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**PUBLIC SERVICES:  
A VISION FOR QUEBEC**



## Foreword

With this document, the Public and Parapublic Sector Co-ordination Committee (CCSPP–CSN) wishes to initiate a brainstorming process in view of our upcoming negotiations with the Government of Quebec. Such an exercise is inevitably a bold initiative: uniting delegations from the four CSN federations, who represent nearly 170,000 members, around common goals and a shared strategic vision. It constitutes a challenge that we have been working on for several months now.

Already, in early 2013, we were able to bring together the key policy makers and advisory teams from the four federations so as to begin a freewheeling discussion regarding the next round of bargaining. Where are we at? What lessons can be drawn from the 2009-2010 round of bargaining? In what kind of framework will the next round of bargaining take place? How has the political, economic, social and trade union environment evolved over the past three years? The following text, we hope, will provide as much insight as possible and good examples of the richness of our exchanges and discussions.

Before embarking upon the next round of bargaining, it would be most worthwhile to share some of the elements of our reflection regarding the current state of affairs. Covering more than one-half of the members in our confederation, public and parapublic sector negotiations constitute the biggest exercise of its kind. They take place in full public view: and there are numerous actors who will attempt to influence the process based upon their own respective interests. This is why it is imperative for us to engage in a joint reflection regarding the context in which we will be working, to share bargaining goals that will be able to rally all our members and to formulate, all together, the best possible strategy to achieve what we seek to accomplish.

It is with the foregoing in mind that the following text invites us to embark upon this indispensable dialogue and journey.



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## Introduction

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Reclaiming our right to bargain was our primary goal when we embarked upon our preparations prior to the 2009-2010 round of bargaining. We wanted to put an end, as quickly as possible, to the decree that had been imposed upon us by the Charest Government in December 2005.

To this end, the CSN and its union allies set up the biggest Common Front in the history of the Province of Quebec, thereby uniting together some 475,000 Government of Quebec workers embracing a shared strategic framework and common bargaining goals. In June 2010, which was less than three months after the expiry of our collective agreements that had been decreed, the majority of the sector-based bargaining committees and the central bargaining table agreed upon the parameters of a new collective agreement.

The whole thing didn't come about seamlessly. Many of the members on our bargaining committees felt somewhat squeezed by the accelerated pace of our strategic framework or found it difficult to make certain choices under this targeted negotiating process. Several members criticized the fact that certain monetary issues (notably premiums, regional disparities and group insurance) were negotiated at the sector-based tables. Some people also criticized the wage settlement that they felt did not live up to the degree of mobilization and clout of the Common Front.

We could engage in a wide-ranging and thorough discussion of the merits of the last wage settlement, but this is not our goal. The exercise of taking stock of what happened has been conducted, and we should keep in mind the conclusions that were reached, as we plan what to do going forward. We will content ourselves here with underscoring the introduction of salary improvement clauses linked to the growth of the Quebec economy. The foregoing has already paid certain dividends, but we will have to wait until 2015 to see to what extent they will have been worthwhile. It should be underlined that enshrining, in our agreements, the principle of sharing in the growth of the Province's collective wealth (nominal GDP) with the Government's employees constitutes a first in the history of Quebec's public sector.

Since 1989, certain groups have enjoyed improvements to their purchasing power as a result of their advancement through the pay scales or then again thanks to special adjustments such as pay equity settlements. However, if we only take into account the parametric increases set out in our pay scales, our purchasing power has not increased, but has rather contracted. This is why we are proposing that remuneration become a cornerstone issue in our next round of bargaining.

Such an approach is not devoid of risk: salary increases made by government employees have never been greeted warmly by the general public – and the current climate is perhaps even more unsympathetic to such demands! We will have to counter the ever-present and popular budget austerity notions and make the argument that without re-investment in our public services, very few people will want to pursue a career in the public sector when our upcoming collective agreements expire. The glaring need to renew our work force and the growing difficulties experienced in recruitment can no longer be ignored, just like the key role played by our public services in the Quebec economy and in terms of redistributing the collective wealth, and this, in every region across the Province of Quebec.

Notwithstanding these truths that are not very widely acknowledged, we do have the responsibility to promote our public systems, that are under attack these days from all sides, and to raise the profile of the work performed by the people who devote themselves to their tasks, body and soul, day in day out. In this regard, it is likewise our responsibility to rally the largest possible number of our fellow citizens to our vision of a progressive Quebec. We must counter the widespread proliferation of the neoliberal model that the Government of Quebec applies to our institutions and proudly advocate the importance of our public systems. Our mobilization and public relations operations will thus have a tall order to fill, commensurate with the foregoing observations.



## Public services: a vision for Quebec

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### WORKERS WANTED!

Over the next few years, the renewal of the work force will be a key source of concern affecting all sectors of the Quebec economy, including our public services. Indeed, we estimate that our upcoming collective agreements will cover a period that will be marked by a very far-reaching renewal of Quebec's public sector work force, and a period where candidates to fill these positions will be increasingly rare. Between now and 2020, one-third of our public sector workers will be leaving the job market. Of those who will be called upon to replace them, 54% will be under 35 years old<sup>1</sup>.

This major renewal of the work force also coincides with vigorous employment growth in the Province of Quebec, particularly in our systems. In the health care and social assistance sector (according to calculations made by *Études économiques Desjardins*), employment growth between 1990 and 2012 was 62.1%. Comparatively speaking, population growth, during the same period, was 15.1% and that of overall employment in the Province 26.9%. *Études économiques Desjardins* also forecasts that, in the health care system alone, from 2012 to 2021, the annual average growth rate will be 1%. "In point of fact, there would essentially be 28,000 new jobs in the health sector, but it will also be necessary to replace all those people who retire,"<sup>2</sup> they add.

We live in a period that is also marked by a rapidly ageing population. The foregoing creates twice as much pressure on Quebec's public services. On the one hand, the demographic changes thus generated (an increase in the number of retirees, a decrease in the percentage of the population at work) makes it more difficult to recruit new employees, as different sectors of the economy (both public and private) compete with one another to attract increasingly rare candidates. While on the other hand, the ageing of the population creates pressure to increase the basket of services provided by the Government of Quebec, notably in the area of health and social services.

These major transformations are taking place while the job market is undergoing perpetual shifts and mutations. Over the past few years, we've witnessed a decline in Quebec's manufacturing sector. Our economy is increasingly service-oriented. Even in the public sector itself, jobs are constantly becoming more professionalized. These changes are having a major impact in the education and higher education sectors, notably with regard to continuing education, that must adapt itself in order to enable all segments of the population to maintain and update their skills in line with the evolution of the job market in the Province. Finally, in view of the demographic decline and the fall in CEGEP enrolment, some monies could be recuperated and kept in the institutions, to be redirected into developing employment-creating innovative poles.

As illustrated in the following graph<sup>3</sup>, around 2020, we will be reaching an historic turning point in terms of manpower scarcity: barely 80% of the individuals leaving the job market will be replaced by those

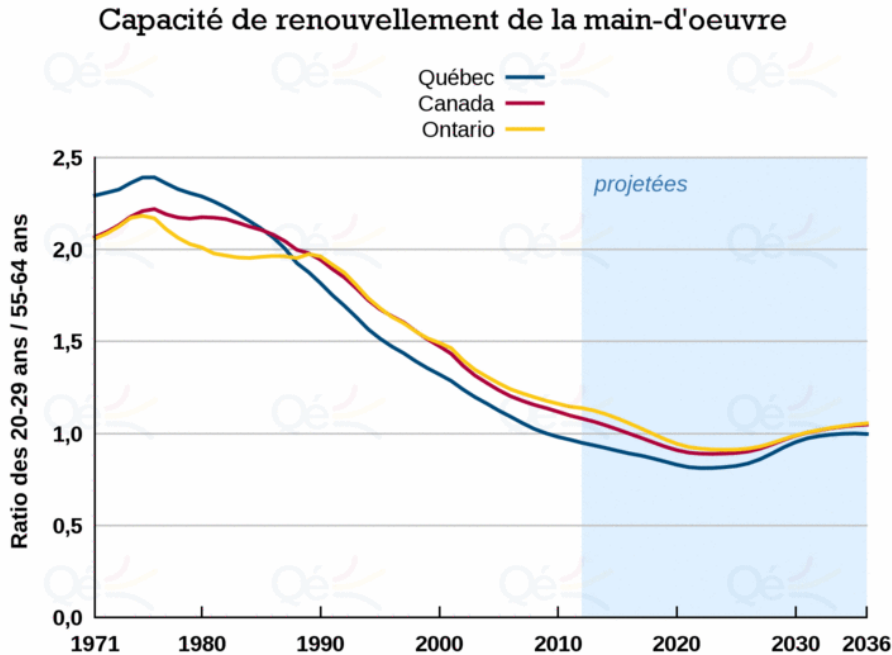
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<sup>1</sup> *Devenir une force d'attraction*, Les Affaires, October 2012.

<sup>2</sup> *Études économiques Desjardins. Emploi : le secteur de la santé et de l'assistance sociale avance au pas de course, pour combien de temps?*, March 2013.

<sup>3</sup> Institut Cirano. [http://qe.cirano.qc.ca/graph/capacite\\_de\\_renouvellement\\_de\\_la\\_main\\_doeuvre](http://qe.cirano.qc.ca/graph/capacite_de_renouvellement_de_la_main_doeuvre)

people entering into the market. Already, in the Province of Quebec, the ratio dropped below the 1 to 1 threshold in 2010. This means that we're entering into a period where every sector in the economy, both public and private, will have to compete with one another to attract employees from an ever shrinking labour pool.



**Manpower renewal capacity**

*forecast*

Ratio of 20-29 year olds / 55-64 year olds

As a stakeholder in the upcoming negotiations and concerned about the future of our public services, we have the responsibility to make the working conditions in the latter attractive for Quebec workers. We must also find the means to safeguard the experience of those people who have already worked in these areas. Finally, we should use the necessity to attract and retain manpower as a lever in our upcoming negotiations.

In order to succeed, a wide-ranging shot in the arm must be given. It's a matter of ensuring the longevity and very survival of our public services: if, a few years from now, nobody wants to work for the Government of Quebec because the conditions are so unappealing, the entire public system will thus be jeopardized. This explains why we're proposing the following two themes in view of our upcoming negotiations. It is indispensable, to begin with, to improve the remuneration of government employees, particularly their salary conditions. But we also believe that it's important to improve their working conditions, particularly with regard to the quality of life at work, in order to boost the "capability" of public service employees to exercise their profession to the best of their ability. We believe that the foregoing constitute two key factors needed to attract and retain manpower regardless of the economic sector.

**LEAVING THE CRISIS BEHIND US**

While the entire planet experiences difficulty getting back on its feet after an unprecedented economic crisis, and the Right tries to divert attention away from its own role in this crisis by attacking our social support and assistance institutions, as well as progressive policies (while still claiming that the reason

their neoliberal recipe was not the success they expected, was simply because it wasn't applied thoroughly enough!), how should the CSN and its union allies respond over the course of the next round of public sector bargaining?

We must, of course, re-affirm that the budgets allocated to our public service constitute an investment rather than an expense. When we invest in public services, the Quebec Government has the opportunity to play a role in the Province's economic growth and foster greater social equity – an important gesture particularly in this post-crisis era. As the Nobel Prize-winning economist Paul Krugman oft repeats in his book *End this depression... now!* “[...] in an economy that is profoundly depressed, when interest rates that can be controlled by the monetary authorities are close to zero, the State must spend more, not less. A boost in federal spending is what put an end to the Great Depression and we desperately need something like that today.” A viewpoint that is mostly shared by another Economics Nobel Prize laureate, and former Vice-President and Chief Economist at the World Bank, Joseph Stiglitz<sup>4</sup>.

