

The Case for Individual Mobilization

OR HOW TO TRUMP THE ARGUMENTS OF YOUR NEOLIBERAL BROTHER-IN-LAW

THE CPAS INVITED INDEPENDENT ECONOMIST IANIK MARCIL TO GIVE A PRESENTATION AT THE CONVENTION IN GATINEAU. AN EXCELLENT SPEAKER, MR. MARCIL WAS WELL ABLE TO SHOW THAT OUR UNION DEMANDS ARE BOTH REASONABLE AND ECONOMICALLY SOUND.

It's now time for each and every one of us to stand up and defend our convictions. Not only do we need to start persuading friends and colleagues today, but we also need to be prepared to discuss and defend our position with our families during the upcoming holidays.

With this in mind, I'm providing a summary of Mr. Marcil's presentation, which can help you make a compelling case.

“THE HEALTHCARE NETWORK IS TOO EXPENSIVE”

People keep repeating this mantra as though it was a self-evident truth. But does repeating something over and over make it true? Is there really any basis for the claim that the network costs too much?

“CIVIL SERVANTS ARE OVERPAID”

This hasn't been a valid argument for quite some time. In 2013, there was still a healthy pay gap between the private and public sectors, as the opposite chart shows.

What's more, for some categories like specialized workers, the gap can be higher than 30%.

In fact, this ongoing gap has even seemed to widen recently, making it a particular concern for the health and social services network.

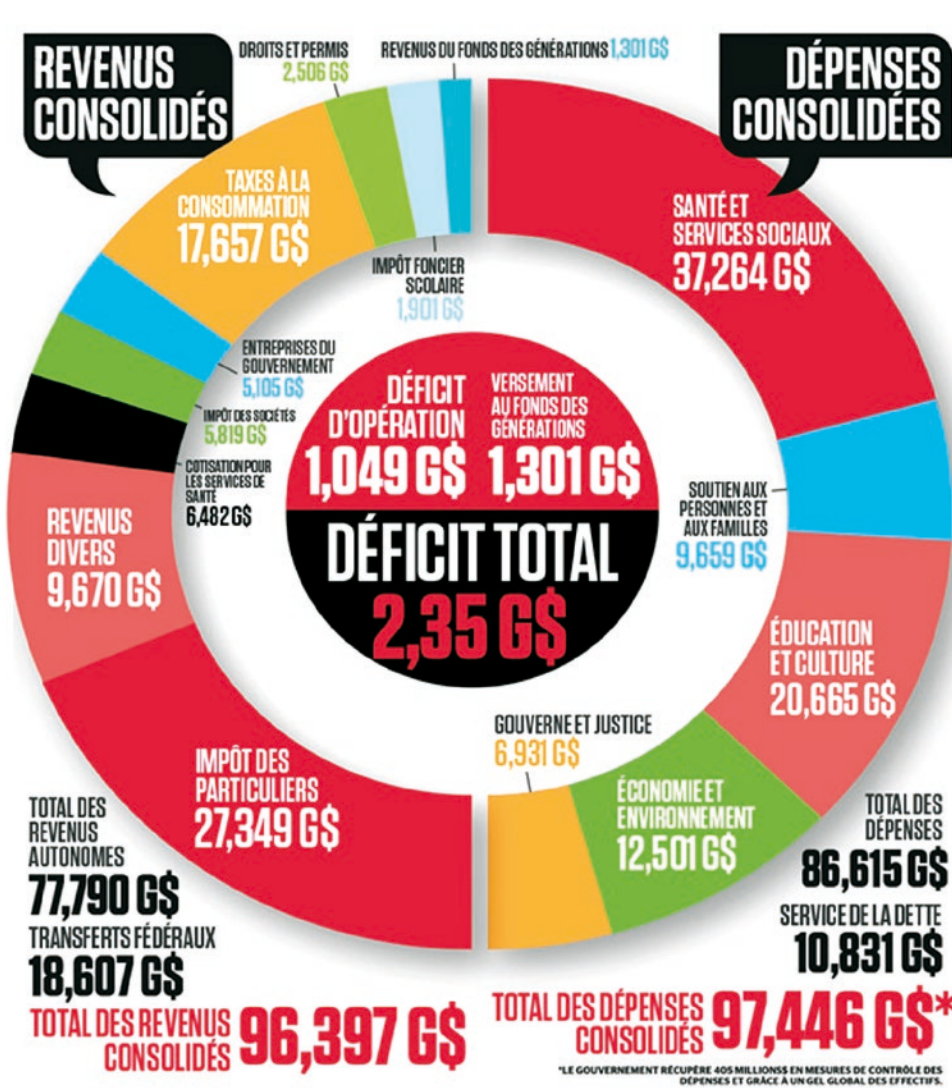
“WE CAN'T MAINTAIN OUR LEVEL OF HEALTHCARE FUNDING”

