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**Chair**

**Mr. Bryan May**



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

Wednesday, March 9, 2016

•(1615)

[English]

**The Chair (Mr. Bryan May (Cambridge, Lib.)):** Welcome. Thank you, everybody, for being here today. Thank you to our witnesses for joining us.

We apologize for the delay. We had a vote this afternoon as well as some very incredible special circumstances that I am more than happy to have been delayed by.

We need to move on, so I'm going to be incredibly brief in my opening. I simply want to once again thank our witnesses for coming today. I'm really looking forward to getting started with this study.

Without further ado, I can offer you, I believe, five to seven minutes for your opening remarks.

Ms. Donnelly, you have the floor.

**Ms. Mary-Lou Donnelly (Commissioner for Workers, Canada Employment Insurance Commission, Department of Employment and Social Development):** Thank you, Mr. Chair.

[Translation]

Good afternoon everyone. I am pleased to be here today.

[English]

I am so happy to see that the committee is studying the employment insurance program. It's something that certainly my colleague Nancy Amyot and I have been working towards for a very long time to see changes so that the program serves the Canadians whom it is supposed to serve.

As I said, I have with me here my policy advisor, Nancy Amyot. As the commissioner of the Canada Employment Insurance Commission representing workers all across the country, both unionized and non-unionized, it is my role, my responsibility, to bring forth the views of my stakeholders to government and the concerns of workers as government develops policies and delivers programs related to employment insurance and the labour market. It is in that context that I am here today.

Much has changed in the Canadian labour market over the past number of years and it is our responsibility to ensure that the employment insurance program remains relevant to the realities of workers and employers.

I have the opportunity in my role as commissioner to meet with my stakeholders regularly across the country and I hear their

concerns on a variety of issues pertaining to EI, and I can assure you that workers, unions, and advocacy groups are all very pleased to be consulted on any changes or anything related to EI.

It's important to note, and I believe that the committee members do understand this but it doesn't hurt to repeat it, that the monies that fund all EI programs come not from taxpayers but from the EI premium rate payers, not from government revenues at all, and only from those workers and employers. Because it's not taxpayers' money, it is the EI premium payers' money, it is crucial that the people paying into this fund have a say in how these funds are rolled out and managed.

In my former life, I was an educator and a teacher-union leader in both Nova Scotia and with the Canadian Teachers' Federation. As president of the Canadian Teachers' Federation, I referred to all of our stakeholders as partners, even right down to the students. I believe that all of us should be working together toward the EI changes and that we should be partners and that we need to listen to each other, so I am really hopeful that these consultations will do just that, that you will take into consideration everybody's opinions and that you will make the best decisions for the EI program that you possibly can.

I want to refer to a report that was released just this past Monday in Geneva by the UN Committee on Economic, Social and Cultural Rights that examines a nation's progress on ensuring a dignified quality of life for its citizens, including issues around employment insurance. In that study, it stated that Canadians have trouble accessing EI and that the 2012 EI reforms, which reduced access and duration of claims, need to be cancelled.

I think they could have just asked me. They didn't have to go and do a study. We've been working with that for a long time.

It's obvious that in this government there is a will to make changes, and therefore, I believe we should do it right while we can, while we have that opportunity.

One of the things I hear from my stakeholders are the challenges associated with the EI sickness benefits. Currently this benefit has a 15-week duration. We've heard from many groups, including the Canadian Cancer Society, the Multiple Sclerosis Society of Canada, as well as individuals and advocacy groups, that 15 weeks is just not enough when people are in dire need with their health, especially when dealing with very challenging long-term illnesses or episodic illnesses.

In fact, with the provision of the 26 weeks of the compassionate care benefit as of January of this year—which is a wonderful change—a caregiver can now have 11 weeks more of EI benefits than the person for whom they are providing the care. I think this is one of the things that absolutely needs to be looked at.

I'd like to reinforce that EI premiums are paid for by employers and employees. Employee groups are very much aware that EI funds have been used for other purposes, certainly over the past 20 years, and I cannot underscore enough the importance of keeping EI funds for EI programs, ensuring contributions are used for the purpose they were originally intended.

We fully support the enhancement and increased accessibility of regular benefits, but in order to enhance our programs we need a sustainable EI fund, one that is fluid in good times as well as in more challenging times. Perhaps it is time for a true consultation on the EI premium rate, with particular attention given to the EI premium ratepayers.

The Canada Employment Insurance Commission is currently celebrating its 75th anniversary. In September 1940, Joseph Sirois was named chairman of the new unemployment insurance commission. Just as the economic crisis of 1929 put added pressure on the Canadian government to adapt to new social and economic realities, so too did the economic crisis 80 years later in 2009, and certainly so does the current economic crisis situation in which we find ourselves. Let us ensure that Canada's employment insurance system addresses the needs of the Canadians it is meant to assist.

I've provided you a summary of the position of labour regarding the proposed changes. Unfortunately, because of time constraints we were not able to have the longer version translated, which explains our position a little bit more, but my understanding is that it will be translated and forwarded to you. Hopefully we can work from the summary, and I'll certainly be willing to answer any questions or expand upon anything in which you are interested.

Thank you very much.

●(1620)

**The Chair:** Thank you very much. Thank you for keeping that comment brief as well.

We're going right into questions. I believe Mr. Zimmer is up.

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Thank you for coming today.

I see that you have extensive labour experience. Which teachers' federation was it in?

**Ms. Mary-Lou Donnelly:** It was in the Nova Scotia Teachers Union and the Canadian Teachers' Federation.

**Mr. Bob Zimmer:** I would ask some questions about the eligibility requirement. You list nine recommendations or proposals or positions on the EI proposals. What hour threshold would you recommend? We've heard recommendations from other parties who would say 360 hours. We certainly don't want to decrease it so much that people want to stay home and not go to work. What is the balance, for you?

**Ms. Mary-Lou Donnelly:** First of all, I'd like to start by saying that 99% of people who are on EI regular benefits do not want to be

on EI. Special benefits, absolutely, but in the case of regular benefits, they don't want to be there. There's a very small percentage of people, I believe—and I hear from EI recipients every single day—who don't want to be working or looking for work.

The 910-hour threshold was so difficult. Part-time people could never meet that threshold of 910 hours. It was too unrealistic. Not enough people who were paying into the fund were able to access it.

You're right, Mr. Zimmer. The Canadian Labour Congress is one of my biggest stakeholders, of course, and their position is that 360 hours be used as a threshold. In calculating that, what they have done is look at part-time workers. They've based it on a formula of work, so that those people, when they were laid off—and we know that part-time workers are our most vulnerable workers and those are the ones who are going to be laid off, mostly, before a full-time worker.... Those are the ones who really need to be able to access EI when they're looking for a job.

