

## **A survey of the living wage movement in Canada: prospects and challenges**

**Bryan Evans and Carlo Fanelli**

### **Abstract**

*The contemporary living wage movement emerged in the United States through the 1990s. It marked a particularly dramatic response at the local and regional level to the erosion in the quality of employment in the American labour market. In many respects it was and is today a rebellion of urban, racialized service sector workers. What is much less discussed are efforts to establish living wage policies in Canada. The Canadian living wage campaigns are much less movements than a strategy of rational policy advocacy. A variety of legal, political and ideological factors make this so. It is not a judgement but an observation meriting some greater interrogation.*

### **Introduction<sup>1</sup>**

The idea that workers should be paid a 'living wage' is not a new one, emerging with the rapid expansion of industrial capitalism in the late 19<sup>th</sup> century. The concept was taken up by early trade unions in Britain, Australia and New Zealand as a principle to guide wage bargaining with employers. The Depression of 1886, marked by a downward spiral in wages, drove home the need to remove wages from competition between workers and employers. This impulse led to minimum wage policies in many jurisdictions. However, minimum wage policies remain vulnerable to political maneuvering and fail to provide adequate compensation for an increasing proportion of workers. As a result, over the past twenty years, a social movement for a living wage has emerged. This movement emerged first in the United States, and more recently in Canada. Given the emergent nature of the Canadian living wage movement, it is important to assess the state of the movement, and learn from their US counterparts. In particular, we argue that we must look at the role of coalitions and tactics. While

---

<sup>1</sup> This study emerges from a Social Sciences and Humanities Research Council Partnership Development grant entitled *Policy Engagement at Multiple Levels of Governance: A Case Study of the Living Wage and Minimum Wage Policy*. The overall objective of the grant is to create a network of living wage advocates and construct the organizational and research capacities necessary for effective living wage policy advocacy at the local and provincial levels. To date, an Ontario Living Wage Network (OLWN) has been formed and is providing an opportunity for members to consult and learn from each other. All partner organizations (BRI International Inc., Campaign 2000, Canadian Centre for Policy Alternatives, Columbia Institute, Corporate Knights, George Cedric Metcalf Charitable Foundation, Income Security Advocacy Centre, Mennonite Central Committee, Social Planning Council of Sudbury, The Hamilton Roundtable for Poverty Reduction, Unifor, Vibrant Communities Canada) and members of the OLWN are motivated by a common concern with the long-term deteriorating or stagnating levels of compensation for work, mounting social inequality and seeks to challenge these conditions.

the US movement prioritizes grassroots mobilization of low waged workers, the Canadian living wage campaigns, have tended to focus on policy education, lobbying and advocacy. This raises important questions of strategy.

This article is organized into three sections. Section 1 surveys living wage movements in the US and Canadian contexts. Section 2 briefly explores the historical origins and development of minimum wage policies over the post-war period and shows how they have failed to reduce poverty. We show how the demand for a living wage emerged as a response to the failure of minimum wage policies to meet basic levels of income adequacy. We then make the case that living wages are both socially and economically beneficial. Section 3 analyses the strengths and limitations of current Canadian living wage movements. We assess the interplay of grassroots mobilization, and trade unions; and the tactical questions of policy work. Finally, we discuss the strategic opportunities living wage movements create, concluding with suggestions for strategy in the movement.

## **Methodology and approach**

This paper is concerned with the relatively recent emergence of a large number of Canadian living wage campaigns. Given the success and experience of the older US movement, a comparative dimension is applied here to provide an opportunity to explore possibilities for cross-national strategic and tactical learning. Unlike the American living wage movement, the study of the Canadian case is underdeveloped. As a consequence, this paper is informed by existing reviews of the academic literature, and secondary grey literature produced by local campaigns and various think tanks. In what follows, we explore the variety of Canadian living wage movements, origins, organization, objectives, tactics, achievements and ongoing challenges.

## **A labour standards policy for the 21<sup>st</sup> century: the US living wage movement**

History suggests a 'back to the future' reading of work, workers, and wages. Living wage movements of the late 20<sup>th</sup> and early 21<sup>st</sup> century are as much an expression of contemporary working class precariousness as were the 19<sup>th</sup> century demands for a living wage. In this respect living wage movements and more general demands for 'decent work' mark a renewed attempt to inform labour policy. This potential was identified by Stephanie Luce, the leading researcher on the living wage movement in the United States, who argues that the contemporary living wage movement in the US is the most important social movement to emerge since the civil rights movement of the 1960s (Luce 2004).

In the US, average hourly wages for non-supervisory personnel peaked in 1973 at \$15.91 (in constant 2001 dollars), while the purchasing power of the minimum wage peaked in 1968. By 1996, the minimum wage was worth some 30 percent less than it was 30 years earlier, while average hourly wages were

largely stagnant (Brooks, 2007). In the absence of full-time work with a modicum of benefits and eroding public services, many were reduced to drawing on the shelter and food services provided by volunteer groups and churches (Levin-Waldman 2005).

The modern living wage movement emerged in Baltimore, Maryland in response to these conditions. The campaign was organized by the American Federation of State, County and Municipal employees, and a coalition of more than forty-five community- and faith-based groups under the umbrella of Baltimoreans United in Leadership Development. The Baltimore campaign sought to fill the organizational void amongst low-wage workers in a largely post-industrial and deunionized context. At the heart of this campaign was an attempt to build and develop community leadership skills among those most adversely affected by the conditions of precarious work and lives. Activists made clear that precarious work went far beyond the formal employment relationship affecting relationships, mental and physical health and emotional well-being. The coalition amongst racialized workers, immigrants and women activists tied demands for a living wage to demands for health insurance, immigrant rights, monitoring of living wage ordinances and state wide increases to the minimum wage. Baltimoreans United campaigned for a “right to organize” city ordinance that would protect workers by voiding the contracts of sub-contractors who fired someone for organizing and by hiring the fired person onto the city payroll (Levi et al., 2002-3). In 1994, the campaign also succeeded in pushing the city to adopt a living wage for all city contractors, and tying this to inflation, which raised the wages of between two- and three-thousand workers. For Brooks (2007), the Baltimore living wage campaign was significant because it opened-up new possibilities for community-oriented grassroots mobilization. He notes the remarkable growth and success over a relatively short period of time, its ability to create larger, more diverse and sustainable coalitions that remained in place even after campaign victories or defeats, and to take on new tasks and connect these to broader demands for social justice.

