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**Chair**

**Mr. Bryan May**



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

Tuesday, April 2, 2019

• (1100)

[English]

**The Chair (Mr. Bryan May (Cambridge, Lib.)):** Good morning, everyone.

Pursuant to the order of reference of Wednesday, February 27, 2019, and the motion adopted by the committee on Thursday, February 28, 2019, the committee is beginning its study of precarious employment in Canada.

I'm very pleased to have our first panel of witnesses on this study. Appearing before our committee as individuals are Katherine Lippel, professor, law faculty, civil law section of the University of Ottawa; and Allyson Schmidt, financial empowerment coach, Credit Counselling Service of Sault Ste. Marie and District. From the Canadian Federation of Independent Business, we have Monique Moreau, vice-president, national affairs. From the Chartered Professional Accountants of Canada, we have Francis Fong, chief economist. From the Pearson Centre for Progressive Policy, we have Andrew Cardozo, president. Welcome to all of you.

We'll be starting with your presentations. You each will have seven minutes to speak. At about one minute left, I'll very politely wave. Don't panic—a minute is a long time, and if you go over by a few seconds, it's not the end of the world.

To start us off, we are going to hear from Katherine Lippel.

The next seven minutes are all yours.

**Professor Katherine Lippel (Professor, Faculty of Law, Civil Law Section, University of Ottawa, As an Individual):** Thank you, Mr. Chairman.

[Translation]

I will speak in English. I apologize for that.

I will answer questions in French.

[English]

I hold the Canada research chair in occupational health and safety law at the University of Ottawa. I'm going to restrict my comments to the occupational health and safety and workers' compensation issues related to precarious employment, but I'm happy to speak more broadly in the question period.

There is a brief that I have provided with references. I will, in the six and half minutes now left, just target the really key issues.

First of all, in terms of definitions, the take-home message is that precarious employment does not have an absolute definition, and it depends on the context in which you're asking yourself the question. The core categorization of precarious employment always includes non-standard employment, which is non-standard as compared to the usual full-time, indefinite employment. It could be precarious because of time, such as for temporary, part-time or on-call workers. It could be because of space; you could be a home-based worker. That's part of precarious employment. It could be because of the employment relationship, such as those who have a triangular employment relationship, like workers who are working for temporary employment agencies or subcontracting, or those who are self-employed. The self-employed very often get forgotten in the regulatory frameworks. Occupational health and safety is a problem for all these categories of workers, but please do not forget the self-employed because we tend to forget the solo self-employed.

I'm cutting to the chase because I'm sure I'm going to run out of time, and then I'm going to go back and walk you through why I arrived at these conclusions.

You, as the federal government, have two hats. You have a hat as a regulator and a hat as an employer. Again, I'm just restricting myself to health and safety and workers' compensation. The types of issues I suggest you look at as a regulator are, first of all, making sure that the self-employed are included in part II of the Canada Labour Code, in terms of prevention. This is because if there's competition between employers who have salaried workers and people who are not obliged to obey the rules, you're going to have difficulties in terms of reducing to the lowest common denominator in working conditions.

Second, you should be paying attention to subcontracting and precarious contracts, particularly in certain sectors that fall within the remit of the federal government. It's not exclusively trucking, but interprovincial trucking would be something I suggest you look at. In terms of shipping, there are issues in relation to temporary workers who do not have the same protections in the shipping industry. There are, of course, many other industries as well.

As a regulator, again, were there to be a workers' compensation program for federal employees, you would be able to even the playing field. If somebody is working in Gatineau and they are precariously employed by the federal government, they have better rights than somebody who is working on the Ottawa side of the river. That shouldn't be, in my opinion.

Finally, as an employer, you can set some examples. Minimize your reliance on temporary agency workers. There have been issues in the past where several million dollars' worth of federal money goes to employees of temp agencies. Try to avoid outsourcing to the self-employed. It used to be that interpreters under the federal jurisdiction were salaried workers. They are now self-employed. This is a form of outsourcing. It has consequences for regulatory protections. Make sure that your employees are hired on indeterminate contracts as much as possible. Finally, ensure that no employee who wishes to work full-time is obliged to work part-time because part-time can be a blessing or a curse. If it's involuntary, it's a curse.

I'll now get to the underpinnings of this with the remaining time I have.

We've talked about definitions, the links between occupational health and safety and precarious employment. The short version is that studies around the world and studies at the ILO in particular bring together the literature that shows that various categories of precariously employed workers are more likely to have work accidents. They're more likely to have health and safety problems. The Quebec study that I was part of, EQCOTESST, has shown that they're more likely to have a work accident in Quebec. We have data on that. We also have data on sexual harassment and temporary work contracts. You're more likely to be sexually harassed if you're in a precarious job, and particularly if you're working on a temporary basis.

