

support they need, while maintaining their own and other Manitobans' privacy as much as possible. This would, unfortunately, mean not following other provinces as a precedent. However, I would argue a well-thought-out Manitoba piece of legislation can be better than a cut-and-paste precedent from another province.

Bill 33: *The Minimum Wage Indexation Act (Employment Standards Code Amended)*

JENNIFER SOKAL *

I. INTRODUCTION

Bill 33, *The Minimum Wage Indexation Act (Employment Standards Code Amended)*, was introduced in the Legislative Assembly of Manitoba in the second session of the 41st Legislature on Monday, May 15, 2017.¹ The purpose of the Bill was to establish a procedure to increase the minimum wage each year based on the Consumer Price Index (CPI) of the previous year.² The Bill provides that Manitobans will be given at least six months' notice prior to any increase in the minimum wage.³ The Bill allows for the Lieutenant Governor-in-Council to refrain from raising the minimum wage in any given year if she or he is satisfied that “economic indicators” warrant this decision.⁴ The Bill does not allow for a decrease in the minimum wage even where the CPI of the previous year would indicate for a decrease.⁵

* J.D. (2019).

¹ “Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)”, 1st Reading, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 51 (15 May 2017) at 2029 [1st Reading].

² *Ibid.*

³ *The Employment Standards Code*, SM 1998, c 29, s 7(4) [ESC].

⁴ *Ibid.*, s 8.

⁵ *Ibid.*, s 7(3).

Bill 33 was rushed through the Legislature, with only 16 days between the First and the Third Readings.⁶ While this speed did not allow much time for discussions, several key arguments against this form of minimum wage legislation emerged. Critics were largely pleased that a mechanism was being put in place for steady increases to the minimum wage, but they complained that the Bill would likely result in the impossibility of the minimum wage ever becoming a living wage. A living wage is a rate of pay that ensures that full-time workers can live comfortably outside of poverty.⁷ During the committee stage of Bill 33's progression through the Legislature, several members of the community came to speak in support of a living wage. In addition, the Official Opposition brought forward a motion to amend the Bill to reflect the principle of a living wage⁸, but ultimately this motion was defeated.⁹ The Bill's dissenters also disapproved of the power it gave the Government to arbitrarily deny a minimum wage increase in a given year.¹⁰ Despite these objections, Bill 33 received Royal Assent and came into force on June 2, 2017.¹¹

There are several policy considerations regarding minimum wage adjustments. Policy-makers seek to protect the interests of minimum wage workers and the interests of businesses. A main goal of minimum wage legislation is to elevate minimum wage workers out of poverty. A common fear in relation to this goal is that, when the minimum wage is increased, businesses may reduce employee hours, reduce hiring, and automate jobs in order to manage costs, therefore lowering employment rates. Policy-makers seek to find a balance with minimum-wage legislation where businesses can remain profitable and minimum wage workers will be better-off.

⁶ Manitoba, Legislative Assembly of Manitoba, "Status of Bills"(Winnipeg: MLA, 9 November 2017) at 4, online: <gov.mb.ca/legislature/business/billstatus.pdf> [perma.cc/Z9ZU-UFHF] [Status of Bills].

⁷ It is important to note that the living wage being spoken of in this paper would be a general living wage that is applied to all Manitobans, and not a living wage ordinance that is commonly seen in the United States.

⁸ "Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)", Report Stage Amendments, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 60 B (30 May 2017) at 2610 [Amendment].

⁹ *Ibid* at 2621.

¹⁰ 1st Reading, *supra* note 1 at 2063.

¹¹ Status of Bills, *supra* note 6.

This paper will first reflect on the history of the minimum wage in Manitoba. Next, the core provisions of Bill 33 will be described. The Bill's path through the legislative process will then be discussed by examining the debates and questions that occurred during each stage in the Legislature. Subsequently, Bill 33 will be analyzed by looking at its prospective efficacy in reaching its intended goals, as well as in its ability to raise full-time minimum wage earners out of poverty. Finally, options for addressing minimum wage legislation and a recommendation will be provided.

II. HISTORY OF THE MINIMUM WAGE IN MANITOBA

The first legislation to affect the wages of Manitoban workers was enacted in 1900 with the passing of the Federal Government's *Fair Wages Resolution*.¹² The purpose of fair wages was to compensate tradespeople fairly, although there was no indication as to the interpretation of the term "fair."¹³ Additionally, as per sections 91 and 92 of the *Constitution Act, 1867*, the majority of workers did not fall under the Federal Government's jurisdiction, meaning that this legislation did not affect many Manitobans.¹⁴ Manitoba's "reform-oriented Liberal government" answered with "fair wage" legislation for certain trades in 1916 and minimum wage legislation for women in 1918.¹⁵ The implementation of a minimum wage was prompted by several high-profile strikes and protests, including a day-long, province-wide telephone workers' strike.¹⁶ Following this strike, officials committed to introducing minimum wage legislation for women in the next legislative session.¹⁷

The Manitoba Minimum Wage Board came into existence in 1918 following the passing of the minimum wage legislation for women.¹⁸ The

¹² Bob Russell, "A Fair or a Minimum Wage? Women Workers, the State, and the Origins of Wage Regulation in Western Canada" (1991) 28 *Labour/Le Travail* 59 at 60.

¹³ *Ibid.*

¹⁴ *Constitution Act, 1867* (UK), 30 & 31 Vict, c 3, ss 91-92, reprinted in RSC 1985, Appendix II, No 5.

¹⁵ Russell, *supra* note 12 at 72.

¹⁶ *Ibid* at 78.

¹⁷ *Ibid* at 78.

¹⁸ *Ibid* at 81.

purpose of the Minimum Wage Board was to recommend adjustments to the minimum wage. As evidenced by the fact that the minimum wage did not apply to men, regulations set that the minimum wages could vary by gender, age, industry, and experience.¹⁹ Boys under 18 years of age were eventually included in minimum wage regulations in 1931, with men over the age of majority also being included in 1934.²⁰ From 1934 until 1966, minimum wages in Manitoba often differed between urban workers and rural workers.²¹ In 1945, a youth minimum wage was introduced, which was lower than the minimum wage for adults.²² This reduced minimum wage for youth continued until 1988.²³

The Manitoba Minimum Wage Board operated until 2005. It is unclear whether the Manitoba Minimum Wage Board operated every year between 1918 and 2005. The 2005 Manitoba Minimum Wage Board provided recommendations for increases in the years 2006 through 2009.²⁴ These recommendations were only partially followed, which resulted in a \$0.10 shortfall in hourly wages from the recommended minimum wage in 2009.