That is their recommendation. Many of my stakeholders support it. I have not put a number on it. I think that 360 is very reasonable. Right now the variable entrance requirement is anywhere from 420 to 700 hours. That's separate from the 910 hours. The 420-hour threshold is very difficult for many people.

I think this is an opportunity to look at the economic regions that we have developed across the country. In 2014, when the economic regions were changed yet again and four more were added to the territories and Prince Edward Island was split up into two different economic regions, it was very difficult on all of those residents, both in the north, and I'm still hearing from them, and in Prince Edward Island.

The fact is that if you lose your job, you lose your job. You have to be looking for work, and it doesn't make it any easier once you've lost your job. It may take you only two weeks, if you're living in a region that doesn't have as high an unemployment rate, to find a job, but in that interim, within those two weeks, you have a little bit of income.

I think this is an opportunity for us to look at those economic regions to see what we can do and to make it uniform across the country, rather than have so many differences in so many places.

**Mr. Bob Zimmer:** It sounds to me as if you support the 360-hour threshold.

How do you square the circle to different communities that we have seen with high rates of unemployment? There is one example that I have used often. A fish plant owner—there was 12.9% unemployment at the particular time this was being quoted—is still looking for 20 temporary foreign workers because he cannot find a sustainable workforce to work in his plant. I understand you are saying, essentially, that people want to get back to work, and I certainly agree. I've been there, and I've seen that myself. How do you not establish chronic issues with temporary foreign workers being needed where there are high rates of unemployment? How do you square that circle?

•(1625)

**Ms. Mary-Lou Donnelly:** The whole temporary foreign worker issue is related to EI. I understand that. It is not as simple as “you finish one job and there is a job there that you can do”. It's not that simple. I think that if you spoke to the people who live in these communities, you would get a better understanding of that. I know that there is a difficulty there. I know that there are probably some instances where people could go into working in those jobs. It is very difficult. Some of those conditions are very difficult. They are taken away from their families. It's too far away. It's not the type of job they have been trained for or that they are looking for. I think there are a lot of factors that come into play there, and it's not so easy just to say, “There's a job. Take that job.”

**Mr. Bob Zimmer:** That's fine, Mr. Chair. Thank you.

**The Chair:** Thank you.

Mr. Robillard, go ahead.

[*Translation*]

**Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.):** Ms. Donnelly, what are the main causes of unemployment among the people you represent?

**Ms. Mary-Lou Donnelly:** They are losing their jobs. There is no work for them. There are no jobs.

Is that what you're asking?

**Mr. Yves Robillard:** What causes someone to be unemployed?

**Ms. Mary-Lou Donnelly:** There are no jobs. That is the reality of our economy right now. There are no more jobs.

**Mr. Yves Robillard:** Are there specific differences between the various regions and provinces? Are we talking specifically about Quebec, Atlantic Canada, the western provinces, and northern Canada?

**Ms. Mary-Lou Donnelly:** Of course there are differences. Canada is a very large country, and the situation in the Maritimes and the province of Quebec, where there are a lot of seasonal workers, is very different than the situation in western Canada, for instance. It is very difficult to compare all the regions against one another.

[*English*]

**The Chair:** You still have a few minutes. Would you like to share your time or should we move on?

**Mr. Yves Robillard:** I could share my time—

[*Technical difficulty—Editor*]

**The Chair:** We are moving on, then.

Ms. Ashton, go ahead.

**Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP):** Thank you very much for your presentations. I apologize that I wasn't able to be here. We are dealing with a state of emergency due to the high rate of suicides in a first nation in my constituency. I was just on the phone dealing with that.

Thank you for joining us here today. Obviously, our interest here is in getting to understand the situation that unemployed workers and people who would like to access EI are facing. In many cases, we are

seeing that they are increasingly unable to. We have an accessibility rate of 40% right now, which, if we were in school, would be a big-time fail.

I apologize if I am referring to something that you may have already covered. One of the big issues that we want to hear more about is the need to protect the EI fund, which is paid for by workers and employers. I am wondering what your thoughts are about the importance of that so that it is there for workers when they need it.

**Ms. Mary-Lou Donnelly:** One of our top priorities in my past four and a half years in working at the commission is to advocate for the protection of that fund. We've seen \$57 billion over the last, I don't know, 20 years—I'm not sure—disappear into general revenues instead of going into the EI fund.

The purpose of EI in the very beginning, in 1940, under Joseph Sirois, was to act as a buffer between jobs, which today is what we know as regular benefits. Since then, the whole EI program has really evolved. We have special benefits and they are wonderful. We have training benefits—EI part II—and that too is wonderful. I hear from people every day who have had the opportunity to take advantage of all of those programs.

That said, the EI fund has had to increase. If we want to enhance and increase those programs... A lot of those special benefit programs are being increased while the regular benefit program is not being increased, so we would like to see regular benefits also increased. In order to do that, you need to have a sustainable fund. You need to have a sustainable fund with a premium rate that is going to keep that fund very healthy in good times and in bad, as I said in the opening remarks. The parliamentary budget officer also recommends that there be some money in the fund for those difficult times.

The most important thing is to have the money there so that we can enhance those programs, because right now, as you said, Ms. Ashton, only 40% of workers are able to access EI regular benefits. When we see that, we look at it and say that there's something wrong there, because people are paying into that account.

We need to have a reasonable premium rate for employees and employers to pay, and we need to have a separate fund that is guarded for EI programs and that funds only EI programs.

•(1630)

**Ms. Niki Ashton:** Thank you, Ms. Donnelly.

I'm not sure, Ms. Amyot, if you have any thoughts to add. No? You're fine? Okay.

You mentioned special benefits, Ms. Donnelly, and of course we've also heard much talk about the need for people with illness to be better recognized when accessing the EI fund. There is compassionate leave, of course, but that doesn't cover the actual person who's ill. I'm wondering if your organization has spoken out on the need to go ahead with this.

**Ms. Mary-Lou Donnelly:** We have, actually, and one of the things I hear pretty consistently from my stakeholders is that 15 weeks is not enough for EI sickness benefits. As I referenced earlier, a caregiver can now have 26 weeks while the person whom they are looking after only has 15 weeks, so there's a kind of disconnect there. Perhaps that was an unintended consequence when that change was made, because the 26 weeks over the 52 weeks was very well received by people who needed to have that.