Ciscel (2000) notes that the living wage movement is focused on workers who were left behind through the 1990s boom and specifically those working in the service sector. He identifies three political reasons contributing to the emergence of the US living wage movement: the stagnation of labour income in the context of GDP growth; the outsourcing of work by local government; and the prevalence of low pay in the service sector. This economic context provided the foundation for the construction of broad coalitions for economic justice. Most living wage calculations are based on the basic income of a family of four that includes the average cost of childcare, food, healthcare, transportation, clothing and other basic necessities. The contributors to *The Living Wage: Building a Fair Economy* (1998), Luce and co-editor Robert Pollin, argue that the living wage is a practical public policy which can play an important role in stemming the long-term erosion of working class living standards. Supporting this contention is Brenner’s (2004) meta-analysis of living wage ordinances in 15 US cities and counties, which found that these ordinances have a significant positive impact on the wages of low income workers.

Since the Baltimore ordinances, over 200 other coalitions have been formed in the US, with over 140 achieving various levels of success.<sup>2</sup> Although US Living Wage campaigns differ, three types of strategies dominate. These are (1) pushing for municipal ordinances that would compel city governments to pay its public sector workers and any workers sub-contracted by the city a living wage; (2) pushing for municipal ordinances that would affect all employees in a given municipal jurisdiction (i.e. formally legislated higher minimum wages for all workers in the city); (3) pushing employers to voluntarily offer living wages by appealing to their conscience and public reputation.

A key factor in the success of living wage coalitions is the existence of a dense network of community organizations associated with policy advocacy (Martin 2006). However, the breadth of these coalitions can serve to constrain the political demands of the living wage movement. Luce (2011) acknowledges that the US movement has been limited by the political fragility which accompanies such a broad coalition which finds agreement on narrow ground. Thus, when the movement begins to push for more expansive coverage, it encounters both more vigorous opposition and threatens the integrity of the coalition. But such coalitions are the bedrock of the living wage movements and where living wage campaigns have been successful, the construction of a broad coalition is a common determinative factor (Levin-Waldman 2005). And it is not necessarily correct that the breadth of a coalition is problematic to building a movement with a more transformative agenda. Reynolds' (2004) study of US living wage campaigns found that more than just a living wage is on the agenda. Campaigns push for additional labour standards including paid vacations, employment security when a service contract is awarded to a different vendor (successor rights), and protections for workers who attempt to organize a union (Reynolds 2004, 69). His overview of campaigns in Baltimore, Los Angeles, San Jose, Chicago, Boston and Detroit underline that what is essential to effective and successful campaigns is a coalition where trade unions and community-based social justice advocates are aligned. In all cases, the organizational, political and financial resources of unions in particular are of strategic importance (Reynolds 2004). These struggles became visible to a broader public in the US in the fall of 2012, when tens of thousands low-wage workers at hundreds of outlets across more than one-hundred cities walked off the job protesting workplace precarity and poverty-level wages.

The success of the movement in San Francisco is worth reviewing. In that city, an array of improved labour standards were implemented, including provisions for minimum compensation for large employers, a general minimum wage, health benefits, and paid sick leave. By 2013, minimum wage workers in San

---

<sup>2</sup> Living wage movements have since spread to the UK in 2001, New Zealand and Ireland in 2014, with recent extensions into South and South East Asia. It is worth noting, however, as McBride and Muirhead (2016) argue, that unlike the US experiences, the UK movements are much more centralized and interested in voluntary adoption as evidenced by a number of accreditation systems and bodies. Some fifteen years of experience also suggest it has been far less effective as roughly only 14,000 of the UK's 6 million low-wage workers have seen increases in wages.

Francisco not only received one of the highest minimum wages in the United States but also earned benefits valued at 33 to 60 percent more than other California minimum wage workers. Furthermore, the coalition negotiated provisions for affordable housing, workforce development, and union recognition (Reich, Jacobs, Dietz 2014). The enforcement of such standards is critical. While living wage ordinances have been adopted in a significant number of US municipalities, their enforcement is uneven (Dietz, Levitt, and Love 2014, 229). To this point, Luce (2005) contends that the participation of the advocacy coalitions in the implementation process is critical. Leaving the city administration to manage the process results in weaker enforcement.

Since 2012, twenty states and three municipalities have voted for a \$15 minimum wage and improvements to the conditions of their work such as basic sick leave, fairer hours, scheduling, and successor rights. New York and Portland are on the road to \$15 per hour minimum wages, and have already amended their Fair Wage Policies to establish \$15 for hired and contractual city work. Over a short time span the US living wage movement has redefined the political landscape by changing the discourse around low-wage work, helping to bridge the public and private sector as well as unionized and non-unionized divides. It has also often maintained a broad class appeal informed and led by anti-racist and feminist activists, with an eye to other axes of oppression including age and ability.

### **Surveying the Canadian landscape of living wage campaigns**

Like the US, good jobs were disappearing and being replaced by those of lower quality throughout the 1980s and 1990s in Canada. Standard employment, that is, full-time, 40 hours a week jobs with a degree of security, was giving way to jobs that were part-time, temporary, and provided little or no opportunities for career advancement (Economic Council of Canada 1990). Trade and investment liberalization agreements pushed these changes, resulting in a new international division of labour which deindustrialized key sectors of the Global North capitalist economies. The bargaining power of unions in this context declined and bargaining strategy became increasingly defensive. Over the next two decades, even the International Monetary Fund, no less, acknowledged that the incessant expansion of inequality was to a very large degree a product of declining union strength and increasing workplace precarity (Jaumotte and Buitron 2015). Thus, the primary mechanism for increasing labour income had been severely constrained.

