonald’s worker stood up. ‘Let’s go on strike again,’ he said. ‘Then we can all go’” (Khale, 2013).

The movement continued to grow over the next two years. Multiple national days of action were organized and the number of cities involved in the nationwide walkouts expanded to almost 300. The movement won major gains from employers and influenced progressive changes in labour law. For instance, McDonald’s and Walmart announced pay increases for workers. Moreover, California and New York adopted a \$15 minimum wage, and dozens of municipalities and over 20 states have raised their minimum wage since the campaign began.

The Fight for \$15 has shifted the national and even international conversation about the low-wage economy. In the early years of the campaign, President Obama felt pressure to respond to the movement by announcing an increase in the minimum wage to \$10.10 for federal government workers and contractors. In his campaign for the Democratic nomination, Bernie Sanders has adopted the call for a \$15 minimum wage and, like Seattle city council member Kshama Sawant, has become an advocate for the movement.

The Fight for \$15 faces serious challenges as it pushes forward. For instance, the SEIU, the main union behind the campaign, has endorsed Hillary Clinton in her bid for the Democratic nomination, despite the fact that she does not support the Fight for \$15. As well, the movement will not only struggle with achieving a higher minimum wage, but also with the need to unionize the fast food sector. Nonetheless, the power of the campaign in raising awareness around the issue of systemic inequality must be recognized, especially given how instrumental it has been and continues to be in building working-class power.

Dispelling common myths

Despite the victories in various jurisdictions across North America, many critics of the campaign, including the Canadian Federation of Independent Business, continue to assert that a \$15 minimum wage will usher in an era of mass unemployment and price inflation. Even moderate critics warn that business will download the cost of paying higher wages onto their consumers. But as Hussey and Ivanova (2015) demonstrate, neither history nor academic research supports these claims.

According to Statistics Canada, the real change in minimum wage for over four decades, after adjusting for inflation, is a meagre increase: rising from what would have been \$10.13 in 1975 to \$10.14 in 2013 (Galarneau & Fecteau, 2014). During the same period, food and housing costs grew 400% faster than after-tax income. Overall, while wages stagnated, prices continued to rise (Burda, 2013).

Dispelling Minimum Wage Mythology, a report by Canadian Centre for Policy Alternatives (CCPA), reached similar conclusions. Brennan and Stanford (2014) empirically examine data from 1983 to 2012 and conclude that “90 per

cent of the tests indicated no statistically significant relationship whatsoever between a higher minimum wage and labour market outcomes in Canada.” Where minimum wage regulations did impact employment, that impact has been positive, contributing to either higher employment or lower unemployment. For larger provinces like Ontario, Alberta, Quebec, and British Columbia, fluctuations in GDP and macroeconomic activity are more likely to impact the labour market.

Contrary to conventional economic assumptions, raising the minimum wage has also not led to the demise of small businesses. A living wage of \$15/hour could enhance purchasing power, thus augmenting aggregate demand. Looking to the Seattle case, many conservative commentators were eager to declare the Emerald City’s new law a failure, despite a lack of good data to support their analyses (Hiltzik, 2015). The predictions about the future of Seattle’s restaurant industry have not withstood empirical facts, however, as illustrated by a report from the Cornell University School of Hotel Administration (Lynn & Boone, 2015).

Equally important is not just an examination of business outcomes, but also the positive impact that living wage legislation has on workers. In reference to the Seattle minimum wage law, Chris Maykut, the owner of Seattle’s three Chaco Canyon Organic Cafes, stated: “A living wage is essential, and if it means the end of my business so be it ... the minimum-wage increase has had a huge impact on my small business, but that’s not the point. It’s good for the community and will ideally lay the foundation for national policy” (Torres, 2016).