• (1105)

The second key issue, in terms of health and safety legislation and regulatory effectiveness, is what works and what doesn't. The short version is that across Canada and federally, the internal responsibility system underpins our occupational health and safety legislation. We count on workers to speak up if they're exposed to dangerous working conditions or obliged to do something dangerous. That doesn't work with the precariously employed, both the self-employed who will take contracts that they shouldn't because they're afraid they're not going to be able to earn their living, but also temp agency workers who do not speak out. There's lots of data on this. It's something to be looked at, what we call worker voice.

There is another point that I think is important to make. I was involved in a study in Ontario on temp agency workers. We did find, speaking to labour inspectors in particular, in Ontario, that there were many cases in which a client employer would bring in a temp agency worker to do something dangerous that they didn't want to give to their regular employees. In one case that the inspector shared with us, there was a death that was predictable.

We also know that what drives this type of behaviour is not that employers are nasty people who want to kill temp agency workers; rather, it's because there are economic incentives in the workers' compensation system to avoid having your people injured. That drives precarious employment. Ontario, to its credit, has changed its law in light of that study. It's something that should be reflected upon as well.

The other issue is in terms of disorganization, and this is something documented by the ILO. In precarious employment, particularly in the context of triangular employment relations where you have a temp agency, a client employer, a worker, and sometimes

it's cascading subcontracting, nobody knows whose responsibility is what. Disorganization is a negative outcome of precarious employment and leads to regulatory failure in Canada, in the provinces, and really, in many other countries.

I will conclude with a word on workers' compensation. This is not your jurisdiction, normally, but we do know, and this is work we're doing now, that the precariously employed in every province in Canada are under-compensated because they're compensated on the basis of their salary at the time. Quebec is better because at least there is a floor, so it's never under minimum wage full time if you are injured and become paraplegic while you're working at McDonald's. This creates lots of problems for workers across Canada, particularly outside of Quebec, and should be the object of reflection to make sure that everybody is valued as if they can work full time. It's often new immigrants and other populations who are stuck in these temp agencies. I could talk about that later.

Thank you.

• (1110)

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

Up next we have Allyson Schmidt, financial empowerment coach, Credit Counselling Service of Sault Ste. Marie and District.

Welcome.

**Ms. Allyson Schmidt (Financial Empowerment Coach, Credit Counselling Service of Sault Ste. Marie and District, As an Individual):** Thank you.

Good morning. My name is Allyson Schmidt. I'm the financial empowerment coach for Credit Counselling Service of Sault Ste. Marie and District.

I'd like to express my appreciation to Terry Sheehan for inviting me to this committee to speak. I'm honoured and humbled to address this committee from my personal lived experience of precarious employment as a worker here in Canada.

This is a really big issue, and I appreciate that it's brought to the attention of the government in order to develop a definition of "precarious employment" and identify its impact on the lives of Canadians across the country. From personal experience I can tell this committee that it places an unfair burden on workers. It generates stress and creates many barriers to personal, financial and professional health, achievement and success.

Imagine going into work day after day and not being able to settle into your work knowing that you must be continuously searching for another job, planning your days to accommodate the juggling of multiple contracts, not taking on work in your field because it's only a short-term contract and you're not getting experience in your field that could benefit you later on. Then, on top of that, you have to try to balance child care, family life and the paying of bills. This is the daily reality of knowing that your contract is going to end soon, even while you're working full time.

I have worked five contracts at once as a single parent to a child with disabilities. The year I was doing that, I made less than \$25,000.

The work that I have done includes university-level teaching and research, work in social services and work as a registered health care worker. I have been precariously employed my entire working career in Canada. I am an educated, experienced and capable woman with a lot to offer employers and my community. The under-employment I experienced has caused me to struggle with anxiety and depression and has affected my self-esteem.

From speaking with other women I know who are precariously employed, I can say the toll it takes on one's self-image and self-esteem is large. There is the stress of constantly applying for contracts and the stress of never feeling good enough or qualified enough. This comes from other women as well who have years of experience, high levels of education and various professional certifications.

The nature of precarious employment has meant that saving money has been next to impossible for the past 10 years. Not being able to save money means I'm not able to, for example, purchase a home. My being left out of the homebuyer market means that I am left paying more than the recommended 30% of my income on my housing costs to have appropriate housing for me and my children. For many Canadians, having a home leads to greater financial security and stability, and really, this is something I feel I can only dream of having.

As a single mother, I have to take into account my children's appointments, their sick days and other various activities to try to be a good parent. Finding a job that works around my children has been key to my success, but I know many single working mothers who are not that fortunate. Taking days off can truly put your job in jeopardy, further adding to the burden of stress and difficulty of planning life from paycheque to paycheque.

The reality of precarious employment makes financial planning very difficult. There have been times when I was out of work between contracts and have had to make do using credit. From my current work, I can see what happens when people are floating their lives on credit. It's very expensive and has dire consequences for your present and your future.

