



*Séminaire international sur la gestion du capital des
travailleurs et des travailleuses*
(International Seminar on Managing Workers' Capital)

September 28, 2009

Montreal

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Participation

This seminar was attended by Brother Christian Martel, National Director, Quebec Region, and myself, as well as 60 participants.

I was particularly interested in the first item on the agenda, i.e. privatization of public services and pension funds. As CUPW's representative on the Pension Advisory Board (PAC), I raised the following question at PAC meetings: SHOULD N'T WE BE INVESTING MORE MONEY IN BONDS THAN IN THE STOCK MARKET? I also noted that by investing more in the stock market, we are supporting privatization.

Agenda

- 9:00 a.m. Opening of seminar
- 9:15 a.m. Pension funds and Privatization of public services, by David Boys – Public Services International (PSI)
- 10:00 a.m. Response to guest speaker and questions – Michel Lizée, CUPE and *Service aux collectivités*, UQAM
- 10:30 a.m. Break
- 10:45 a.m. Recent pension plan reforms in France, by Jean-Pierre Poulet, *Confédération française démocratique du travail* (CFDT)
- 11:30 a.m. Response to guest speaker and questions – Joel Harden, Canadian Labour Congress
- 12:00 p.m. Lunch (served on premises)
- 1:00 p.m. Role of the Trade Union Advisory Committee (TUAC) to the OECD in matters of governance (business and pension plans), by Pierre Hubbard, TUAC
- 1:45 p.m. Response to guest speaker and questions – Michel Nadeau, Institute for Governance of Private and Public Organizations
- 2:15 p.m. Break
- 2:30 p.m. Pension Plan and Organizing Campaigns, by Steve Abrecht, Service Employees International Union (SEIU)
- 3:15 p.m. Response to guest speaker and questions – Raymond Larcher, Union des employés de service – Local 800

- 3:45 p.m. Panel – International pension fund solidarity in Quebec, by Marie-Josée Naud and Denise Gagnon, FTQ
- 4:15 p.m. Closing

Pension Funds and Privatization of Public Services, by David Boys, Public Services International (PSI)

Brother Boys, originally from Ontario, spoke to us by conference call from France. He began by stressing the need to defend defined benefit pension plans.

Mr. Boys made the following comments during his presentation:

- We need investment policies against child labour, militarism, privatization and P-3s, and for labour rights and a better environment, etc.
- Unions need to work together internationally.
- Defined contribution plans and “look out for number one” approaches weaken our collective power.
- Private-sector investments are too risky and come with unacceptable commissions.
- We need alternatives to the stock market.
- Investing in public services is the best approach to fight against poverty.

We need to use the crisis as an opportunity to promote our vision:

- by investing our pension funds in public bonds;
- by working together as unions;
- using resources to promote an international agenda;
- for sustainable development and trade union development.

Brother Boys' PowerPoint presentation is available (in French only) on the FTQ's website.

Brother Michel Lizée from the Canadian Union of Public Employees and UQAM, was designated to react to the guest speaker's presentation, asking several questions mainly on P3s and private vs. public investments.

Recent Pension Plan Reforms in France, by Jean-Pierre Poulet, CFDT (*Confédération française démocratique du travail*)

In its presentation, the CFDT made it clear to us that there will be shortfalls in France's pension funds if steps are not taken. Such steps could include increasing contributions, postponing the age of retirement, and/or reduced retiree benefits.

Brother Poulet's PowerPoint presentation, is available (in French only) on the FTQ's website. It deals with the following subjects:

Background

- A universal but disparate system
- A fragmented organization
- A solidarity approach
- Retirement alternatives
- Retirement options that are used

Issues

- Demographics
- Long-term financial outlook
- Employing seniors
- Equity
- Complexity

Potential or Suggested Responses

- Successive parametric reforms
- Outlook for 2020?
- Another possible alternative
- Development of funding

Union Issues

Examples:

- Preserving distribution
- Better control over funding
- Setting out jobs and retirements

Brother Joel Harden from the Canadian Labour Congress was designated to react to the guest speaker's presentation. He made the following comments:

- RRSPs divert money from public funds.
- The economic crisis provides us with an opportunity to improve our pension plans.
- Employers have stolen our money to pay for their financial failures.

I asked Brother Poulet if it wouldn't be preferable to increase contributions to the pension plans instead of postponing the age of retirement, since, when employees retire, jobs are created for younger workers? I also asked him if the public had ever been consulted on its preferences. Brother Poulet replied that no consultation had taken place.

