



SALARY ADJUSTMENT LINKED TO THE GROWTH OF THE (GDP): AN ADDITIONAL GAIN FOR THE 500,000 EMPLOYEES OF THE PUBLIC AND PARA-PUBLIC SECTORS

This morning, Statistics Canada confirmed that the economy of Quebec grew by 4.7% in 2011. The official announcement came as a breath of fresh air for the 500,000 workers of the public and para-public sectors. This level of growth will permit them a salary adjustment of 0.5%, retroactively to April 2012. The management of the various sectors now have 60 days to pay out this adjustment.

In the context of an economy which has been slow to return to steady growth and when public finances are under stress, how is it possible to talk about a salary adjustment tied to the “share of the increase in our collective wealth”? It is worth recalling that the GDP adjustment clause negotiated by the government with its employees was based on the predictions of economic growth available during the last round of public sector negotiations. Confronted with the constraints imposed by the plan for a return to a balanced budget laid out by the Minister of Finance in the fall of 2009, the government employees accepted limited salary increases. This frugal salary approach accounts for a large part of the sacrifices associated with the budget austerity of these last few years. In exchange the government accepted to raise salaries if the economy performed better than predicted.

Today's report shows that the cumulative growth of Quebec's GDP was greater than 1 percentage point than the government expected. Despite the current slowdown, Quebec is one of the provinces where the economy has shown improved performance since the crisis. The official statistics show a cumulative growth of 9.2%, whereas the Minister of Finance had only planned for 8.3% when the collective agreements were signed.

The application of this clause will not prevent the government from balancing the budget for the current year. In fact, in the last budget, Minister Bachand had already set aside 142 million dollars for this purpose. Furthermore, it is important to point out that the revenues of the government of Quebec are more than a billion dollars greater than what was predicted when the plan for a return to a balanced budget was developed.

In spite of the salary adjustment, the 500,000 employees who dedicate their lives to the well-being and development of their fellow citizens continue to endure a growing gap between them and their colleagues in the private sector. The increases received over the last 3 years, including this salary adjustment, amount to 2.75%, while the cost of living has increased more than 5.5% over the same period.

Louise Chabot, President of the CSQ considers, “The salary adjustment tied to the economic growth that the state employees have just obtained is more than deserved. They cannot indefinitely and single-handedly maintain the quality and accessibility of public services. The government must back away from austerity and give its employees the indispensable recognition and means to deliver the services and the social programmes appreciated so much by the people of Quebec.”