In 2009, the task of analyzing the minimum wage and providing recommendations for adjustments was given to the Labour Management Review Committee.²⁵ This Committee is made up of representatives of business of labour and acts as a consultative body.²⁶ While the Committee

¹⁹ *Ibid.* While it is not completely clear why the minimum wage only included women, scholars believe that it was due to a combination of protectionism over women and women's efforts in advocating for a minimum wage.

²⁰ Manitoba, Labour & Regulatory Services – Research, Legislation, & Policy, “Historical Summary of Minimum Wage Rates in Manitoba”, (Winnipeg: Labour & Regulatory Services – Research, Legislation, & Policy, 2015) [Historical Minimum Wages].

²¹ *Ibid.*

²² *Ibid.*

²³ *Ibid.*

²⁴ Manitoba, Legislative Assembly of Manitoba, Minimum Wage Board, *The Report of the Chairperson of the Minimum Wage Board September 30, 2005* (September 2005) at 7 (Chair: Susan Rogers).

²⁵ Manitoba, Legislative Assembly of Manitoba, Manitoba Labour Management Review Committee, *The Report of the Manitoba Labour Management Review Committee: Manitoba's Minimum Wage* (December 2009) at 1 (Chair: Kevin Rebeck).

²⁶ Manitoba, Labour & Regulatory Services – Research, Legislation, & Policy, “Manitoba Labour Management Review Committee” (Winnipeg: Labour &

is independent of government, their recommendations need not be followed. The Labour Management Review Committee reviewed either the minimum wage or components of the minimum wage five times between 2009 and 2017.²⁷

The New Democratic Party (NDP) government came into power in Manitoba in 1999 following Manitoba's 37th General Election.²⁸ Prior to this, the Progressive Conservatives (PC's) held the majority of seats in the Legislature.²⁹ At the time that the NDP took power, the minimum wage was \$6.00 per hour.³⁰ Over the 17 years that the NDP were in power, the minimum wage was increased by a mean of \$0.31 per year.³¹ The mode increase was \$0.25, with a \$0.25 increase being made in nine out of the sixteen increases made.³² The greatest increases were \$0.50 in 2008, 2010, and 2011, while the smallest increase was \$0.20 in 2013.³³

When the PC's formed the current government in 2016, they chose to freeze the minimum wage at the 2015 rate of \$11.00 per hour.³⁴ The minimum wage remained at this rate until Bill 33 came into force. The minimum wage was increased to \$11.15 per hour on October 1, 2017, and to \$11.35 on October 1, 2018³⁵

Please see Appendix A for a table of all minimum wage adjustments in Manitoba.

Regulatory Services – Research, Legislation, & Policy, November 2017).

²⁷ *Ibid.*

²⁸ Elections Manitoba, "Summary of Results: Manitoba's 37th General Election" (27 November 2000), online: <electionsmanitoba.ca/downloads/PDF_Summary_GE1999.pdf> [perma.cc/XQ6N-PNSF].

²⁹ Elections Manitoba, "Summary of Results - 1995 General Election" (25 April 1995), online: <electionsmanitoba.ca/downloads/PDF_Summary_GE1995.pdf> [perma.cc/3E63-A3AY].

³⁰ Historical Minimum Wages, *supra* note 20.

³¹ *Ibid.* Information from source and calculations done by the author Jennifer Sokal.

³² *Ibid.*

³³ *Ibid.*

³⁴ *Ibid.*

³⁵ *Ibid.*; CBC News, "Manitoba's minimum wage going up Oct 1" (28 March 2019), online: <cbc.ca/news/canada/manitoba/manitoba-minimum-wage-increase-1.5074838> [perma.cc/6PC7-L8NG].

III. SUMMARY OF BILL 33

Bill 33 proposed to create a mechanism for increasing the minimum wage by amending certain provisions under Part 2, Division 1 of the *Employment Standards Code*.³⁶ The formula for determining the minimum wage is outlined in s. 7(1):

On October 1 of every year starting in 2017, the minimum wage that applied to employees immediately before October 1 is to be adjusted in accordance with the following formula:

$$\text{Adjusted wage} = \text{previous wage} \times (\text{CPI 1}/\text{CPI 2})$$

In this formula:

"adjusted wage" is the new minimum wage;

"previous wage" is the minimum wage without rounding that applied immediately before October 1 of the year;

"CPI 1" is the Consumer Price Index for the previous calendar year; and

"CPI 2" is the Consumer Price Index for the calendar year immediately preceding the calendar year mentioned in the description of "CPI 1".³⁷

Statistics Canada defines Consumer Price Index (CPI) as "as an indicator of the changes in consumer prices experienced by Canadians."³⁸ The CPI is a measure of inflation, measuring the increase or decrease of consumer purchasing power between any two given years.³⁹ This statistic can be used as a whole, or it can be broken into smaller data sets measuring necessities such as groceries, clothing, or shelter.⁴⁰ As per s. 7(6), the CPI used in the new minimum wage adjustment calculation is the "all-items CPI" published by Statistics Canada for a given year.⁴¹

Section 7(2) of Bill 33 provides that a minimum wage determined under s. 7(1) will be rounded up to the nearest \$0.05 increment, but the minimum wage for the next year will be determined by the unrounded minimum wage

³⁶ 1st Reading, *supra* note 1.

³⁷ *ESC*, *supra* note 3, s 7(1).

³⁸ Canada, Statistics Canada, *Your Guide to the Consumer Price Index*, by Gail Logan and Heather Pearl, Catalogue No 62-557-XPB (Ottawa: Statistics Canada, 1996) at 1.

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ *ESC*, *supra* note 3, s 7(6).

of the year before.⁴² Under s. 7(4) the Minister must publish the minimum wage that will be effective on October 1 of a given year by the preceding April 1.⁴³

Section 144(1) allows for the Lieutenant Governor-in-Council to make regulations to establish “rules respecting the application of the minimum wage provisions” and to prescribe classes, such as construction workers, to which s. 7 does not apply.⁴⁴ S. 8(1) provides that the Lieutenant Governor-in-Council may make a regulation before April 1 stating that there will be no increase of the minimum wage the upcoming October 1.⁴⁵ The criteria for creating such a regulation is provided for in s. 8(2):

A regulation may be made under subsection (1) only if the Lieutenant Governor-in-Council is satisfied that economic indicators warrant it, such as a recession or a forecasted recession of Manitoba's economy.⁴⁶

As per s. 7(3), the minimum wage cannot be reduced, even where the CPI of that given year would call for a reduction.⁴⁷

IV. LEGISLATIVE PROCESS

Only 16 days elapsed between the First Reading and the Third Reading of Bill 33.⁴⁸ Debate was limited due to this short timeframe. While several important concerns were raised during debate, no changes were made to Bill 33 before it received Royal Assent. It is important to review Bill 33's legislative process, as this review reveals that it is likely that valid ideas and arguments raised were not seriously considered by the Government due to the haste undertaken in passing Bill 33.