The ministère de la Santé et des Services sociaux received \$37.3 billion in funding in 2013, which amounts to a total of 38.3% of program budgets (see opposite figure). Health and social services is in fact the largest government department.

However, this increase in the cost of health and social services should be analyzed with great care. At first glance, \$37.3 billion might seem to be a pretty hefty amount, especially when compared to the \$31.1 billion we spent in 2012¹ or the \$23.8 billion in 2007.²

1. <http://ici.radio-canada.ca/sujet/budget-quebec-2012/2012/11/20/001-budget-quebec-2012.shtml>

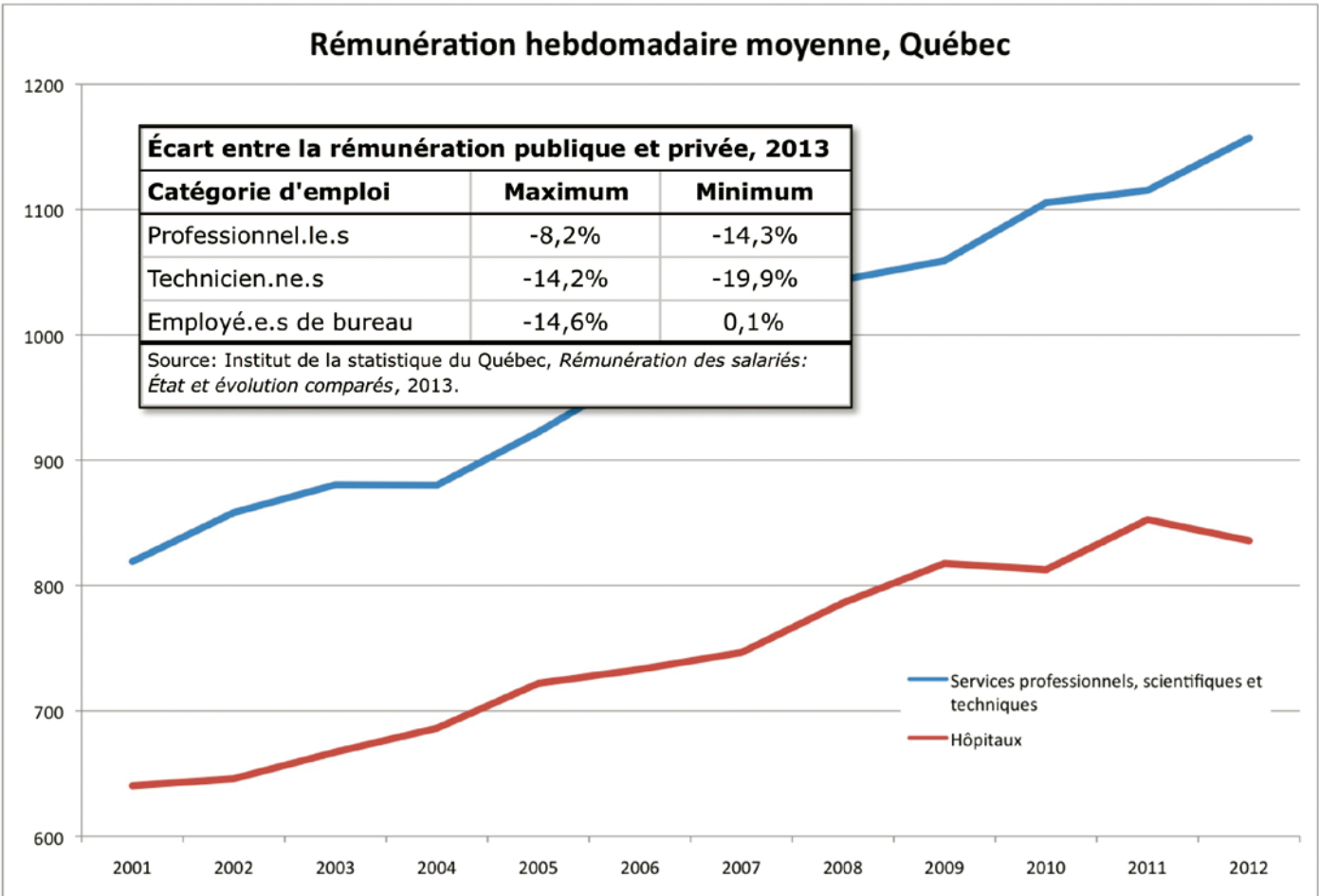
2. <http://ici.radio-canada.ca/nouvelles/budget/qc2007rev/sante.shtml>