A variety of factors may account for the relatively late development of Canadian living wage movements compared with their US counterparts. The provision of publicly financed health care, a higher level of unionization especially in the private sector, a somewhat less aggressive approach to privatization to date, and less extreme inequality than in the United States, although Canada is rapidly catching up. These differences raise questions about Canadian living wage campaigns and their potential for success.

The roots of the first Canadian iteration of the living wage campaign are found in British Columbia in 2001. That year, the government ripped up its collective agreement with the Hospital Employees' Union (HEU). Eight-thousand workers saw their wages cut by 40 percent through outsourcing. The union, together with the BC Office of the Canadian Centre for Policy Alternatives (CCPA), quickly realized how susceptible the wages of workers, even public sector workers, were to the caprice of governments. As a result, a coalition including the BC CCPA, unions and community groups launched the Living Wage for Families Campaign in 2008. Modeled on the London Citizen's living wage campaign in the United Kingdom, it proposed \$15 as a basic living wage.

In 2011, the City of New Westminster, a municipality within the Greater Vancouver Area, became Canada's first government to adopt a living wage policy that requires all firms that are contracted directly or subcontracted by the City to pay a minimum of \$19.62 an hour, nearly double the provincial minimum wage. Soon after, the tiny township of Esquimalt set a living wage of \$17.31, but it has yet to be implemented. As of Fall 2015, fifty BC employers have become certified living wage employers.

Since the launch of the BC campaign, living wage movements have emerged across Canada. While their makeup varies, they often include segments of organized labour, faith-based groups, community-based non-profit organizations, and anti-poverty coalitions. Women, immigrant and racialized communities have often been at the forefront of organizing since they are disproportionately represented in low-waged and precarious work. The campaigns are supported by some key actors. Vibrant Communities Canada (which provides the organizational basis for Living Wage Canada, the umbrella for most campaigns) provides leadership in advocacy techniques and strategy. The Canadian Centre for Policy Alternatives (a progressive think tank), and/or local Social Planning Councils provide social policy research and advocacy support. Tactics vary, and include door-to-door canvassing, participation in public hearings and rallies. As of 2015, most Canadian living wage movements emphasize the following: 1) an annual calculation of the local living wage; 2) advocating for a municipal living wage policy (also termed a fair wage) to apply to direct employees and, more contestably, the employees of third party contractors; and 3) lobbying employers to voluntarily adopt the living wage as the minimum rate of pay.

Canada's three other western provinces of Alberta, Saskatchewan and Manitoba, vary in their strategies, foci and composition of leadership. In Alberta, one of Canada's most conservative provinces, the living wage movement is robust. In Calgary's oil centre, the living wage movement began in 2003 when the Calgary Living Wage Action Team was established as a working group of the local Vibrant Communities. The Calgary movement includes high profile community based non-profit organizations, the Alberta Federation of Labour, the United Way, YMCA, and the Calgary health board (Vibrant Communities Calgary, 2006). In Edmonton, the living wage movement was launched by the Social Planning Council in 2004. In 2014 Edmonton's mayor established a poverty

reduction task force whose mandate included researching the living wage (Tumilty 2014). However, there is no evidence that action on this item is proceeding rapidly to implementation. In the Wood Buffalo region, Grand Prairie and Red Deer, municipal governments have lead the movement, which is progressing very slowly.

In Regina, Saskatchewan, the Saskatchewan Federation of Labour, the Regina Anti-Poverty Ministry (which brings together faith-based as well as other community organizations concerned with poverty), and the Canadian Federation of Students formed a living wage coalition in 2004. It campaigned initially to increase the minimum wage. Today, the Canadian Centre for Policy Alternatives leads a campaign whose focus is on research and raising public awareness through the publication of the living wage calculation. The earlier link to the minimum wage is no longer central to the campaign. In 2004 in Winnipeg, Manitoba, the living wage movement began when Vibrant Communities Canada's Living Wage Learning Initiative was launched (Caledon Institute of Social Policy, 2005). Today it is led by the Manitoba office of the Canadian Centre for Policy Alternatives with support from the Winnipeg Social Planning Council, Winnipeg Harvest, and the United Way. It encourages employers to volunteer to become living wage providers, encouraging municipalities to adopt a living wage policy as part of their procurement practices, and advocates for public provision of various essential goods and services, such as drugs and dental care.

In Ontario, Canada's largest province, there are at least 15 campaigns. Most of these might be termed 'emergent', but others, such as those in Toronto, Hamilton and Waterloo include dense networks linking trade unions, anti-poverty coalitions, community, faith-based groups and some private sector employers. Notable victories include the Hamilton Roundtable for Poverty reduction which succeeded in having the Hamilton school board, one of the largest in Ontario, sign up as a living wage employer in 2013 (Wells, 2016). In Hamilton and the south-western Ontario city of Waterloo, a dozen or so private sector employers have volunteered as living wage employers. In most of the Ontario campaigns, the annual calculation of the living wage is a core part of their advocacy and popular education work. This calculation exercise, supported by the expertise in the Ontario branch of the Canadian Centre for Policy Alternatives, serves as a heuristic device which demonstrates the inadequacy of the general minimum wage and illustrates what hourly wage a working family actually needs in order to live a modestly comfortable life in a given community. Many of the Ontario campaigns do not address the minimum wage directly, except to say that it is inadequate and that conflating the living wage with the minimum wage serves to only confuse the two issues. Moreover, there is little optimism that the provincial government will ever raise the minimum wage to a living wage so many movements have made the strategic choice not to conflate the two.

Quebec is an interesting outlier in the contemporary Canadian living wage movement. It is the least developed in the country. While both Montreal and

Trois-Rivières signed onto the 2004 Vibrant Communities Living Wage Learning Initiative, a substantial advocacy movement has not emerged.