A. First Reading

On May 15, 2017, the Honourable Mr. Cliff Cullen, the Minister for Growth, Enterprise, and Trade, brought forward a motion that Bill 33

⁴² *Ibid*, s 7(2).

⁴³ *Ibid*, s 7(4).

⁴⁴ *Ibid*, s 144(1).

⁴⁵ *Ibid*, s 8(1).

⁴⁶ *Ibid*, s 8(2).

⁴⁷ *Ibid*, s 7(3).

⁴⁸ Status of Bills, *supra* note 6 at 4.

would be read to the Legislative Assembly for the first time.⁴⁹ Mr. Cullen explained that the purpose of the Bill was to provide a mechanism for adjusting the minimum wage by the rate of inflation of the previous year and expressed his party's hope that Opposition members would support the Bill.⁵⁰

1. Ministerial Statements

Mr. Cullen rose to speak on Bill 33 during the Ministerial Statements portion of the meeting. He stated that the Bill would provide consistency and predictability for minimum wage increases in the province.⁵¹ He stated that several other Canadian provinces had already implemented indexation for their minimum wage legislation.⁵² He then announced that this legislation would provide for a \$0.15 increase in the minimum wage on October 1, 2017. He emphasized that this increase would keep Manitoba "in the middle of all Canadian provinces for its minimum wage."⁵³ He further emphasized that this Bill provided no possibilities for any decreases to the minimum wage.⁵⁴

Mr. Cullen expressed that Bill 33 demonstrated the Government's commitment to small businesses and to families by using a "balanced, common-sense approach."⁵⁵ He explained that predictability would help businesses, while the improvement of wages would aid workers and their families.⁵⁶ He also highlighted other government action would help minimum wage earners, such as raising the basic personal exemption for Manitobans, essentially raising the threshold for paying taxes in the province.⁵⁷

Mr. Tom Lindsey of the NDP rose to respond to Mr. Cullen's statement. He stated that "fifteen cents will not cut it" and highlighted the

⁴⁹ 1st Reading, *supra* note 1 at 2029.

⁵⁰ *Ibid.*

⁵¹ *Ibid* at 2033.

⁵² *Ibid.*

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*

NDP's minimum wage increases over the 17 years that they were in power from 1999-2016.⁵⁸ He pointed to the Premier's decision to freeze minimum wages in 2016, the Premier's decision to accept a 20% raise in his personal remuneration, and other government actions as indications that low-income workers were not a priority for the PC's.⁵⁹ He stated that other government actions had resulted in services that minimum wage workers depended on becoming inaccessible or unaffordable.⁶⁰ Furthermore, the 2017 wage freeze further reduced minimum wage worker's spending power by \$400 that year.⁶¹ Mr. Cullen and Mr. Lindsey were the main actors in the debates regarding Bill 33.

2. Oral Questions

Mr. Lindsey was the only opposition member to ask any questions about Bill 33 during this period. He stated that the PC method of dealing with the minimum wage, both in terms of freezing the minimum wage and in introducing this legislation, was wholly different from the NDP's approach from 1999-2016, where the total increase in minimum wage was more than double the rate of inflation.⁶² The Opposition then asked Mr. Cullen if he would "commit to a plan that moves low-income workers toward a living wage?"⁶³

The PC's position was that it is best to take a consistent and predictable approach to minimum wage adjustments, as opposed to the NDP's approach of providing increases at random times without a set formula to explain the amount of the adjustment. The PC's maintained that the Government had consulted with Manitobans about this increase and that many Manitobans want indexing.⁶⁴

The Government also argued that indexation provides predictability for both businesses and minimum wage workers, both of which would value

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² *Ibid* at 2039.

⁶³ *Ibid* at 2040.

⁶⁴ *Ibid.*

predictability.⁶⁵ Predictability is important to businesses for planning purposes when it comes to any business decision.⁶⁶ Furthermore, the indexation's predictability can provide workers with "security of purchasing power in their salary."⁶⁷

B. Second Reading

Mr. Cullen brought a motion to read Bill 33 for a second time on May 15, 2017 – the same date as the First Reading.⁶⁸ Mr. Cullen even commented on the uniqueness of having a First and Second Reading for the same bill on the same date.⁶⁹ While the Second Reading started on May 15, it adjourned partway through the debates and continued on May 18, 2017.⁷⁰

Mr. Cullen began the Second Reading by speaking to the consultations, both through the Labour Management Review Committee and through a pre-budget consultation process, which the Government had with Manitobans regarding the minimum wage.⁷¹ The two main goals of the Government at the time were creating "positive partnerships" and creating jobs.⁷² He explained that, through achieving these goals, the Government can create a foundation for economic growth in Manitoba.⁷³

Mr. Cullen elaborated on the certainty and predictability that indexation provides for both businesses and minimum wage earners.⁷⁴ These qualities came from s. 7(3), which stipulates that the minimum wage cannot be reduced if the CPI declines, and s. 7(4), which provides for at

⁶⁵ *Ibid* at 2043.

⁶⁶ *Ibid*.

⁶⁷ *Ibid*.

⁶⁸ *Ibid* at 2050.

⁶⁹ *Ibid*.

⁷⁰ "Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)", 2nd Reading, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 54B (18 May 2017) at 2270 [2nd Reading].

⁷¹ 1st Reading, *supra* note 1 at 2050.

⁷² *Ibid*.

⁷³ *Ibid*.

⁷⁴ *Ibid* at 2051.

least six months' notice to Manitobans before any minimum wage adjustment.

Finally, the PC's compared Manitoba to Saskatchewan about how different types of legislation might aid those in poverty. Saskatchewan's minimum wage legislation was described as complicated, where Manitoba's Bill 33 was not.⁷⁵ Saskatchewan's system threshold for paying taxes was described as aspirational for Manitoba, and it was highlighted that Manitoba was starting to raise its threshold.⁷⁶

1. Questions

Mr. Cullen was queried regarding the amount of time it took for the Government to introduce a minimum wage increase after taking power and why the bill did not allow for a retroactive adjustment to account for the 2016 freeze.⁷⁷ The Opposition questioned the Government as to why the Government was aiming to have a minimum wage rate that was in the middle of all provinces and whether raising the minimum wage to a living wage was a "worthy goal for minimum wage policy."⁷⁸

Mr. Cullen responded that the Government wanted to complete its review process, both the pre-budget consultation and the Labour Management Review Committee's review, before adjusting the minimum wage.⁷⁹ The goal of both the minimum wage legislation and the taxation action was to create a foundation for economic growth in Manitoba.⁸⁰ He further cited other government action to raise the threshold for paying taxes, and stated that "minimum wage is just one tool in the toolbox to address [poverty]."⁸¹ Mr. Cullen then stated that he believed that raising the minimum wage annually does not result in raising people out of poverty, as evidenced by Manitoba having the highest poverty rate after the NDP government's 17 years of large minimum wage increases.⁸²

⁷⁵ *Ibid.*

⁷⁶ *Ibid.*

⁷⁷ *Ibid* at 2053-2054.