But this interpretation of the figures simply isn't true.* In 2013, \$37.3 billion constituted 38.3% of the budget. The \$31.1 billion spent in 2012 accounted for 42.7% of the budget, while the \$23.8 billion spent in 2007 was 44.3% of the budget. That means that we're currently

spending less on health care than we did before.

*It's important to realize that the economy is growing at a steady pace. Prices, income, and, in theory, our wages, should be rising too. That's how the economic system works, and that's why it's normal for healthcare costs to increase as well. To clearly determine whether the healthcare system carries a reasonable price tag, these costs have to be put into perspective.



Source: Statistics Canada, Survey of Employment, Payrolls and Hours.

“OUR SYSTEM IS LESS EFFICIENT THAN OTHER SYSTEMS IN THE REST OF CANADA”

This statement is patently false. According to the Canadian Institute of Health Information (CIHI), Québec allocates the smallest portion of its budget to health care, and its healthcare system costs the least per person in Canada, not including the territories (see figure).

“OUR DEBT IS MORE THAN HALF OF GDP. THAT’S MUCH TOO HIGH”

As workers, we naturally want salary increases. However, as citizens, we want public finances to be managed properly. That’s why we hope to return to a fiscal balance and pay off the debt entirely. But how much will that really cost us?

Let’s look at the numbers. We’re told over and over again that the public sector debt is \$260 billion, or 73% of GDP. Public sector debt is calculated by adding up all the debts of Québec’s public sector organizations without factoring in assets. That’s like analyzing your personal finances by adding up your credit card debt, loans and mortgage without considering the value of your home or the cash in your bank accounts. In other words, the numbers can be misleading.

There’s a lot of talk about gross debt. Québec’s gross debt amounts to \$192 billion, or 54% of GDP; a much less alarming figure than the public sector debt. But the gross debt is only the sum of financial debts and liabilities minus the amount in the Generations Fund (for debt servicing). Once again, the calculation does not take assets into account.