The contribution of public services to economic growth and to the redistribution of wealth is particularly striking in Quebec's regions. While some of them have been especially affected by the decline of their manufacturing sector and the forest industry, what would their local economies look like without the crucial input and activity of their public services and the people who work there? In several of our regions, the public sector is the major employer. Ignoring the public sector when contemplating an economic growth strategy is a rash form of self-delusion. Yet, subsidies to private sector interests are commonplace when stimulating economic growth is on the agenda. But invest in the public sector?

The State has the responsibility to provide a range of services to foster the participation and social prosperity of all Quebecers. Rather than reduce, year after year, its basket of services, we believe that the Quebec Government could and should expand and diversify them, in order to guarantee better a equality of opportunity and a more just sharing of our collective wealth, and thereby contribute to the economic growth of the Province.

#### **FOR A BETTER MANAGEMENT OF OUR PUBLIC SERVICES**

Whether it be during discussions to retain an adequate number of personnel, to improve the services provided by an institution, to boost the salaries of semi-skilled workers, or to get the Treasury Board to improve the remuneration of the 500,000 public sector workers, each and every time, the refrain is the same: “there isn't any money to do that.”

Nevertheless, every day on the front lines, our members observe various ways that public funds are squandered.

The most recent example: the accusations of massive fraud at the MUHC. The public-private partnership formula endorsed by the former Liberal Government for building this vast medical and university complex threw the doors wide open to collusion between the managers and so-called “private partners”. This alone translates into dozens of million of dollars that have literally been stolen from Quebec taxpayers.

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<sup>4</sup> STIGLITZ Joseph, *The Price of Inequality*, 2012.

The Charbonneau Commission reminds us every day of the widespread corruption and collusion schemes that were being engineered by private companies, civil servants, politicians and members of organized crime. The loss of public service expertise, multiplied by the practice of not replacing one out of every two public service employees, opened the doors to the shameful shenanigans of several engineering consulting firms, who are henceforth responsible for formulating calls for tenders and following up on the work being done. The MUHC and UQAM Voyageur lot plainly demonstrate that the health and education sectors were not immune from the misappropriation of public funds.

It would be laborious to enumerate here each and every example of subcontracting that infects our public services<sup>5</sup>. Week after week, certain Unions, not yet numerous enough, document the perverted effects of subcontracting: loss of expertise in our systems, deterioration in the quality of services provided and increased costs for the State. The semi-skilled workers case, or that of the subcontracting situation at the CHUM, lay bare all these consequences and the labour shortages thus generated.

The private personnel placement agencies are yet another example of parasitical companies that are making the cost of running our systems explode, particularly in the health and social services sector. But one can't help but note that the success of the latter in their public sector operations are rooted in two elements that interact: manpower shortages in certain sectors and the need for job flexibility of certain public sector employees. If public sector working conditions were more attractive, both in terms of remuneration and the organization of working hours, far fewer employees would be turning towards these placement agencies. Manpower shortages, when all is said and done, would just not be as great.

Accordingly, by refusing to improve working conditions in the public sector, the State helps:

1. push its own employees towards the private sector, notably the personnel agencies;
2. cause shortages, which are then filled by said personnel agencies, at a higher cost.

This snowball effect, where each element feeds upon the other, over time, quite simply cannot continue. Why does the State allow the private sector to take advantage of such a situation? Why does the State not take charge itself of all its manpower needs? We believe that the administrators in these public institutions and in the various Ministries, in co-operation with the union organizations, would greatly benefit from conducting a meticulous examination of manpower needs by sector, by job classification and by region and should agree upon new public mechanisms to properly fill such manpower needs, and likewise respond to our members aspirations in terms of organizing their working hours, notably with regard to work-life-education balance.

## **STRENGTHENING OUR CONTINUING EDUCATION PROGRAMS**

In the Province of Quebec, nearly one out of three adults, namely 1.5 million individuals, is enrolled in a continuing education program. For the CSN, "learning throughout one's life, continuing education, is essential. It enables workers to adapt to disruptions in the job market and to maintain their capacity to

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<sup>5</sup> With regard to the private sector's appeal in the health care system, the new President of the Quebec Association of Health and Social Service Institutions, Diane Lavallée, underscores: "We might lose control over costs, and then, there's a problem. Let's cherish what we have and not gently slide [towards the private sector] on the grounds that the financial context is a difficult one." *Le Devoir*, April 18, 2013.

change jobs, their employability and their autonomy. [...] However, for a majority of adults, continuing education represents an additional constraint in an already busy schedule. The situation is more difficult for women who must already struggle to find a work-life balance. To make access to continuing education easier, one must thus diversify the methods and sites where learning can take place, and think about providing training during working hours. Such improvements cannot be contemplated without a substantial increase in the assistance provided and initiatives financed by employers and the State.”<sup>6</sup>

However, the situation that currently prevails in the continuing education programs in Quebec’s colleges undermines the Government of Quebec’s capacity to fulfil this mission. The college system currently puts the teachers who work in our continuing education programs into a second class category: a substandard pay structure, exceptional job insecurity, the teachers aren’t integrated into the institutions’ regular programs, etc. It thus comes as no surprise that as soon as the first opportunity arises, teachers in the continuing education programs want to get ahead and thus become a part of the regular programs – or they quite simply leave college teaching altogether. Once again, we encounter the problem of attracting and retaining manpower, which undermines the capacity of continuing education programs to fulfil the valuable social role that has been given to them.

This is why we believe that it’s urgent to regularize the status of continuing education program teachers. The latter must be granted the same working conditions as their colleagues in the regular programs. We must also attack head on the issue of job insecurity so as to counter the exodus of these teachers towards other job milieus. Finally, we have to develop a better synergy between continuing education programs and regular programs. In this fashion, our college institutions will be better able to recruit and retain the teaching personnel necessary to ensure that our continuing education programs will properly meet the mobility and adaptability needs of Quebec’s work force.

#### **FIGHTING THE MONOPOLIZATION OF AUTHORITY BY THE ADMINISTRATIVE BUREAUCRACY**

Over the past few years, important structural changes have been made to our institutions. All too often the latter has given rise to the creation of administrative super-structures. This was manifestly the case in the health and social services system: where there was the creation of the CSSS, in 2003, which gave rise to the merger of a multitude of distinct institutions, sometimes more than 20, into one single administrative entity. These mergers continued, notably in Quebec’s rehabilitation centres.

The stated objective each and every time? Pave the way for a better organization of resources and services, while reducing costs. And what do we observe, every single time in the trenches? An explosion in the number of managers and a multiplication of the administrative controls over the work done by unionized employees, without any savings to show for this whole exercise.

We watch as the bureaucracy becomes increasingly bloated, and work organization becomes distressingly worse, which all translates into a monopolization of authority by the administrative bureaucracy.

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<sup>6</sup> Excerpts from *L’éducation, un droit humain, une responsabilité sociale! Plateforme en éducation de la CSN | Summary*.

The workers we represent complain about the impact generated by this situation upon the work they perform. On the one hand, the rhythm of work increases non-stop and the employee/beneficiary ratios go into a continuous free fall, while on the other hand, the number and types of reports that our members must fill out, after everything they do increases, reports to the attention of a multitude of hierarchical supervisors. In some cases, nearly 30% of their work time is devoted to providing statistics and rationales for the actions they undertake to an ever-expanding bureaucracy. So many working hours that are not spent providing direct services to the population.

Meanwhile, the introduction of quality assurance into the college setting inevitably gives rise to a multitude of quantitative indicators that henceforth ... need to be calculated and analyzed! We thus risk witnessing a proliferation of managers paid to process all this new data. Again, so many financial resources that will not be allocated to front line teaching personnel, nor to providing practical support to the college system. A burgeoning bureaucracy that will not translate into any increase in the services provided to students.

*The notion that it was possible to make a public administration similar to management in the private sector was misguided, wrong-headed and costly for taxpayers. [...] Nowadays, public service employees produce all kinds of reports and scramble about with various accountability obligations to justify a given financial result. [...] Each year, hundreds of reports are ploughed into Parliament, where no one reads them in most cases, unless one of them contains some information that might embarrass the Government. [...] The traditional values of the public service have thrown overboard, including the commitment to a culture of parsimony. The effort to make the public sector similar to the private sector has led to confusion regarding the two very distinct roles that each sector has played throughout the ages. [...] Such an approach gives rise to a vertiginous increase in indirect costs to the Government, that cannot be allocated to the programs and services provided to the public.*

*Donald J. Savoie, Public service employees disempowered<sup>7</sup>*

*This “new public quantification exercise” incorporates components that have been rammed down our throats for some 10 years now. They include performance indicators, quantitative variables that the agents themselves must identify in order to demonstrate the efficiency of their own activities; quantitative goals, that the administrative bodies assign to them while trying to indoctrinate a “culture of results”; report cards, that provide a way to see in one quick glance a boatload of quantifiable data; categorizations that identify “good pupils” and the ones who are not quite as good in order to allocate premiums and sanctions, etc. [...] Compelled to work with nebulous goals, always changing, the agents thus suffer from a lack of clarity and stability in their activities. They’ll often mention a “loss of meaning” in their work. Meanwhile the public services users observe that the alleged “Better Government” really means a decline in the quality of public services provided to them.”*

*Isabelle Bruno and Emmanuel Didier, Evaluation, a weapon of destruction<sup>8</sup>*

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<sup>7</sup> The author holds a Canada Research Chair in Public Administration and Governance at the University of Moncton. Published on <http://www.lapresse.ca/debats/votre-opinion/201302/28/01-4626429-fonctionnaires-desempares.php>

<sup>8</sup> *Le Monde diplomatique*, May 2013.

The professional autonomy of our members is likewise directly undermined by the *New Public Management* pundits. Could we not contribute to reducing the bureaucracy by pushing for the development and accountability of our work teams? Our members do seek a form of professional guidance that would help them perform to the best of their abilities, not a multiplication of administrative controls exercised by numerous superiors. We believe that it is possible and desirable to develop new accountability methods rooted in the autonomy of the work team.

By reducing the bureaucracy in this way, the system could realize substantial savings. Considerable sums could then be re-invested in our systems to improve the direct services provided to the population, as well as our quality of life at work.

In order to succeed, our Unions must be prepared to get involved in a vast operation focusing upon work organization. We know that some people are reluctant, understandable when we see the devastation caused by firms like Proaction in the health and social services systems. Work organization can and should be addressed from a union point of view, without playing management's game.

## **PUBLIC SERVICES AND SUSTAINABLE DEVELOPMENT**

One might believe, and wrongfully so, that the concept of sustainable development only applies to our lakes and forests. A short reminder of certain excerpts from the Sustainable Development Act, RSQ, c D-8.1.1 (an Act that applies to our public services) takes on its full meaning in light of our upcoming negotiations:

6. In order to better integrate the pursuit of sustainable development into its areas of intervention, the Administration is to take the following set of principles into account when framing its actions:

a) "*Health and quality of life*": People, human health and improved quality of life are at the centre of sustainable development concerns. People are entitled to a healthy and productive life in harmony with nature;

b) "*Social equity and solidarity*": Development must be undertaken in a spirit of intra- and inter-generational equity and social ethics and solidarity;

[...]

e) "*Participation and commitment*": The participation and commitment of citizens and citizens' groups are needed to define a concerted vision of development and to ensure its environmental, social and economic sustainability;

f) "*Access to knowledge*": measures favourable to education, access to information and research must be encouraged in order to stimulate innovation, raise awareness and ensure effective participation of the public in the implementation of sustainable development;

We believe that our orientations with regard to our upcoming negotiations fall right in line with what the legislator had in mind when this Act was adopted, in 2006. The reinforcement and diversification of the public services provided to Quebeckers seek to sustain social justice, solidarity between generations and a more just redistribution of society's wealth.

We also want our upcoming negotiations to seriously address the problems of despondency in the workplace, as well as the astronomical costs related to absenteeism,<sup>9</sup> other than by compelling people to return to work precipitously. These two elements constitute an enormous financial burden for the Government of Quebec, which undermines its capacity to properly deliver the services that the population rightfully expects.

We believe that a thorough and genuine work organization process that would involve concerned employees in the decision-making process, would grant work teams more genuine autonomy and a healthy work environment, could not help but improve the efficiency and effectiveness of our public systems.