⁷⁸ *Ibid* at 2053-2055.

⁷⁹ *Ibid* at 2055.

⁸⁰ *Ibid* at 2053-2054.

⁸¹ *Ibid* at 2053.

⁸² *Ibid.*

The Opposition pointed to another government action that increased post-secondary education tuition by inflation plus 5%.⁸³ The application of Bill 33, in conjunction with the increase of tuition, would make it more difficult for students to pay tuition.⁸⁴ Mr. Cullen emphasised the importance of education, especially to raise low-income people out of poverty and highlighted that the Government was taking action to allow students to keep more of their money through increasing the taxing threshold.⁸⁵

2. Debate

The Government accused the NDP of having used minimum wage increases as campaign tools during the time that they were in power, reducing the predictability that businesses needed.⁸⁶ It was stated that when minimum wage increases are erratic, the increases can have the effect of reducing the number of jobs.⁸⁷ They argued that indexed wages would provide predictability and would motivate and help people to gain experience and then move on to other jobs.⁸⁸ It was explicitly stated that the minimum wage is meant to be a training wage, meaning that people are not expected to live on this rate of pay for an extended period of time.⁸⁹ The PC's believed that Bill 33's balanced approach to increases would benefit those entering the workforce.⁹⁰

The Government stated that a \$15.00 minimum wage "is just not realistic at this time."⁹¹ While brief, this comment was one of the only times during Bill 33's legislative process that the Government truly addressed a concern of the Opposition. Manitoba was compared to other provinces, where indexation and a \$11.15 minimum wage was portrayed as being

⁸³ *Ibid* at 2052.

⁸⁴ *Ibid*.

⁸⁵ *Ibid*.

⁸⁶ *Ibid* at 2060.

⁸⁷ *Ibid* at 2062.

⁸⁸ *Ibid* at 2061.

⁸⁹ *Ibid* at 2280.

⁹⁰ 2nd Reading, *supra* note 70 at 2062.

⁹¹ *Ibid* at 2278.

consistent with the other province's minimum wage legislation.⁹² It was clarified that, under Bill 33, the Government will be unable to adjust the minimum wage to anything other than the adjusted wage as determined by s. 7(1).⁹³

The NDP, with the support of the Liberal caucus, criticized the late introduction of Bill 33, as it would have allowed more certainty for Manitobans had the Bill been introduced on Budget Day a month earlier.⁹⁴ Mr. Lindsey of the NDP accused the Government of introducing the Bill so late in the session in order to limit debate, knowing that the NDP would desire to pass some form of minimum wage adjustment legislation.⁹⁵ It was asserted that the review prior to the introduction of the Bill - the reason cited by the Government for taking so long to introduce minimum wage legislation - may have only been limited to the Labour Management Review Committee, as there was no proof that people had been consulted on the minimum wage during the pre-budget consultations.⁹⁶ While the Opposition was not opposed to raising the minimum wage, it was opposed to the form of Bill 33.⁹⁷

The Opposition questioned how a \$0.15 raise would assist those working for a minimum wage.⁹⁸ Minimum wage workers experience difficulties in finding full-time jobs and the increase was small, even for those with full-time positions.⁹⁹ Mr. Lindsey described the proposed minimum wage as a "poverty wage."¹⁰⁰ The Opposition quoted research that found that there is no connection between raising the minimum wage and unemployment levels in Canada, contesting a common concern that raising the minimum wage causes employers to cut jobs and hours.¹⁰¹ Furthermore, the other government action in raising the threshold for paying taxes would

⁹² *Ibid* at 2279.

⁹³ *Ibid*.

⁹⁴ 1st Reading, *supra* note 1 at 2055-2056.

⁹⁵ *Ibid* at 2062.

⁹⁶ *Ibid* at 2059.

⁹⁷ *Ibid* at 2064.

⁹⁸ *Ibid* at 2057.

⁹⁹ *Ibid* at 2062.

¹⁰⁰ 2nd Reading, *supra* note 70 at 2271.

¹⁰¹ *Ibid* at 2282.

result in only approximately \$10.00 of tax savings for the average minimum wage worker. This statistic highlighted that the one of the Government's main reasons for not raising the minimum wage at a higher rate – that the raising of the tax threshold could help to raise people out of poverty – would be highly ineffective at reaching its intended goal.¹⁰² The Opposition called for a living wage to achieve the goal of reducing poverty.¹⁰³

Another area of concern for the NDP was the non-transparency of the criteria set out in s. 8(2) for the Lieutenant Governor-in-Council to refuse an increase in a given year under s. 8(1).¹⁰⁴ Basing the decision to refuse to adjust the wage on a forecast could result in there being no adjustment, even when a recession does not come to fruition.¹⁰⁵ The party doing the forecasting and the method of forecasting would likely be decided in regulations and not openly discussed in the Legislature.¹⁰⁶

The Opposition addressed the Government comment that the minimum wage was a training wage by stating that many minimum-wage earners are not youth.¹⁰⁷ They stated that Manitoba had increased minimum wage by over double the rate of inflation during the last 17 years and routinely had one of the lowest unemployment rates in Canada, therefore challenging the PC's notion that raising the minimum wage increases unemployment.¹⁰⁸ They contended that higher minimum wages incentivise labour force participation and that raising the minimum wage is good for businesses, because workers will have more money to spend in those businesses.¹⁰⁹

The motion of the Second Reading of Bill 33 was passed unanimously.¹¹⁰

¹⁰² 1st Reading, *supra* note 1 at 2065.

¹⁰³ 2nd Reading, *supra* note 70 at 2271-2272.

¹⁰⁴ 1st Reading, *supra* note 1 at 2063.

¹⁰⁵ *Ibid* at 2063.

¹⁰⁶ *Ibid* at 2065.

¹⁰⁷ 2nd Reading, *supra* note 70 at 2287.

¹⁰⁸ *Ibid* at 2286.

¹⁰⁹ *Ibid*.

¹¹⁰ *Ibid* at 2289.