I think we really have to look at sickness benefits. I've heard as well from multiple organizations such as, for example, the Canadian Cancer Society, the Multiple Sclerosis Society, and the Canadian Diabetes Association, where there are episodic illnesses. People don't need that time all at once, but they may need more time throughout the year than the 15 weeks, or throughout a two-year period or whatever it may be, because they do want to go back to work, and they should be going back to work. That often helps them in their illness in many ways, so that's one area that has to be looked at.

I think there's an opportunity here to look at the overall sickness benefits and all of the benefits that are related to sickness benefits, including PCIC, which is for the parents of critically ill children. That also comes into play there. There are also the CCB or the compassionate care benefit, regular benefits, and the sickness benefits.

As I said, I think there's a real opportunity to look at that and to make it work for everybody.

**Ms. Niki Ashton:** I'm wondering if you also feel that questions around eligibility should be reconsidered, given the fact that many people are being considered ineligible. Obviously, this varies across different regions.

**Ms. Mary-Lou Donnelly:** Yes, absolutely. The 910 hours was just so difficult for folks. As to making that change, as is proposed by this government, we fully support that; however, we would like to see it be uniform across the country. As I said before, when you lose your job, you lose your job. You don't have a job, and it might be easier in one region, but it might still take you six weeks to find a job.

I think everybody should be equal across the country. In terms of our research and what we've found, Canada is one of the only countries in the world where there is that variable entrance requirement for EI, so we would really like to see that studied and a good decision made there.

•(1635)

**The Chair:** Thank you.

Mr. Long.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Thank you, Mr. Chair.

Thank you, Ms. Donnelly, for your presentation. It's a very interesting and very important topic.

I'm from Atlantic Canada, from Saint John. I used to work in the aquaculture industry in St. George in Charlotte County, and I was very involved in the sales and marketing side in many fish plants.

Mr. Zimmer, I think, was talking about different unemployment rates in different regions. For example, say in one area there's a 12.5% unemployment rate. At times I feel that's misleading, because there are many people in those plants who have open claims but they don't actually draw benefits, so they're listed as unemployed but they're actually working.

I just want to get your comments or your thoughts on that. Do you agree with that?

**Ms. Mary-Lou Donnelly:** I do agree with that. It's often difficult to get those exact statistics, but I think that's why it all has to be looked at. I think we'd get better numbers if we knew, truly.... I think it would be good to look at having more uniform entrance requirements for EI benefits across the country and at changing how those numbers are counted.

**Mr. Wayne Long:** Just to dive in a little deeper, how could that be fixed, though? How could you fix that?

**Ms. Mary-Lou Donnelly:** Actually, that particular question is not something that we've had the opportunity to really look at, so I don't have an answer for that right now. But I think it's interesting that you raised it, so we'll certainly turn our minds to it.

**Mr. Wayne Long:** I've seen that a lot in the plants I've been involved with. Sometimes those rates are misleading.

**Ms. Mary-Lou Donnelly:** I think that's another reason why we shouldn't have all those economic regions and different rates across the country.

I go back to the example of Prince Edward Island, where they took a very small geographically situated island and split the economic rate, so my neighbour, with whom I worked in the same plant, could have more access to EI, longer access to EI, than I could, simply because I was living on the edge of Charlottetown, the urban area, and she was living at the edge of the rural area. I think that is a reason and perhaps that is one of the ways we could get better figures on unemployment rates.

**Mr. Wayne Long:** I can cite an example where literally somebody on one side of the street got 16 weeks of benefits and somebody across the street got 29.

**Ms. Mary-Lou Donnelly:** It doesn't make sense.

**Mr. Wayne Long:** Thank you.

I just want to go back to some of the changes made to the EI program under the previous government. They redefined the terms "reasonable and customary efforts to obtain...employment" and "suitable employment" in terms of the kinds of employment EI recipients would be required to accept. The expectation obviously at that point was that it would increase job-search efforts and would make them try to find work or go back to work quickly. Do you feel that's happened?

**Ms. Mary-Lou Donnelly:** No, I'll tell you what that did. That put undue pressure on claimants who are already in a terribly stressful situation because they've lost their jobs. They have a mortgage. They have a car. They have a family. They have children in university. They have everything else, every bill that you and I have. It was seen as punitive for workers.

I had somebody ask me if I knew that when you're on EI you feel as if you've done something wrong. That really hit home for me. I think that probably the reasonable and suitable employment, the CCAJ as we refer to it—connecting Canadians to available jobs—was probably the most talked-about issue among my stakeholders since 2012 and how demeaning those changes made them feel. Even if they didn't lose their benefits because of the changes it was still the whole stigma hanging over them. To say now they have to accept this job at 70% less, and by the way if they're a seasonal worker they only get six weeks to look for a job, I can't tell you how that affected the claimants, and these are the people who pay into EI and who trusted that EI would be there for them when they needed it.

Did it make them get back to work any more quickly? I don't believe it did. As I said earlier I believe that 99% of people who are not working and who should be working want to be working. When you're not working you don't just lose your money you lose your sense of empowerment, your sense of dignity, your sense of pride in your community, within your family. It goes on and on. Do most people want to be working? Absolutely.

• (1640)

**Mr. Wayne Long:** Just one more follow-up, did you see the results that you observed vary by province, by region, by gender?

**Ms. Mary-Lou Donnelly:** The biggest difference I probably saw was with the seasonal workers in the Atlantic provinces and in Quebec. Quebec was very much a part of that as well as the seasonal workers. Yes, I would say that was different from what I saw out west until now, and now we're seeing a difference out west and we're hearing a lot of difficult challenges for folks out west.

**The Chair:** Thank you very much. Do you have one last thought?

**Ms. Mary-Lou Donnelly:** There was a wonderful segment on CBC's *The Current* with Anna Maria Tremonti. She was in Newfoundland talking mostly to the men who had gone out west to work and the effect that it had on the family. She was interviewing the wives and the children as well as interviewing these men when they're forced to do that and then come home. It was very interesting. It's certainly something that we talk about because of the difficulties on family life around having to do that. Now when they're losing their jobs they need to be able to come home and access EI more easily.

**The Chair:** Thank you, Ms. Donnelly.

Ms. Amyot, we didn't hear much from you, but you gave good moral support. Thank you, and again I deeply apologize for cutting this short today but I learned a lot. I believe we had some good discussion here. Please accept our thanks from the committee for appearing today.

**Ms. Mary-Lou Donnelly:** I had earlier referenced that I gave you the summary, but I have a longer paper on it that is being translated. Once you get that if there are any questions that we didn't have the opportunity to get to—you have my card as well—please send an

email and I would be more than happy to talk to you about it. Thank you, everyone. Good luck in what you do.

