

# The Race To The Bottom

APRIL 1, 2021

The Toronto Transit Commission is the latest example of a public sector organization incomprehensibly contracting out vital public services as an austerity measure. When Toronto Police under the leadership of Chief Julian Fantino, with Rob Ford at the City helm, sought approval to contract out cleaning in 2012, Torontonians successfully pushed back. We knew there was no evidence that significant savings would be achieved, but good jobs would be lost and those lost jobs would affect immigrants and workers of colour, people already at the bottom of our economic ladder, while private businesses would benefit.

## The Impact Of COVID-19

What's changed since then? COVID-19 has badly harmed our society and our economy. It is clear that our governments will play a key role in the economic recovery ahead of us. Governments will need to invest heavily in order to stimulate the economy. While there will be some pent up consumer demand, that won't be enough to rev things up to where they were before March 2020. In recovering from the pandemic we need public services and good jobs more than ever. There is never a good time for the City to join the race to the bottom on wages and working conditions. This would be the worst time.

## Contracting Out

The TTC has a practice of systematically contracting out vital public services. Right now, the TTC is at an advanced stage in the process of contracting out Streetcar Vehicle Services, which involves the cleaning and pre-servicing of streetcars. Young workers, women and applicants from diverse backgrounds have historically used this position to gain entry to the Commission and advance to more skilled, higher rated jobs.

## Contradicting The City's Recovery Plan

This flies in the face of City direction. In December 2020, Toronto City Council approved a strategy for building back stronger than before. It specifically directed that Toronto's recovery plan include the three key components of the C40 Mayors' Agenda for a Green and Just Recovery: jobs and an inclusive economy, resilience and equity, and health and wellbeing. The strategy understands that anti-racism and inclusion must be central to how we build back, and that we need to support Black, Indigenous and other equity-deserving groups.

## What's At Stake

TTC Management actions also go against Toronto City Council resolutions pledging to keep transit public, which declared that “the City of Toronto is committed to ensuring that transit in the City of Toronto remains public and that it is operated and maintained by the TTC.” The TTC’s strategy of contracting out services also works against the City’s goals for inclusion, diversity and sustainability in the following ways:

- **Losing quality jobs will hurt equity-seeking groups the most** – Entry level jobs at the TTC have gone to members of equity seeking groups. In its latest Action Plan to Confront Anti-Black Racism, the City of Toronto has pledged to use its powers, including its role as one of the largest employers in Toronto, to respond to these challenges.
- **Contracting out contradicts the TTC’s equal opportunity policy and closes a path out of poverty** – The TTC has been recognized as one of the GTA’s best diversity employers for its achievements in actively recruiting and developing its diverse workforce and has been selected as one of GTA's Top Employers for 2021. Among the reasons cited was the Commission’s excellent in-house training program. Contracting out entry level jobs, like those servicing streetcars, removes TTC’s ability to direct hiring, encourage training and promote from within. Hundreds of young people have moved through entry-level jobs at TTC to enjoy prosperous careers in both the public and private sector.
- **It will damage Toronto’s ability to recover from the pandemic** – Toronto will need workers with enough money in their pockets to spend in the businesses and services that have suffered during the shut down. In this environment, it is counter-productive to eliminate a significant tranche of good jobs with pathways to middle income earnings.

## Cost Increases

The TTC has not presented any evidence that contracting out will save money. In fact, there will be cost increases for contract administration, supervision, performance bonuses, tendering and, of course, the private company’s profit.

## Protecting Workers

The City of Toronto and its agencies, boards and commissions, should be among the best employers, not the worst. Stopping the systemic contracting out of TTC services is

an opportunity to ensure that people who work for Torontonians are treated with respect and offered a path to a better life. It is also a chance to make a statement that our city will not be joining the race to the bottom on wages and working conditions, and that we believe that everyone should be given an opportunity to succeed. By protecting these jobs, the City has an opportunity to match its positive words with real action. This is a chance to help build a more inclusive and equitable city.

On April 1, 2021, the Labour Council resolved to:

- Work with affiliates to support quality public services at all levels of government and the good jobs that should accompany them, preparing for future contracting-out or privatization drives
- Call on all municipal governments in Toronto and York Region to protect quality public services and the jobs that accompany them as part of their pandemic recovery plans, including an anti-racist and inclusive approach that supports workers
- Call on the City of Toronto to exercise effective oversight: the TTC Commission should urge TTC Management to halt contracting-out plans, and consider returning currently contracted-out work back in-house
- Call directly on the Toronto Transit Commission and the TTC management to abide by the City's pandemic and transit directions