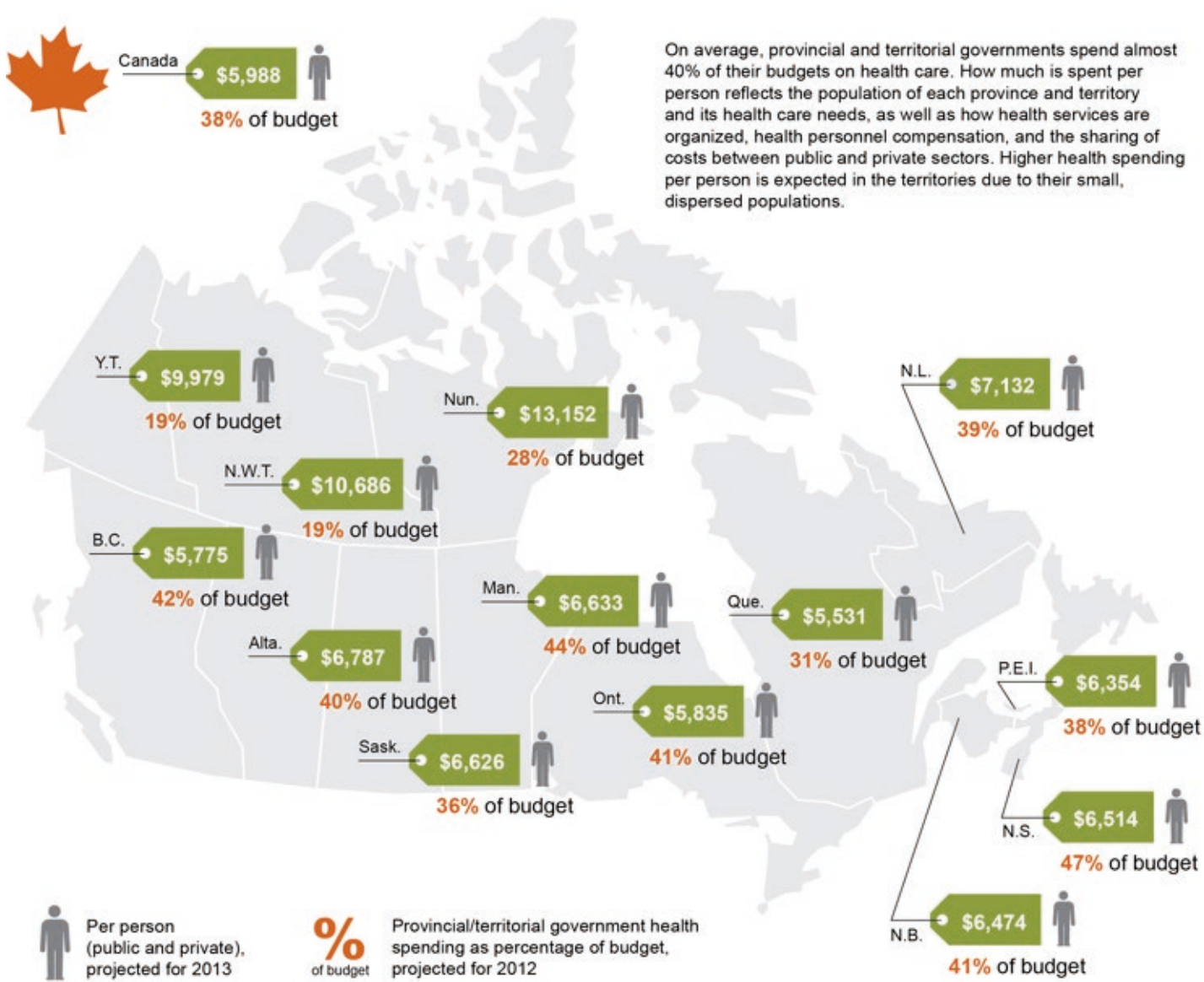
And then we sometimes hear about net debt. In Québec, this figure is \$174 billion, or 49% of GDP, an even more conservative figure than gross debt. Net debt is obtained by subtracting the government’s financial assets from its total liabilities, an operation that seems more logical.

Lastly, we hear, albeit rarely, about accumulated deficits. In Québec, this amount is \$118 billion, or 33% of GDP. This figure is also more reassuring. Accumulated deficit debt is the difference between the government’s assets and liabilities (financial and non-financial). This is “bad debt,” i.e. debt that has no corresponding asset.

“THE DEBT IS TOO HIGH AND HAS TO BE REDUCED”

As you know, we’re emerging from a major financial crisis. The debt of most countries has been climbing since 2008. The recession isn’t over yet, but belt tightening during a crisis isn’t always a good solution. In fact, it’s pretty obvious that austerity measures in Europe haven’t accomplished what they were intended to do.

