



## TIM HORTONS, \$14 and RESPECT

The decision by millionaire Tim Horton's franchise owner Ron Joyce Jr. to strip benefits and paid rest breaks from his workers has created a firestorm of indignation across Ontario. It took virtually no effort for unions and the \$15+Fairness movement to organize rallies at fifteen Tim Hortons locations on January 10<sup>th</sup>, and more than fifty across Canada the following week. The response of customers has been incredibly supportive, and reflects the key questions in the debate over minimum wages:

- Why should a multi-billion dollar company like Restaurant Brands International rely and prosper on a business model based on poverty wages?
- How can anyone in a Canadian city put a roof over their head if they work only one job earning \$14 an hour?

It wasn't that long ago when even conservative economists believed that someone working full-time should not be living in poverty. But that outlook changed with the triumph of neo-liberalism ushered in by Maggie Thatcher, Ronald Reagan and Mike Harris. The pendulum swung to "market fundamentalism" – where anything that gets in the way of profit maximization is heresy.

The pendulum is now starting to swing back towards respecting workers and communities. The majority of low wage workers in Ontario toil for corporate giants like Walmart, McDonald's or Restaurant Brands International which runs Tim Horton's and Burger King. Increasingly, workers are trapped in a franchise system that squeezes everyone involved.

Brazilian equity fund 3G Capital is the ultimate owner of Tim's as well as Heinz and brewing conglomerate Anheuser Busch. In 2014 it paid \$12.5 billion to buy the Tim Horton's chain, and immediately instituted a new management regime. Half of head office and regional staff were let go. The squeezing started on franchisees and suppliers, profits skyrocketed while the pressure to find efficiencies became incessant.

When the Ontario government raised minimum wage on January 1<sup>st</sup>, some franchisees tried to take back some of the increase through creative measures – charging for uniforms, reducing benefits, taking tips. So far Tim Horton's/RBI/3G is refusing to issue a directive to franchise owners to roll back the cuts. They hope the wave of anger will subside and everyone will go back to the familiar ritual of Timbits and a double double.

Together we are fighting for a new legal framework to ensure that working people aren't stuck in poverty wage traps. The Changing Workplace Review highlighted the dire need to tackle precarious work, and made a series of insightful recommendations. Many were adopted, including equal pay

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for temp workers. But one crucial one was left out - creating a bargaining structure so that franchise workers could join a union and actually negotiate improvements in their lives.

It's a variation of the rules applied in the construction industry, where thousands of contractors and sub-contractors compete for work. Groups of contractors bargain standard agreements that are extended to all union members in the sector. Thanks to that framework, physically dangerous work that used to pay poverty wages to vulnerable newcomers has become a career path to decent jobs. Sadly, this idea of broader-based bargaining was left out of Bill 148.

There is good reason to revisit that decision, as well as sticking to the plan to raise the minimum wage to \$15 next year. And with an election looming, there is even better reason to keep up the pressure and momentum for change.

The Executive Board recommends that Labour Council:

1. Continue to work with \$15+Fairness and the OFL to build a powerful campaign to win justice for employees of Tim Hortons franchises and all low-wage workers.
2. Demand the Ontario government bring in new labour law amendments to create a broader-based bargaining structure for sectors of the economy where traditional unionization measures are not effective.
3. Call for new rights for Ontario workers to engage in "concerted activity" to improve or defend their working standards.

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