I see many people who are floating their lives on credit and non-banking financial services, which puts people at really great risk. The cycle of precarious employment puts people in financial trouble and puts hard-working Canadians even further behind than where they are.

As a member of generation X, I have been living the reality of precarious employment my entire working career. I grew up the daughter of a steelworker who saw the collapse of steel in the early 1980s and 1990s, but I still saw my parents able to own homes, take vacations and sick days and have medical benefits.

The burden on me now and on many others like me is that I have to pay out of pocket for medications and dental health, essential components for my ability to work and bring money into my home. I am not contributing to any retirement or pension plans other than the modest amounts that I am able to put aside from my household budget.

• (1115)

There are many things that I see other workers enjoying that I know I and other workers like me would give anything for.

Being precariously employed doesn't just affect me financially. It affects my health, my mental health, my self-esteem and my relationships with my children and my community. It affects me now and puts my future in jeopardy. It is my hope that the committee is able to develop a working definition that can actually be implemented into policies that can materially improve the nature of work in Canada to support workers and women like myself.

Thank you very much for your time and for inviting me to share my experience here today.

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

Up next, from the Canadian Federation of Independent Business, we have Monique Moreau, vice-president of national affairs.

You have seven minutes.

**Ms. Monique Moreau (Vice-President, National Affairs, Canadian Federation of Independent Business):** Good morning. Thank you for the opportunity to be here today.

You should have our presentation in front of you that I'd like to walk you through in the next few minutes.

As many members know, CFIB is a not-for-profit, non-partisan organization that represents more than 110,000 small and medium-sized businesses across Canada. Our members collectively employ more than 1.25 million Canadians and contribute nearly \$75 billion or nearly half of Canada's GDP. They represent all sectors of the economy and are found in every region of the country.

As you may be aware, CFIB takes its direction solely from our members through a variety of surveys, which makes us a bit different from other organizations. The data I am sharing with you today is sourced from Statistics Canada, public opinion polling and our own survey on the changing world of work, which had nearly 7,000 respondents in 2017.

I'd like to provide a bit of context before getting into the details of our presentation.

As you can see on slide 2, job vacancy rates are currently at a nearly all-time high, with approximately 409,000 jobs currently unfilled. These vacancies are highest in the construction industry and for personal services—plumbers, mechanics, electricians, hair dressers, you name it. Arguably, this could be creating the best conditions for workers seeking employment.

We know the committee is here to study the notion of precarious work. This can be defined in a number of ways as I'm sure you've heard and will hear, but I'd like to start by challenging the myth that permanent jobs are on the decline.

If you look at slide 3, you'll see that job permanence over the last 18 years has remained virtually unchanged. This StatsCan data shows that 86% of jobs in the economy were permanent in 2018, down slightly from 87.5% that were permanent in the year 2000. The decrease was primarily felt during the 2008-09 recession and the proportion has been stable since then.

There was an increase in term contract work, from 5.8% to 7.1% of the workforce, but part of the increase was offset by reductions in seasonal and casual work. The overall trend of permanent to temporary work during the past 18 years has been kept to an increase of only 0.8% of the workforce, equivalent to about 125,000 jobs of the 15.8 million available in the economy.

Another myth—the notion that precarious work is largely found in the private sector—is disputed by the StatsCan data available to you on slide 4. In fact, most short-term or contract jobs tend to be found in the public sector, as you can see.

Considering, again, data from StatsCan, on slide 5 you'll see that of those individuals who are working part time, the vast majority do so due to personal preference or because they're studying and not because they are forced into it. It was particularly compelling for me to note that while we know there are workers out there who would prefer a full-time job but cannot find one in their chosen profession and so create one out of part-time jobs or contracts, first, this is in fact decreasing, as the data shows if you look at the figures from 1997 compared to now. Second, any recommendations this committee makes should be sure to address this relatively small proportion of workers and not disrupt employment status chosen by students and individuals out of personal preference.

As part of our research into this issue, we conducted a public opinion poll that demonstrated that generally workers are satisfied with their work arrangement. Importantly, as we see on slide 6, 83% of independent contractors in particular are satisfied with their work arrangements.

What is the experience of small business owners? As you can see on slide 7, the vast majority, or 94% of our members, hire permanent employees. This data is from a survey we conducted in 2017 with nearly 7,000 responses. Some members also use temporary employees and just over a quarter use independent contractors.

As you can see on slide 8, in a small business, part-time work often leads to full-time work in nearly half, or 43%, of instances.

When we polled small business owners as to their reasons for hiring independent contractors, as you can see on slide 9, they identify issues such as making it easier to adapt to changes in

demand. It gives them access to greater expertise and competency and increases the flexibility of their organization. These are really important measures in a time of a changing and nimble economy. Forty-five per cent of small business owners note that it is the worker's preference to be an independent contractor and cite the red tape involved in hiring employees as a barrier to doing so.