C. Committee Stage

The Standing Committee on Social and Economic Development convened on May 23, 2017 to discuss Bill 33.¹¹¹ Seventeen parties presented to the Committee, including three private citizens.¹¹² The main issues raised were:

- a) The predictability regarding cost increases required by employers in order to remain viable;¹¹³
- b) The cascading effect that comes with minimum wage increases, where workers who were making more than minimum wage at the time of an increase expect a comparable increase;¹¹⁴
- c) The entrenchment of minimum wage workers in poverty that results from indexation before raising the base amount in the formula to a living wage;¹¹⁵ and
- d) The vagueness and the lack of transparency regarding the criteria set out in s 8(2) for the cancellation of an adjustment.¹¹⁶

While not unanimous, all clauses of Bill 33 passed at the Committee Hearing.¹¹⁷

D. Report Stage Amendments

Mr. Lindsey brought forward a motion to amend Bill 33 on May 30, 2017.¹¹⁸ The amendment was supported by the NDP and Liberal caucuses

¹¹¹ “Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)”, Committee Stage, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 7 (23 May 2017) at 149.

¹¹² *Ibid.*

¹¹³ *Ibid* at 151.

¹¹⁴ *Ibid* at 152.

¹¹⁵ *Ibid.* A speaker at the Committee Stage emphasized that a 40% increase of \$4.63 to the minimum wage would be required in order to lift the working poor to the low-income cut-off. Furthermore, a jarring statistic was brought forward that, if Bill 33’s indexation formula was put in place in 1999, minimum wage earners in 2017 would be make \$7.40 per hour, earning \$7 000 less per year.

¹¹⁶ *Ibid* at 174.

¹¹⁷ *Ibid* at 192.

¹¹⁸ Amendment, *supra* note 8 at 2610.

but opposed by the PC caucus.¹¹⁹ The amendment allowed for the Government to increase the minimum wage to wages higher than would be called for by the formula in s. 7.¹²⁰ It provided that the minister could recommend a higher wage to the Governor-in-Council before April 1 of a given year.¹²¹ The Governor-in-Council would not be obligated to follow this recommendation.¹²² Under the amendment, the minister would have to “adhere to the living wage principle” when making a recommendation to the Governor-in-Council.¹²³ S 8.(3) of the amendment describes the living wage principle as such:

The living wage principle is that for a person who works full time for a full year, a living wage should enable the person to earn enough through their employment to live above the poverty line.¹²⁴

Mr. Lindsey defended the amendment by stating that bringing full-time minimum wage workers out of poverty should be a goal of the Government when creating its minimum wage legislation and stated that this amendment would give the Government the ability to do so.¹²⁵

Members of the NDP highlighted that raising the minimum wage to a living wage will incentivize labour force participation, in line with the PC’s goal of increasing employment.¹²⁶ The Opposition emphasized that raising the minimum wage to a living wage would lower the cost of running social welfare programs.¹²⁷ It was contended that the amendment was balanced, as it would phase in increases steadily, instead of immediately causing the minimum wage to jump to a living wage. It would also allow time for the

¹¹⁹ *Ibid* at 2611-2615.

¹²⁰ *Ibid* at 2610. It is interesting to note that this amendment was brought forward the same day that the former Ontario government announced that Ontario’s minimum wage would be increased to \$15 per hour. See: “Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)”, Report Stage Amendments, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 60B (30 May 2017).

¹²¹ Amendment, *supra* note 8 at 2610.

¹²² *Ibid*.

¹²³ *Ibid*.

¹²⁴ *Ibid*.

¹²⁵ *Ibid* at 2611-2612.

¹²⁶ *Ibid* at 2614.

¹²⁷ *Ibid*.

minimum wage to cascade to those earning slightly more than minimum wage.¹²⁸

Mr. Cullen defended the existing form of Bill 33 by stating that it provided for cost-of-living increases and, along with reductions in taxes payable, exercised a balanced approach to fighting poverty.¹²⁹ Mr. Cullen never commented on the principle of the living wage during any of the debate on Bill 33.

The amendment did not pass, with 14 members voting for the amendment and 39 voting members against the amendment.¹³⁰ Members of the Liberal party voted in support of the NDP perspectives on all of Bill 33's votes.

E. Third Reading

On May 31, 2017, Mr. Cullen brought a motion Bill 33 to be concurred, read a third time, and passed. The motion passed.¹³¹ A recorded vote was not taken.¹³²

F. Royal Assent

Bill 33 received Royal Assent and came into force on June 2, 2017.¹³³ Bill 33 was rushed through the Legislature in 16 days, limiting debate. The debates were used to push the message that the proposed Bill would ensure predictability for all Manitobans and the concerns of the Opposition were only briefly addressed. No changes were made to the Bill through the legislative process.

¹²⁸ *Ibid.*

¹²⁹ *Ibid* at 2613.

¹³⁰ *Ibid* at 2621.

¹³¹ "Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)", 3rd Reading, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 61 (31 May 2017) at 2668.

¹³² *Ibid.*

¹³³ "Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended)", Royal Assent, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 62B (1 June 2017) at 2752.

V. ANALYSIS

While debating Bill 33, the Government stated that indexing the minimum wage to the CPI ensures that minimum wage earners will maintain their purchasing power at current levels. However, by having a base rate that is lower than the low-income cut-off (LICO)¹³⁴, indexation ensures that minimum-wage earners will continue to earn a wage that keeps them under the LICO. In effect, unless the shortfall between the base minimum wage and LICO is addressed at outset, indexing will maintain the status quo in terms of the number of people living in poverty in Manitoba. Wage inequality may increase where minimum wage workers' wage only increase with the rate of inflation, where other workers may see larger or smaller increases to their wages. British Columbia, Ontario, Nova Scotia, Yukon, and Saskatchewan have also all brought in indexation legislation for minimum wages.¹³⁵ The effect of this indexation legislation in each jurisdiction should be studied to determine if wage inequality rises from indexation of minimum wages.

The Government also stated that there are other tools that can be used to help lift people out of poverty. In the debates, the Government continuously cited the tool of raising the threshold for paying taxes. This tool in particular affects Manitobans of all income levels, including the rich. Those in higher tax brackets benefit more from adjustments to this threshold because they get the full value of the benefit whereas lower income taxpayers may not, as their taxable income might not reach the basic personal amount. If one of the goals of implementing measures such as this is to reduce poverty, increasing the minimum wage would likely be a more effective tool than increasing the basic personal exemption, as increasing the minimum wage has a more direct and targeted effect on those living in poverty. While increasing the minimum wage is not the only tool – or even the most effective tool – in reducing poverty, increasing the minimum wage above the LICO could help to lift those working minimum wage full-time out of poverty.

¹³⁴ Low income cut-offs (LICOs) are income thresholds below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family. Like “poverty lines”, low-income cut-offs vary by family size and geographic location.

¹³⁵ New Brunswick, Department of Post-Secondary Education, Training and Labour, *Statutory Review of the Minimum Wage 2016* (September 2016) at 3.

