

One city's bold act to give workers a 'living wage'

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On Tuesday, New Westminster city council made history of sorts:

It passed a motion that would make New Westminster council the first municipal government in Canada to enact a "living wage policy."

Notice the terminology -- "living wage" not "minimum wage." The practical, and philosophical, gap between the two is huge.

Once the details have been worked out and the policy takes effect, all full-and part-time employees doing work on city-owned property, including those working for independent contractors, must be paid a "living wage" -- defined as enough to keep a family of two working adults and two children above the poverty line.

That figure for New Westminster, according to the motion, works out to \$16.74 an hour - a figure that includes benefits factored into it. That is more than twice B.C.'s minimum wage of \$8 an hour, now the lowest in Canada.

"In an area like Metro Vancouver," said Coun. Jaimie McEvoy, who introduced the motion, "where housing costs are among the most expensive in the country, the minimum wage doesn't cover the cost of living. A living wage does, and maybe even allows people to save a little."

McEvoy is also project director for New Westminster's Hospitality Project, a centre that offers services to the needy, including the city's food bank, the largest in Metro Vancouver. Its clientele has increased by two-thirds over last year.

That the recession hit the city's working class hard made it a natural campaign ground for the Living Wage for Families coalition, a group made up of unions, liberal think tanks and activist groups -- in other words, a collection of advocates who are anathema to those who argue that raising the minimum wage will hurt rather than help the working poor.

That argument hasn't stopped the spread of a living wage policy in the U.S., where it has been applied in various degrees to different work categories by some 140 municipalities - including San Francisco, Los Angeles, Santa Fe and Washington, D.C.

Here in Canada, the issue is only beginning to make itself felt. A campaign to get a living wage policy in Calgary failed, not surprisingly. Waterloo city council deferred making a decision on its living wage motion until 2011. A campaign in Ottawa is continuing.

Burnaby instituted a "fair wage" policy, but only for workers on city construction projects, and Vancouver, Toronto and Ottawa all have ethical purchasing policies. Only New Westminster, however, instituted a policy that directly affected wages.

The financial cost to the city?

In a sampling of 24 city vendors, seven confirmed they were paying some of their employees below the proposed living wage of \$16.74 an hour. Under the new policy, the city could have paid as much as \$480,000 in 2009 rather than the \$329,000 it actually paid. That's about \$150,000 added to the city's budget over a year, which the New Westminster council, by no means ideologically uniform, voted unanimously to accept.

"What cannot be quantified," the council report cautioned, "is the ripple effect that would be created by increasing the hourly rates for those that fall below the suggested threshold. Other employees within the vendor's organization would expect their rates to increase proportionately to reflect their greater experience"

And there it is, the larger issue that little New Westminster has led us to -- the ever-continuing and, in my mind, mean-spirited debate on the cause-and-effect between minimum wage and job creation.

It is significant that a tiny municipality is now on the leading edge of that issue, taking us where the province, to our collective shame, refuses to go. The minimum wage has remained unchanged in this province for eight years. What's the due date on miserliness?

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