A number of economists argue that the province wasn’t very impacted by the financial crisis, particularly in Quebec City, because we have such a large civil



Source: Canadian Institute of Health Information. (See chart at http://www.cihi.ca/CIHI-ext-portal/internet/en/document/spending+and+health+workforce/spending/release_29oct13_infogra1pg)

service. These government workers were relatively unaffected by the crisis and have continued buoying up the economy. A large civil service can be considered as a stabilizer of the economy.

Even the concept of debt is not exactly an established indicator of economic health. The comparison chart below shows that debt as a percentage of GDP in Québec is much lower than in Greece or Japan. Although the situation in Greece is catastrophic, most economists agree that Japan is economically sound, despite the fact that its debt is equivalent to 200% of GDP. When the economy bounces back, Japan’s debt will quickly disappear. We should therefore be very careful when speaking about debt and public finances.

“WE HAVE A STRUCTURAL DEBT, SO WE HAVE TO STOP SPENDING”

In an article in La Presse, dated April 22, Denis Lessard positioned Québec at a crossroads. The government sees only two choices: to revisit the agreement on physician compensation, or to freeze all public-sector salaries immediately. Since the agreement with doctors hasn’t changed, we can only fear for the worst.

Regrettably, the government can’t imagine any other alternative. What happened to imagination and creativity? Why can’t our leaders think outside the box?

3. <http://www.lapresse.ca/actualites/politique/politique-quebecoise/201404/22/01-4759675-finance-publiques-quebec-est-devant-un-mur.php>

Cutting public sector salaries is always such an easy solution. Why doesn’t the government ever talk about finding new sources of income?

Why not tax companies in order to get additional revenue? Why aren’t we honing in on our elected officials’ lack of political will instead of repeatedly attacking workers in the health and social services system? Why not point to the government’s lack of courage instead of making scapegoats out of employees who work hard every day to deliver the best possible service despite an underfunded system?

“PUBLIC HEALTH CARE IS BAD AND INEFFICIENT. PRIVATE HEALTH CARE WOULD BE BETTER”

Even though the healthcare system seems to cost a great deal overall, a private insurance system would cost us more individually. Our public health insurance is fair and equitable. Rich or poor, everyone is covered and receives the same services.

While it’s absurd to think that private health care must be better, we do know that it definitely costs more because it has to generate profits for shareholders. In fact, a great many healthcare services that don’t bring in cash would simply be unavailable in a system that was 100% privatized.

Getting rid of public health insurance would set us back 100 years, to a time when even members of the middle class sometimes had to choose between accessing health care and facing bankruptcy.

It’s also important to understand that health and social services include a vast array of services for all members of the public, i.e.:

- Urgences santé
- Youth protection and centres jeunesse
- Services for people with a physical or mental disability
- Drug addiction and homelessness
- Home care
- Services for the elderly
- Mental health branch
- Adoption
- Community activities
- Public health and safety branch

Social services also include ancillary services such as research, consultants, IT, material resources, medication, administrative services, infrastructure, human resources, communications, legal counsel, and so forth. In other words, the health department oversees all the activities that enable us to enjoy good mental and physical health.

CONCLUSION

It’s important to understand that information can be manipulated in a number of ways. The different levels of government have no qualms about cutting salaries and conditions in the public healthcare network. We can’t let them pull the wool over our eyes or manipulate the public. We need to speak out in every possible forum.

Cutting into the working conditions of employees in the health and social services network always affects the level of services delivered. The network is already structurally underfunded, so let’s not compound the problem by underfunding its workers.

It’s up to us to spread the word that the work we do is difficult and essential, and that we deserve decent working conditions. Let’s mobilize and fight for our working conditions. Let’s make sure we talk to our families and friends because ultimately, without healthcare workers there would be NO healthcare network!

	Dette en milliards	Dette en % du PIB
Dette du secteur public	260 G \$	73 % du PIB
Dette brute	192 G \$	54 % du PIB
Dette nette	174 G \$	49 % du PIB
Dette des déficits cumulés	118 G \$	33 % du PIB
Comparaison		
Grece		160 % du PIB
Japon		200 % du PIB