A. Effect of Raising the Minimum Wage

The effect of raising the minimum wage was addressed by both sides during the debate over Bill 33. Proponents for no increases or small increases to the minimum wage expressed worry that increases could result in businesses cutting staff hours, letting staff go, refraining from hiring new and/or inexperienced employees, or substituting employees with machines. They maintained that raising the minimum wage would stunt economic growth in Manitoba. Advocates for larger increases argued that raising the minimum wage has the complete opposite effect. They spoke of the positive effects that raising the minimum wage would have on the economy, through increased labour force participation, reduced reliance on social welfare programs, and an increase in consumer spending.

Brennan & Stanford examined the effect of minimum wage levels on employment rates in all ten Canadian provinces for the period between 1983 and 2013.¹³⁶ The study found no statistically significant relationship between a higher minimum wage and lower unemployment, especially where the increases of the minimum wage were gradual.¹³⁷ It instead found that while employment levels are affected by several factors, they are “overwhelmingly determined” by aggregate demand and gross domestic product growth.¹³⁸

Raising the minimum wage increases consumer spending, which increases demand for goods and services in turn.¹³⁹ An American study found that for every \$1 increase in the minimum wage, average household spending increased by \$700 per quarter.¹⁴⁰ Moreover, increased wages are associated with lower turnover and increased labour productivity, meaning that the cost to businesses of each employee will be reduced.¹⁴¹ While in

¹³⁶ Jordan Brennan & Jim Stanford, “Dispelling Minimum Wage Mythology: The Minimum Wage and the Impact on Jobs in Canada, 1983–2012 (Ottawa, Canadian Centre for Policy Alternatives, 2014) at 5.

¹³⁷ *Ibid* at 8.

¹³⁸ *Ibid* at 5-6.

¹³⁹ *Ibid* at 10-11.

¹⁴⁰ Daniel Aaronson, Sumit Agarwal & Eric French, “The Spending and Debt Response to Minimum Wage Hikes” (2012) 102:7 *American Economic Rev* 3111 at 3111.

¹⁴¹ Barry Hirsch, Bruce Kaufman & Tetyana Zelenska, *Minimum Wage Channels of Adjustment* (2011) [unpublished discussion paper, archived at Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labor] at 34.

some cases the increased cost associated with the increased minimum wage will be greater than the cost-savings derived from lower turnover and higher productivity, in most cases an increase to the minimum wage will have no impact on profitability.¹⁴²

In some instances, businesses can pass costs on to their customers by raising prices. This point highlights the importance of allowing time between the announcement of an increase and its implementation. Bill 33 succeeded in this regard by providing a firm timeline for employers by alerting them at least six months before any adjustments. This allows employers time to make necessary changes, such as adjusting prices to absorb the shock of cost increases.

In contrast, another large-scale Canadian study found that raising the minimum wage by 10% had a negative effect on teen employment.¹⁴³ The study found that increases in minimum wages correlated to an increased number of families living under the LICO.¹⁴⁴ This led the researchers to believe that teen incomes constitute a large portion of household incomes in low-income families. The negative effect on teen employment has been declining in recent years, which researchers point out may be due to more regular minimum wage increases than in the past.¹⁴⁵ This decline could also be caused by fewer people working at the minimum wage level, thus reducing the shock to employers when increases occur.¹⁴⁶

Based on the studies discussed, it appears that when an increase is more radical, it is more likely that negative effects may result. Gradual increases appear to avoid the negative effects that can result from raising the minimum wage, while reaping the positive effects. While the Canadian Centre for Policy Alternative researchers did not define gradual, the researchers used the real minimum wage increases in Canada. For the purposes of this paper, I define gradual adjustments as matching inflation

¹⁴² Brennan & Stanford, *supra* note 136 at 12.

¹⁴³ Anindya Sen, Kathleen Rybczynski & Corey Van De Waal, "Teen employment, poverty, and the minimum wage: Evidence from Canada" (2011) 18:1 Labour Economics 36 at 37.

¹⁴⁴ *Ibid.*

¹⁴⁵ Michele Campolieti, Morley Dunderson & Byron Lee, "Minimum Wage Effects On Permanent Versus Temporary Minimum Wage Employment" (2014) 32:3 Contemporary Economic Policy 578 at 589.

¹⁴⁶ *Ibid* at 589.

and providing for a gradual real increase that is not out of sync with growth in the economy. Radical adjustments are defined in this paper as adjustments that are much larger than the inflation rate.

Raising the minimum wage can result in a “spillover effect,” where wages over the minimum are also affected by the increase.¹⁴⁷ One possible explanation for the “spillover effect” is that employers may give raises to some or all of their employees already earning over the minimum wage when a minimum wage increase occurs in order to maintain the difference between their employees’ wages.¹⁴⁸ This “spillover effect” has the effect of reducing wage inequality between high-income earners and those earning the minimum wage or close to the minimum wage, especially amongst the bottom 10% of earners.¹⁴⁹

B. The Living Wage

The ‘living wage’ is the principle that a person working full-time should be able to live above the LICO. This principle is based on the goal of reducing poverty.

Michele Campolieti, a prolific researcher of minimum wages in Canada, found that only 30% of the gains realized from minimum wage increases go to those living in poverty.¹⁵⁰ It has also been found that increases to minimum wages have no impact on poverty levels, as many minimum-wage workers are not in poverty and those in poverty are the most likely to be affected by job loss.¹⁵¹ However, as stated previously, gradual increases in minimum wage may have no connection to employment levels.¹⁵² Gradual increases may be the key to helping those in poverty maintain their positions, therefore allowing workers in poverty to realize more of the gains from minimum wage increases and allowing them to eventually move out of poverty.

¹⁴⁷ Michele Campolieti, “Minimum Wages and Wage Spillovers in Canada” (2015) 41:1 Can Public Policy 16 at 16.

¹⁴⁸ *Ibid.*

¹⁴⁹ *Ibid* at 25.

¹⁵⁰ Michele Campolieti, Morley Dunderson & Byron Lee, “The (Non) Impact of Minimum Wages on Poverty: Regression and Simulation Evidence for Canada” (2012) 33:3 J of Labour Research 287 at 298.

¹⁵¹ *Ibid* at 297-298.

¹⁵² Brennan & Stanford, *supra* note 136 at 14.