● (1120)

Similarly, when we asked small business owners to share with us why they hire temporary employees, over two-thirds said they did so to help them adjust with changes in demands and as a result of a shortage of qualified labour. In some instances, they simply cannot find someone to work full time. Again, a quarter of small business owners noted that it is the employee's choice in some instances to be a temporary worker. This may be particularly true in situations where the worker is an artist or has another passion project they work on and they use temporary or part-time jobs to keep them afloat in between projects.

The last important piece I'd like to share with the committee today is that many small businesses use temporary employees as a starting point into creating a role for them as a permanent employee. As you can see on slide 11, 43% of small businesses are likely to convert a temporary employee into a permanent one.

In conclusion, we would offer the following recommendations to this committee:

First, support regulations that give flexibility to both employers and employees.

Second, reduce red tape associated with hiring and training employees.

Third, recognize part-time and temporary contracts as a first step toward full-time employment.

Fourth, recognize intention between contractors and employers. This is often a subject on which we get a lot of calls at CFIB. CRA is now coming in and evaluating whether the intention of the parties has made them employers and contractors or employees and employers. It is creating tension, and in some instances, it is costing our members tens of thousands of dollars as they fight this project through the courts.

Fifth, adapt to the changing world of work. Governments cannot regulate the new economy in the same way as they did the old.

Last, as we heard today, help self-employed workers. EI, taxation and a number of other rules need to adapt.

Thank you for the opportunity to be here today. I look forward to your questions.

[Translation]

Let me point out that I can also answer your questions in French, if necessary.

[English]

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

Now, from the Chartered Professional Accountants of Canada, we have Francis Fong, chief economist.

You have seven minutes, sir.

**Mr. Francis Fong (Chief Economist, Chartered Professional Accountants of Canada):** Thank you, Mr. Chair and committee members. My name is Francis Fong, and I am the chief economist at the Chartered Professional Accountants of Canada, or CPA Canada.

Our organization is one of the largest national accounting organizations in the world, representing more than 210,000 Canadian chartered professional accountants. Collectively, CPA Canada and the profession are committed to acting in the public interest and promoting social and economic development here in Canada. Through our public policy research, we have similarly identified precarious work as a key issue facing Canadians and one that lacks a clear definition, resulting in difficulty quantifying the extent of the problem and developing policies to address it. We were extremely pleased to hear that this committee had taken on the important work of studying the issue of precarious employment.

CPA Canada published a report last year that examines the impact of precarious work, highlights the need for an accepted definition and even proposes a starting point for a definition. The report elaborates on the challenges I will discuss here in defining precarious employment. First, though, I will give some context.

Canada's labour market is evolving at a rapid pace. Changes related to technology, the structure of our economy and even the nature of how consumers expect to receive their goods and services today have resulted in a fundamental shift in the structure of firms' business models and the traditional employer-employee relationship.

While the labour market was once dominated by full-year, full-time employment, Canadians are now finding themselves in more precarious circumstances, in work that is unstable, insecure, uncertain and potentially vulnerable to employer misconduct.

The challenge for researchers and policy-makers is that we simply do not know how many Canadians are affected, because we lack a formal definition. I liken this to our long-standing debate about poverty in Canada, because we lacked a definition for a very long time. Because we lack a formal definition, no labour market or other economic data is collected on the precariously employed, so enumerating these individuals is difficult.

Currently our alternatives are twofold. Either we leverage the existing data as a proxy—and I'll point to my colleague, Ms. Lippel, who brought a great example of focusing on things like non-standard work as an example of how we define precarious work today—or organizations define the issue themselves and collect their own data, for example, by collecting their own survey data.

With the former, as I mentioned, the best we can do is leverage data on non-standard employment, arrangements such as part-time,

temporary and casual work, and state that those involved are at higher risk of being precariously employed. However, in our view, non-standard employment is ultimately not necessarily precarious employment.

With the latter approach, the challenge is that each organization's definition differs to some degree, meaning there's no comparability. Also, since that data isn't collected by Statistics Canada, it isn't comparable to the wealth of other economic and social data that we have available, which can be linked to further identify the challenges faced by the precariously employed population.

Those challenges can be significant. We know that precarious work—and I'll point to my colleague, Ms. Schmidt, who gave us a great example of that—tends to feature less stable incomes, a lack of access to non-wage benefits, and in some cases even exclusion from our basic social safety net.

Consider those working in the gig economy. I raise the gig economy as an example, not because it's the extent of precarious work. They may face a low level of income that varies significantly from month to month based on the availability of work. At a minimum, this results in a lack of ability to save for the future. In a worst-case scenario, it leads to bouncing in and out of poverty. Because they're not considered employees by many of these firms—someone, for example, driving for Uber would be considered self-employed—they aren't given a T4, so they are not entitled even to basic things like employer contributions to the Canada pension plan or to employment insurance, basic things that underpin the social safety net that Canadians have depended on for many years.

