

Ontario's Election 2018: The Minimum Wage Hike and the Battle over #Fightfor15

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*The 2018 Ontario provincial election will be fought over many issues. Liberal **Kathleen Wynne's** unpopularity as Premier, Progressive Conservative Party Leader **Patrick Brown's** flip-flopping on major issues, the election of **Donald Trump** in the United States and subsequent re-evaluation of NAFTA are all certainly to come up in coverage and debates. However, one of the biggest issues that will be fought next year is a struggle that activists have been working on for years, and one which opponents believe could derail Ontario's entire economy: [Bill 148](#). The minimum wage hike, and other labour reforms in the Bill, may be the most controversial public policy issue in Ontario right now. The effects of it will impact students, young workers and working class people for years to come.*

Bill 148, known as the "Fair Workplaces, Better Jobs Act, 2017," will make for many changes to Ontario labour policy, but the most significant and newsworthy of the changes is the minimum wage increase. According to Section 23.1 of this update of the Ontario Employment Standards Act, the provincial government will raise the hourly minimum wage for workers to \$14 an hour in January of 2018, and \$15 an hour the following year.

While the bill has passed the third reading in the House and will come into effect after the winter months, it has recently inspired a lot of debate. Activists and workers who support the law believe that it will lift people out of poverty, create stability in a difficult job market, and will benefit the economy and businesses. Opponents, however, see it as a job-killer which will hurt both the most vulnerable of the working population and small businesses. So, on which side of the argument does the evidence lay?

Experts Disagree

The debate has been fought not only between activists on either side, but also between academics, economists, businesses and banks. In an economic assessment of a minimum wage hike released in late September, TD Canada Trust, one of the largest financial institutions in the country, urged caution with the legislation. In their forecast, TD estimated a net reduction of between 80,000 to 90,000 jobs by 2020. It sounds doom-and-gloom, but even within TD's own public release, the estimation still reveals that employment would continue to 'expand' in the next decade.

What does all that mean? Even if TD's rather negative forecast of nearly 1,000 net lost jobs – the number of jobs lost subtracted from the number of jobs created – over the next four years due to the wage hike is true, employment in Ontario would still grow by 0.5 per cent a year. A common theme that can be interpreted from research into the topic is a simple one: the minimum wage is only one of perhaps thousands of factors that determine economic

performance and employment.

In fact, many economists disagree about the economic implications of a minimum wage hike. Throughout the 20th century and into today, many empirical studies were conducted to determine the real effects of a wage hike. One of the most famous of these studies was conducted by economists **David Card** and **Alan Krueger** in 1992. The two conducted a comparative study between the states of Pennsylvania and New Jersey, which border one another. The government in New Jersey raised the minimum wage by nearly 20 per cent, while Pennsylvania's remained constant (before the hike in New Jersey, both states had the same minimum).

In their 1993 study "[Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania](#)" published in the *American Economic Review*, the authors found no negative correlation between a minimum wage increase and employment. In fact, a far more thorough study conducted by the Institute for Research on Labour and Employment from 1990 to 2006 found similar effects. By comparing "contiguous county pairs" on state borders, the study found no long-term negative effects of the minimum wage increases.

Social Justice Movement

Economists are far from the only concerned party with this issue. For years, activists with the labour movement and social justice organizations have been using their voices and platforms to promote a \$15 minimum wage and other work reforms. One of the most notable, province-wide organizations involved in fighting for a 'living wage' is the [Fight for \\$15 and Fairness campaign](#).

The campaign, which considers itself part of a larger movement across North America to create better jobs, has fought for various provisions in Bill 148. Although the name of the campaign indicates a focus on increasing the living wage, the group has fought for other elements such as equal pay for equal work, fair scheduling and paid leave for workers facing sexual and domestic violence.

Their work has paid off. Bill 148 has nearly been sent through the full legislative process in the provincial House. There was an amendment in the original draft of the bill for equal pay between full-time, part-time, seasonal and temporary workers. There was also language which closed a loophole in original text of the *Employment Standards Act*, which is intended to stop employers from using seniority to disadvantage part-time workers as opposed to full-time workers.

In terms of scheduling, there were some big gains for workers that activists fought for years. Three major changes were enacted into the legislation: pay for on-call employees who aren't called, pay for employees who have their shifts cancelled (with less than 48 hours' notice), and the right for employees to refuse shifts if they are given less than four days of notice.

The Political Parties

Organizations such as \$15 and Fairness have also petitioned concerned citizens to get involved in political action. The campaign has come out strongly against the candidacy of Progressive Conservative (PC) leader **Patrick Brown**, who will be running in 2018 for Premier against NDP **Andrea Horwath** and the current Premier Kathleen Wynne.

And it's true: the Ontario PC party has pledged that, given the opportunity to form government, would delay the increase until 2022. The PC and their elected MPPs have quoted a study by the Financial Accountability Office of Ontario (FAO) that up to 50,000 workers could lose their jobs.