Research related to municipal living wage ordinances, including research based on the Seattle experiment, would not be relevant to the discussion of a general living wage in Manitoba. Municipal living wage ordinances largely affect public servants, many of whom already make well above the minimum wage. A province-wide living wage would affect all minimum wage earners in Manitoban, who make up 6% of the total population.¹⁵³ Municipal living wage ordinances only extend to an average of 0.2% of workers per city where they are in effect.¹⁵⁴ Businesses in Manitoba have no choice but to pay the minimum wage, where businesses do have that choice with municipal living wage ordinances. The effect of a municipal living wage ordinance, such as those set in 140 cities in the United States, is not comparable to raising the provincial minimum wage to a living wage.¹⁵⁵

In 2011, Saskatchewan's minimum wage board recommended that a full review of the minimum wage should be triggered if the minimum wage fell below 41% of the province's average hourly wage.¹⁵⁶ Including a similar provision in Bill 33 would protect Manitoban minimum wage earners from becoming poorer relative to other Manitobans and would prevent greater wage inequality amongst Manitobans. Reducing inequality is an important key to maintaining the dignity of Manitoba's minimum wage workers. Furthermore, increasing the minimum wage can be a good tool to make minimum wage workers feel valued.

Lifting individuals out of poverty should be a goal for Manitoba and the minimum wage is one of the many tools that can be utilized to reach this goal. Poverty is linked to poor health.¹⁵⁷ It negatively affects the social relations of those in poverty.¹⁵⁸ People in poverty experience increased social

¹⁵³ Email from Sylvain Beaulieu of Statistics Canada to Jennifer Sokal (6 March 2017) data from Excel documents attached to email.

¹⁵⁴ Benjamin Sasnaud, "Living Wage Ordinances and Wages, Poverty, and Unemployment in US Cities" (2016) 90:1 *Social Service Rev* 3 at 6.

¹⁵⁵ *Ibid* at 3.

¹⁵⁶ Saskatchewan, Legislative Assembly of Saskatchewan, Minimum Wage Board, Saskatchewan Minimum Wage Board Report on Indexation 2011 (February 2011) at 12 (Chair: Wayne Watts).

¹⁵⁷ Dennis Raphael, *Social Determinants of Health*, 2nd ed (Toronto: Canadian Scholars' Press Inc., 2009) at 62-63.

¹⁵⁸ Carina Mood & Jan Jonsson, "The Social Consequences of Poverty: An Empirical

stigma and decreased dignity.¹⁵⁹ Furthermore, children living in poverty have worse educational outcomes.¹⁶⁰ By providing people with an income that meets their needs, these negative effects may be reversed for individuals already experiencing them or avoided entirely by those who might have experienced them in the future.

The amendment brought forward by the NDP on May 30, 2017 could have resulted in the minimum wage adjustments becoming an effective tool in raising people out of poverty. Through allowing the Government to call for increases greater than the s. 7 calculation and calling for adjustments to consider a living wage principle, entrenchment of minimum wage workers in poverty could have been avoided.

C. Cancellation of Adjustment

Section 8 of Bill 33, which allows the Government to cancel an adjustment where there is a forecasted recession, is logical. When businesses are already experiencing reduced profitability, it rarely makes sense to raise their labour costs. A gradual minimum wage increase might result in a disproportionately large increase to costs, resulting in some of the negative results previously described. When a recession is occurring, it also may not be as feasible for businesses to find ways to address increased labour costs, such as through raising prices.

Although this provision is well-reasoned, the criteria for cancelling an adjustment is vague. Furthermore, an increase may not need to be completely canceled; a reduction in the calculated increase may be enough to provide businesses with continued profitability. Due to this provision, the criteria may be decided through regulations: where transparency is lessened, and bi-partisan debate is not required.

VI. OPTIONS

There are several alternatives to the form of Bill 33, which will have varying effects on minimum wage workers, businesses, and society in

Test on Longitudinal Data” (2015) 127:2 *Social Indicators Research* 633 at 649.

¹⁵⁹ Jaime Alison Lee, “Poverty, Dignity, and Public Housing” (2015) 47:2 *Columbia Human Rights L Rev* 97 at 98.

¹⁶⁰ Greg Duncan, Katherine Magnuson & Elizabeth Votruba-Drzal, “Moving Beyond Correlations in Assessing the Consequences of Poverty” (2017) 68 *Annual Rev Psychology* 413 at 415.

general. Furthermore, there are income systems, such as a guaranteed annual income, that are options in addition to or rather than raising the minimum wage.

Before the implementation of Bill 33, there was complete government discretion regarding minimum wage adjustments. This method of adjustment is not ideal because it allows the whims of the government in power to greatly impact adjustments. The negative consequences of this discretion were seen in 2016 with the minimum wage freeze. This type of discretion could also result in radical increases to the minimum wage, resulting in the negative consequences of radical increases discussed previously. Returning to the previous system is not recommended as it does not provide for the predictability needed by businesses in order to avoid harm to businesses and employment levels.

Another alternative is to amend Bill 33 to allow for increases larger than the increase calculated in s. 7(1). This method would allow for the opportunity to have the minimum wage meet a living wage. However, this discretion could also result in there being adjustments that are too large for businesses to absorb. It is important that any amendment include that economic factors are taken into consideration when deciding upon an adjustment amount so as to avoid this negative consequence of untethered discretion. This option is the most realistic option in terms of government implementation, as it does not differ greatly from the current legislation and it addresses the main concerns of Bill 33.

A third alternative to this minimum wage legislation is to introduce a guaranteed annual income (GAI). In this system, every individual with no other source of income would be given a stipend by the government that would raise the individual to the LICO.¹⁶¹ This type of system could drastically reduce poverty. However, it has been found that, by guaranteeing an annual income, the number of hours worked was reduced by 13.5%.¹⁶² Therefore, a GAI would have negative consequences on the wider society in two ways: (1) there would be a large government expenditure in financing this program and (2) the number of hours worked by those under this program would be reduced.

¹⁶¹ Stephenson Strobel & Evelyn Forget, "Revitalizing Poverty Reduction and Social Inclusion" 37:2 Man LJ 259 at 264-265.

¹⁶² *Ibid* at 265.

The Earned Income Tax Credit (EITC) is a final alternative to this minimum wage legislation. This system is designed to address the reduction in worked hours that results from a GAI system.¹⁶³ In this system, low-income earners can claim tax credits corresponding to the hours worked.¹⁶⁴ The income tax credit received is calculated so that workers would receive slightly less from the tax credit than they would from working more often so as not to provide a disincentive to work.¹⁶⁵ The EITC can also be calculated to bring workers to a living wage. One study found that introducing an EITC system may reduce the unemployment rate by as much as 7.3%.¹⁶⁶ However, the subsidizing of wages that occurs with an EITC system may provide an incentive for employers to pay lower wages.¹⁶⁷ Where the EITC is calculated to raise workers to a living wage, this potential employer reaction would result in a large financial burden on the government. While this system is likely to lower poverty levels, the resulting burden on government financing is unlikely to be popular with policy-makers. It may be worthy of debate in the future to discuss whether the societal burden of reducing poverty should be placed more with the government with a system such as EITC, rather than having a large portion of the burden placed on businesses with an increased minimum wage.