Amartya Sen, a Nobel Prize laureate in economics, has been acclaimed for integrating the concept of “capability” into economic research, namely “the substantial freedom that people have: what they are actually capable of doing, what they can take the liberty of doing, what resources they have at their disposal.”<sup>10</sup> Let’s ask ourselves the question: do public service workers have the freedom and the conditions that enable them to exercise their professions to the best of their ability? We do not believe that this is the case. **We believe that despondency in the workplace, the profusion of administrative bureaucrats, job insecurity and too little professional autonomy, amongst other factors, undermine the ability of public sector employees to do their jobs as best they can. This is why it is urgent that both employers and the Government, in co-operation with the union organizations, identify and implement solutions to these problems, today. This is how we must re-appropriate the concept of efficiency, from a decidedly progressive union perspective, in order to put an end once and for all to the simplistic credo of “doing more with less.”**

## REMUNERATION, THE CORNERSTONE ISSUE IN 2015

Right from the start of our first discussions with the CSN public sector federations at the beginning of the year, a rather clear consensus appears to have been reached: the issue of remuneration must be the cornerstone issue during the next round of bargaining. Of course, remuneration is not restricted to the sole question of people’s salaries. However, we believe that during our upcoming negotiations, emphasis must be placed upon salaries, since this issue unites all our members around once common goal.

When one compares the parametric salary increases with the evolution of inflation, one can’t help but observe that since 1989, these increases are about 10% behind the growth of the Consumer Price Index (CPI).

At the present time, the different federations are not all exactly on the same page with regard to defining their bargaining priorities in terms of remuneration, notably regarding the whole issue of salaries.

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<sup>9</sup> Please see in this regard the section «The situation in the systems» in the present document.

<sup>10</sup> SEN, Amartya and Odile Jacob. *Development as Freedom*, 2003. (Please also see, from the same author, *The Idea of Justice*, 2009.)



The CSN public sector federations must conduct their consultations in the early fall of 2013. However, they have expressed the wish, at meetings of the Public and Parapublic Sector Co-ordination Committee (CCSPP-CSN), of making remuneration the cornerstone issue in our upcoming negotiations.

The FSSS-CSN decision-making body, last June, adopted the following motion, with regard to our upcoming negotiations: “That salary be the federation's priority, in both the public and private sector.”

Accordingly, once all the federations have completed their consultations, we will have to assemble our four federations together to harmonize and put the finishing touches to our demands.

In addition to the salary question, other remuneration-related aspects could translate into increases in the overall compensation package such as, for example, the possibility of reviewing the mechanisms by which people advance through the pay scales. During the previous round of bargaining, college professors reached an agreement with the Government to accelerate this advancement as a means for responding to various problems related to manpower recruitment. Could this means of attraction be analyzed, and perhaps extended to other job categories?

Notwithstanding the unequivocal gains that were won as a result of the pay equity settlement, our most recent discussions with the Treasury Board lead us to believe that the latter feels that the famous equity curve should henceforth be given the status of a dogma. The case of the semi-skilled workers was flatly turned down: seeing as any increases to their salary would lead to a displacement of the pay equity curve. All other job categories would thus have to be raised, thereby generating considerable extra costs for the State. More recently, negotiations covering lawyers in our youth centres (seeking to have the latter enjoy pay equity with Crown prosecutors and Government lawyers, who are outside of the health and social services system) were flatly turned down as well, and this, notwithstanding the fact that the latter are a mixed category and thus have no impact upon the pay equity curve. The mathematical model appears to be sequestered in some kind of theoretical purity, incapable of responding to needs in the real world. In a nutshell, just another way to be turned down.

Quebec's public sector will have to be competitive to attract and retain workers in a period of considerable manpower renewal. A genuine no-holds barred exercise comparing pay in the private and public sectors still remains to be done. In this regard, we could mine the annual data from the Institut de la statistique du Québec. However, seeing as the latter is based upon average salaries, it won't reveal the true magnitude of the disparity of public sector wages. We believe that a more thorough analysis of pay inequity in the public sector compared to the private sector needs to be done.

When one compares the *entry levels* in the pay scales, the public sector lags much more behind the private sector than what one might observe regarding the average salaries paid in these two sectors. This salary differential undermines the public sector's capacity to attract candidates entering into the job market.

Similarly, when one compares the *summits* in the pay scales, the public sector lags even further behind the private sector, once again, compared to what one observes between the average salaries paid in these two sectors. Accordingly, people's long term salary aspirations are being squashed in the public sector. This reality in no way helps retain employees: anyone seeking to improve their remuneration can thus acquire experience in the public systems, and then switch over to the private sector, to benefit from a pay scale whose summit far exceeds that in the public sector.

When one considers that 75% of public sector personnel is made up of women, we are thus encountering a veritable glass ceiling. Restraining pay scales in such a fashion is tantamount to genuine systemic gender discrimination, that the State is putting into practice. We must attack this situation head on.

Finally, let's note that should remuneration become the cornerstone issue in our negotiations, we will have to negotiate all aspects of remuneration at the central bargaining table, including premiums, regional disparities, group insurance, the pension plan, as well as all the pay relativity issues. Our last experience in the Common Front, where premiums, notably, were discussed at the sector-based tables, confirms the foregoing imperative.

### **CO-ORDINATING THE SECTOR-BASED ISSUES**

Making the issue of remuneration the cornerstone issue in our upcoming negotiations necessarily implies wide-ranging co-ordination of our sector-based tables. Our very credibility will be at stake: we cannot ask, on the one hand, for major improvements to our remuneration while tabling, on the other, a massive set of monetary demands at the sector-based tables. We will have to make choices in order to be coherent with regard to our priorities. Accordingly, a meticulous evaluation of the cost of our sector-based bargaining proposals will have to be done. All together, we'll have to modulate our different demands.

To sum up, we must:

1. Evaluate the rate of the increase in costs in our upcoming collective agreements;
2. Identify the proportion of the total costs that we wish to earmark:
  - a) to remuneration;
  - b) to our sector-based demands.

Of course, to be coherent, making remuneration the cornerstone bargaining issue implies that we will have to restrain our sector-based monetary demands. However, several objectives related to work organization could be negotiated at the sector-based tables without handicapping our remuneration proposals. Accordingly, we believe that we will have to co-ordinate certain joint sector-based subjects and negotiate them at the central bargaining table. It would thus be most worthwhile for certain components of the CSN public sector to harmonize certain demands, indeed, negotiate them at one and the same bargaining table.

### **LET'S EXAMINE THE SITUATION**

With such an orientation in mind, we're confident that we'll be able to rally an overwhelming majority of our members to our goals. Nonetheless, once again, the political, social and economic situation is not necessarily particularly favourable to what we seek to achieve. That's why it's important for us to turn our attention now to an analysis of the constantly changing environment that we will have to deal with in the course of our upcoming negotiations...

## Political situation

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With the September 2012 elections, Quebeckers put an end to nearly 10 years of Liberal rule. During this period, successive Jean Charest Governments profoundly modified our public systems, notably with regard to labour relations.

The case of the health and social services system is particularly eloquent: the creation of the CSSS, and despite the announced goal of rationalizing the work force and improving management, instead spawned megastructures and a proliferation of managers all over the place, to the detriment of the direct services provided to the population. By passing Bill 30, in one legislative fell swoop, the Charest Government not only turned our union bargaining units upside down: it also profoundly modified all the work we do and the vitality and activities of our Unions.

Let's also recall that with the adoption of Bill 25 merging the health and social services institutions, the CSN expressed the apprehension that such public system megastructures would end up attracting the private sector. Corporations, scarcely interested in getting into the management of a small isolated CLSC, would end up seeing interesting potential business opportunities once the mergers were completed. The recourse to public-private partnerships for the construction of Montreal's two university hospital centres unfortunately confirmed our worst fears.

Elected with the perception of having a mandate to re-engineer the State, the Liberal Government didn't waste any time in implementing its vision of development for the Province of Quebec. Privatization, subcontracting and public-private partnerships took over the construction of our infrastructures and the delivery of certain public services. The results have been disturbing: cost overruns, collusion, fraud... The recent arrest of several actors involved in the construction of the MUHC is just one example out of (far too many) others.

Feelings of powerlessness, complacency? Unfortunately, our numerous union battles on these matters have not succeeded in moving the population away from its indifference towards the application of the neoliberal model to our public services.

The last years of the liberal regime were marked by numerous scandals. The refusal, lasting more than two years, to set up a commission of inquiry into the construction industry had the effect of compounding the public's cynicism regarding the allegations, now being laid out before the Charbonneau Commission, of collusion and corruption between various firms and our political parties. While budget austerity and zero deficits are all the rage, hundreds of millions of dollars in public funds have gone up in smoke as they turned into a plethora of bribes and kickbacks.

One might conclude that the Liberals, throughout their rein, advocated the downsizing of the State. We, on the other hand, believe that the Liberal Party undertook a re-orientation of the State's role, namely, that of being at the service of its "friends" in the private sector. The Liberal Government's approach to managing our natural resources again confirms this analysis.

The Plan for the North put forward by the Liberals enabled Quebeckers to engage in the debate on the management of our natural resources. Faced with the absence of any kind of genuine mining royalties plan, the Liberal Government left the impression of wanting to make public funds available to the

companies: highways, discounted electrification, the State was playing manservant to the mining companies so that they could maximize their profits. The Liberal's laxity towards regulation was also plainly revealed in the shale gas dossier: overnight, the population in numerous regions of the Province of Quebec learned about the existence of drilling sites and hydraulic fracturing, which threatened their immediate environment, the whole without any kind of appropriate legislative regulation.

## **SEPTEMBER 4, 2012**

The social conflict generated by the increase in university tuition gave Jean Charest an opportunity to set the table for an early general election. A summer election campaign, right in the middle of people's vacations, while the noise of pots and pans and student demonstrations continued non-stop.

An election campaign that would take place at the same time as the make-up university and college courses imposed by Bill 12 (draft Bill 78). Jean Charest's goal was clear: provoke new confrontations between students, professors and law enforcement officers. But in vain, it never happened, the majority of student associations chose to await the election results, before re-evaluating their strategy.

As everyone knows, the provincial elections resulted in a Parti Québécois minority Government that, with 32% of the vote, took 54 of the 125 seats in the National Assembly. The big surprise was certainly the preservation of the Liberal base (31% of the vote and 50 seats), and this, notwithstanding all the scandals that had shaken the outgoing government.

The Coalition Avenir Québec (CAQ), resulting from the marriage of François Legault and the Action démocratique du Québec (ADQ), solidified its place in Quebec's political arena. CAQ members were undoubtedly disappointed with the 19 ridings they won, but one can't help but conclude that with 27% of the popular vote, the CAQ is today firmly entrenched in Quebec's political landscape. It's important here to recall that overall, 58% of the voters supported political parties well to the Right of centre.

Need we recall that François Legault hammered away, throughout the campaign, that his ex-colleagues from the Parti Québécois had "their hands tied" by the Province's labour federations? The recent Summit on Higher Education confirmed that the PQ, maintaining its hard line on the indexation of tuition, was not going to lay down and yield to the student movement. It's also reasonable to speculate that for purely electoral purposes, the PQ will be tempted to adopt the same approach towards the Unions, during our upcoming negotiations if, of course, it is still in power.

To the left, Québec Solidaire (QS) doubled its presence in the National Assembly, Françoise David joined her colleague Amir Khadir. With 6% of the vote, the QS share of the vote remains relatively marginal, but perhaps played a role in "depriving" the PQ of a parliamentary majority, as some would believe. The same thing can certainly not be said of the 2% of the votes garnered by Option National (ON). Despite several calls for an alliance of the sovereignist vote, no electoral pacts were reached between the PQ, QS and ON. Only the last two made an electoral pact covering the ridings of their respective leaders.

