



Organized Working Women
Toronto Chapter
555 Bloor Street West
Toronto, Ontario, M5S 1Y6
(416) 534-7504

Endorsed by the Ontario Federation of Labour

AN ECONOMY FOR EQUALITY
An alternative to the Neo-Conservative Agenda

A paper prepared for
Organized Working Women

By Kerry McCuaig

AN ECONOMY FOR EQUALITY
An alternative to the Neo-Conservative Agenda

A paper prepared for
Organized Working Women

By Kerry McCuaig

AN ECONOMY FOR EQUALITY
An alternative to the Neo-Conservative Agenda

I. Introduction

Prior to the Tory 1984 electoral victory, a Financial Times poll of Canadian business executives, found 92 per cent were backing the Tories. For corporate Canada it was a logical choice. Alone among the political parties, Mulroney's Conservatives had no ideological constraints against handing business a free reign.

Missing was public support for this program. To win this, the Tories ushered in the age of consensus ...high profile, tripartied summit meetings, travelling road shows and consultative papers. These became policy testers. Under the guise of "what do you think?", the Tories have waged a battle to eliminate all alternatives from the country's agenda, save those advanced by business. Whatever options chosen, Mulroney's job is to ensure they enhance corporate profit sheets.

As capable articulators of a strategy worked out in the think tanks of the Fraser C.D. Howe Institute, by the Business Council on National Issues, the Canadian Manufacturers Association and the brokerage firms along Bay Street, the Tories have been the vehicle to turn right-wing rhetoric into household language.

In the buzz words of the Tory age the private sector needs to be "stimulated" in order to "create"; the newest in laudable qualities include "productivity", and the epitome; "entrepreneurship"; Canadian nationalism has been turned into an archaic hindrance in "creating confidence for investors"; "our best friends", the U.S., are to be "given the benefit of the doubt" in all they say and do.

This is the language around which the Tories are building a consensus. It speaks for their agenda, and finds its way into the media and in conversations from the shops and office floors, to the executive suites.

Globe and Mail journalist Thomas Walkom, calls it "Tory Talk", but he also offers that there is nothing forcing Canadians to talk Tory. Through struggle labor has also developed its own language, it includes terms such as "social justice", "equality", "decent living standards", these words highlight the agenda of working people, and they must be popularized.

There is no melding of these two agendas, each is an anathema to the other.

II. The Economic Crisis

The current economic crisis is not due to Tory "mismanagement" of the economy. It is the Tory strategy to promote recovery by handing the economy over to the private sector.

To implement this strategy, government has taken a number of measures which assist the corporations by transferring the full costs of the crisis to workers. Indeed, many of the economic problems faced by Canadians -- rising unemployment, falling living standards, wage controls and declining public services are actually viewed by government as part of the "solution" to the crisis.

The reasons are clear. To promote corporate confidence and provide business with capital for new investment, a major shift in income distribution is being pursued. According to business and government economists, working people must be persuaded -- or forced -- to sacrifice a significant part of their income so that companies can increase profits. This in turn, will provide more cash for private sector investors, who are viewed as the key actors in future economic recovery.

Accordingly, governments have adopted regressive social and economic policies designed to improve profitability by lowering Canadian's living standards and job security. Corporate taxes have been reduced, and, in some cases, eliminated. Subsidies, grants, forgivable loans, and other financial support for business have been expanded. Regulations restricting the anti-social behavior of corporations, such as pollution control and consumer protection are relaxed.

The corporate sector is relieved of any responsibility toward the country's development or unity through deregulation.

Public and social services are being ruthlessly cut or (the profitable ones) sold off to private interests. This is part of a business-inspired program to trim the size of the public sector and thus provide more room and resources for private sector expansion.

The savings generated from cutting old age pensions, family allowances, UIC benefits, and other income support programs are seen as necessary to enable government to reduce business taxes, expand corporate grants and subsidies, and pay for the growing number of corporate bail outs.

Profitable crown corporations and government services have been privatized in order to prevent competition with private corporations.