**The Chair:** We will take you up on that. Thank you very much.

The committee will take, literally, a less than two-minute break while they get the video set up for our next panel. We have a video conference from Toronto as part of our panel, so don't go anywhere. We're going to get going and try to get back on time.

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• (1645)

**The Chair:** It looks like we have the video up and running, so could we take our seats and get going?

Hello, everybody.

Just so that everyone is on the same page, first of all, again, I apologize for the delay today. We had a vote in the House.

Thank you to all the witnesses: Mr. Gray, Mr. Busby, and direct from Toronto, Mr. Kelly. Thank you for being here today. We are going to get started with your statements right away and go through the questions. We hope to be finishing around 5:30 p.m. If we are engaged in some pretty heavy questions then we may go a few minutes late. I do recognize that everybody around this table has other commitments after today's meeting so we'll try to respect that as best we can and get through the business as quickly as possible.

Without any more pomp and ceremony, I will turn it over to this panel. Who is speaking first?

Mr. Gray. Thank you for being here.

[Translation]

**Dr. David Gray (Professor of Economics, University of Ottawa, As an Individual):** Thank you very much for inviting me to appear before your committee.

I believe I have 10 minutes. Is that correct?

[English]

**The Chair:** I would say five to seven. There are three of you here.

**Dr. David Gray:** I've organized my comments around recent statements from Minister Mihychuk and from a statement made by honourable members of Parliament Ms. Trudel and Ms. Ashton on behalf of the New Democratic Party.

First of all, I have long been in favour of abolishing the NERE requirement, and it doesn't seem as though there's much argument about that anymore. It would be a lot easier to analyze the impact of the NEREs and to try to track their behaviour and their outcomes in the labour market had the survey of labour income dynamics not been abolished. The survey of labour income dynamics of Statistics Canada was discontinued because of very severe budget cuts at Statistics Canada. They have made it harder to deal with some of these pressing issues, such as temporary foreign workers and employment insurance reform.

As for those workers who might accept or might have to accept a lower-paying job after they've been displaced, a number of years ago I did a study for what is now Employment and Social Development Canada concerning wage insurance, which would be a different use of the employment insurance fund whereby someone could accept—hopefully temporarily—a lower-paying job and be indemnified for part of their wage loss, rather than be totally indemnified for their employment loss for only a limited number of weeks at 100%. It's basically insurance on a sliding scale for your lost earnings. I would be quite enthusiastic about a pilot project to try that out.

The minister mentioned a parental benefits system. I think economists have long thought that parental benefits and maternity, paternity, and adoption benefits should be totally removed from the EI system. They're only there for administrative convenience. There's a totally different story going on. I think they should be placed in a separate funding envelope in a different system.

I was very glad to hear Ms. Donnelly talk enthusiastically about the labour market development agreements and passive benefits—retraining, labour market information, job counselling, etc.—but we still have to acknowledge that we don't know an awful lot about which of these interventions work and are really helping workers and which ones don't work. That's true for other countries as well. I'm all for expanding funding for EI part II, but we still need to do a lot of research and run experiments to figure out how to get the biggest bang for the buck in helping unemployed workers in Canada.

The minister also mentioned the work-sharing provision. This is something I researched quite a bit in the past. The program has been totally dormant for years now, but I fear that the downturn in oil prices and commodity prices is far too long for the wage-sharing provision to really apply.

The minister also talked about a desire to keep payroll taxes low. I'm all in favour of that as well, because they impinge upon the demand for workers. This shouldn't just be aimed at small employers. I think we really shouldn't, particularly for payroll taxes, differentiate according to the size of employers.

I'll move on to the proposal by the New Democratic Party for uniform entry requirements. Ms. Donnelly was talking about that. I am all in favour of this. Certainly today we would never reach agreement about what that threshold should be, but I'm definitely in favour of uniform entry requirements. Yet I also think they should be coupled with uniform benefit entitlement periods.

• (1650)

We should make it easily accessible for everyone across the country. Under normal conditions the benefit period should be the

same for everyone as well, with the exception of what they do in the United States. In the United States they lengthen the benefit entitlement period or duration during recessions like 2008 and 2009. Even the United States, generally very stingy when it comes to unemployment insurance, greatly extended the benefits when there was a terrible, negative shock to the entire labour market. I think we can have extended benefits in those situations. Ms. Donnelly was absolutely correct. I think we're just about the only country on this planet that has these variable entry requirements and extended benefits on a regional basis.

We should lower entry requirements, yes. I'm all in favour of that. Exactly what the number is, I wouldn't dare answer that without much more research. That will cast the net a bit wider as far as access is concerned.

A point that was raised during the last session is that we certainly do not want to encourage, subsidize, or develop further seasonal or frequent use of the system. I would want to see safeguards so that we don't take new entrants into the Canadian labour force and have these new entrants or re-entrants develop dependency patterns on the EI regime.

• (1655)

**The Chair:** Thank you very much.

Mr. Busby.

**Mr. Colin Busby (Associate Director, Research, C.D. Howe Institute):** I thought I had 10 minutes, but I'll try to cut it down.

Thank you, Mr. Chair and honourable members, for the invitation to be here today. I plan to spend roughly half of my time talking about recent changes to the EI program, particularly the more controversial pieces. I want to spend the other half of my time talking about the topic of EI access, which I understand the committee is interested in. I'm going to focus my comments mainly on the concept of regular benefits.

Two recent changes to EI in particular have received a tremendous amount of public attention. They are the connecting Canadians with available jobs initiative and the variable best weeks approach to calculating EI benefits.

In 2012, Bill C-38 included the connecting Canadians with available jobs initiative. Its intention was to ensure that unemployed Canadians would be better connected with Canadian jobs—jobs in their local area—and to clarify their responsibility to undertake a reasonable job search for suitable employment while receiving benefits.

I think the first two aspects of the reforms, which intend to improve labour market information and job matching with employers, and ensure that temporary foreign workers are not replacing Canadian workers, are reasonably admirable aspects of the policy, and I think they have reasonably broad support.

The aspect of the reform that obviously bolstered the responsibility of workers to undertake a reasonable job search did, however, spark a considerable uproar. The new rules, as most of you know, set different job search efforts and requirements, as well as willingness to accept job vacancies based on categories of claimants.

On one end of the scale, frequent claimants are required to face stronger search processes earlier on in their claims, whereas what are called long-tenured workers—workers with very little history with EI—face pressures that really pick up later on in their claims but also start off a little bit more rigorously than they used to.