## **MINORITY GOVERNMENT**

One step forward, two steps back... The first few months of the Marois Government took several people by surprise owing to numerous twists and turns. Several initiatives were applauded by Quebec progressives: the repeal of Bill 12 (formerly Bill 78), the closing of the Gentilly nuclear power plant, the moratorium on the shale gas industry. However, other decisions left several people quite baffled: maintenance of the health tax, cancellation of tax increases on capital gains, unfreezing of electricity rates, etc.

The Marceau budget, tabled last November, clearly demonstrated that the PQ wished to continue along the budget austerity path laid out by the previous Government. Maintaining the goal of a return to a balanced budget in 2014 and repaying the debt via the Generations Fund gave rise to a series of budget cutbacks that disrupted our public services. "With regard to social solidarity, the PQ is straying from the PQ", headlined the CSN's reaction to this budget.

Over the past few months, we have likewise observed to what extent the directives of the Treasury Board, who are trying to recover every single stray penny they can find, have had an impact in a variety of areas. College professors, who had won an \$31 million allocation to cover the accelerated make-up courses that were necessary following the student strike, were threatened with having these amounts, which were negotiated in good faith, taken away. The university sector will have to absorb \$250 million in cutbacks over the next two years, while the college system was hit with budget cutbacks of \$21.5 million this year, and \$16.2 million next year. Then, even as she was demanding that the Federal Minister, Diane Finley, retreat on her employment insurance reforms, the Minister of Labour and Social Solidarity, Agnès Maltais, surreptitiously undertook major modifications to social assistance, thereby depriving the most destitute of our citizens already rather meagre benefits. Last but not least, the \$56 million in cutbacks to the daycare system are incontrovertible evidence that the zero deficit dogma is pushing the PQ to cutback left, right and centre, even in what Pauline Marois describes as one of her finest achievements.

For Pauline Marois and Pierre Duchesne, the Summit on Higher Education was a relative success. Despite certain gains made by the student and union movements, the Government remained inflexible with regard to the indexation of tuition, which will be increased by about 3% per year, thereby making our goal of free education recede even further. The only concession granted was to include the question of compulsory institutional fees in the mandate of the working groups examining accessibility to a university education.

## **TOWARDS A "NEW" PLQ?**

All this time, the Liberal Party was busy choosing a new leader, following the departure of Jean Charest. The clear victory of Philippe Couillard cannot help but revive our fears regarding his vision of the Government of Quebec. Opening the doors of our health care system to the private sector, a controversial sojourn at the private health investment fund, Persistence Capital Partners (negotiated while he was still the Health and Social Services Minister), so many things that are in total opposition to our vision of public services.

Several PLQ veterans would have wished that their party, instead of defeating the Marois Government at the first opportunity, begin a thorough reflection of its own political orientations. The lust for power

could however overtake the necessity for them to take stock of last 10 years, which were marked by numerous scandals. It would not be surprising that under the influence of a couple of opinion polls, this major reflection will be left by the wayside and the PLQ will force us into another election. It will also be necessary to monitor the role the PLQ “mother-in-laws” are planning to play, as Couillard is already being told by certain bigshots that the Party’s priority must remain the economy, and not any new constitutional squabbles.

The average life expectancy of a minority government is about 18 months, it would be quite surprising if there weren’t new general elections in the Province prior to the expiry of our collective agreements, in March 2015. And it would be difficult for anyone to predict today who will form the next Government. If elections were to be held in the near future, all kinds of scenarios remain possible.

### **DURING THIS TIME, IN OTTAWA**

Meanwhile, in Canada, the Harper Government corroborates, day after day, its far Right philosophy and its flagrant lack of interest vis-à-vis Quebec. The employment insurance reform directly penalizes Quebec workers and those in Eastern Canada. Henceforth obliged to accept any job paying 70% of their previous salary, and up to 100 km from their home, seasonal workers, above all, have been vehemently affected by this umpteenth overhaul of the plan. Several public sector employees, notably those working as contingent or part-time employees, will likewise be penalized by this reform. Notwithstanding the vast mobilization of union organizations and unemployed worker groups, Stephen Harper proceeds steadfastly with his wide-ranging mission to dismantle the mechanisms of social solidarity and wealth redistribution.

Last December, the adoption of Bill C-377 constituted one of the more brutal attacks against union organizations and the workers they represent. The foregoing is a direct descendant of the antiunion offensive spreading like a wildfire across the United States, notably in Wisconsin (where the bargaining rights of thousands of public sector workers were recently extinguished) and in Michigan (where the “*Right to work*” canon has deprived the State’s workers from enjoying the equivalent of the Rand Formula). We are watching, just the other side of the Canada-US boundary, the overt denial of the right to bargain collectively.

By compelling union organizations to reveal all their expenses over \$5,000, it’s clear that the Harper Government is attempting to muzzle our union organizations by enabling anyone who is so inclined to point out the expenses of our organizations that don’t fall strictly within the labour relations framework. And although Stephen Harper denies it today, it’s reasonable to hypothesize that at one point, the Rand formula will be his next target. In addition, the Harper Government continues to seek to weaken the trade union movement by attacking labour-sponsored investment funds that will lose, over the next few years, the 15% tax credit that was previously granted to their members. Who knows what other insidious initiatives are in store for us with the government leader who goes by the nickname “The Bully” on Parliament Hill...

## Economic situation

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The whole world is struggling to get back on its feet after the economic crisis generated by the collapse of the financial markets, in 2008. The austerity policies imposed across Europe have been an unqualified failure, by the very admission of the International Monetary Fund economists who acknowledge that they were absolutely off the mark in terms of their forecasts. By considerably reducing public services, these drastic measures had a negative multiplier effect upon GDP growth rates. In Greece and Portugal, the thousands of job losses generated by these policies have increased poverty, famine and even the suicide rate.

These budget austerity programs imposed in several industrialized countries continue to undermine economic growth. Accordingly, after falling by 0.5% in 2012, the Euro zone will likely recede by another 0.6% in 2013. In the last quarter of 2012, of all the G7 countries, only Canada posted a slight increase in its real GDP. Especially anaemic growth was seen in the Province of Quebec: where in 2012, it will surely be under 1%, and a slight rise to 1.4% is forecast for 2013.<sup>11</sup>

Asia and the emerging economies have not been the hoped-for engines of economic recovery. Despite relatively “slow” growth of 7.8% in China in 2012, world GDP only rose some 3% last year. Forecasts for world growth in 2013 are 3.2%.

In the United States, the clash between Republicans and President Obama over what to do to reduce the American budget deficit is likely to put a brake on economic growth for the entire continent. Postponed after an 11<sup>th</sup> hour agreement reached last January 1<sup>st</sup>, budget cutbacks of some \$85 billion came into effect last March. The latter will seriously affect Canadian exports towards our main economic partner.

It has often been argued that Quebec’s social safety net, as well as its investments in infrastructure work helped ensure that the economic crisis did strike the Province with the same violence as that observed vis-à-vis our Canadian and American neighbours. Nonetheless, the export of Albertan oil has kept the value of the Canadian dollar at a relatively high level. Both the Ontario and Quebec manufacturing sector have been considerably ravaged by this situation. Poor economic growth in the United States married with a high unemployment rate has slowed down our own economic recovery. Meanwhile, several indices suggest that we’re entering into an extended period of economic stagnation, which will do nothing to assist the State’s finances in any way, shape or form, nor the financing of our public services.

### THE AUSTERITY DOGMA CALLED INTO QUESTION?

An important debate has been raging for several months now: Did we get it wrong? Could the very foundations of the austerity dogma be falling apart? Already, last January, the Chief Economist of the IMF, Olivier Blanchard, and his colleague, Daniel Leigh, admitted that there had been serious calculation errors in the economic models used by the IMF and admitted in the same breath that the austerity plans imposed by the IMF and others had had negative impacts upon economic growth and employment.<sup>12</sup>

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<sup>11</sup> Études économiques Desjardins, *Prévisions économique et financières*, January and February 2013.

<sup>12</sup> International Monetary Fund, *Growth Forecast Errors and Fiscal Multipliers*, January 3, 2013.

Then, quite recently, a student from the University of Massachusetts Amherst, Thomas Herndon, uncovered serious errors in the Carmen Reinhart and Ken Rogoff study, *Growth in a Time of Debt*. The latter, published in 2010, indicated that when the proportion of a country's debt exceeds the threshold of 90% of GDP, the country's economic growth is suddenly stopped in its tracks. However, the young student recently revealed that the two economists had ignored the data from five countries (including some rather important ones like Belgium, Australia and Canada!) and that they had made a data entry error ... in their Excel software spreadsheet!

One might think that this is merely a banal quarrel between economists. That would be grossly underestimating the influence that *Growth in a Time of Debt* had upon the European Commission and the International Monetary Fund when it came time to impose austerity policies in Greece, notably. "In less time than it takes to say austerity, 90% became the unequivocal threshold for inflicting drastic policies upon a string of countries, the unanswerable argument to the austerity Goddess infidels. More serious still, and far more serious, this study was the justification used by many political officials when called upon to explain why they had abandoned the struggle against unemployment to the benefit of a war on debt, and which is still being used, with forceps administered to all kinds of social programs," wrote Serge Truffaut recently.<sup>13</sup>

"There are far too many astrologists in our profession," likes to affirm the distinguished economist John Kenneth Galbraith. The Reinhart-Rogoff saga demonstrates to us, once again, that economics is not an exact science, notwithstanding what numerous decision-makers would have us believe.

It would unfortunately be naive to believe that once the errors were admitted, the austerity policies were immediately thrown into the dustbin of history. As Paul Krugman reminded us last April:

So the Reinhart-Rogoff fiasco needs to be seen in the broader context of austerity mania: the obviously intense desire of policy makers, politicians and pundits across the Western world to turn their backs on the unemployed and instead use the economic crisis as an excuse to slash social programs.

What the Reinhart-Rogoff affair shows is the extent to which austerity has been sold on false pretences. For three years, the turn to austerity has been presented not as a choice but as a necessity. Economic research, austerity advocates insisted, showed that terrible things happen once debt exceeds 90 percent of G.D.P. But "economic research" showed no such thing; a couple of economists made that assertion, while many others disagreed. Policy makers abandoned the unemployed and turned to austerity because they wanted to, not because they had to.

So will toppling Reinhart-Rogoff from its pedestal change anything? I'd like to think so. But I predict that the usual suspects will just find another dubious piece of economic analysis to canonize, and the depression will go on and on.<sup>14</sup>

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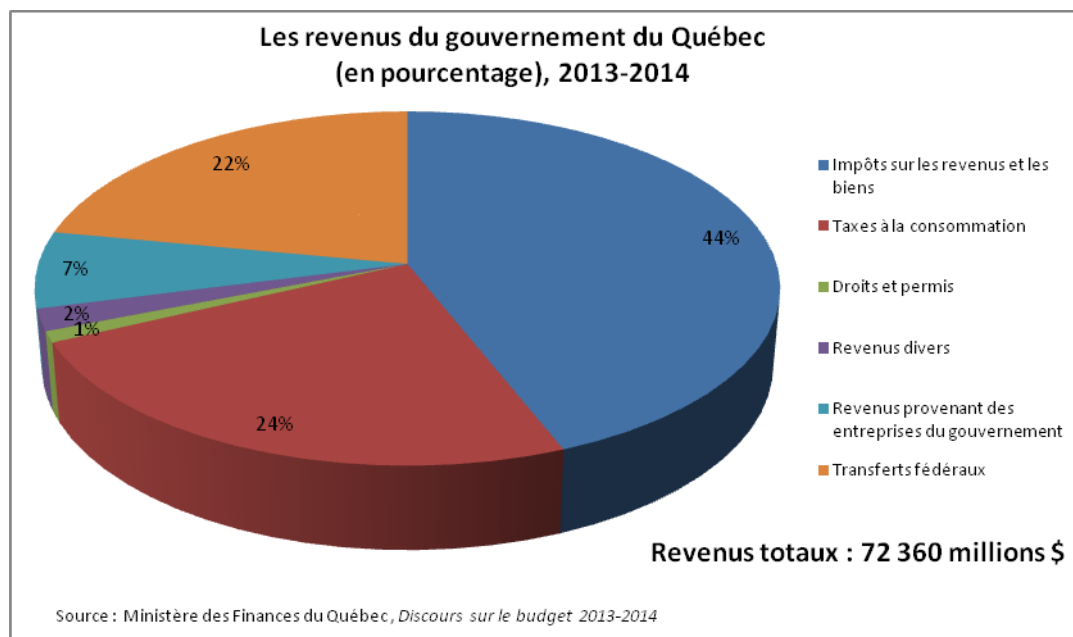
<sup>13</sup> TRUFFAUT, Serge. « L'Erreur économique – le chiffre du mal », *Le Devoir*, April 22, 2013.