From the perspective of our discussion, then, the challenge isn't just about gig workers who are precariously employed. That is simply one example. The challenge with defining precarious work is nuanced. The variety of situations precarious workers may face is vast, and I can go into many different examples when we go deeper in our discussion. From a definition perspective, if our definition is too narrow, we risk excluding people who are truly in need. Conversely, if the definition is too broad or vague, we risk that supports we ultimately develop and provide will be spread too thinly to make a difference, or that regulations we impose capture false positives.

● (1125)

For that reason, our report proposes a definition that covers any work arrangement that lies at the intersection of low earnings, high income volatility, uncertainty in future employment and potentially the presence of employer misconduct.

I hope the committee will find this a useful starting point for its deliberations. We have provided copies of this report in both languages.

I'd like to thank the committee again for taking on this important work. I look forward to your questions.

● (1130)

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

From the Pearson Centre for Progressive Policy, we have Andrew Cardozo, president.

You have seven minutes, sir.

**Mr. Andrew Cardozo (President, Pearson Centre for Progressive Policy):** Mr. Chairman, thank you to you and the committee for identifying this important issue for attention.

By way of introduction, I'll mention that the Pearson Centre is a progressive think tank that addresses a range of economic and social issues, the future of work being one of our top three priorities this year.

Our approach to this subject of precarious employment is to look at the broader issue of what I would consider the future of work, although it is fair to say that precarious employment runs through most of the sub-issues that we have identified. Whether it's rapid technological change, the layoffs at GM and Fiat Chrysler or the downturn of the natural resource sector in Alberta and Saskatchewan, the rapidly evolving economy and the changing nature of work is an important challenge facing Canadian workers, and indeed it is a challenge facing most of the world today.

Precariousness is growing. It's a fact of life for most young people. There's stress on individuals, for sure, but I would also remind you that there's also a stress on the economy. As you have more people in precarious work, they have less ability to buy and participate in the economy, and that has an effect considerably beyond individuals.

Precariousness is at the core of a lot of the issues. I'll just outline some of them. I'll mention that the solutions lie through the work of a lot of partners, including the private sector, labour, governments, the education and training system, families and individuals. The issues we are identifying in our future work project, which is a year-long project are as follows:

Number one is training for technological advancement. That's looking at the skills for tomorrow.

Number two is the effects of AI, artificial intelligence, on the workplace and on jobs.

Number three is identifying new and future sectors and jobs.

Number four is strengthening manufacturing and other existing sectors.

Number five is employment uncertainty and the steady reduction in full-time jobs.

Number six is the growth of the gig economy.

Number seven is the role of start-ups and self-employment.

Number eight is the need for entrepreneurship training for all.

Number nine is outsourcing, offshoring and global production.

Number 10 is the role of the formal education and training system and lifelong learning.

Number 11 is eliminating barriers, advancing equality and inclusive workforces.

Number 12 is creating opportunity for under-represented groups.

Number 13 is advancement for indigenous peoples.

Number 14 is recognizing international credentials.

Number 15 is global education.

Our project is about having discussions in key regions of the country with key partners and developing a series of reports on each of these subjects. Rather than doing more research, we really want to focus on a small number of realistic and bold recommendations for the future.

With regard to precarious employment, I want to identify a few issues for you to consider on what I might call the continuum of precariousness. There are three points I want to mention here. One is that some sectors have been and will always be more precarious than others. Two, some sectors are becoming increasingly precarious as skills change and as part of the work that is performed is either automated or outsourced. Three, I want you to keep in mind that the workers with lower levels of education and training will be more precarious. The estimates are that, for the economy of tomorrow, 60% to 70% of the workforce will require a post-secondary education. That leaves another 30% to 40% of the workforce who will not have post-secondary education and training, and they will be even more precarious than the others.

I want to leave you with two recommendations for consideration. One is to give consideration to this idea of the continuum of precariousness and how it will change over time. Number two is to support the idea of entrepreneurship training for all in high school and post-secondary education, not just for business students, as almost all workers today and certainly in the future will be self-employed for short and long periods during their career.

• (1135)

Thank you, Mr. Chairman.

**The Chair:** Thank you to all of you for keeping it under the clock, making my job easy. I appreciate that a lot.

We're going to get started with questions from MP Diotte, please.

**Mr. Kerry Diotte (Edmonton Griesbach, CPC):** Good morning, and thanks to all for showing up.

I'm from Sault Ste. Marie, so a special hello to Allyson.

I guess the biggest take-away I get from this is trying to find a definition for "precarious employment". I want to start with a bit of an example. I was in an Uber one day and I was talking to this fellow. I said, "Why do you do it?" He said, "Well, you know, I live right across from a Home Depot, and I could make \$12 an hour and have benefits, but it's a pain in the butt because then they want me in Monday from 3:00 till 9:00, and I can't spend time with my kids at that time, so I could make \$12 an hour and have some form of certainty, but I can make \$17 an hour and be completely independent." There was a trade-off there, and he was happier taking a job that would be, I guess, defined as precarious.