In Atlantic Canada, living wage struggles are varied and part of a broader anti-poverty movement. To illustrate, the Prince Edward Island Working Group for a Livable Income was established in 2004 as a result of the community organizing work of the Cooper Institute. This group brought together a number of organizations concerned with the minimum wage and low wages. As the name suggests, the focus was on a livable income, whether from employment, social assistance or some other income maintenance program. The group makes deputations on changes to the Employment Standards Act and Employment Insurance. Currently, their advocacy is centred on a Basic Guaranteed Income.

In Nova Scotia there is a convergence of living wage and minimum wage advocacy – that is to say, much of the struggle is built around raising the provincial minimum wage to a level of adequacy corresponding to a living wage. The original Nova Scotia Living Wage Coalition was composed of the Association of Community Organizations for Reform Now (ACORN), the Canadian Federation of Students, the Halifax-Dartmouth Labour Council and Solidarity Halifax. This group became the “Nova Scotia Needs a Raise” campaign, demanding a \$15 per hour province-wide minimum wage but also advocating for a municipal living wage ordinance (Enxuga, 2015). The Nova Scotia office of the Canadian Centre for Policy Alternatives provides leadership on the living wage concept with efforts to secure voluntary employer adoption of the annually calculated living wage for Halifax. However, the CCPA-NS keeps the living wage project separate from minimum wage advocacy in a bid not to create confusion and keep the higher standard set by the living wage in the forefront of the argument.

In New Brunswick the living wage movement is very new though the city of St. John was also a participant in Vibrant Communities 2004 Living Wage Learning Initiative. While there is a history of anti-poverty activism in St. John, the living wage movement is at an early developmental stage. Leadership is provided by Vibrant Communities St. John, Tamarack’s ‘Cities Reducing Poverty Working Group’, the Saint John Human Development Council (the social planning council), and the Business Community Anti-Poverty Initiative which brings together members of local businesses who are concerned with poverty. In Newfoundland and Labrador, there is no living wage campaign although a number of advocacy organizations, specifically Campaign 2000, the Community Services Council of Newfoundland and Labrador, and the Federation of Labour have focused their efforts on raising the minimum wage.

Two of Canada’s three Northern Territories – Yukon and Northwest Territories – have living wage campaigns. In 2012 the Yukon Anti-Poverty Coalition initiated a discussion with the Territorial government and the Whitehorse Chamber of Commerce in 2012 on the living wage within the broader frame of food security and affordable housing. In the Northwest Territories, Alternatives North, a social justice coalition of churches, trade unions, environmental organizations, women and family advocates, anti-poverty groups and interested



individuals advocates around issues relating to poverty reduction, improved public services, and greater self-government for Indigenous peoples. In August 2015, Alternatives North released the calculated living wage for Yellowknife, the territorial capital (Haener 2015).

This survey of living wage campaigns across Canada raises important strategic questions. First, we must consider the relationship between living wage and minimum wage campaigns. Second, we must examine the capacity to engage in policy advocacy and third, we must consider the implications of grassroots mobilization in contrast to rational policy deliberation, lobbying and advocacy.

### **Connecting minimum wage and living wage campaigns**

A living wage is distinct from the minimum wage. A minimum wage establishes a government mandated and enforced minimum rate of hourly compensation which applies to all employers. In some jurisdictions the regulation allows for certain occupational variance from the general minimum. In this sense, the minimum wage is set as a ‘floor’ and is not tied to the poverty-line or otherwise determined by some measurement of adequacy. This has not always been the case however. The federal government’s Fair Wages Resolution Act of 1900 was among the first attempts at regulating wages. However, it only extended to workers engaged in public works projects and under government contract. The intent was to “protect workers from aggressive competition in the bidding process, which always resulted in corners being cut on wages and safety standards” (Hennessy, Tiessen and Yalnizyan, 2013, 11). Provincial minimum wage legislation was first passed in Alberta in 1917, with British Columbia and Manitoba following in 1918. Saskatchewan followed suit in 1919, with Ontario, Quebec, New Brunswick and Nova Scotia joining over the next decade. It was only in 1959 that Prince Edward Island also established a minimum wage. However, across Canada minimum wage laws applied only to women and was set on an industry-by-industry basis (McCallum, 1986).

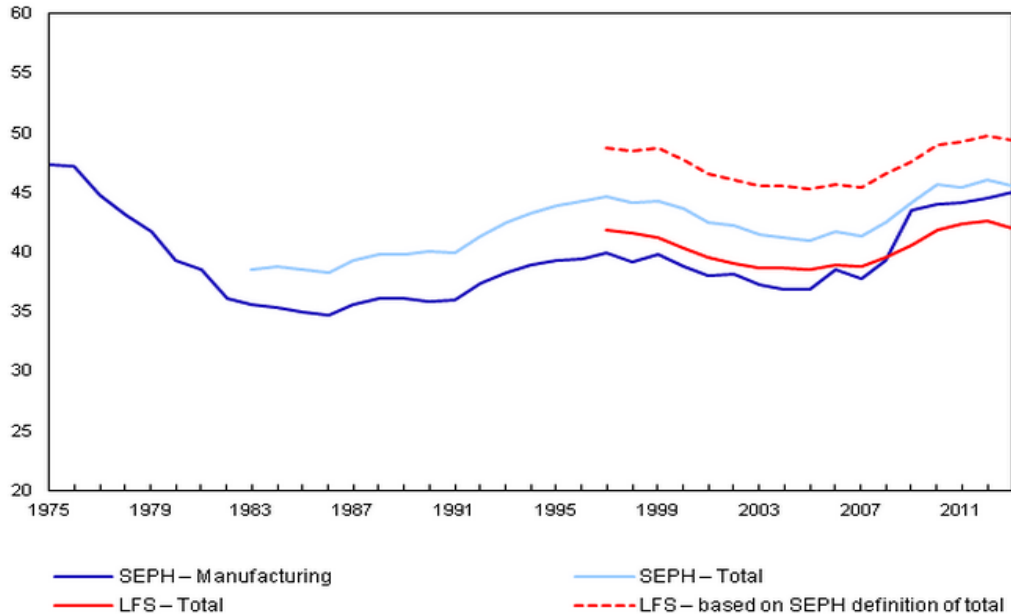
While minimum wage legislation pertained to women, successive provincial Fair Wages Acts regulated conditions in male dominated occupations. Standardizing for hours worked, Russell (1991, 73) notes that the minimum wages established for women workers ranged between one-half and two-thirds of the fair wages that were adopted for a variety of male occupations. The juxtaposition of minimum wages for women’s work on the one hand, and fair wages for men’s work on the other, underlies the construction of unequal gender relations. Despite male workers’ privileged access to higher earning potential and more secure employment opportunities in the construction and trades sectors, women remained relegated to less desirable and lower paid forms of work, most notably in food preparation and retail. Farm labour and domestic servants, then as now, remained excluded from protective legislation. This served to reproduce the male income ‘breadwinner’ model, relegating women to the sphere of unpaid labour and social reproduction which reinforced male patriarchy. The role of the trade unions on gender and wage policy was mixed, neither actively pursuing