<sup>14</sup> KRUGMAN Paul, « *The Excel Depression* », *The New York Times*, April 18, 2013.  
[http://www.nytimes.com/2013/04/19/opinion/krugman-the-excel-depression.html?\\_r=1&](http://www.nytimes.com/2013/04/19/opinion/krugman-the-excel-depression.html?_r=1&)



## TAX SYSTEM

In its Budget Speech, when tabling the budget, in the fall 2012, the Quebec Government forecast revenue of \$72,360 million and expenditures of \$72,392 million for the fiscal year 2013-2014. Slightly more than 28% comes from personal income taxes to which one can add nearly 24% that is collected from various consumption taxes (excluding targeted taxes, such as the extra taxes charged for gas, tobacco and alcohol).



### Quebec Government Revenue (in percentage terms), 2013-2014

Income and property taxes; Consumption taxes; Fees and permits; Miscellaneous revenue;

Revenue from Government undertakings; Federal transfer payments

**Total revenue \$72,360 million**

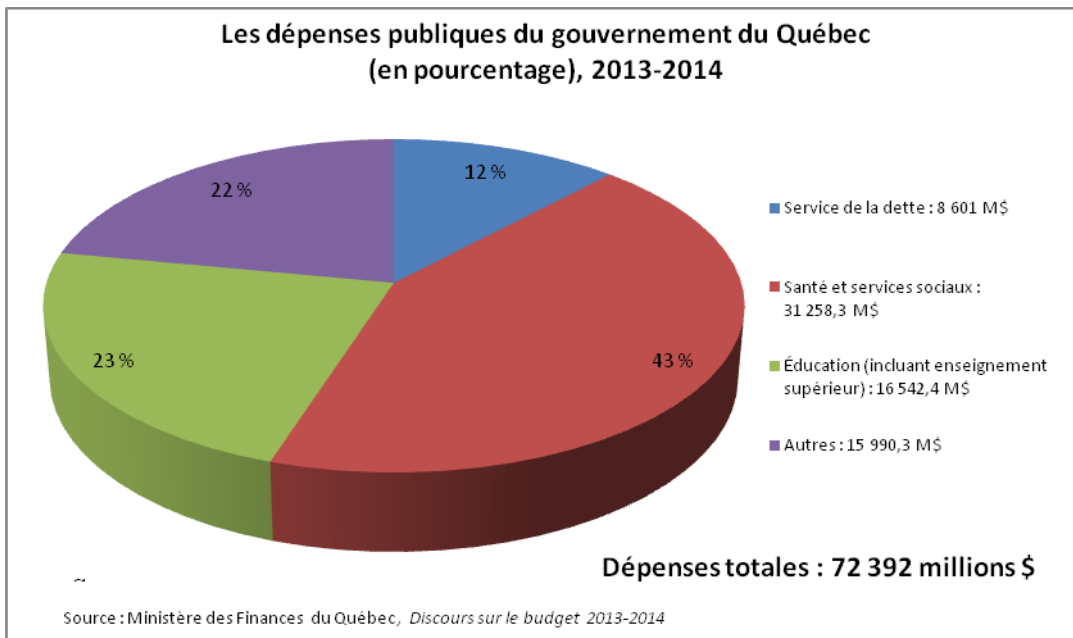
Source: Quebec Ministry of Finance, 2013-2014 Budget Speech

Less than 1%, even including the portion paid into the Generations Fund, comes from royalties related to natural resources. Corporate income taxes represent a mere 6.5% of the revenue collected by the Government of Quebec.

It's not irrelevant to recall here, that colossal amounts are removed from the purview of the Province's tax system, and concealed in various tax havens. A recent study, co-ordinated by the International Consortium of Investigative Journalists evaluates that between \$21,000 billion and \$32,000 billion are thereby diverted annually, namely the equivalent of the US and Euro Zone GDP combined.<sup>15</sup>

In the Province of Quebec, the main expenditures break down as follows: 12% for servicing the debt and 88% for programs expenses, of which half goes to health and social services. Education, including higher education, accounts for one-quarter of program expenses.

<sup>15</sup> Truffaut, Serge. « Évasion fiscale – Haine de l'impôt », *Le Devoir*, April 5, 2013.



**Quebec Government Expenditures (in percentage terms), 2013-2014**

Servicing the debt; Health and social services; Education (including higher education); Miscellaneous

**Total expenditures \$72,392 million**

Source: Quebec Ministry of Finance, 2013-2014 Budget Speech

Income taxes are used primarily to provide Quebec citizens with public services, good schools, good health institutions, social services, a public security system, a good transportation system, etc. They are also employed to redistribute revenue in our society.

For individuals, the redistribution function primarily takes two forms. On the one hand, a progressive tax structure makes people who earn more pay a greater proportion of their income to the State, thereby paying proportionately more for the public services that are provided to the entire population. On the other hand, these taxes and income taxes also enable the State to directly transfer certain amounts of money to individuals, including child support payments, social assistance benefits, the solidarity credit, etc.

A study conducted by the Institut de recherche en économie contemporaine (IRÉC)<sup>16</sup> reveals that public services are a significant source of wealth for households and companies in the Province of Quebec. The study notably determined that in 2007-2008, the value of public services “consumed” by Quebec households averaged \$37,312. This amount corresponds to 68% of the average revenue of \$54,682 earned by families during the period under consideration. By individual, the benefits enjoyed related to public services represented an average value of about \$17,000.

<sup>16</sup> Pierre Gouin and Gabriel St-Martin, *Les services publics : un véritable actif pour les ménages québécois, la valeur redistributive de l'offre et de la consommation des services publics*, IREC research report, February 2012.

Accordingly, in response to those pundits who claim that “we pay too much income tax”, the authors of the study underline that Quebecers “are getting good value for their money”, since they receive about \$2,000 more in public services than other Canadians each and every year.

The study likewise confirms the redistributive value of public services by demonstrating their impact upon reducing inequality. The IRÉC economists affirm that “when taking into account income taxes and the taxes paid by households, the State’s redistributive intervention appears very significant given that households in the lowest income quintile annually receive some \$28,070 net in public services, while the households in the top income quintile pay \$19,449 more in income taxes than the value of what they receive in public services.”

## **PUBLIC DEBT**

From 2000-2001 to 2007-2008, the ratio of public debt<sup>17</sup>/GDP in the Province of Quebec was constantly falling, going from 77.2% to 67.1%<sup>18</sup>, to subsequently begin rising again to 74.5% in 2011-2012. It is very possible that this ratio will continue to deteriorate for a few more years still, given that, according to projections, economic growth remains very timid and budget deficits will not be absorbed prior to the 2014 budget, if one relies upon the projected recovery plan, in accordance with the provisions of the “anti-deficit” Act, with which the current Minister of Finance has undertaken to comply. With regard to the concepts of retained debt, gross debt, net debt or debt representing accumulated deficits, Quebec is in first place amongst Canada’s provinces in terms of debt/GDP ratios.

Although debt can eventually become a real problem, to the extent that risk premiums demanded by lenders could imperil the Government’s capacity to finance public services and various programs to stimulate economic activity, the Government of Quebec’s level of debt is very far removed from the debt levels of most OECD countries, which hovered around 111.4% of GDP in 2013, according to this organization’s study<sup>19</sup>.

According to economist Louis Gill, “reducing the debt costs more than the savings arise from doing so”, since “the amounts engaged in reducing the debt are greater than the savings in interest at the end of the day”. To repay its debt in the short run, the State would have to handicap the future capacities of its economy, by cutting services and investment. Such sacrifices are thus greater than the benefits reaped.

According to his calculations, “after 20 years, we will have spent \$20 billion to save \$10 billion. [...] Improvements in the ability to manoeuvre can primarily be found in growing the GDP faster than the debt, without the prohibitive costs of repayment. This kind of GDP growth relies upon investments made today, in education, in health care and in infrastructures. Single-mindedly reducing the debt leads to an impasse, to the reduction and privatization of public services.”<sup>20</sup>

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<sup>17</sup> This refers to the Government’s gross debt (accumulated deficits, investments, pension plan liabilities, including the RREGOP, etc.), to which one must add the debt incurred by the health and education systems, municipalities and other undertakings, including Hydro-Québec, all ultimately the Government’s responsibility.

<sup>18</sup> 2012-2013 budget plan

<sup>19</sup> « *Les emprunts des administrations publiques des pays de l’OCDE devraient s’accroître légèrement en 2013* », February 27, 2013.

<sup>20</sup> GILL Louis. *L’heure juste sur la dette du Québec*, May 2010.

Meanwhile, this vision, which had very little support only a short while ago, appears to have been somewhat co-opted by the International Monetary Fund (IMF), that cannot be criticized for being too left wing, and that recently warned Canada to not be in too much of a hurry to balance their budgets and that now feels that too much austerity is dangerous and that one must concentrate, urgently, on getting the economy back on its feet.

Joseph Stiglitz<sup>21</sup> believes that the world is grappling with “*a terrible disease: austerity*”. In his opinion, reducing deficits at all costs, notably in periods of economic stagnation, such as what we are currently experiencing, is harmful and unjustifiable on the basis of economic principles. He describes this quest for balancing budgets at all costs as “deficit fetishism”.

The Parti Québécois Government, alas, has decided to continue along the austerity path, and has even piled on additional cutbacks to our health and social services and education systems, as well as to our daycare centres and social assistance, and this, in order to attain a zero deficit with the initially announced time frames. We can only hope that the Government, in view of an economic recovery that appears rather anaemic, will show some signs of wisdom and put aside, at least for as long as the economic outlook remains so gloomy, its zero deficit dogma.

## **HOUSEHOLD DEBT**

Canadian household debt continues to rise. It is now 166.7% of disposable income. Several factors explain this increase, easier access to credit, increases to the value of our homes, etc.

The principal cause of the structural debt of Canadian households remains however the stagnation in Canadian salaries. According to Statistics Canada<sup>22</sup>, between 1982 and 2010, the median income of people belonging to the “99%” increased by a ridiculously low 1.4%, going from \$28,000 to \$28,400 (in constant dollars). Add to that an important increase in customary cost of living expenses and we have here a perfect set of ingredients for an explosion in individual and family debt. During this same period, the median income of the 1% club of the richest Canadians shot up from \$191,600 to \$283,400, namely, an increase of 48%...

To the extent that our economy depends a lot upon consumption expenses to re-energize economic activity, the weight of household debt risks becoming a serious handicap. Desjardins observes<sup>23</sup> that earnings are once again beginning to rise faster than consumption credit, which should translate into an improvement of the debt ratio.

Although the level of Quebec household debt is weaker than that of other Canadians, it is increasing all the same more quickly than their income. It should also be noted that mortgages are primarily the underlying component of household debt. Mortgages now account for 77% of household debt. Far from being a new investment instrument that benefits the whole population, refinancing with loans guaranteed by the value of the property is, for several people, the only way for them to maintain a

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<sup>21</sup> STIGLITZ Joseph E. *The Price of Inequality: How Today's Divided Society Endangers Our Future*, 2012.

<sup>22</sup> Statistics Canada, « High-income trends among Canadian taxfilers, 1982 to 2010 ». [On line].  
<http://www.statcan.gc.ca/daily-quotidien/130128/dq130128a-eng.htm>

<sup>23</sup> Études économiques Desjardins, December 13, 2012.

decent standard of living. Accordingly, when salaries are stagnating and the social safety net is shrinking, real estate is fast becoming the main source of additional credit that enables working people to access the services they require and buy their basic consumer goods.