I just want to go around the table and get your definitions of precarious employment.

Mr. Cardozo can start.



**Mr. Andrew Cardozo:** I think you raise two points. One is that precariousness is not necessarily a bad thing. For a lot of people, it's what they like. As has been pointed out, it's also a good avenue to enter either a workplace or a career. I would say a lot of jobs are precarious, with all due respect to all of you around the table—

**Some hon. members:** Oh, oh!

**Mr. Andrew Cardozo:** —our key examples of precarious workers. I'm not commenting on how precarious, but by definition you take on four-year contracts and then you try again for your contract to be extended.

I guess I'll make one point, which is to say that rather than trying to define it, I will say that there's a range of precariousness. From the point of view of government, do you look at all precariousness, or do you focus on certain types of precariousness? Precariousness exists at higher levels of income, like your level, but it also exists at lower levels. I think we want to be concerned about the long-term nature of precariousness and the effect it has on individuals and families as well as on the economy.

**Mr. Kerry Diotte:** That's a good answer. I guess that's also what I'd like to know: What is the problem that we have to address per se? That's a good example. We are in precarious employment, but what is the problem we have to solve?

Mr. Fong.

**Mr. Francis Fong:** You kind of stole my answer. I think that's where it starts. When I talk about precarious work, it starts with what we think the problem is that we need to solve here. For me, I point to someone like Allyson, whose personal lived experience is exactly the problem we want to solve. It's someone who is in a situation where they're potentially bouncing in and out of poverty, might not have enough to make ends meet and suffers all kinds of economic, social and health consequences. That, for me, is ultimately the real challenge.

To your point, or to your anecdote, the challenge speaks to my opening remarks. It's the nuance. How do we specifically identify those people? I think the point that Katherine was raising was that, hey, right now we use this idea of non-standard work and how all contract and part-time workers are precarious workers, but the reality is that it's probably not true.

I'll give examples. Go to Toronto and look at an IT consultant. They're on contract. They could be making upwards of \$200,000 a year. If they're making that much money, are we really going to expend our efforts worrying that this person might not have a job in a year's time? No. They have the means to be able to save for the future, handle their own affairs and pay for their own non-wage benefits. But if someone is working in a six-month short-term contract, contract to contract, and they're making \$25,000 a year, then yes, I am going to worry about that person.

Similarly, part-time work is the same deal. If there's a young woman who's working part time and trying to pay her way through school, and she wants to get more hours but she can't, necessarily, or she's taking night classes and can't get access to that so her income fluctuates from month to month, then yes, I'm going to worry about that person. But a retired civil servant with a good pension who's working part time to keep busy.... Again, they might be in an

identical situation income-wise. Their wage earnings might be identical, but their situations are fundamentally different.

For me, the definition has to start at that point. What's the problem we want to solve? For me, it's that we need to prevent people from bouncing in and out of poverty. We have a good definition of poverty now, but what our social safety net doesn't do a good job of addressing is someone who is okay one month and not okay the next month. That is the real challenge. It's about starting with some sort of a threshold for annual earnings, monthly earnings or what have you, and then adding in these different nuances of what precarity means.

For me, one of those elements has to be income volatility, right? CPA Canada just produced a report estimating that upwards of a third of Canadians are now facing volatile incomes. Who knows what the level of income is, but volatile income in itself is a real challenge for a lot of folks.

It's going to be some sort of earnings threshold, something about income volatility. Something about preference, I think, is going to be really important too. The potential for dangerous work or employer misconduct also has to be there. I think what we have to do is cut up precarious work into its different elements so that we can start collecting data on all of those pieces in order to really enumerate who's really affected here.

• (1140)

**Mr. Kerry Diotte:** That's excellent.

I know we're not going to get to everybody.

Ms. Moreau.

**The Chair:** Actually, we're past time, I'm afraid. I'm sorry. We'll come back.

MP Sheehan.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much, everyone, for being here today. It's an excellent way to kick off this study.

I had an opportunity to present, but some stuff happened so we ended up cancelling the committee meeting. I'm not going to delve into a lot of my comments. I'm going to save that for another time. I want to ask questions of these people who have presented some excellent testimony.

One of the things Katherine mentioned was about people being afraid, about the worker's voice in a lot of contexts. Obviously, they enter into a contract and their hope, of course, is full-time employment at some time, and then that contract, as my research shows, leads to another contract, to another contract, and six, seven or eight years later.... Allyson, from Sault Ste. Marie, is a perfect example. She is making \$25,000 five different jobs later, without the benefits.

There is one thing I want your comments on. We did this a bit when it came to pay equity. I sat on that committee. It was about being proactive. We took a look at the federal service and the corporations that we're responsible for in terms of having a proactive system where managers, directors and whatnot would have to identify those who would be working precariously and why.