I think it would be fair to classify these rules as what economists traditionally refer to as a type of experience rating, which is meant to adjust the parameters of the program based on one's history as a way of discouraging dependence and reliance on the program. However, I would argue that this is a very watered down and convoluted type of experience rating. There is probably a good reason as to why. There is a very long history of trying to implement experience rating in employment insurance in Canada and to gradually reduce the dependence of seasonal industry workers on the program, although nearly all attempts to do so have been reversed.

Employer-based experience rating was deemed too politically difficult to implement in the early 1990s, and employee-based experience rating, introduced in the late 1990s, which alters benefits according to history, was reversed in 2001 under intense pressure, pressure that remains to this day. For instance, in 2012, when these changes were announced, the Atlantic Canadian premiers held a joint press conference to criticize the changes. I'm going point out that most troubling here is really just how modest these reforms are. I will go on to discuss how I think it portrays a really rather sober context for the possibilities of widespread EI reform in Canada.

I think there is indeed significant evidence supporting the rationale for the announced reforms. A large number of EI claimants likely do not fulfill their job search obligations while collecting benefits. A study by HRSDC, currently ESDC, calculated in a reasonably conservative way that around 15% of EI regular claimants did not look for work while receiving benefits and did not have a good reason for not doing so. Of these individuals, the vast majority, around 85%, were waiting to be recalled to a former job. In other words, they were waiting for seasonal employment to recommence.

In fiscal year 2013-14, the year in which the new rules came into effect, there were around 1,080 total disentitlements because claimants failed to search for work or refused suitable employment. These represent only 0.08% or around one-tenth of 1% of all EI regular and fishing claims that year. Further, the number of additional disentitlements relative to the prior year was 580, which makes for a total impact of one-twentieth of 1% of all EI claims.

Prior EI monitoring assessment reports have highlighted that a deeper review is under way and should have been completed by the end of 2015. I have no access to those documents, but I'm sure the

clerk and your analysts are well ahead of me in getting their hands on them, and I strongly encourage the committee to get their hands on that work prior to coming up with the recommendation.

There are indications that those changes might have been very expensive given the results that we've seen and the intended behavioural changes. The greater issue I have with the prior reform is that not only does it appear to have a limited influence in dealing with the issue of frequent claimants, but it has made the administration of the system much more complex and cumbersome.

Furthermore, it's not clear to me as to why long-tenured workers, who have no history or very little history of claiming EI, should fall under stricter rules than those that existed prior to reform. There is no evidence to suggest that these workers are at risk of becoming frequent claimants, plus there is every indication that these workers have high attachment to the labour force.

• (1700)

Now to the question of EI access, and I'll be brief.

As this committee goes forward, I want to point out that these concepts are fraught with pitfalls and conventional misunderstandings, so one must be very careful when framing the issue of EI eligibility and EI access. The oft-mentioned 40% figure refers to the ratio of EI beneficiaries to unemployed Canadians. It is a snapshot of the number of workers receiving EI benefits divided by the number of individuals who are unemployed. This ratio is, however, just simply an indicator of how large the federal role in overall income support programs is, independent of the EI program's role as an insurance program against unexpected job loss.

It is true that relative to the 1970s and 1980s the federal role in overall income support programs is smaller today. But this is true mainly because there have been important changes to the composition of unemployed workers and because of reforms to the program in the 1990s. There have been no large changes to EI access criteria since the mid-1990s, and there's been no movement in the beneficiaries-to-unemployed ratio since then.

**The Chair:** Thank you, Mr. Busby. That's good.

As I said, coming from Toronto, from the Canadian Federation of Independent Business, we have Mr. Daniel Kelly.

Welcome.

**Mr. Daniel Kelly (President and Chief Executive Officer, Canadian Federation of Independent Business):** Thank you very much.

I will refer to the slides that I believe you have in front of you, so I'll keep the numbers going.

Just for those who don't know, CFIB is a small business advocacy organization. We have 109,000 members across Canada, all of them are independently owned and operated businesses. We're a strictly non-partisan advocacy group.

Slide 3 shows that the small business expectations for the economy are dropping pretty fast. In fact, in Alberta right now we have an unprecedented low in small business optimism. That is quite troubling. Slide 4 tells us that on the employment front, small employers have been holding it reasonably well to this point. There have been more small employers looking to hire than looking to lay off. In recent months, as we've been measuring it, that gap is getting really small, where we were near a larger number of employers looking to lay off than hire. But in the most recent months, there's actually been a nice uptick it seems in terms of hiring expectations. This is often very seasonal. We do see this reading fairly frequently at this time of the year, but one would expect with the economy being as flat as it is right now, small firms, which do a disproportionate amount of the hiring in the economy, may continue to struggle with that in the future.

Slide 5 shows that the tax burden remains the number one concern of small and medium-sized firms across the country, but employment insurance is still fairly high. About 46% of our members say that EI is an issue of concern to them.

Payroll taxes hit small firms disproportionately hard. Slide 6 shows that 76% of members, small business owners, say that payroll taxes, EI, CPP, workers' compensation, those types of taxes, are the ones that hit them the hardest, well above corporate income tax, personal income tax, or even sales taxes.

One thing I should point out on slide 7 is that a huge number of small businesses across Canada have been asked by employees to lay them off so the employee can collect employment insurance premiums. While employers support strongly the view that there should be a good, well-funded system of EI available for those who lose a job through no fault of their own, we do need to do more to ensure that it doesn't encourage people to go and sit on the sidelines of the labour market as opposed to being actively employed.

With respect to the 2012 changes, we did survey our members in three regions: Atlantic Canada, Quebec, and Ontario. On slide 8 it shows that there was fairly broad support for most of the changes that were brought in at the time. That was including employers in Atlantic Canada and Quebec as well.

But we did certainly get some negative feedback from small businesses that are seasonal in nature. We did a deep dive as to what their issues and challenges were. There was concern at the time that they might lose good people who they depend on year after year. I have to say though, in reality—and I think this was consistent with what Colin was sharing a minute ago—virtually nobody got rejected from the employment insurance system as a result of these changes.

Enforcement has always been a problem. Most employees know that if you have a good story when you go into the EI office, you'll get reinstated with benefits in about two seconds. That does suggest to most employers that the enforcement really showed that these changes weren't having an operational impact on their employees or prospective employees.

I do want to note that small firms invest very heavily in training. We've estimated that at about \$14 billion a year from SMEs. Most of that training in the small business workplace is informal. Small firms do find it more costly to hire new entrants into the economy, about \$4,200 per year. It costs a lot more when you hire somebody who doesn't have job experience than somebody who comes with some.