Bringing the fight to Ontario

In recent Ontario history, the minimum wage was frozen, despite rising living costs, under Conservative governments between 1995 and 2002, and under the Liberals between 2010 and 2014. In response to public pressure from the Campaign to Raise the Minimum Wage, launched in March 2013, the Liberal government increased the minimum wage to \$11/hour, a rate that still leaves minimum wage workers well below the poverty line. The campaign also won the indexation fight, stipulating that the minimum wage be pegged to annual cost of living increases. The Ontario minimum wage was increased to \$11.25 in October 2015, and is set to rise to \$11.40 in October 2016.

The Fight for \$15 and Fairness campaign was launched in the spring of 2015 in an effort to address the systemic problems facing low-wage and precarious workers in Ontario, a province that has seen dramatic growth in precarious work. In 2014, 33 percent of jobs in Ontario were low-wage, up from 22 percent in 2004 (WAC, 2015, p. 3).

In February 2015, the Liberal government announced the Changing Workplaces Review — a full-scale review of both the Employment Standards Act, 2000 (ESA) and the Labour Relations Act, 1995 (LRA). This review, the first major examination of the ESA and LRA in over a decade, which involved a series of consultations with labour, community, and business groups from June to September 2015, was undertaken by special advisors appointed by the government. In the spring of 2016, the special advisors are to release their interim report on the hearings and will be rolling out their recommendations in stages, according to topic-areas, throughout the summer and into the fall, though the provincial minimum wage is not included in the scope of the review (Ontario Ministry of Labour, 2015).

The Fight for \$15 campaign began with a province-wide day of demonstrations in April 2015 (Russell, 2015). The campaign is endorsed by many groups across the province, including the Ontario Federation of Labour, a number

of local unions and labour councils, the Workers' Action Centre, the Canadian Federation of Students – Ontario, and the Decent Work and Health Network. On April 1, the Ontario NDP came out in support of a \$15 minimum wage.¹

To date, thousands of people in Ontario have signed the Fight for \$15 and Fairness petition, calling for a \$15 minimum wage, paid sick days, an elimination of exemptions in the ESA, and labour law changes that would make it easier for workers to join unions. The campaign's approach is to create pressure to raise the legislated floor for all workers.

Local groups and unions, working on the campaign in a coordinated effort, visited local MPPs across Ontario, dropping off petitions to show support and to demand action. In addition, the campaign has organized creative actions and solidarity initiatives such as carolling at the Eaton Centre, and days of action focused on specific demands such as paid sick days. British Columbia, Alberta, Quebec, and most recently, New Brunswick, have all launched their own Fight for \$15 campaigns.

15 and Fairness at York

At York University, the campaign started late in the fall of 2015, with just a handful of students and workers on campus, the first meeting attracting only three people. By tabling and doing constant outreach to the campus community, the campaign gathered over 1400 signatures on the petition for a \$15 minimum wage and fair working conditions. The York University chapter of the campaign also helped secure endorsements from a number of student associations including the York Federation of Students (YFS), Ontario Public Interest Research Group, and the York University Graduate Student Association.

Campaign activities at York have included a workshop that connected students and people on campus with airport workers and organizers from the Workers' Action Centre (WAC), and a visual action in Vari Hall — at the heart of York's Keele campus — where students were asked to place their wage on a giant scale relative to \$15. Of the hundreds of people represented on the Wall of Wages, most made the minimum wage or just slightly above.



The York campaign has built a broad coalition of workers, students and their organizations on campus. This work is also happening at other universities, and in workplaces and communities across Ontario. With the Changing Workplaces Review to be releasing their report later this year, the Liberals may develop reforms to the ESA and LRA soon thereafter. The Fight for \$15 campaign aims to counter the power of neoliberal interests in this process by broadening organizing efforts and raising the expectations of workers in Ontario.

¹ See the Fight for \$15 and Fairness website for a full list of endorsers: <http://15andfairness.org/endorsements/>



The Fight for \$15 Panel at York featuring airport workers and speakers from YFS and WAC. March 3, 2016.

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The views expressed in this research brief are those of the authors and do not necessarily represent those of the Global Labour Research Centre or of York University.

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