nor challenging a policy of exclusion from higher-paying industrial occupations. Rather, unions pragmatically adapted to the altered social and political conditions, which transformed labour market circumstances (Russell, 1991). While minimum wages legislation served as a form of social protectionism, they were operationalized through successive economic and political struggles led largely by women aimed at improving their life circumstances. State policy, nevertheless, undermined these efforts by reinforcing occupational job segregation.

It was not until the 1970s that gender-based wage discrimination was (legislatively at least) in part eliminated, along with the removal of higher minimum wages for urban workers versus those in rural areas. Notwithstanding these changes, there remains significant exemptions to minimum wage laws, including self-employment, independent contractors, people who work on commission, and those who serve alcohol or work on tips. Some provinces also allow a lower wage for some kinds of workers. For instance, most provinces still exclude farm workers, domestic labourers and live-in caregivers from minimum-wage legislation, while Ontario remains the only province that still allows workers under the age of 18 to be paid less than an adult. Employers have also devised a range of measures to avoid paying the minimum wage, including outsourcing, hiring through temporary agencies, misclassifying employees, and hiring them as independent contractors. In many cases, this excludes workers from employment standards legislation, making them ineligible for overtime pay, paid leave and benefits.

As Figure 1 shows, until the mid-1970s, coinciding with the great stagflation of the era, minimum wages in Canada were much closer to the average industrial wage. Since then, it has varied widely, remaining below its mid-1970s peak.

**Figure 1: The Ratio of the Minimum Wage (1) compared to Average Hourly Earnings (2)**



1. The minimum wage for Canada is the average of the minimum wages of the provinces, weighted by the number of employees in each province.

2. The average hourly earnings and the minimum wage are expressed in 2013 constant dollars, based on the consumer price indexes of each province.

**Notes:** The average hourly earnings from the SEPH (manufacturing sector and total) are those of employees paid by the hour, whereas the LFS series for all employees includes both employees who are paid by the hour and employees with a fixed salary. The LFS series based on the SEPH definition of the total includes employees paid by the hour from all sectors, except in agriculture and other services.

**Sources:** Statistics Canada, Survey of Employment, Payrolls and Hours (SEPH); Labour Force Survey (LFS); Employment and Social Development Canada (minimum hourly rates by year and by province).

A Statistics Canada study by Diane Galarneau and Eric Fecteau (2014) has shown that from 1975 to 1986 the series based on SEPH data for the manufacturing sector declined, with the ratio going from a high of 47 percent in 1976 to a low of 35 percent in 1986. This decrease was the result of a greater decline in the real minimum wage (from \$11 to less than \$8) than in the ratio of the minimum wage to the average hourly earnings (from \$23 to \$22). Between 1986 to 1997, the real minimum wage increased by approximately \$1 per hour while the ratio of the minimum wage to the average hourly earnings remained relatively stable (at nearly \$22 in the manufacturing sector and nearly \$20 in all sectors combined), which caused the ratio to rise by 5 to 6 percentage points, depending on the series used. During the third period, from 1997 to 2005, the ratio fell again, dropping 3 to 4 percentage points, since the real minimum wage declined by roughly 40 cents while the ratio of the minimum wage to the average hourly earnings rose from 50 to 80 cents, depending on the series used.

Beginning in 2005, the ratio was generally trending upward, regardless of the series used. The increase mainly occurred from 2005 to 2010, with the ratio subsequently remaining stable through to 2013. According to the SEPH series on all industrial sectors, the ratio went from 41 percent in 2005 to 46 percent in

2013. In the case of the SEPH series on the manufacturing sector, the ratio rose even more (from 37 percent to 45 percent). As for the ratio based on the Labour Force Survey's ratio of the minimum wage to the average hourly earnings, the increase went from 39 to 42 percent for all employees and from 45 to 49 percent for employees paid by the hour. One clear problem these historical variances between the ratio of the minimum wage to average industrial rates expresses is a lack of any explicit policy goal, whether to reflect higher average industrial wages, to ensure work is paid above the poverty line, to keep the real minimum wage from eroding or to take wages out of competition, results in an improvised and politically-driven process in wage determination.

In the context of the failure of minimum wage policy to meet basic levels of income advocacy, the living wage movement emerged. The living wage concept is distinct from the minimum wage in several important ways. The living wage "sets a higher test" than the minimum wage in that it "reflects what earners in a family need to bring home based on the actual costs of living in a specific community." (Living Wage Canada, n.d). With roughly 1 million Canadians earning minimum wage, and close to another million earning less than \$15 per hour, the living wage movement is a call to private and public sector employers to pay wages sufficient enough to provide a modicum of social and financial security. In other words, economic need is a central component of the living wage discourse. This reflects the failure of minimum wage policy in the Canadian context to address the issue of income adequacy. The Canadian Living Wage Framework assumes a family unit composed of two working adults with 2 dependent children. A basket of goods and services to meet this family's needs is constructed consisting of such items as food, clothing, rent, transportation, child care, non-government funded health care expenses, adult education and measures that facilitate a decent life which includes the ability to participate in your community or a family night out once per month. The living wage measure does not evaluate need by accounting for debt or interest payments, savings for retirement, owning a home, savings for children's future education, anything beyond minimal recreation or entertainment, the costs of caring for a disabled, ill or elderly family member or available funds in the event of an emergency.