VII. RECOMMENDATION

The passing of Bill 33 was controversial, as can be expected for any minimum wage legislation brought in front of the Legislature. Advocates of higher minimum wages and living wages argued passionately about the Government's moral obligation to raise minimum wages, and of how the expected benefits of the increases were more likely to outweigh the consequences. Critics of higher minimum wages argued that raising minimum wages would be harmful to businesses and, in turn, minimum wage workers – the very people that minimum wage increases aim to help.

¹⁶³ *Ibid* at 268-269.

¹⁶⁴ *Ibid* at 269.

¹⁶⁵ *Ibid*.

¹⁶⁶ Hilary Hoyne & Ankur Patel, "Effective Policy for Reducing Inequality? The Earned Income Tax Credit and the Distribution of Income" (2015) NBER Working Paper Series, doi: 10.3386/w21340.

¹⁶⁷ Strobel & Forget, *supra* note 161 at 270.

Studies have shown that there are negative consequences to employment rates when minimum wage increases by 10%.¹⁶⁸ However, when the increases are gradual there is no statistically significant relationship between minimum wage increases and employment levels.¹⁶⁹ The ideal solution would be to find the balance where the increases are small enough for businesses to absorb while remaining profitable but also large enough to help to lift full-time minimum wage earners above the LICO. The amendment to Bill 33, brought forward and rejected on May 30, 2017, could have allowed for this balance to occur. To achieve this goal, a similar amendment, with an added provision requiring the increases to be gradual, should be brought forward. Furthermore, a provision that allows for a review of the minimum wage when the minimum wage falls below a specified percentage of Manitoba's average hourly wage – similar to the recommendation by Saskatchewan's minimum wage board in 2011 – as well as allows for an adjustment outside of the indexed adjustment based on this review, could ensure that wage inequality does not increase significantly due to the indexation mechanism of minimum wage adjustments. The addition of this type of provision should also be considered.

The timed indexation of Bill 33 succeeds in providing businesses with the time and the predictability needed to absorb those cost increases, but it falls short on lifting people out of poverty. By indexing wages to inflation, minimum wage earners' purchasing power is protected, but their status in poverty is entrenched. The key to balancing the competing priorities of raising people from poverty and protecting the viability of businesses may be a system that indexes the minimum wage to an amount where both annual inflation and the economic factors of the day are taken into consideration. The increases should be made with an eye to the living wage, yet they should be gradual enough for businesses to remain profitable. The minimum wage should be indexed to the rate of inflation plus providing for a gradual real increase that is not out of sync with growth in the economy.

¹⁶⁸ Sen, Rybczynski & Van De Waal, *supra* note 143.

¹⁶⁹ Brennan & Stanford, *supra* note 136 at 8.

Appendix A – Table of Manitoba’s Minimum Wage Increase

Dates	Minimum Wage in years of adjustment	Youth Minimum Wage	Dates (cont.)	Minimum Wage in years of adjustment	Youth Minimum Wage
1921	0.25		01-Jul-74	\$2.15	\$ 1.90
1934	\$.25 - urban		01-Jan-75	\$2.30	\$ 2.05
	0.21-rural		01-Oct-75	\$2.60	\$ 2.35
1945	\$.35 - Male	\$.20 Male	01-Sep-76	\$2.95	\$ 2.70
	\$.30 - Female (urban)	(.30 after 6 months)	01-Jul-79	\$3.05	\$ 2.70
	\$.26 - Female (rural)		01-Jan-80	\$3.15	\$ 2.70
1947	\$.40 - Male	\$.20 Male	01-Mar-81	\$3.35	\$ 2.90
	\$.36 - Female (urban)	(.30 after 6 months)	01-Sep-81	\$3.55	\$ 3.10
	\$.33 - Female (rural)		01-Jul-82	\$4.00	\$ 3.55
1949	\$.50 - Male; Female (part-time/urban)	\$.40 Male	01-Jan-85	\$4.30	\$ 3.85
	\$.45 - Female (part-time/rural)		01-Apr-87	\$4.50	\$ 4.20
	\$.443 - Female (full-time/urban)		01-Sep-87	\$4.70	\$ 4.55
	\$.42 - Female (full-time/rural)		01-Apr-88	\$4.70	\$4.70 (As of April 1, 1988, the youth minimum wage rate became the same as the adult minimum wage rate.)
1952	\$.60 - Male	\$.48 Male & Female (urban)	01-Mar-91	\$5.00	
	\$.55 - Female (urban)		01-Jul-95	\$5.25	
	\$.52 - Female (rural)	\$.45 Female (rural)	01-Jan-96	\$5.40	
1957	\$.60 - Male	\$ 0.48	01-Apr-99	\$6.00	
	\$.58 - Female (urban)		01-Apr-01	\$6.25	
	\$.54 - Female (rural)		01-Apr-02	\$6.50	
1960	\$.66 - urban	\$ 0.48	01-Apr-03	\$6.75	
	\$.61 - rural		01-Apr-04	\$7.00	
01-Jul-63	\$.75 - urban	\$ 0.48	01-Apr-05	\$7.25	
	\$.70 - rural		01-Apr-06	\$7.60	
01-Dec-65	\$.85 - urban	\$ 0.48	01-Apr-07	\$8.00	
	\$.80 - rural		01-Apr-08	\$8.50	
01-Jul-66	\$.925 - urban	\$ 0.48	01-May-09	\$8.75	
	\$.90 - rural		01-Oct-09	\$9.00	
01-Dec-66	\$1.00 - urban & rural	\$ 0.48	01-Oct-10	\$9.50	
01-Dec-67	\$1.10	\$ 1.00	01-Oct-11	\$10.00	
01-Apr-68	\$1.15	\$ 1.00	01-Oct-12	\$10.25	
01-Aug-68	\$1.20	\$ 1.00	01-Oct-13	\$10.45	
01-Dec-68	\$1.25	\$ 1.00	01-Oct-14	\$10.70	
			October 1, 2015	\$11.00	
01-Dec-69	\$1.35	\$ 1.00	01-Oct-16	\$11.00	
01-Oct-70	\$1.50	\$ 1.25	01-Oct-17	\$11.15	
01-Oct-72	\$1.75	\$ 1.50			
01-Oct-73	\$1.90	\$ 1.65			

- Manitoba, Labour & Regulatory Services – Research, Legislation, & Policy, “Historical Summary of Minimum Wage Rates in Manitoba”, (Winnipeg: Labour & Regulatory Services – Research, Legislation, & Policy, 2015). Data until 2017.
- Bill 33, The Minimum Wage Indexation Act (Employment Standards Code Amended), 1st Reading, Manitoba, Legislative Assembly, Official Report (Hansard), 41st Leg, 2nd Sess, Vol LXX No 51 (15 May 2017). Data for 2016 and 2017.