## Union situation

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Since 2010, the union landscape in the public and parapublic sectors has not undergone the same profound modifications as those experienced during the first years of the Charest Government.

However, the continuing mergers of institutions in the health and social services system has compelled many CSN Unions to go through union allegiance campaigns and votes. This perpetual raiding period has made us devote a large part of our resources to ensuring our union representativeness, rather than helping support the demands of our members.

In the education and higher education systems, as well as in government agencies, no changes have occurred. One must nonetheless draw attention to the important work of consolidation carried out since the arrival, shortly before the last round of bargaining, of numerous Unions to the FNEEQ, who today represents 85% of all college teachers.

With its 170,000 members in the health and social services systems, education system and government agencies, the CSN remains the biggest union organization in the public and parapublic sectors. No other union organization can claim such wide-ranging and such a diversified representation as the CSN.

But our Unions have to face many new realities. With the amendments to article 47.2 of the Labour Code<sup>24</sup> and the provisions regarding psychological harassment, our union work has become more complex. Some administrators also contribute to the growth of what we call a culture of grievances. The reflex “Not happy? File a grievance!” has taken the place of discussion and collaboration between the parties. And, faced with the threat of filing a complaint under article 47.2, several Unions can no longer risk not submitting a grievance to arbitration. These transformations of our union work are in line with the more general context where labour relations are increasingly judicialized.

### **ALLIANCE AND COMPETITION**

Since the agreements in principle were reached by the 2010 Common Front, some important political changes have occurred amongst our union partners. Last fall, the CSQ expressed the desire to transform the SISP into a new public service central labour organization. This desire does not appear to be shared by the FIQ, who has chosen to definitively leave the SISP.

Some union organizations could be working up an appetite for the next union raiding period, which will be taking place from July 4 to August 4, 2014. Was this the case with CUPE, that launched a vast advertising campaign early on in the year regarding “care-facilitator” personnel? Might the FIQ and APTS also be tempted to increase their numbers in categories 1 and 4 in the health and social services system?

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<sup>24</sup> The amendments came into effect on January 1, 2004. Since then, a Union's conduct under circumstances other than those set out in article 47.3 (disciplinary action), whether in terms of negotiations, the application or interpretation of a collective agreement, can be the subject of a complaint before the Labour Relations Commission (CRT). In addition, the CRT can condemn a Union to other forms of relief (“render any other order”) not only that of referring the matter to arbitration, such as the payment of the expenses incurred by the plaintiff, for example.

The CSN has always been open to alliances with other labour organizations when embarking upon public sector negotiations, a wish that is shared by our four federations. In 2009, the consolidation of the Common Front was preceded by a no-raiding pact between the organizations making up the Common Front. Will this be the case prior to our next round of bargaining?

Before projecting ourselves too far into the future and discussing eventual alliances with our union partners, it's important to recall here certain highlights of the exercise where we took stock of the last round of bargaining, conducted by the CSN public sector federations:

- **Several people expressed their disappointment with regard to the wage settlement.** While we were asking for catch-up salary increases and the maintenance of our purchasing power, the negotiated increases (varying from 6% to 10.5% depending upon how the economy progressed) appeared too weak in the eyes of some people. Let's remember nonetheless that the last round of bargaining took place right smack in the middle of a major economic recession and that, for the first time in the Province of Quebec, salary improvement mechanisms related to sharing in the Province's collective enrichment and in the evolution of the rate of inflation were introduced into our collective agreements;
- **The lack of political consensus-building in the Common Front** was raised by several people. Frequently, requests made by the CSN to have meetings between the policy makers fell on deaf ears, thereby creating serious problems in terms of exchanging information and sharing political orientations between our respective organizations. For the SISP, co-ordination of the Common Front should not be a responsibility of the advisory teams;
- **The negotiation of certain remuneration elements at the sector-based tables** gave rise to a lot of frustration, as everybody was looking out for themselves. The additional 2% premium won by the FIQ is just one example. The lack of consensus-building and transparency between the different union organizations ended up with, faced with the paradox of an alliance/competition, the latter winning the day, and each party went on the lookout to get its *own* premium when signing the agreement, in anticipation of the next raiding period;
- **The referral of several bargaining elements to different working committees** was of course a way, for some groups, to acquire budget allocations dedicated to specific goals designed to improve our working conditions. However, the snail's pace of this process or the absence of any budget allocation (in the case of the semi-skilled workers, for example) was a source of disappointment. All the more so given that, in such permanent negotiations, without having the right to engage in job actions, our leverage and clout is quite different and the results often don't measure up to our initial expectations. Let's take note that these budget measures are supposed to end in March 2015.

## **TAKING OUR PLACE IN THE PUBLIC ARENA**

We'll never say it often enough. Our negotiations are eminently political events and largely take place in the public eye, hence the importance of constantly measuring the impact on public opinion of what we say and what we do in terms of pressure tactics. Our ability to compel our employer-legislator, to win what we want, can notably be measured by how much support we can garner from the population for our demands.



The media represents an arena where different actors (Unions, political parties, the Government bureaucracy, representatives of private interests, etc.) confront one another trying to advance their respective interests and agenda. Over the past few years, one can't help but observe that the Right wing lobbies are monopolizing an increasing part of the public arena working hard to influence the population and decision makers to promote the interests that they represent.

Whether it be through the Chambers of Commerce, the Institut économique de Montréal, political commentators, loose libertarian cannons like Éric Duhaime, employers attacks on us are now systematic and non-stop. Nothing is sacred: challenging the Rand formula, condemnation of the overly exaggerated fiscal burden upon companies that "create jobs" (sic), attacks on pension plans (especially those in the public sector), disparagement of the public service, repeated attacks on job security, etc.

Some regions, particularly around Quebec City and in the Saguenay–Lac-Saint-Jean, have meanwhile witnessed the "trash radio" model becoming the new radio norm. The product, sold to advertisers, has proved its worth: union bashing, public service bashing, without forgetting disparaging, in the most vulgar terms imaginable, anything remotely related to social protest.

Unfortunately, this kidnapping of journalistic platforms towards instantaneous and omnipresent political comment (since these people have an opinion about everything...) isn't limited to Radio X. The increasingly right wing editorial slant of Quebecor and Sun Media platforms, particularly since the start of the *Journal de Montréal* labour dispute, has brought the Quebec multinational ever closer to its American neighbour, Fox News.

It's important to keep in mind that we have to navigate in this hostile environment. We can't just close our eyes and pretend this reality doesn't exist. We will have to counter the attacks, of course. But above all, we must communicate to the Quebec population our vision of public services within the framework of the development of the Province of Quebec. Our upcoming negotiations must coincide with the very heart of this project.

### **"THE QUEEN DOES NOT NEGOTIATE WITH HER SUBJECTS"**

Last January, the Quebec Superior Court handed down its judgment on our challenge of Bill 43 (Bill 142) that decreed our working conditions in December 2005. Judge Claudine Roy's conclusions are scathing in many regards:

- Bill 43 does not undermine the freedom of association; and even if it did, the latter would have been justified in a free and democratic society;
- The right to strike is not protected by the freedom of association;
- The law only sought to avoid certain material consequences of the walkouts, and accordingly did not violate our freedom of expression;
- Finally, the judge clearly states that Unions have the obligation to reach an agreement with the Government, otherwise they cannot accuse the Government of being in bad faith.

This judgment unfortunately confirms that, in contrast to private sector Unions, those in the public sector do not enjoy the same clout or leverage vis-à-vis their employer/legislator.

This decision also tells us, from a strictly legal point of view, that the legal context does not appear to be an appropriate one for conducting an offensive to review our collective bargaining regime. Politically, faced with a minority government, the context is not a favourable one either.

We're also confronted with the fact that, for several negotiations now, the budget of the Quebec Government paves the way regarding the financial parameters in which public sector negotiations take place. This was the case in 2005 (several people will recall the affirmation that inevitably ended with "including pay equity"), this was also the case in 2010, with the steadfast determination to return to a balanced budget in 2014. In this regard, successive governments have always lacked imagination: they've always found one way or another to present the financial situation of the Province as being catastrophic. However, the Government's forecast, in 2010, was so blatantly conservative that the introduction of an enrichment clause linked to the evolution of the nominal GDP appeared to us as a lever to improve our salary increases. Inevitably, the "State's capacity to pay" imperative will once again be served to us on the menu. We will once again have to use all our imagination to get our negotiations outside of these parameters.

## Social situation and the man in the street

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We can of course be pleased that social protest and popular struggles in the Province of Quebec have reappeared with gusto. The last couple of years have witnessed some major mobilizations that have had an undeniable impact upon certain political choices in the Province. These struggles, to various degrees, have also invented their fair share of innovative methods in terms of mobilization.

Let's begin by underlining numerous citizen-led struggles, which took place in different regions across the Province against exploiting shale gas reserves. Thousands of residents banded together to denounce the opacity of the gas companies' prospecting activities, as was the case regarding the role played by the previous Government in conceding land to different companies. Beyond the "not in my backyard" phenomenon, the whole question of what kind of land management, natural resource management, and energy development was desirable was thus put on the agenda. These mobilizations, often organized by spontaneous citizen coalitions, culminated with citizens participating and playing a key role during BAPE hearings on the question and ultimately forced the new Government to impose a complete moratorium on this whole operation. They also gave rise to one of the biggest demonstrations in the history of modern Quebec: on April 22, 2012, joined by the student movement, 300,000 Quebecers took to the streets of Montreal, to mark Earth Day.

A little more than a year ago, the *Occupy* movement set up shop in the Province of Quebec, following the example of what was going on in several major cities around the world. Their slogan "*We are the 99%*" contributed to a new collective awareness of the fact that, notwithstanding the economic crisis into which the world of high finance had thrown us, austerity policies contribute to concentrating wealth and decision-making powers in the hands of the ultra-rich. The *Occupy* movement may not have won any concrete gains, but it nonetheless contributed to provoking massive mobilizations, notably in Spain, Portugal, Italy and Greece, against the austerity policies being demanded by the European Central Bank, the IMF and the European Commission.

For some people, the absence of practical results from the *Occupy* movement stems partly from the fact that this movement, without any spokespeople, without a platform, failed to formulate tangible demands.<sup>25</sup> This was surely not the case of the student movement in the spring of 2012.

Confronted with a of 75% increase in university tuition fees announced by the Liberal Government in 2011, the student associations decided to take to the street to counter this dizzying increase. The whole operation doesn't materialize overnight<sup>26</sup>. The FECQ, FEUQ and CLASSE began by going into the institutions of higher education to meet and exchange with their members and debate the relevant issues in general meetings. A long-term mobilization timetable is adopted, which is projected to culminate in an unlimited general strike in the spring 2012.

At the peak of the strike, more than 300,000 college and university students left their classes to stop the increase. Monstrous demonstrations, attracting more than 200,000 people, were organized in Montreal every 22<sup>nd</sup> day of the month. In every region across the Province, actions were organized.

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<sup>25</sup> FRANK, Thomas. « Occuper Wall Street, un mouvement tombé amoureux de lui-même », *Monde diplomatique*, January 2013. <http://www.monde-diplomatique.fr/2013/01/FRANK/48630>

<sup>26</sup> See in this regard the comments made by Alec Castonguay : <http://www.lactualite.com/societe/le-poids-des-syndicats>

The very stunning creativity of the student movement has often been praised. The enormous diversity of tactics and actions that the student associations used can be partially explained by the fact that the students took collective ownership of their mobilization potential, as well as by the decentralization of where and how decisions were made regarding the organization of events. The massive and creative use of social media supported their efforts all throughout the struggle. There are many valuable lessons to be learned by CSN public sector Unions from the students' experience.