The tax system has been made more regressive. Working Canadians are paying more, while affluent

investors are paying significantly less. During the last election campaign it made good media to trot out the 239 Canadians earning over \$250,000 who paid no income tax. Few noted that many big named corporations pay no taxes, and several more, including the major banks, pay taxes at the same rate as a workers earning \$15,000!

III. Free Trade an Attack on Women

Free trade expresses an accelerated continuation of neo-conservative policy. The Neilson Commission, the Forget Commission, the MacDonald Commission, the federal budgets have made it clear that regardless of the consequences the needs of the market place are to come first. Women's demand for equality doesn't fit into this economic strategy.

With free trade at the centre of government policy, spokespersons for the women's movement have found a new place in the economic debates of the day. It is with good reason that free trade has been taken up as a "women's issue". The economic and social changes it would bring would not only retard women's rate of progress, but would actually leave them in a worse position than they are at present.

The free trade bible for the corporate sector, The Macdonald Report concedes that in a bilateral agreement with the U.S. there would be "winners and losers". The losers would be those companies who rely on the Canadian market -- electrical, textile, garment, leather and sporting goods, toys and games -- industries that have been protected from cheaper foreign imports by tariffs. The losers would also be women. About two-thirds of the workers in these industries are women -- together they comprise 42 per cent of all female manufacturing workers.

The Macdonald Report talks about retraining these workers for the winner industries -- urban transit and forestry -- neither are labor intensive sectors nor are they traditional employers of women.

The likelihood of workers displaced by free trade finding more highly skilled and better paying jobs is very slim. Female workers in these industries tend to be older than the average female worker; they are much more likely to be immigrants; they are more likely to be married; and they have considerably lower levels of education than the average female worker in Canada.

The government has gone to some length to spell out relocation allowances to aid displaced workers to resettle in areas where there are jobs. However if past government policies are any indication, women workers are rarely the beneficiaries of such programs. Married

women find it difficult to move for the simple reason that the majority of families live where the higher paid male member is able to find work.

So quite literally nearly half of all women working in industry are facing permanent unemployment. This tragedy is compounded when the importance of women's wages in most families is considered. This new unemployment will push millions of additional Canadians below the poverty line.

Also affected by free trade would be U.S. subsidiaries, constituting 34 per cent of our manufacturing sector. These plants were not located here to compete with their parents. Unhampered by tariffs and guaranteed access to the Canadian market there would be a movement of industry to the Sun Belt -- the U.S. "right-to-work" states where trade unions and labor legislation are non-existent. Fifty per cent of U.S. states are now "right to-work".

Manufacturing isn't the only area where women workers would be affected. The U.S. has made it obvious that they have an interest in our service sector. The vast majority of women workers, over 80 per cent, are employed here.

The U.S. economy has grown increasingly service orientated. In 1980 it exported \$60-billion worth of services. The development of new technology, particularly in communications has made the exports of services possible. In the past these services have been protected through preferential treatment for domestic service firms, restrictions on foreign banks and insurance companies and limits on foreign transportation and communications.

IV. Social Programs Threatened

Perhaps the most hollow of all Tory promises concerning free trade is their reassurances that Canadian social programs would remain in tact. This runs in the face of rash statements emanating from Washington.

U.S. protectionist sentiments have not been concerned about tariffs. Complaints have surrounded Canadian industries having a competitive edge over their U.S. counterparts because of "government interference".

The fact that Canadians working in the fishing industry receive unemployment insurance during the off season has been cited as "unfair competition"; marketing boards regulating agricultural production have been termed unfair; crown ownership of forestry lands has been successfully challenged. Import quotas, Canadian content regulations and government grants to industry have also been targets.

Despite their limitations, these have been the policies Canada has traditionally employed to encourage job creation or to counter regional disparity.

In an environment where the market rules, industry would insist on a "level playing field". Any social policy requiring a commitment from the corporations would have to be uniformly applied or opened to charges of unfair competition.

Pressure would be exerted for a common taxation policy, and Finance Minister Michael Wilson's white paper on changes to the tax structure is in response to this.

Macdonald is vehement in his opposition to equal pay, unemployment insurance, minimum wage laws and universal pension and family allowances, accusing them of being impediments on a free market.

Labor legislation, health and safety protection, environmental laws would be brought into line. In short whatever people-oriented programs there are would sink to the lowest common denominator on the continent.