He did not seem to agree with the first suggestion, stressing that shorter work weeks in France have not really created any jobs. In Brother Harden's view, young Canadians would favour increasing contributions.

Role of the Trade Union Advisory Committee (TUAC) to the OECD in matters of governance (business and pension plans), by Pierre Habbard, TUAC

Mr. Habbard spoke about the governance of pension plans and the impact of the economic crisis. The OECD is funded exclusively by unions.

Michel Nadeau, from the Institute for Governance of Private and Public Organizations, was designated to react to the presentation. He noted that 21 American states had amended their legislation to put an end to a system that only served the interests of stockholders. Short-term shareholders, who controlled 60% of shares, were like sharks and vultures. Our investments must benefit workers and our communities. Savings bonds have proven to be the best investments over the past 20 to 30 years. As an example, he talked about privatization of prisons in the United States. The system is such that keeping inmates there longer is profitable to the companies that run them. One of the CEOs earns \$122,000,000 a year for his successful record at keeping people in prison.

Mr. Nadeau stated it was essential that members of pension committees be provided with training, which is done for Canada Post's PAC members.

Pension Plans and Organizing Campaigns, by Steve Abrecht, Service Employees International Union (SEIU)

Brother Abrecht's PowerPoint presentation, entitled "*Fonds de pension et pratiques de placement responsables dans l'industrie des services aux immeubles*" (Pension plans and responsible investment practices in the building services industry) dealt with various issues, including:

- Commitment to cleaners and security workers;
- Houston market;
- SEIU members invest in pension plans, which are worth more than a billion dollars;

- Benefits of a unionized workforce;
- Pension plans with responsible practices towards contractors;
- Organizing security agents: G4S.

I was very impressed by Brother Albrecht's comments on organizing cleaners and security staff in Houston. His PowerPoint presentation is available (in French only) on the FTQ's website.

Raymond Larcher, from Local 800 of the Services Employees International Union, responded to the presentation.

Brother Larcher noted that we need to work with our American allies.

Panel discussion: International pension fund solidarity in Quebec, by Marie-Josée Naud and Denise Gagnon, FTQ

The PowerPoint presentation entitled "*La solidarité internationale et les caisses de retraite – Une question de principes et d'organisation*" (International solidarity and pension funds – A question of principle and organization) dealt with various issues, including:

- What about the *Caisse de dépôt et placement* (Quebec deposit and investment fund);
- Increased awareness of the need for solidarity and sustainable development;
- Pension plans : A concrete tool in facing globalization;
- International solidarity - Why?
- Confidence crisis and governance still current!
- Globalizing solidarity: We've accomplished a lot since the 2000 FTQ Convention on globalization;
- Burma: The fight for human rights and democracy!
- Companies investing in oil and gas fields are aiding and abetting flagrant violations of basic rights;
- Another target: mining companies;
- Developing the collective ability to take action on union organizing;
- Building a network to promote the interests of members in managing plans and exercising voting rights.

Sisters Naud and Gagnon made an excellent presentation, showing us that our investments are directly related to poverty and sweat shops.

They also effectively explained the importance of our international work.

Conclusion

This was an interesting seminar. We need to invest ethically to better protect our environment and our collective rights. But we also need to understand the impact of our investments on the governing class' agenda for all-out privatization at the expense of democracy. For more information on the above issues, go to the following links, provided by our sisters in the FTQ.

Groupe Investissement Responsable

www.investissementresponsable.com

Michael Jantzi Research Associates Inc.

<http://www.jantziresearch.com/>

Domini Social Investments

www.domini.com

Democracy Watch

www.dwatch.ca

La coalition québécoise des ateliers de misère (CQAM)

http://www.ciso.qc.ca/?page_id=23

Le centre international de solidarité ouvrière (CISO)

www.ciso.qc.ca

Amnesty International Canada

www.amnesty.ca

Human Rights Watch

<http://hrw.org>

International issues on the CLC web site

<http://www.canadianlabour.ca/issues/international-issues>

FTQ (retraite et solidarité internationale)

<http://ftq.qc.ca>

In solidarity,



Donald Lafleur

4th National Vice-President

cc National and Regional Union Representatives
Regional Executive Committees
Canadian Union of Public Employees
Fédération des travailleurs et travailleuses du Québec

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