In 2008, women accounted for 60 percent of all minimum wage workers. Between 1997 and 2013, the proportion of minimum wage earners rose from 5 percent to 6.7 percent across Canada (an increase of 34 percent). Tellingly, while the proportion of 15-19 year-olds earning the minimum wage rose from 30 to 45 percent, nearly 40 percent were aged 25 or older. At the same time, the proportion of those who were paid a rate between the minimum wage and 10 percent above, declined from 31 percent to 21 percent. By 2013, the average minimum wage corresponded to just 46 percent of average hourly earnings (Galarneau and Fecteau, 2014).

Proponents of neoliberal public policy argue that legislated wages interfere with market-based transactions by artificially inflating the costs of labour. In turn, employers are forced to freeze or lay off workers, reduce hours, raise the costs of goods and services, and lower planned investments. The anti-living wage camp

also argues that this will disproportionately hurt small businesses. For instance, in a 2005 paper the Canadian Chamber of Commerce argued that higher minimum wages cost jobs: “It is estimated that a 10 percent increase in the minimum wage resulted in a 2.5 percent decline in employment.” They also made the case that higher minimum wages led to more high school dropouts as students were encouraged to leave school (CBC, 2009). There is little empirical evidence, however, both internationally and in Canada to support such a view (ILO, 2015; Manning, 2013; OECD, 2015). In fact, much of the research has found that raising the wage floor has beneficial effects by countering weak demand, increasing productivity, reducing after-tax government redistribution, increasing consumer purchasing power and higher employee retention. Also, minimum wage workers tend to be disproportionately employed in firms of 500 persons or more, particularly in the retail, food and services accommodations industries.

Brennan and Stanford (2014) compared the effect of raising minimum wages on labour market outcomes between 1983 and 2012 across the provinces, and found no correlation between higher minimum wages and reduced employment levels. 90 percent of the cases indicated no statistically significant relationship between a higher minimum wage and labour market outcomes in Canada. In seven of the 70 regressions, the minimum wage was found to be a statistically significant factor: three were found to have a positive relationship leading to higher employment or lower unemployment, while four were found to have led to an inverse relationship. Claims that a higher minimum wage is inevitably a ‘job killer’ are not consistent with the empirical evidence which found that over a nearly thirty year period net neutral outcomes. In the few cases where an empirical connection was found, they were as likely to be positive as they were negative.

### **Assessing the strategies of the movement: from grassroots mobilization to professional lobbying**

Understanding the distinction between the living wage and the general minimum wage that prevails among many living wage proponents is more than a theoretical distinction. Whether to keep them as separate policy issues has implications for political, organizational and ideological strategies. The central critique of the minimum wage is that it has proven an ineffective policy instrument to address low waged work because provincial governments which set the minimum wage have been unable for political reasons to adjust the rate upward to reflect a sufficient level of income adequacy. The result is that the minimum wage in every province is far from meeting the real needs of low waged workers. This critique has merit. As Figure 2 illustrates, across Canada there is a growing mismatch between minimum wages and living wages.

**Figure 2: Minimum Wage vs. Living Wage (Select CDN Cities) Hourly Pay, 2015**



However efforts to improve the minimum wage have had some success. In Ontario, where the minimum wage was frozen for 12 of the last 20 years, activists have made important strides. Between 2004 and 2010, the minimum wage was raised from \$6.85 to \$10.25. It was subsequently frozen for the next three years, however, eroding real purchasing power. In 2012 a coalition of more than a dozen advocacy groups and trade unionists came together to form the Campaign to Raise the Minimum Wage to \$14. Under mounting pressure from social justice, labour and community-based organizations, in June 2014 the general minimum wage increased to \$11 and in November 2014, following in the footsteps of Yukon, was indexed to inflation. The minimum wage rose to \$11.25 in October 2015. Under pressure from poverty reduction and social justice advocacy coalitions, the government of Ontario also established a Minimum Wage Advisory Panel in June 2013 which undertook a formal review of the province’s approach to minimum wage setting. The Panel reported its four recommendations in December 2013 which were as follows: 1) the minimum wage be revised based on the change in the consumer price index

(rate of inflation); 2) the minimum wage be revised annually; 3) that there be a full review of the minimum wage rate and the process by which it is revised every five years; and 4) that the Government of Ontario establish an ongoing research program responsible for collecting data and information necessary to inform policy-relevant minimum wage issues (Minimum Wage Advisory Panel, 2014, 4). Even with these improvements in both the level and setting of the Ontario minimum wage, there is no explicit policy objective to use this as a tool to eliminate low waged work.

Long-standing frustration with governments' ad hoc and conservative view of the role of the minimum wage as a floor rather than as a higher standard based on need has contributed to the view among living wage activists that the focus on minimum wage has yielded modest results and has not shifted the policy and ideological debate around the minimum wage to one of adequacy. In this respect, the living wage offers greater possibilities because the policy venue is local rather than provincial or territorial. Second, the living wage serves as a heuristic device to shift the debate to one based on economic and social need rather than a minimum standard wage floor. In this way, the living wage, unlike the minimum wage, can be advanced as offering a very different policy objective.

The limitations of living wage campaigns are three. First, there is a general tendency among many campaigns to establish a sharp distinction in advocacy work between the minimum and living wage. This may be limiting the potential for more broad-based mobilization of low waged workers like those observed in the United States. The power of social movements derives from the broad coalitions they construct which further possess the organizational capacity to pressure recalcitrant governments and employers. Canadian living wage campaigns have, for the most part, chosen to employ a strategy of rational policy deliberation with employers, governments, and the public rather than one centred on 'mobilization from below'. Secondly, the policy venue for living wage campaigns is the local government and employers. While this has had success in the United States, Canadian cities do not have the same legal authority to establish local minimum wage rates. And while Canadian cities can and do, in many cases, have fair wage policies regulating wages paid to the workers of third party contractors, in terms of coverage, the number of workers actually covered is small. Moreover, the local focus, while accounting for real differences between regions and cities, leads to a patchwork of varying wage rates which may apply in very different ways.