I say that to you as well, because in my experience, I worked precariously in government and I also had my own business. A lot of what my research has indicated is that when managers started.... Also, this is just me. There are a thousand scenarios we can talk about, but I'll talk about this one. When they introduced performance pay for managers, part of it was managing a budget, right? What's the way to keep costs down? Keep people precariously employed: no benefits, nothing, no costs.

I'd like some comments from Katherine on that particular scenario and perhaps Allyson could delve a little more into her experiences.

I'll start with Katherine.

**Prof. Katherine Lippel:** Thank you for that question.

This overlaps with what I would have said in relation to the previous question, which is that if you're looking for a definition, you have to have a reason for looking for that. A definition for statistical purposes is a very different exercise than a definition for regulatory purposes. A definition for managing purposes, again, is a very different definition. What I've said in my notes, for instance, in the definition, I started with non-standard employment. We also speak about job insecurity and employment insecurity. There are two different categories. Someone who is afraid of losing their job, that's job insecurity. Allyson's situation is one of employment insecurity. You're always looking for another job all the time because you can't make ends meet.

What you need from both a regulatory and a statistical perspective is clarity. You need to say, "These are the parameters that are interesting to us." We know from StatsCan that 17% of the temporarily employed do not have health benefits. That's a lot of people. If we're encouraging managers to increase that number in the way that you just suggested, this is not the good way to go for a healthy Canada. Basically, be very precise about what it is that we are promoting when we're having managers who have performance outcomes and what the consequences are of that promotion. Are we encouraging temp agencies to come and provide services for the federal government? What are the working conditions for those temp agency workers? Are we providing temporary contracts that will be renewed time after time or saying henceforth all the interpreters are going to be self-employed? If they get sick, maybe they can sue somebody because they're no longer covered under workers' compensation.

Those are all the issues that you have to proactively define. The literature is all there. We don't need to do a great number of studies to say, "These are the consequences for health. These are the consequences for regulatory effectiveness." Each regulation is different. The consequences for employment standards would be different categories of people we would be looking at. Full-time minimum wage is precarious employment as well if we're looking at the types of supports that people are needing to be able to feed their families, to have day care, etc.

The only word of caution is be precise about what you want to do, and then make sure you're not using a broad, unspecific definition to do it with.

● (1145)

**Mr. Terry Sheehan:** Allyson, you told a very succinct story. I think in what you've done, you're very brave in being the worker's voice, something that many people in Canada are afraid to do. Thank you very much for doing that, for standing here and giving us a concrete example.

Perhaps you could delve a little more into precarity. Some of the stuff in my research had indicated that there's not only just the economic and health issues that precarity brings, but there's also a social disengagement where people are so busy raising their kids, going from job to job, looking for security that their ability to join volunteer groups, democratic engagement is less.

Do you feel that at all, that sometimes you're just so tired you don't have that ability to go out and engage in society?

**The Chair:** A brief answer, please.

**Ms. Allyson Schmidt:** It is a big struggle to engage in the community. That's something that's very important to me, to be a productive member of Sault Ste. Marie and to make conditions better, because I see where I am. While I am struggling, I see people who are struggling even more than me. Certainly, working all day and then maybe having to take on other jobs.... Often I'll have my kids in bed, and then that's when I start my second job where I'm doing something else. That's on top of trying to maintain a household and all these different things. Then to try to have anything as simple as friendships or relationships or anything outside of that, it's very difficult. Having a quality of life is challenging. Putting food on the table, a roof over your head, and medicine to keep you healthy, when those are the basic things you're struggling with, whether my income is \$500 a month or \$5,000 a month, it's challenging. It has lots of consequences for participation as a member of society.

**The Chair:** Thank you.

Now we'll go over to Madam Sansoucy for six minutes.

[*Translation*]

**Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP):** Thank you, Mr. Chair.

My thanks to all the witnesses for their contribution to the work of our committee.

My first question is for Ms. Lippel.

When we talk about precarious work, we are also often talking about temporary work. In your research, you say that work is a determinant of health. Precarious work undeniably has an impact on workers' health.

In your testimony, you mentioned temporary employment agencies. You mentioned that temporary subcontracted workers are likely to be more injured.

In the NDP, we believe that we must improve the working conditions in precarious jobs from temporary employment agencies. Could you tell us more about the work you have done for this? How can we improve the situation for temporary employment agencies and the impact on workers' health? You mentioned that the Government of Canada also uses those agencies.

•(1150)

**Prof. Katherine Lippel:** Thank you for your question, Ms. Sansoucy.

First, temporary work is a much broader concept than work provided by a temporary employment agency. Until 2005, Statistics Canada kept separate statistics. In 2010, the distinction between temporary employment and employment provided through an agency was lost. This is a fundamental distinction that must be kept, because if we want to understand what is happening, we must be able to monitor what is happening.