We also know that small firms are the largest source of employment for inexperienced workers. I got my start at a pizza restaurant in Winnipeg where I grew up, and many of you will say the same thing, that your first job was often at a small independent business. That's very costly to the business. Small firms take a huge chunk of that employment burden in terms of training.

• (1705)

I do want to note very strongly with you that the Liberal promise to reduce the size of the cut in EI premiums in 2017 does worry us, particularly our small firms. Many of you may not know that in 2017 EI rates for small firms will go up while rates for employees and larger firms will go down. That is a huge concern. That's as a result of the small business job credit that was brought in for 2015 and 2016. That credit lowered premiums for small firms a couple of years earlier than other groups, but now as a result, small firm employers are going to see payroll taxes go up in 2017 unless action is taken, something we're advising you to do.

• (1710)

**The Chair:** You have about 30 seconds, Mr. Kelly.

**Mr. Daniel Kelly:** Very good. I'll skip ahead to my recommendations.

One recommendation is that you maintain the small business job credit or put in place a permanent lower rate for SMEs, perhaps on the first \$500,000 in payroll, and that some consideration be given to a fifty-fifty split in premiums between the employer and the employee. We recommend that employer overpayments be ended. Right now that's estimated to be about \$900 million a year that employers pay because they're duplicating the EI that was paid by a previous employer when somebody has a new job.

We do need details on the youth employment incentive. We're thrilled with the Liberal plan to exempt and put a holiday in place for EI for 2016, 2017, and 2018, but for that to have an effect, employers need to know about it. Right now no information, zero information, has been shared with employers about that incentive so that they can take advantage of it.

Finally, and this is very recent from some meetings in Alberta, we're getting a big uptake in calls about the work-sharing program. A lot of businesses are interested in using it in order to protect long-term employees, but perhaps some expansion or simplification of that program, as happened during the 2008-09 recession, may be of use. We ask for consideration of that.

Thank you.

**The Chair:** Thank you, sir, and thank you to everybody for curtailing your remarks today. I do respect the work that has gone into these presentations, and I apologize again for putting you on the clock a bit.

We will move on to our first questioner, Mr. Warawa.

**Mr. Mark Warawa (Langley—Aldergrove, CPC):** Thank you, Chair. I'll be sharing my time with Mr. Deltell, so if have six minutes, at three minutes in, could you give it to Mr. Deltell?

Thank you so much to all the witnesses for being here.

To Mr. Kelly, with the Canadian Federation of Independent Business, in a past life I was an entrepreneur myself. There is a risk to running a business and hopefully there's a profit at the end of each year. The first three years are difficult and I think the first two years of business I did not make money. I lost money. The third year I made money and from then on. The more money I was making in gross, the more I was able to hire staff and expand. It's always a risk to create a business, and not all businesses are successful. My hat's off to those who are growing businesses and taking those risks because you help create jobs in the Canadian economy. Thank you for representing them.

For EI, I remembered that for every dollar I would deduct from an employee's gross pay to pay for EI, I would have to pay \$1.40. When I would give an employee an increase, there would be a proportionate increase that I'd have to pay for EI, and if it was a bad year—there were some in the eighties—I went without a paycheque because my staff always got paid first. That's what it's like to be in business at times.

When we talk about increases to EI, or reducing the level of qualifying for receiving EI—I think the suggestion was 360 hours, which is 45 days of work—what's the direct impact to an employer?

Also, how important is growing government debt to the people you represent?

**Mr. Daniel Kelly:** We've certainly seen an uptick in the concern over debt and deficit, but this is across all governments, not just in the federal government. That is a growing issue of concern to our members, as shown in our surveys.

With respect to reducing the number of hours for eligibility, we are doing some surveying of our members on issues related to the reduced hours that would be required for new claimants to get on EI. I haven't heard any major hue and cry from small business owners about that.

I have to tell you that we are quite concerned about lowering the threshold, the number of hours that would be required for repeat claims. I think any thought to go in that direction, making it easier to get on or stay on EI, is at odds with the employer's interest. Many

small firms feel they are competing for workers against the employment insurance system, and that's something that shouldn't be allowed.

Again, we do want to make sure that it is there for everybody, but we also want to make sure that it isn't terribly easy. I have to say that the numbers of hours that have been discussed in public policy circles are pretty darned low. We really urge you to do careful econometric modelling of what would happen as a result.

**The Chair:** Thank you.

Monsieur Deltell, you have about two minutes and 15 seconds.

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you, Mr. Chairman.

Mr. Kelly, I'm pleased to see and talk to you.

I have some questions about page 7 of your document, under the heading "Employers Competing with EI". It says, "During the past year, have any employees asked you to lay them off so that they can collect EI benefits?"

I'm from Quebec. I'm very pleased to see that it's only 18%. On the other hand, we can see that in Atlantic Canada it's 27% and in Ontario it's 22%. How do you explain the difference between Atlantic Canada and Quebec?

**Mr. Daniel Kelly:** I don't know the reasons for the difference, but my observation, in looking at these numbers, is that they're too high in all regions that we surveyed: Ontario, Quebec, and Atlantic Canada.

The system isn't there for people to choose if they would rather sit on employment insurance than be in a job. But employers know that often around hockey season, hunting season, or summer, there are requests from employees who basically want to have a paid holiday. There's often great pressure on the employer to try to say yes to this. We're hoping that business owners say no. Really, the system should be there for people who lose their jobs through no fault of their own, and not people who ask to be laid off.

● (1715)

**Mr. Gérard Deltell:** We all recognize that EI is not a way of life. It's just a safeguard, because no one is removed from that kind of problem.

I'm very surprised to hear you talking about hockey and fishing. We are born to work, to get a salary, and to pay our taxes because we work hard. I'm very surprised to see that it's high, as you say, even if in Quebec it's not as high as other provinces. Still, it's too high.

**Mr. Daniel Kelly:** Yes.

**The Chair:** Thank you.

Mr. Ruimy, please.

**Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.):** Thank you all for coming, gentlemen.

I'll be directing some questions towards Mr. Kelly.

Thank you for your presentation. I have a couple of questions. As a small business man and somebody who has been on EI, it's nice to know we have access to programs that help us get back on our feet. That's not an issue.

Page 3 of "EI Changes Through a Small Business Lens" asks, "During the past three years, have you had difficulty hiring new employees?" Really? We're looking at different industries such as hospitality, manufacturing, construction, trade, services, and resources. For the responses "very difficult" or "somewhat difficult" the responses are in the range of 70% plus.

