Submission to the Minister Responsible for
Labour Relations and Workplace Safety

Concerning:

1. Indexation of Saskatchewan’s Minimum Wage

2. The Minimum Wage Board’s Training Wage Proposal

3. The Young Worker Readiness Certificate Course

Thursday, November 04, 2010
INDEXATION OF SASKATCHEWAN’S MINIMUM WAGE TO THE CPI

The Saskatchewan Federation of Labour represents over 98,000 members, from 37 national and international unions. Our affiliate membership is comprised of over 500 locals throughout the province. The SFL has a proud history of providing support for union members and for all workers in Saskatchewan, irrespective of affiliation. We serve as Saskatchewan's "voice of labour" in speaking on local, provincial, national and international issues. The SFL supports the principles of social unionism; therefore, we struggle for social and economic justice for all.

We would like to express our appreciation to the Minister responsible for Labour Relations and Workplace Safety for providing us an opportunity to present our position on the important issue of the indexation of the minimum wage to the cost of living. It is the position of the SFL that the minimum wage should, in fact, be indexed to the cost of living, but as a part of an anti-poverty strategy involving first raising the minimum wage to 75 percent of Canada’s Average Industrial Wage (AIW).

THE CURRENT SYSTEM FOR MINIMUM WAGE INCREASES

Workers covered by a collective agreement will not typically earn the minimum wage, but the SFL recognizes our duty to speak for those employees who do receive the province’s lowest permissible wage. The ultimate aim of a minimum wage is to ensure that wages for employees are maintained at a socially acceptable level. It is intended to counteract the imbalance of economic power in the labour market between the lowest-paid employees and their employers.

It has historically been common for provincial governments in Canada to allow several years to pass without a minimum wage increase, allowing inflation to erode the “practical value” of the minimum wage over time. Too often, governments have let minimum wage earners languish without a wage increase, even while costs continue to rise year after year.

Minimum wage increases have occurred at irregular intervals over the past 30 years in Saskatchewan and have often not been sufficient to address increases to the cost of living. Therefore, for the sake of protecting society’s most vulnerable workers, we recommend that the Government of Saskatchewan index future increases in the minimum wage to changes to the Consumer Price Index for Saskatchewan.

THE BENEFITS OF A STRONG MINIMUM WAGE

Workers earning minimum wage are more likely to be members of more vulnerable parts of the labour market. A strong minimum wage is, therefore, a key element of a broader policy to fight the crippling effects of poverty as well as to promote greater wage fairness.

Another benefit of a strong minimum wage is a leveling of the playing field between responsible employers that pay reasonable wages and their counterparts that do not. With a strong minimum wage, no longer will it be possible for employers to seek “competitive advantages” by gouging
employees. Employers will also benefit from easier recruitment efforts and less turnover, the negative consequences of which include added staffing, training, and administrative costs, operational disruption, lost productivity, and low morale.

A higher minimum wage also increases the independence and self-sufficiency of young people and low-income households, allowing them to participate more greatly in the economy generally. Higher wages mean more retail purchases, housing starts, and sales of luxury goods. It may also enable students to reduce post-secondary education debt loads. Because minimum wage earners typically spend their earnings locally, raising the minimum wage will provide a direct benefit to the local economy.

INDEXATION AND A MINIMUM WAGE SET AT 75% OF THE AIW

The longstanding policy of the SFL – endorsed regularly at our annual conventions – is that the provincial minimum wage should be set at 75 percent of the national Average Industrial Wage and indexed to the CPI. According to Statistics Canada, the AIW is currently $20.88 per hour (2009).

In accordance with SFL policy, the minimum wage should then be $15.66, a sizable shift from its present $9.25. However, we would be prepared to endorse a process whereby the AIW level could be achieved in increments, to avoid any disruption to the economy. As an interim measure, in addition to the indexation of the minimum wage to the CPI, we are calling for a substantial increase in the minimum wage.

We must have a minimum wage in Saskatchewan that keeps people out of poverty, provides them with a decent living, and allows workers to support their families. By ensuring that the minimum wage is a living wage, we can ensure that our province is the best place to live and to work.
THE MINIMUM WAGE BOARD’S TRAINING WAGE PROPOSAL

It is the position of the SFL that the Minimum Wage Board’s recommendation to allow a training wage at 90 percent of our province’s minimum wage violates workers’ rights and discriminates against a significant portion of minimum wage earners. The recommendation takes advantage of new workers, immigrants and low-income families, who are most likely to live below the poverty line. What effectively amounts to a decrease to the minimum wage, will only place more strain upon society’s most vulnerable workers. By acting upon the Minimum Wage Board’s recommendation we would essentially be telling minimum wage earners that their labour is less valuable than that of others, that they are second-class citizens.

In order to provide a forum for the often-ignored voice of young workers, SFL campers, young workers between the ages of 13 and 16, were asked to submit their own responses to the training wage recommendation. The Minister will by now have received the campers’ letters as well as other correspondence from the SFL regarding the Board’s training wage proposal. The SFL has also begun collecting the signatures of concerned workers in a petition urging the Minister to ignore the Minimum Wage Board’s recommendation, a petition that he will receive in the coming days.
THE YOUNG WORKERS READINESS CERTIFICATE COURSE

PROS
- The information presented is practical and extremely useful.
- The program provides information that young workers might not otherwise receive.
- Program information could easily be adapted for provision to all students, not simply those that: (1) want to work before age 16 and (2) happen to sign up for the Career & Work Exploration Course.

CONS
- Because it is primarily online, the curriculum is not accessible to households without internet access.
- Literacy issues or speaking English as a second language could make the program inaccessible to many young people and their parents.
- The format does not foster retention of information; the program focuses on the final grade alone, rather than on increasing understanding and developing skills.
- The information is valuable, but is not delivered in-class, reducing the likeliness of retention.
- The existing Young Workers Readiness Certificate Course is an excellent tool for students to learn valuable information, but it is currently offered only to students taking the Career and Work Exploration course; it is not mandatory for all students.
- Many young people continue to experience little or no Occupational Health and Safety training on the job and receive little or no information on Labour Standards.
- Employers may be tempted to believe that the online course will relieve them of their legislated requirement under The Occupational Health and Safety Act to train employees; the assumption that each young worker that starts work will be familiar with labour legislation and workplace safety practices could lead to an increase in accident rates.
- The program as currently administered requires only a signature, presumably of a parent or guardian, as validation, leaving open the potential for fraud. The SFL has received reports of teachers mistakenly signing off on validation sheets.

RECOMMENDATION

It is the recommendation of the Saskatchewan Federation of Labour that the delivery process for the Young Worker Readiness Certificate Course be revised, in order to address the aforementioned areas of concern, and that the program become a mandatory part of secondary education for all students in Saskatchewan.