We cannot turn a deaf ear to the extraordinary judicialization of the student conflict, during which numerous injunctions were granted to enable a few minority students to gain "access" to their classrooms, challenging by the same token the student associations' right to strike. To this supremacy of the courts over student democracy a battle of semantics flared up whereby several people sought to have the term "boycott" replace, overnight, the students' right to "strike" a social right that they had acquired decades ago.

The foregoing was a rich and eloquent shift, where a collective action was suddenly suppressed to the benefit of an individual right. Tested for the first time on the back of the student associations, we should be vigilant and wary that such a medicine might be served to the trade union movement one day.

One can't help but observe that the spring 2012 student movement was a veritable sparkplug that awakened the conscience and struck a chord with large sections of our society. The pots and pans movement, protesting the emergency legislation that attacked the very foundations of our democracy, was but one example from amongst many others.

This succinct overview of popular and social struggles is very significant in our view. We believe that in order to ensure that our upcoming negotiations are a real success, it will be imperative for us to rally those segments of the Quebec population who are likely to share our goals. In this regard, the social, citizen, student and popular movements are the most likely people to share our vision of public services being at the heart of Quebec's development. This is why it's important to think about the aspirations that motivate these movements in order that we may attune ourselves and keep pace with their struggles.

## Situation in the systems

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### HEALTH AND SOCIAL SERVICES

Last January, the Fraser Institute<sup>27</sup>, firmly entrenched to the Right on the political spectrum, published a study comparing the health care systems in Canada's provinces where four dimensions were analyzed: the availability of resources, the use of resources, accessibility to care and the clinical performance of the health system's assets and services. One of the main conclusions of this study was that Quebecers benefit from a better optimization of the financial resources in their public health care system than other Canadians. In other words, Quebec is one of the provinces offering the best health care services to its population, and this, even though our Province is the one where public health expenses per capita are the lowest. Consequently, according to the Fraser Institute, the Province of Quebec gets the best value for every dollar spent. What the study doesn't say, however, is that this first place has been achieved to the detriment of the working and salary conditions of the employees in our health care system.

The structure and operation of our health and social services system were considerably transformed during the 10 years of Liberal rule. The private sector has surreptitiously taken its place in the system, in a variety of ways. The public-private partnerships have clearly demonstrated the problems inherent in such an approach: cost overruns, collusion and fraud. Citizens have been genuinely dispossessed of their public institutions. The recourse to subcontracting for day-to-day operations such as laundry, cafeterias and maintenance in the institutions (or even for hip, knee and cataract surgery...) have also caused their fair share of complications: loss of expertise, job insecurity, the deterioration of services provided to users and growing sanitation problems. Finally, the recourse to personnel agencies to fill manpower shortages has produced an explosion in costs for the system in numerous places, while creating two classes of workers within the same health and social services system.

When the CSSS were created, we expressed our apprehension that the budgets dedicated to the CLSCs would be repatriated to the benefit of the hospital centres. At the time, the Director of the Montreal Health and Social Services Agency, David Levine, guaranteed to us that the budget envelopes would not be transferable from one mission to the other. Today, we observe that CSSS administrators are doing precisely what we had predicted, particularly when one has to reduce the bottlenecks in an emergency department, after yet one more devastating article is published in one newspaper or another. Accordingly, the front line and prevention services are once again neglected. The day of reckoning is just being postponed yet one more time! The pressure becomes so strong that the administrators no longer hesitate to use the principle of communicating vessels to mitigate their lack of adequate financing.

The austerity policies being applied by the Marois Government mean that the growth in expenditures in our health and social services system will not match the growth in its needs. The regional health and social services agencies have to undertake cutbacks in the budgets allocated to the institutions, thereby abolishing positions and cutting back or cutting out services altogether. The employee/beneficiary ratios

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<sup>27</sup> BARUA, Bacchus. « Provincial Healthcare Index 2013 », Studies in Health Policy, January 2013.  
<http://www.fraserinstitute.org/fr/research-news/news/display.aspx?id=19214>

thus deteriorate, work overloads grow bigger: both the welfare of the employees and that of the beneficiaries goes down the tubes. Bill 100<sup>28</sup> has also given rise to devastating effects in certain services.

It's not surprising then that in such a context despondency in the workplace becomes a serious problem. A reality that has been well documented by the Quebec Association of Health and Social Services Institutions<sup>29</sup>: only 42% of employees in the system consider themselves satisfied with their situation at work, while for the entire active Quebec population, the percentage is 62%. Only 29% of the respondents are satisfied with their workload, compared to 56% for the active population.

There's an obvious link, on the one hand, between despondency and work overloads, and on the other hand, mental health problems and absenteeism that one can easily observe. The costs of absenteeism are sky-high for the State: no less than \$362 million in 2012 alone. About 44% of this amount stems from mental health problems<sup>30</sup>.

As a result of financial cutbacks and the effects they cause, health and social services system administrators have carried out a reform in the delivery of services. As in the private sector, performances have to be lifted up. Hence, numerous projects to optimize various interventions are implemented. Welcome to the *new public management* and *benchmarking* era!

All too often, these optimization projects are imposed without any consultation or involvement of the Unions and employees affected. All too often, they're based upon quantitative indicators, without any concern for the quality of care provided. All too often, they deal with controlling interventions. The case of the firm Proaction is an eloquent example: no more than X minutes to give someone a bath or put someone to bed, regardless of the beneficiary's general condition, or the need for human contact in any caregiver relationship. Or then again, the calculation of the occupational therapist's performance based upon the number clients seen per day, regardless of the quality of care provided.

Once again, the professional autonomy of the system's employees is being directly attacked by an increasingly intrusive administrative bureaucracy.

We have nevertheless carried out several conclusive work organization projects. The key to success each and every time? Consultation with the employees and involvement of the union organizations in the process. Yes, it is possible to bring work organization projects that are conclusive to fruition, both in terms of improving our members' quality of life in the workplace and the quality of services provided. But administrators must one day understand that, without our involvement, optimization projects are doomed to failure.

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<sup>28</sup> Act putting into effect certain provisions of the March 30, 2010 Budget Speech and seeking to restore a balanced budget in 2013-2014 and reduce the debt. This Act stipulates, amongst other things, the non-replacement of one out of every two administrative personnel who retire and the reduction of "administrative operating expenses by at least 10% [...]. To this end, health and social services agencies in the system and those in the education system must take all necessary action such that, at the end of their fiscal year beginning in 2010, the amount of their advertising, training, and travel expenses is reduced by 25% compared to the amount of these expenses incurred during the previous fiscal year."

<sup>29</sup> *Survey of Quebec health and social services system employees* – CROP opinion poll conducted on behalf of AQESSS, May 2009.

<sup>30</sup> *Managing attendance at work. Income protection*. System and ministerial personnel management branch – Organization and Individual Health Program, Health and Social Services Ministry, December 2012.

Manpower shortages also constitute a problem that is growing by leaps and bounds. Not only are departures due to retirement increasing (and sometimes taken prematurely), but the institutions are having difficulty recruiting manpower to replace departures. We believe it would be possible to make recruitment easier by improving the management of internships. For new graduates, an internship can be a gateway, a first contact with the world of public service work. A satisfying internship could be a springboard to pursuing a career in the public service. This is why we should be doing a better job of integrating interns and placing more value on them: after all, they are an excellent means for recruiting promising candidates. This would however require adequate resources. It's also important to retain those people who might be tempted to take an early retirement by creating interesting mentoring opportunities.

The impact of Bill 25 (creating the CSSS) and Bill 30 (merging union certifications) is still being felt. The increased size of our union bargaining units has fundamentally changed the union work of our officers

The size of our bargaining units also poses the challenge of cultivating a sense of belonging and of mobilizing our troops, especially as our negotiations draw near. When we develop our action plan, we will have to seriously examine these questions, to ensure that the notion of solidarity, in all our institutions, will be placed squarely at the heart of our approach.

With Bill 30, the legislator imposed the obligation for us to negotiate 26 collective agreement issues locally. Without rehashing here our evaluations of the last round of bargaining, one can't help but observe that at each new national round of bargaining, management wrongfully invokes this law to avoid negotiating certain union demands. We will have to remain vigilant in order to preserve our undivided capacity to bargain.

## **EDUCATION**

Budget cutbacks in the school commissions have not let up since the last round of bargaining. The austerity policies have continued with the Marois Government. Looking only at the last three years, the cutbacks have been nearly half a billion dollars. Last April, Minister Marie Malavoy announced new cuts of about \$65 million: for the year under way, the shortfall is about \$215 million.

The burden of the zero deficit struggle is thus shovelled into the backyards of the school commissions, who are being asked to increase school taxes or else reduce their administrative expenses. Unfortunately, school support staff are the first ones bearing the brunt of these budget cuts.

Positions abolished, jobs lost or made precarious and work overloads for the people who remain are the very real life consequences of this austerity policy. Notwithstanding the Ministry of Education's reassuring tone and message, the threat of deteriorating services provided to our pupils, whether in terms of supervision, child care or even maintenance of the institutions' buildings is very real. The Federation of Quebec School Commissions (FCSQ) pleads that they don't see how additional efforts can be made without affecting even more the services given to pupils. "The troops are already at the end of their rope, declared the FCSQ President, Josée Bouchard, they're being asked to multitask and do everything with less, and now, we're going to have to ask our staff to do it all over again next year".<sup>31</sup>

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<sup>31</sup> GERVAIS, **Lisa-Marie**. « Commissions scolaires : des coupes additionnelles de 65 millions ». *Le Devoir*, April 19, 2013.

This reduction in school commission staff has also opened the door to subcontracting. Once again, we witness a loss of public expertise in our institutions to the benefit of private interests, and this, at a time where problems of mould in our schools are coming to light almost every month.

These budget cutbacks come on top of the effects of Bill 100, adopted in 2009. The latter stipulated that one out of every two school support staff employees who leave for retirement would not be replaced.

Budget cutbacks and Bill 100 guidelines have heightened job insecurity within our school commissions. The latter no longer posts positions that would help stabilize employment. They prefer just putting up postings of jobs that last under 20 weeks... successively! Precarious, underpaid and without the same fringe benefits, these employees never succeed in getting permanent employee status in these situations that clearly abuse the notion of probation.

The effect of these new waves of abolishing positions and the epidemic of precarious employment have added repercussions in the form of additional work overloads. We observe an increase in mental health problems and burnout amongst our members: an increase in the needs of our pupils, married with a reduction in the work force, which creates a psychological pressure upon our members to nonetheless deliver all the services. And all this, while violence in the school milieu, particularly in the special needs education sector, is on the rise.

Of course, the deterioration in working conditions generated by budget cutbacks in no way helps recruit and retain staff within the school commissions. The situation is particularly worrisome for semi-skilled workers, who are still waiting today for a genuine salary adjustment to reduce the salary gap with the private sector and thereby curtail the recourse to subcontracting.

The eternal questioning of the role and overall place of school commissions obviously influences the orientations taken by the FCSQ. The ADQ's desire to abolish school commissions has been taken up by François Legault's CAQ. The Liberal Government, for a short while, was also open to this idea. One of the defeated Liberal leadership candidates, Pierre Moreau, had likewise endorsed this idea in the course of his leadership campaign. Faced with these threats of abolishing school commissions, the FCSQ set up a vast working group to reorganize services, both nationally and regionally, as well as locally, asking the various school commissions to analyze the possibility of merging, or sharing services. The PQ's arrival in power put an end to this work. But with a minority government and the possibility of elections in the more or less near future, we're not immune from having such projects that threaten the integrity of our school system return to haunt us at the bargaining table.

## **HIGHER EDUCATION**

The CEGEP system has not been saved by the austerity steamroller policy applied by the Liberal Government, and now being continued by the Marois Government. To the cutbacks of \$21.5 million announced for 2012-2013, additional new cuts were announced quite recently, of \$16.2 million for the year in progress. Support staff is particularly affected, and the impact is essentially the same as in the elementary and high school systems: the abolition of positions, ever more precarious employment, recourse to "specific projects" to avoid posting positions, work overloads, increased absenteeism, pretexts for subcontracting... Once again, deteriorating working conditions gives rise to serious problems of attracting and retaining manpower. And, like in the education sector, the application of Bill 100 multiplies the scope of these problems.