Brown has not come out fully against the idea of the minimum wage (as some right-wing politicians have), but has urged caution on what he considers a 'dramatic' raise to the wage. He made his thoughts clear in a statement to a media scrum outside Queen's Park earlier this year in June.

"My concern is the speed that we're going about this, the fact that there is no cost-benefit analysis... I'm not sure that's giving proper notice to our job creators," Brown told reporters.

Aside from politically interested parties, criticisms have been raised by other parties who claim they will be negatively affected by the hike. In one instance, many municipalities in North and Northwestern Ontario are considered that the increased minimum wages will affect budgeting for local services such as volunteer firefighting. In a statement to *Thunder Bay News*, the Fire Chief in the town of Shuniah is concerned that the town firefighting budget will increase exponentially following the wage increase, beyond what the municipality can afford. Shuniah and many other municipalities are currently pressuring the provincial government for an exemption.

But in the province as a whole, it appears that the majority of people would choose to err on the side of increasing the minimum, and of Bill 148's provisions. A Forum Research survey, which asked respondents whether they supported a \$15 minimum wage, showed that 53 per cent of those surveyed were in favour of the changes. Other provisions in Bill 148 were even more popular: 74 per cent were in favour of the vacation changes, 67 per cent supported equal pay amendments, and 57 per cent were on board for pay for on-call employees and canceled shifts.

Simon Black, an Associate Professor in the Department of Labour Studies at Brock University, voiced his support for Bill 148, based both on empirical evidence and the effects it could have on the lives of workers throughout the province.

"First thing's first: whatever Bill 148's deficiencies, it should not be seen as a gift bestowed on low-wage workers by a benevolent government. It should be seen as the product of social movement organizing and activism, petitions and protest, and persistence," Black explained. "We should salute all those everyday working class folks, from child care workers to retail clerks, auto workers to adjunct professors, airport workers to the folks serving coffee at the local Tim Hortons, from trade unionists, to seniors to single moms - and especially, the amazing student activists - who have made this bill a reality."

Black not only noted the work of organizers across the province who have fought for progressive reforms to labour law, but how the proposed reforms will help the working class people of our province who provide so many of our daily services.

"The bill is an important step toward ensuring equal pay and equal access to benefits for part-time, contract and temporary workers. It includes modest

improvements to scheduling rules and the introduction of mandatory sick days,” Black stated. “It will also make it easier for workers, particularly in a few sectors, to join unions. Of course, the centerpiece of the bill is the \$15 minimum wage. By raising the wage floor in the labour market, the \$15 minimum will be of great benefit to students, who tend to be concentrated in low-wage work.”

The minimum wage has sparked controversy not only in Ontario, but across North America. In the province of Alberta, the provincial NDP government led by **Premier Rachel Notley** has increased the minimum wage twice during its time in power. The government, much like our Ontario Liberals, pledge to increase the wage to a total of \$15 an hour by late 2018. Notley has made special note of how the law would disproportionately impact women and people of colour, who tend to be overrepresented in precarious work environments. This is true across the country, and shows how the Alberta NDP has made their promise to raise the wage in a way a commitment to the principles of social justice. Notley, like her counterpart Wynne, has also made the smart political move of cozying up to small business owners who pay a higher wage or support the increase, in an effort to make the hike palatable to economic conservatives and appear to be a best-of-both-worlds approach.

None of this is to say Notley has not faced opposition. The United Conservative Party, the Official Opposition in Alberta, has staunchly opposed Notley’s efforts and has claimed that the party is putting “ideology ahead of evidence.” As in the case in Ontario, economists from institutes and universities in Alberta have spent months fiercely debating the issue.

The debate over the minimum wage is also quite lively south of the border. Although the federal government only mandates a minimum wage of \$7.25 an hour for American workers, more than half American states have passed legislation to raise the minimum higher than the federal standard. Due to action by groups such as [Fight for \\$15](#) in the United States, the Democratic Party, one of the two major political parties in the country, came out for a \$15 minimum wage as part of their official policy platform in the 2016 presidential election. Polling conducted by the Pew Center in the U.S. in 2014 showed that a strong majority (73 per cent) of Americans favored the increase of the minimum wage to ten dollars an hour. In fact, 53 per cent of registered Republicans even favored the increase in the same poll. However, the administration of President Trump, as well as top Republican elected officials such as Speaker of the House **Paul Ryan**, adamantly opposes a higher wage.

While the debate is likely to rage on until even after the initial effects of the raised wage in the province are felt, for many activists who support a living wage, the incoming legislation feels like a victory. But that does not mean the battle is completely over.

In a [packed house of living wage advocates](#) at the University of Toronto, activist Deena Ladd let the audience know that a lot depends on the results of the upcoming election – and how much pressure activists are able to put on whoever is in power come the end of 2018.

“This is the time to get our communities organized,” Ladd stated to the crowd. “We need to be working every day, every weekend, until we win these changes.”

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