## **Conclusion**

By challenging the conventional wisdom of neoliberalism, the living wage movement, wherever it has emerged, has stimulated a public debate about low waged work and social inequality. This is the case in Canada, where campaigns share some similar objectives, tactics and features, despite regional variation.

Where American living wage movements and campaigns for the \$15 an hour minimum wage can be largely characterized as grassroots mobilizations of the low-waged, urban and racialized working class, a movement from below, the same cannot be said for Canadian living wage campaigns. As noted, the Canadian campaigns tend to use a shared policy advocacy strategy targeting municipal government and local employers. Municipal government is lobbied to adopt a 'fair wage' policy governing procurement of goods and services. This could include security services, cleaning, construction, and other contracted services. The value of a fair wage is typically a wage rate above the legislated minimum wage rate and where possible reflects the rate paid to that occupation in a unionized workplace. The second strategy is to convince private sector employers of the business case for paying direct employees a calculated living wage for that locality. Unions of course see the value of municipal fair wage policies and have a long history in advocating for such policies stretching back to the 1920s and 1930s. While it is not empirically documented, it can be assumed that unions see less value in the efforts to win employers over to living wage voluntarism.

While the campaign coalitions are generally composed of a diverse range of actors – faith based, anti-poverty, union, and in many cases even employer groups – what is strikingly different from those in the US is that generally speaking there is little material support from the trade unions. What the literature on living wage campaigns and implementation tells us is that campaigns need to be concerned with more than educating employers on the benefits of adopting a living wage policy. As the US experience suggests, mobilization of working class communities, aided in no minor way by the resources of trade unions, are crucial to success. And success, when it does happen, is not a cue for coalition demobilization but rather for ongoing participation in the implementation process to ensure enforcement of the policies. In 2015, the cities of Vancouver and Toronto initiated processes to adopt living policies. It is, at this point, too early to come to any conclusions respecting these initiatives. But if popular, community-based movements do not exist in any meaningful way, with the capacity to apply pressure on government, the likelihood of successful and meaningful implementation is diminished. In other words, grassroots movements must push to ensure that they are implemented.

What requires further interrogation is the relationship between mobilization from below and more technocratic policy advocacy and lobbying. It remains an open question whether or not the presence of a mobilized grassroots movement will enable more effective and successful policy advocacy. With respect to strategic opportunities, beyond the policy and human resources practices reforms, Canadian living wage movements open up space to place a number of important political issues on the table. First is there a way to provide a point of unity between unionized and non-unionized workers. Obviously, four decades of industrial and labour market restructuring and the consequent decline in union density has transformed work and workplaces in Canada. Non-standard, non-union jobs are now the standard. In this respect, the landscape looks much like



it did before the Congress of Industrial Organizations (CIO) organizing drives of the 1930s. Trade union participation in and support for living wage campaigns is critical not only to the campaigns but to the cause of re-sparking unionization efforts.

Living wage campaigns provide ideological and political opportunities by drawing attention to ‘free’ labour markets as failing economic institutions. Work that does not pay adequately to allow a decent life is both a political and ideological problem for capitalism. In this respect, not only do living wage campaigns highlight the contradictions between an economy based on consumption and falling wages, but also to the need for a broader range of public services. The more that the economy is de-monetized, de-commodified, the need for ‘money’ diminishes. The need for universal, publically financed and delivered child care, dental care, housing, transportation and more become salient to the idea of an economy that works for everyone. And more specifically, municipal fair wage policies, especially those which extend to third party contractors required to pay living wages to their employees working on a government contract, is a clear statement that employers being paid with public dollars have an obligation to pay their workers a living wage. This is not moralism but good public policy. Poor pay means poor workers who will draw more heavily on public services including health care, social assistance, unemployment insurance and so forth. and will more frequently move in and out of the formal labour market.

In sum, while still in its very early stages, between 40 and 50 living wage campaigns have been launched across Canada and are at varying stages of development. But what shapes any campaign, and coalition carrying the campaign forward, are the conditions on the ground. The absence of broad and deep movements will mean that living wage campaigns will prioritize policy advocacy and lobbying activities, rather than collective mobilization. The result will likely be much more limited success and even those will remain subject to shifting political coalitions within the local city council and bureaucracy. Nevertheless, if the living wage movement continues to evolve and grow, it may well be able to exert a greater influence over public policy, as well as issues of workplace democracy and social justice.

## References

- Block, S. 2013. *Who Is Working for Minimum Wage in Ontario?*. Toronto: Wellesley Institute.
- Block, S and G.E. Galabuzzi. 2011. *Canada’s Colour-Coded Labour Market*. Ottawa: Canadian Centre for Policy Alternatives.
- Brenner, M. 2004. “The Economic Impact of Living Wage Ordinances”. In Deborah Figart, editor, *Living Wage Movements: Global Perspectives*. Oxfordshire, New York: Routledge.