We know we have a lot of unemployed people, but why is there such a difficulty in accessing those people who are unemployed and looking for jobs?

**Mr. Daniel Kelly:** There are several reasons.

In Canada I was actually very pleased to hear some of the comments coming from Liberal MPs in Atlantic Canada. I guess any MP in Atlantic Canada right now is a Liberal MP. The comments from several MPs and from the New Brunswick Minister of Fisheries were that we have to begin to accept that there are sectors of the economy, types of work, as well as regions of the country where people are just not terribly interested in taking the jobs that are available.

The example that was being used at the time was fish plants. The demand from Atlantic Canada is to ensure that there are more temporary foreign workers or permanent residents who come in to take jobs in fish plants because Canadians are not lining up for them themselves.

That example is extended beyond fish plants to all sorts of sectors of the economy, a growing number of sectors of the economy. Wages do play a role in that for some sectors, but we know that in the meat processing industry there are giant numbers of jobs with nobody applying for them. For agricultural jobs, it's the same. Young Canadians are not lining up for those jobs. Even for retail, hospitality—running hotels, changing hotel rooms—I have to tell you that employers are struggling often to do that even when the unemployment rate is high.

I have the example in Banff right now. There are loads of hotels that are sitting with areas closed even though there are customers who want those rooms, simply because they can't find the people to clean them and to take care of them. We shouldn't be losing out that way.

The temporary foreign worker changes that the Tories implemented were brutal and really made a bad problem a lot worse.

**Mr. Dan Ruimy:** Coming back to that same question, though, we're talking about hospitality, construction jobs, manufacturing jobs, and trades. These are significant jobs that could be held. I don't understand. I know coming from B.C. where business is booming we have a shortage of employees, for example, in hotels, manufacturing. We're struggling to fill jobs, yet we have people who are looking for unemployment.

Can you make a connection between that?

**Mr. Daniel Kelly:** Sure. I've spoken about this a great deal and have done a lot of research in this area.

We are rapidly upskilling our young talent and wanting everybody, it seems, to be put through the school system to get a university-level education. Of course, we also have declining birth rates in Canada that contribute to this. That bias against jobs in the trades and in jobs where you're working with your hands is still very strong.

I think some progress has been made on that front in recent years, but there's a disconnect. The immigration system brings in virtually no one other than refugees who are oriented to jobs like that. Our education system in Canada really doesn't push people to consider jobs in those occupational categories. That, I think, is one of the contributing factors to this problem.

● (1720)

**Mr. Dan Ruimy:** I'll draw your attention to the next chart you have at figure 3: "How has the difficulty in hiring new employees affected you and your business?" Going down the list, it's 65%, "Poor quality applicants"; "Owner working more hours", 60%; "Reduced productivity", 50%; "Increased labour costs", 42%. This is very telling to me. Can you speak to me about this?

**Mr. Daniel Kelly:** We actually did a report. I didn't include it in your packages. There's another report that we did that measured the Canadian work ethic among new entrants into the workforce, and I have to tell you the view from employers was not super flattering right now.

They love their current employees and desperately want them to stay, but when they're going to market to try to find new ones they're finding people who don't show up to work on time, people who will take a job and then say, sorry, they can't work any evenings, they can't work on the weekends. They have a concert on Tuesday and they can't come. One of the most disturbing trends I talked a bit about is employees who are bringing mom to the job interview, and mom is doing the talking, instead of the young person actually putting their own qualifications forward to the employer.

The work ethic, I have to tell you, among new entrants is a bit troubling.

**Mr. Dan Ruimy:** I have one more question.

Overall, when we look at these types of issues are those employment issues or are those training issues that need to be addressed?

I get that some people are unemployed and need to tide themselves over to the next one, but looking at a business perspective, training seems to be a huge issue as well as work ethic. How do you think that plays into the whole employment program?

**Mr. Daniel Kelly:** I don't think there is one silver bullet in any of this. I think there need to be changes made in a variety of policies, both federal and provincial, to help in that regard.

One of the things we really do believe strongly, though, is that small firms that do a ton of on-the-job work-hardening skills training for employees need to be supported. We have all sorts of government support programs for university education, post-secondary education, but those skills that are learned in that job at the pizza place when you are 15 or 16.... If we can provide small firms with a lower rate of EI in order to recognize their investments in that initial training for Canadian employees, we think we will be better off.

That is why we have pitched the idea that, if employers generally pay 1.4 times what an employee does, maybe for small businesses up to the first half a million in payroll, it's 1.2 times.

A training tax credit is another way of accomplishing the same goal.

**The Chair:** Thank you very much.

Ms. Ashton, go ahead.

**Ms. Niki Ashton:** Thank you.

Thank you to all of our presenters.

I want to make an editorial comment. I am a bit troubled by some of the tone used towards EI claimants. We did hear from Ms. Donnelly. She said that 99% of the people who receive EI would rather be working, and certainly I know that to be the case where I come from.

While I appreciate the discussion about some of the trends that business owners may be seeing in terms of young people, without those figures to discuss.... If we are going to continue down that path, I think we also need to have a discussion about the lack of good jobs available to young people in today's economy, and the increased dependence on precarious work, particularly in places like Toronto. That's for another discussion, but I don't like seeing my generation and those younger be maligned, in general terms, without having a fulsome discussion about the situation they face.

I want to go back to Professor Gray and Mr. Busby.

Professor Gray, you, in particular, referred to the importance of the labour market survey, which obviously pertains to the discussion here, but more broadly to the decisions governments make on the job front and program front. I wonder if you could speak a bit about why it is so important, and what we need to be doing on that front.

• (1725)

**Dr. David Gray:** First of all, perhaps I should disclose that I have a bit of a vested interest, I suppose, being a trained labour economist.

The survey that I was talking about is called SLID, a survey of labour and income dynamics, and it would follow people over time. We can get so much information by following people over time. When we look at the labour force survey that is released once a month, we can follow someone only for nine consecutive months at the very most.

That survey was pretty complicated. I remember it took me a while to get comfortable with it, but it was eliminated with absolutely brutal budget cuts at Statistics Canada.

As for the temporary foreign workers issue, it is still very much a relevant and hot button issue. They finally did allocate funds for the creation of a new survey, which would try to measure labour shortages and labour surpluses at the local level. At the level of the provinces, it's much too aggregated to really figure out what is going on in these local labour markets.

We need more detailed data collected from firms, as well as individuals, because firms, as well as workers, are important actors over long periods of time. We also have to make judgments based on how people act, not just on what people say. Everyone says that they desperately want to work, but economic research is often based on observed outcomes and observed behaviour, rather than just what people profess orally.