What would develop is what Macdonald refers to as a "flexible and adaptive labor market" -- a euphemism for what we had during the depression when people rode the rails.

His Guaranteed Annual Income would be no more than a bare subsistence level for the huge marginalized population that would be created.

V. The Tories Implement their Agenda

It is worth noting that the Mulroney government isn't waiting for a formalized agreement before embarking on this path.

The Forget recommendations are a page out of the Macdonald Report. They begin from the premise that UI is a disincentive to work and that by reducing benefits and making entry requirements more stringent, people will be more predisposed to accepting marginal employment or moving to where work is available -- your "flexible and adaptive labor market".

Using very spurious studies it tries to show that "workforce participation rates", especially those of youth and women, increase with the generosity of unemployment insurance payments". It goes on to blame women for increased unemployment, drawing a parallel between women's increased participation rate in the labor force and rising unemployment.

Although the thrust of the Forget recommendations were not implemented, the whole exercise constituted an ideological assault on women and the unemployed.

Pat Carney capitulated on free trade in services and "intellectual property", i.e. the Patent and Copyright Act.

We now have Bill C-22 which will give the multinational drug corporations a monopoly on the pharmaceutical industry. Bills 18 and 19, the transportation deregulation bills will further open up Canada to U.S. carriers. Deregulation of the banking industry is underway.

The White Paper on Defence introduced by Perrin Beatty calls for a \$200-billion commitment to arms spending. In addition it commits Canada to cruise testings, low level bomber flights and integration into Star Wars via Norad. Reagan's arrogance inside the House of Commons promoting a foreign policy that Canada officially opposes and Steven Lewis's repeated shameful performances at the United Nations are forerunners of what will happen to our ability to make independent decision on international questions.

The attack on universal payments and cuts in transfer payments to the provinces is a step in eroding our social benefits network. Cutbacks in education is a sign that capitalism does not view the economy as being in need of a large educated workforce.

While Canadian integration into the U.S. economy did not begin with the election of the Mulroney government, free trade does represent a great leap forward. Condemnation of the policy must come from broad sectors of Canadian society.

VI. The Response

Trade union women should not limited themselves to addressing the pros and cons of free trade. It is up to us to move beyond the traditional tactic of articulating and lobbying for women's needs to examining the kind of economic alternative necessary to win equality.

We a new "vision " of society, in opposition to the neo-conservative strategy. A vision where full employment, equality and security prevail.

Such alternatives have been outlined by the labour movement. At the 1986 Canadian Labour Congress Convention, Resolution 19 offered an alternative to the "market-driven private sector economy" with "a planned economic future, using public ownership to ensure that economic decisions are taken democratically, to meet our needs, not solely to generate profits".

This is a shared vision by others including many in the women's movements, in the churches, in peace , Native, immigrant, social service and community groups.

It worth noting that despite the right-wing ideological onslaught the majority of public opinion supports women's equality including a national child care program, choice on abortion and equal pay. Amongst

Canadians the number one concern is addressing unemployment. The second is getting rid of the Tories.

Resolution 19 commits the CLC to building a national coalition to promote its alternative program. As women in the labour movement we should strive to ensure that women's concerns are central to the program and to any campaign. In particular we should emphasize:

1. Organizing the Unorganized: Trade union membership is the best available protection working women enjoy. The unfettered right to freely join a trade union must become the choice of all workers.
2. Affirmative Action and equal pay: To educate and lobby both within in our unions and with government for effective equality programs.
3. Shorter Working Time: Perhaps no other change would improve the quality of life for working women as shorter work time -- a shorter work day, a ban on overtime, improved maternity and parental leave, better vacation time and earlier retirement and better pensions.
4. A National Child care Program -- publicly funded and as accessible as public education or medicare.
5. Improved social services, health and education fully accessible to women.

If nothing else the Tories and their agenda have galvanized public opinion like few others. Their defeat could open up new doors in the struggle for progressive change. What remains to be seen, is how effective the labour movement and other progressive forces can be in using this opportunity to defeat Mulroney and begin laying the groundwork for on going action in the fight for a people's economic alternative.