Other problems piggyback onto these cutbacks. Several people are still questioning the value of a Diploma of Collegial Studies (DEC) that is of prime concern to us. Whether it be the professional corporations, the Canadian accreditation offices, a Ministry optimization plan or plan to update the curricula, we increasingly find that the learning assignments earmarked for our college programs are sliding towards the universities or vocational education. Accordingly, the DEC's value is slowly being eroded.

Unfortunately, after the college teaching reform of the 1970s, the Ministry abolished the discipline advisory committees. Our repeated demands to introduce national programs committees have fallen on deaf ears. This observation has led us to develop a certain expertise for taking action in these dossiers, in concert with teachers who specialize in disciplinary matters and with the Unions who represent them. However, in view of the exponential increase in these cases over the past few years, we can no longer accept that the expertise of these discipline specialists be put aside in this fashion. The quality of training in our CEGEP system is clearly at stake.

The situation of the CEGEPs outside of the metropolitan areas is particularly worrisome, given current demographic declines. The falling number of students means that several programs descend to an underfunding threshold. Accordingly, there are fewer teachers to carry out certain teaching-related tasks. *"If nothing is done, the consequences in the short term will translate into programs being terminated, indeed institutions being closed, thereby reducing accessibility to higher education outside of the metropolitan areas"*.<sup>32</sup>

The FNEEQ, FEC (CSQ) and Federation of CEGEPs held a symposium in April 2013 to examine accessibility to the college system over the entire Quebec territory. Four themes, regarding which outlines of a solution should be drawn, were the subject of a consensus: the programs offered, continuing education, financing and student mobility.

With regard to the state of CEGEPs outside the metropolitan areas, the working group dealing with the college training programs being offered, which was set up subsequent to the recent Summit on Higher Education, will be the ideal place for us to trace an outline of a long-lasting and structured solution. The orientations that will be determined there could have far-reaching consequences upon our upcoming negotiations, particularly regarding two key dossiers: the financing of our CEGEPs and teachers, as well as that of continuing education. In both cases, the mandates arose pursuant to the settlement of our last collective agreement. With regard to financing, the general orientation can be summarized as ensuring that the latter is closely linked to the work that is actually being performed.

With regard to continuing education, our focus will be on the working conditions of the teachers working in this sector. Our goal is to put an end to two-tier training, and to succeed, we will have to make substantial improvements to the conditions of sessional lecturers who are underpaid, whose status is precarious and who aren't integrated into all the academic activities of our college institutions.

With regard to support staff, as well as teaching staff, the salary differential between the college system and private companies gives rise to serious manpower recruitment and retention problems. The administrators are then obliged to lower the qualifications required or else appeal to retired teachers to go back to the classroom. Comparisons with other parts of the public sector can likewise be

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<sup>32</sup> Symposium on the development of CEGEPs outside the metropolitan areas, April 2013.

unfavourable: a nursing teacher earns \$10,000 less than were they to work in a hospital setting. The fact that CEGEPs outside of the metropolitan areas often offer part-time jobs also contributes to manpower attraction and retention difficulties.

Students with special needs are now part of the daily reality of today's CEGEPs. It is important to provide them with the means necessary to succeed with their education plans. Several accommodations require the expertise of teachers, either as specialists in certain disciplines, or as pedagogues. Here again, we'll need to work hard to have our work fully and completely recognized.

Finally, a serious battle appears to be looming on the horizon between CEGEP teachers and the College Teaching Evaluation Commission (CEEC). The CEEC seeks to focus its work upon quality audits, in other words, the introduction of new mechanisms for evaluating the internal evaluation mechanisms pertaining to several institutional policies that notably govern the evaluation of learning and the evaluation of the curricula. We're thus going from evaluations to... evaluations of the evaluation. Teachers will be given time off from teaching and non-teaching personnel shall be conscripted to record, analyze, weigh, and evaluate the indicators... Such a process will inevitably erode teachers' working time. Just one more case of resources being diverted away from direct services to students to the benefit of another high-falutin evaluative delusion. Without even mentioning the fact that such quantitative evaluation initiatives attack the professional autonomy of teaching personnel head on.

Accordingly, for several years now, we are witnessing a continual erosion of the autonomy, both as individuals and collectively, of the support staff and teaching staff in our CEGEP system. This loss of autonomy gives rise to a debasement in the meaning of the work performed every day, to the extent that administrative and non-monetary constraints become increasingly burdensome. Being required to perform based upon far too many accountability mechanisms ends up obscuring the primary goal of our CEGEP system: namely, training young people and adults by incorporating personal development, training to be a good citizen and preparation for either university or the job market.

## **GOVERNMENT AGENCIES**

Every last stray penny seems to be in the crosshairs of the Parti Québécois Government. One might wonder whether the pennies we no longer have in our pockets haven't all been squirreled away by Mme Marois herself. Government agencies have not been left behind, and here and there, they too have been subjected to major budget cutbacks.

Accordingly, the Treasury Board recently announced that it does not intend to comply with the agreement in principle reached in June 2012, between the Human Rights and Youth Rights Commission (CDPDJ) and the Union of its employees (an agreement in principle ratified by their general meeting!). The Treasury Board refuses to accept that the 15-odd CDPDJ lawyers be granted pay equity with Crown prosecutors and Government lawyers. The same pay equity terms that were nonetheless granted to legal aid lawyers quite recently.

Meanwhile, manpower recruitment problems appear to be considerable at the Olympic Installations Board (RIO). Management doesn't seem to have any kind of long term approach to ensuring employee renewal. They prefer hiring retirees for short periods of time, or else using placement agencies.

The RIO also does a fair amount of subcontracting, particularly for maintenance work. Whether it be for providing security for events taking place on the Esplanade (the fit-up of the latter has considerably increased Stadium usage) or for guided tours of the tower, RIO management does all that it can to push aside unionized employees in favour of subcontractors.

The major issue at the RIO over the next few years is undoubtedly the fit-up of a new roof. A decision is expected before the end of 2013. Redoing the roof would inevitably have a big impact upon all the Stadium's operations, notably in terms of hosting events during the winter. But, with a minority government and budget austerity, will the Marois Government dare invest the amounts necessary?

The Convention Centre has also been the scene of increasing job insecurity. Several employees who have retired haven't been replaced. Also, the employer makes use of every possible opportunity to create new positions ... in the non-unionized category.

The legal aid system is planning to soon take charge of Quebec's alimony system. It will be necessary to ensure that this additional responsibility does not increase the workloads of its employees.

Important changes at the Quebec Ferry Corporation could have an impact upon employment. The Corporation is currently thinking about introducing online ticket sales, as well as an Opus-style card for ferry crossings. In the Quebec City area, work to refurbish the Lévis parking lot, planned for this summer, as well as the possibility of reconfiguring Dalhousie Street could also boost customer traffic.

Finally, let's note that budget cutbacks in the research sector have unfortunately translated into the abolition of positions or elimination of certain services at the Fonds québécois de la recherche sur la société et la culture (FQRSC), at the Fonds québécois sur la nature et la technologie (FQNT) and at the Fonds québécois de recherche en santé (FQRS).

As set out in Appendix C of Bill 37<sup>33</sup>, other CSN unionized government agencies might decide to join with us for the upcoming negotiations. To this end, general meetings of these bargaining units will have to give bargaining mandates to their respective federations.

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<sup>33</sup> An Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors, RSQ, c R-8.2



## **Let's get to work, now!**

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### **SHARING THE FOUNDATION OF OUR STRATEGIC APPROACH**

Over the next few years, our public services will be faced with some huge challenges: undertaking the biggest manpower renewal in its history, at a time when the manpower pool available in the Province of Quebec will be shrinking considerably. We believe, that to attract and retain the manpower necessary for its operations, it is urgent to make public sector working conditions attractive. That is why we are proposing to make remuneration the cornerstone issue in our upcoming negotiations, by prioritizing salaries. We also believe that it is possible to improve our working conditions, particularly with regard to the quality of life in the workplace, in order to buttress the capability of public service employees to exercise their professions to the best of their ability. Over the next few months, we will have to share our analysis and our approach to the upcoming round of bargaining with our 170,000 members.

Accordingly, we believe that a consultation exercise geared towards formulating our sector-based bargaining proposals and those for the central bargaining table will have to be done simultaneously. Going about this process in two stages might leave the impression with our members that this involves two distinct negotiations. We will have to debate, in our general meetings, the pertinence and advisability of making remuneration our cornerstone issue at the bargaining table and its impact upon the robustness of our sector-based demands. The same will be true for the general meetings to be held to ratify our bargaining proposals.

Finally, we will likewise have to examine, over the coming months, the possibility of simultaneously tabling our bargaining proposals to the Government, in order to send a clear message with regard to our course of action. We would thus have the opportunity of demanding that the Government and the various management bargaining committees table their bargaining proposals all at the same time. During the previous rounds of bargaining, the tabling of management's proposals, occurring several weeks after ours, gave rise to a good deal of stress. It will be important to set the record straight and have a reality check regarding all the bargaining issues right from the very beginning of our discussions.

### **THE POTENTIAL FOR ALLIANCES**

This winter, during our meetings with the leaders of the four CSN federations, when we addressed the question of alliances with other union organizations, the latter told us that we should begin, first and foremost, by focusing our attention upon reinforcing our alliances within the CSN itself.

Accordingly, a desire exists for greater co-ordination between the four federations, including that of their sector-based negotiations. The CCSPP team, we were told, must assume this leadership in order to make our upcoming negotiations a real success. We believe that this desire is very much in line with the idea of making remuneration the cornerstone bargaining issue and adjusting our sector-based demands accordingly.

The CCSPP's work, in support of the four federations' bargaining committees, takes place at two levels. First, there is the role of acting as a liaison between the different bargaining committees: our purpose here is to foster and encourage unity between our different components, based upon a climate of trust

that is only possible if information is truly shared with regard to what is happening at each of the different bargaining tables. These exchanges must occur with the genuine involvement of all the political leaders and spokespeople at these bargaining tables. The CCSPP's job is also carried out at a technical level, in terms of supporting and exchanging experiences with our different bargaining committees in order to find solutions to the problems that may arise in the course of bargaining.

### **TOWARDS A POSSIBLE COMMON FRONT?**

At the present time, no formal discussions have taken place with our union partners with regard to an eventual Common Front in view of our upcoming negotiations. This does not mean that, on our side, we should not be asking ourselves certain questions regarding this matter.

Generally speaking, the evaluations made by the four CSN federations regarding the last round of bargaining reiterate the importance of fostering the broadest union alliances possible when it comes time to negotiate. Two major sources of stress however were identified, namely, the referral of certain key remuneration-related elements to the sector-based tables and the lack of *political* co-ordination during the last Common Front.

An eventual alliance with our union partners must first and foremost respond to a need. Accordingly, the needs of the CSN in terms of our upcoming negotiations must be clearly identified before embarking upon discussions with other union organizations. We cannot allow ourselves to be at the mercy of a strategic framework that has been developed and decided by others.

Of course, a Common Front cannot be based solely upon a technical co-ordination. The channels of communication cannot only be open and used by union staff representatives, and this, both in terms of negotiations, mobilization and communications. The political leaders of the different union organizations must be able to speak with one voice, collectively assume the role of orchestra conductor, leading and reading from the same sheet of music. In order to do this effectively and successfully, policy co-ordination meetings of an eventual Common Front are more than necessary.

### **MAKING ROOM FOR CONSULTATIONS**

Over the past six months, the four CSN public and parapublic sector federations have undertaken a major collective reflection: drawing up the strategic parameters and general orientations that will be necessary to guide us through each one of the next stages of our preparations, with a view towards our upcoming negotiations. We must now reach out to our members to share these reflections with them. Then, we will have to build and harmonize, all together, our bargaining proposals, as well as a strategic framework to support us in our mission.

Our collective agreements will be expiring in less than two years. The countdown has begun.