**Ms. Niki Ashton:** I thank you for that feedback. I want to go back to the point you mentioned earlier, again around the importance of moving to uniform, country-wide EI entrance requirements. Could you elaborate a bit on why that's important for us to take forward?

**Dr. David Gray:** For one thing, there is the equity issue that was raised, not so much during our session but during the previous session. A number of members of this committee brought up what I thought to be very valid anecdotes of totally inequitable situations.

Most economists are opposed to regionally based benefits, because they discourage regional geographic labour mobility and undermine the efficiency of the labour market. I think that sometimes the benefits should be modulated, should be sometimes modified according to the adjustment costs of an individual worker.

Sometimes we should have variable entry requirements and variable durations, but usually not based on a region. In Europe it's the age of the worker that leads to extended benefits. It could be longer benefits for people who are disadvantaged, for one reason or another. Then, I mentioned longer durations during recessions. Most labour economists are very opposed to the regionally based criterion, particularly when based on the unemployment rate as opposed to how easy it is to find work.

**The Chair:** Thank you.

Ramesh Sangha.

**Mr. Ramesh Sangha (Brampton Centre, Lib.):** Thank you for coming today and for making your submission here.

In November 2011, Mr. Gray, you co-authored a policy paper for the C.D. Howe Institute with Mr. Busby. It was regarding EI.

Mr. Busby, do you still concur with that policy paper? Has your position remained the same as of today?

• (1730)

**Mr. Colin Busby:** It's a good question. I think for the most part yes.

The paper focused on variable entrance requirements and discussed in great detail the variable entrance requirements and the challenges in variable entrance requirements as a macroeconomic tool, but also as a tool continuing and supporting what we see as persistent pockets of high unemployment in some areas of the country.

I think there's probably some broad consensus on a harmonized rate, but you can do all the econometrics studies you want and I don't think you'll ever come to a reasonably good conclusion as to what it should be, because there's always going to be some kind of worker who will be affected in a negative way as a consequence of it. What's nice about the 360-hour proposal is that it refers to part-time workers. It would be a nice thing to capture part-time workers, but if we go that low, then the problem is that you get an extreme risk of creating a large level of dependency and encouragement of seasonal work.

There will, then, be winners and losers. I think it speaks to the challenges of having a national program in a country with so many different regional economies and with so many different regional needs. It really speaks to the impossibility of having one set of rules to fit everyone's needs. I think that's probably what you'll find in the end.

The idea of perhaps setting the provincial base line and having provinces top up or tag on to provincial benefits is one that has occurred to me since then as being perhaps a solution around the fact that you're never going to get a one-size-fits-all program coming out of Ottawa for all the different economies in Canada.

**Mr. Ramesh Sangha:** I can understand that you are not ready to accept 360 hours because that is less than.... Can you suggest what the number of hours should be? Do you have something in mind?

**Mr. Colin Busby:** Again, it's a challenge. Where would your baseline be? I think you have to determine a baseline and it's not going to be 700 hours and it's probably not even going to be 420 hours. Then I think you have to question who's going to be affected and why.

If things like seasonal unemployment and income redistribution to different parts of the country are things we want to encourage, then you ought to be thinking about how to do those things outside the EI program perhaps and through different mechanisms. Because EI will not be an effective tool at appropriately accomplishing all these objectives.

It's going to be a program that helps people who lose their jobs and provides appropriate income support to them, but it's not going to be that and the regional distribution tool and a seasonal support worker tool, and a good tool for part-time workers or people in non-standard forms of employment, which are increasingly more common. It can't be everything and I think it tries to be too much and that's probably my biggest problem with EI as a program.

**Mr. Ramesh Sangha:** Going back to the C.D. Howe Institute's paper, which was published, what can you do to address the fact that a higher proportion of women do not have valid job separation?

**Dr. David Gray:** That means they're deemed to have either quit their jobs voluntarily or been fired for just cause. Is that rate higher for women than it is for men?

**Mr. Ramesh Sangha:** It could be that due to her circumstances, if a woman is not able to put in the hours a man could.

**Dr. David Gray:** Are we talking about accumulating the required number of insurable hours or are we talking about having the motive or the reason for separation deemed to be invalid by the administrators of the program? Those are two separate issues.

• (1735)

**Mr. Ramesh Sangha:** You want to complete the hours but—

**Dr. David Gray:** Yes, that's getting insurable hours.

**Mr. Colin Busby:** The association I've seen with insurable hours is due to the fact that there's a greater prevalence of women in part-time work and part-time full-year work, which generally leads to much lower rates of accumulating a sufficient amount of hours worked. The current program favours part-year workers, but not part-time, full-year workers.

The degree of difference is that full-time, full-year workers with a valid job separation in this country, almost no matter where you live, qualify for regular EI benefits at a rate of about 90% to 95%. Those are the data. There's no editorial.... However, the numbers for part-time workers usually drops to somewhere around 60% to 65%, so there's a big gap there and it's due to the fact that there are just so many different forms of employment and we try to do a lot and it's hard to meet them all.

**The Chair:** Thank you, Mr. Busby, Dr. Gray, and Mr. Kelly.

This time went by very quickly and I want to thank the earlier panel as well as this panel for preparing as quickly as you have to be here today and for answering our questions. I again apologize for cutting things a little short.

Dr. Gray, do you have a final question?

[*Translation*]

**Dr. David Gray:** I can answer questions in French, if some members prefer.

[*English*]

**The Chair:** I will not be asking questions in French, but I know some of my colleagues are more than capable of doing that.

Monsieur Deltell.

[*Translation*]

**Mr. Gérard Deltell:** Mr. Gray, if I understand you correctly, you are saying, "until the next time".

**Dr. David Gray:** I am not René Lévesque, but I will be quite happy to answer your questions next time.

[*English*]

**The Chair:** Thank you.

I want to wrap up by saying thank you to Mr. Busby for pointing out the elephant in the room, which is that it's going to be incredibly difficult to create a one-size-fits-all solution. I agree 100% on a number of fronts, and not just EI. It is incredibly challenging and there is always going to be gaps if that is the lens that we try to take. My hope is that whatever process is undertaken that we try not to do that. I really liked your idea about having other potential mechanisms in place to fill those gaps, so thank you very much for that.

Again, thank you to all the panellists and thank you to the committee and thank you to my faithful stand-in clerk. Julie was not well today, so thank you to Mike for stepping in, to the analysts, to the lovely translators, and to our tech people who made it possible for Mr. Kelly to attend today.

Thank you all and have a wonderful evening.

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