- Brennan, J. and J. Stanford. (2014). *Dispelling Minimum Wage Mythology: The Minimum Wage and the Impact on Jobs in Canada, 1983-2012*. Ottawa: Canadian Centre for Policy Alternatives.
- Brooks, F. (2007). The Living-Wage Movement: Potential Implications for the Working Poor. *Families in Society*, 88(3), 437–442
- Caledon Institute of Social Policy. (2005). *The Living Wage Learning Initiative*. <http://www.caledoninst.org/Publications/PDF/535ENG.pdf>
- CBC. 2009. Minimum Wage Laws: The State of Pay in Canada. <http://www.cbc.ca/news/business/minimum-wage-laws-the-state-of-pay-in-canada-1.784297>
- Ciscel, David. (2000). The Living Wage Movement: Building a Political Link from Market Wages to Social Institutions. *Journal of Economic Issues*, 34 (2), 527-535.
- CLC. (2014, March 6). *Underemployment is Canada's Real Labour Market Challenge*. <http://canadianlabour.ca/issues-research/underemployment-canadas-real-labour-market-challenge>
- Dietz, M, Levitt, D, and Love, E. 2014. "Enforcement of Labor Standards", in Reich, M., Jacobs, K. and Dietz, M., editors. *When Mandates Work: Raising Labor Standards at the Local Level*. Berkeley, Los Angeles, London: University of California Press.
- Enxuga, Shay. (2015, April 8). "Workers in Nova Scotia Fight to raise the minimum Wage", *Rank and File.ca: Canadian Labour News from a Critical Perspective* available online at <http://rankandfile.ca/2015/04/08/workers-in-nova-scotia-fight-to-raise-the-minimum-wage/>
- Haener, Michel. 2015. *Yellowknife 2015 Living Wage*. Alternatives North.
- Hennessy, Trish, Kaylie Tiessen and Armine Yalnizyan. 2013. *Making Every Job a Good Job A Benchmark for Setting Ontario's Minimum Wage*. Toronto: Canadian Centre for Policy Alternatives.
- ILO. (2015). *Global Wage Report*. Geneva. International Labour Organization.
- Levi, M., D. Olsen and E. Steinmen. (2002-3). Living Wage Campaigns and Laws. *WorkingUSA*, 6(3), 111–132.
- Levin-Waldman, Oren. 2005. *The Political Economy of the Living Wage: A Study of Four Cities*. New York: M.E. Sharpe.
- Littman, Deborah. 2014. "The living wage: An idea whose time has come", *New Zealand Journal of Employment Relations*, vol. 38 (2): 70-77.
- Living Wage Canada. *Canadian Living Wage Framework: A National Methodology for Calculating the Living Wage in Your Community*. Available online at: <http://livingwagecanada.ca/index.php/about-living-wage/about-canadian-living-wage>

- Luce, S. (2011). What next for the U.S. living wage movement? *Canadian Review of Social Policy*, (65), 128-138.
- Luce, S. (2005). Lessons from living-wage campaigns. *Work and Occupations*, 32(4), 423-440.
- Luce, S. (2004). *Fighting for a Living Wage*. Ithaca and London: Cornell University Press.
- Macrosty, Henry. 1898. "The Recent History of the Living Wage Movement", *Political Science Quarterly*, Vol. 13 (3): 413-441.
- Macdonald, D. (2014). *Outrageous Fortune: Documenting Canada's Wealth Gap*. Ottawa: Canadian Centre for Policy Alternatives.
- Makhoul, A., & Caledon Institute of Social Policy. (2008). *Update: Vibrant communities Calgary's living wage campaign*. Caledon Institute of Social Policy.
- Manning, A. (2013). Minimum Wages: A View from the UK. *Perspektiven der Wirtschaftspolitik*, 14 (1-2), 57-66.
- Martin, I. (2006). Do living wage policies diffuse? *Urban Affairs Review*, 41(5), 710-719.
- McBride, S. and J. Muirhead. (2016). Challenging the Low Wage Economy: Living and Other Wages. *Alternate Routes: A Journal of Critical Social Research*, 27, 55-86.
- Minimum Wage Advisory Panel. 2014. *Report and Recommendations to the Minister of Labour*.
- OECD. (2015). *Statistics: Real Minimum Wages*. Paris: Organization for Economic Cooperation and Development.
- Pollin, R., & Luce, S. (1998). *The Living Wage: Building a Fair Economy*. The New Press.
- Raphael, D. 2011. *Poverty in Canada, 2<sup>nd</sup> Edition: Implications for Health and Quality of Life*. Toronto: Canadian Scholars Press Index.
- Reich, M., Jacobs, K. and Dietz, M. 2014. *When Mandates Work: Raising Labor Standards at the Local Level*. Berkeley, Los Angeles, London: University of California Press.
- Reynolds, D. 2004. "The Living Wage Movement Mushrooms in the United States", in D. Figart, editor, *Living Wage Movements: Global Perspectives*, London and New York: Routledge.
- Statistics Canada. (2014). *The Ups and Downs of Minimum Wage, 1975 to 2013*. Retrieved from, <http://www.statcan.gc.ca/daily-quotidien/140716/dq140716b-eng.htm>
- Tumilty, Ryan. (2014). "Task Force to consider living wage policy for City of Edmonton", *Metro News*, <http://metronews.ca/news/edmonton/1168416/task-force-to-consider-living-wage-policy-for-city-of-edmonton/>

Vibrant Communities Calgary. 2006. Living Wage Fact Sheet.  
[http://tamarackcommunity.ca/downloads/vc/VCC\\_Living\\_Wage\\_Fact\\_Sheet.pdf](http://tamarackcommunity.ca/downloads/vc/VCC_Living_Wage_Fact_Sheet.pdf)

Wells, D. (2016). Living Wage Campaigns and Building Communities. *Alternate Routes: A Journal of Critical Social Research*, 27, 235-246

Workman, T. 2009. *If You're in My Way I'm Walking: The Assault on Working People Since 1970*. Halifax, Nova Scotia: Fernwood Publishing.

### **About the authors**

Bryan Evans is Associate Professor in the Department of Politics and Public Administration, Ryerson University. Most recently, he is co-editor (with Ingo Schmidt) of *Social Democracy After the Cold War*. He is also the principle investigator of the SSHRC-funded Partnership Development grant titled, *Policy Engagement at Multiple Levels of Governance: A Case Study of the Living Wage and Minimum Wage Policy*. He can be reached at b1evans AT politics.ryerson.ca

Carlo Fanelli is an Instructor at the Department of Politics and Public Administration, Ryerson University, and Postdoctoral Fellow at the School of Occupational Therapy, Western University. He is the author of *Megacity Malaise: Neoliberalism, Labour and Public Services in Toronto*, and editor of *Alternate Routes: A Journal of Critical Social Research*. He can be reached at carlo.fanelli AT ryerson.ca