Both in Quebec and Ontario, occupational health studies have been conducted on the exposure of workers. In Quebec, a study was conducted by Dr. Massé, who was then Montreal's director of public health. First, that study found that the vast majority of agency workers were immigrants, which was also noted by the Commission des normes, de l'équité, de la santé et de la sécurité du travail. Second, in terms of risks and compensated work, that is injuries that can result in compensation, those workers are disproportionately exposed, according to statistics.

Among the solutions, the Government of Quebec amended the legislation in 2018 to require temporary employment agencies to have a permit. Most authorities do not even require a permit. Some provinces do, but I don't know what the federal situation is. I think it's regulated on the provincial side. However, minimum protection criteria must be required if the federal government uses an agency employee. This is to ensure that we are not dealing with an unscrupulous agency, a fly-by-night company—which is a problem—or to numbered companies that disappear and are reborn two days later. In particular, the temporary employment agency sector must be regulated.

As for the question of whether temporary contracts should be prohibited, I agree with the lady who mentioned that we could not ask to terminate temporary work. It was done in France and it is not effective.

Temporary employment agencies are a whole different story. This sector really needs to be regulated to ensure that clients, including the federal government, are accountable, as are the temporary employment agencies.

That's one part of the answer.

**Ms. Brigitte Sansoucy:** Thank you very much, Ms. Lippel.

For the benefit of the committee, could you provide the clerk with the additional surveys and reports you have just mentioned, which are relevant to our study, as well as information on Quebec's legislation on temporary employment agencies?

**Prof. Katherine Lippel:** Okay.

The rest is in the report, but it is true that I do not mention the legislation there.

**Ms. Brigitte Sansoucy:** Okay. Thank you very much.

My next question is for Mr. Fong.

In your document on precarious work in Canada, which identifies people who are truly at risk, you draw a strong connection between

precarious work and the fight against poverty. You say that it is imperative to deepen our understanding of this issue. You talk about the new poverty reduction strategy and the measures to be adopted with regard to the precarious nature of work.

Unfortunately, the Liberal government's poverty reduction strategy does not mention the precarious nature of work. Can you tell the committee why it is essential that this strategy deal specifically with the precarious nature of work?

[English]

**Mr. Francis Fong:** I think it's a really good question. To me, this is something that's been around for quite some time and yet we're only identifying it now as a problem.

If we go back to seasonal work, with many of the work characteristics for people in fisheries, for example, it might seem like precarious work, but that industry has been around for generations. Individuals in that industry have handled it well enough over the years, except for obviously in the many years of decline that we've seen in the industry in the past while.

Then, why now? Why are we worried about this now? I think the challenge is that it's starting to impact a lot more folks who aren't necessarily prepared for that kind of volatility, living in certain environments or wanting a particular way of life, or simply not making enough income to manage through it.

I'll point to some of the statistics that Monique pointed out about how non-standard work may not be increasing in Canada as a share of total work. The statistics do bear that out. Part-time work, for example, hasn't changed as a share of total employment since 1993.

However, in our research, we show that basically there are certain sectors within part-time work that have seen quite a large increase in the total share of employment. Those would be things like accommodation and food services, retail, and the education sector—Allyson already mentioned it—is a huge one. Two of those three sectors pay some of the lowest wages in the country. With regard to the education sector, while it pays fairly well on an average basis, the average hours worked in that sector are by far the lowest. It's something like half the national average, so even if you get a decent wage, you're not going to get enough hours.

Now we're starting to see the kinds of precariousness that impacted previous generations in certain industries, like fisheries, for example, start to bleed out into broader society. We're seeing certain pockets of people who are now getting hit with this volatility that they are unequipped to deal with because of low-income levels or what have you.

From the perspective of why we care about it, I care about it in the same way that I care about people living in poverty. It's happening in our economy because of any number of reasons: pressures on business competitiveness, slowing growth, low productivity growth. There are any number of broad economic trends that we can point to.

The reality is that while those things are happening, we're seeing a societal outcome that we aren't happy with. That's why I think precarious work matters as much as poverty.

•(1155)

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

Now over to MP Long, please.

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

Thank you to our presenters this morning.

I am going to share my time with Parliamentary Secretary Vaughan, but first, I have a question of you, Mr. Fong.

How do you see precarious employment affecting a highly regulated and standardized profession like yours, one that requires accreditation?

**Mr. Francis Fong:** That's an excellent question.

I can maybe change the question to say, is precarious work becoming more prevalent among accountants, for example, or the accounting profession or what have you, or any regulated profession? I think the answer, at least from our perspective, is that we don't know.

Andrew brought up a bunch of great points about how things might be changing over time. We're investigating right now about how our profession is being impacted by technological change. Many different tasks that the accounting profession does right now, financial reporting, for example, are potentially at risk of being automated away with things like AI and blockchain. That's not an unrealistic thing to expect in the next 10 years.

What happens to our profession at that point? What happens to the people who are involved in those jobs right now? What do they do? Do they have the adaptability to rise up the skill curve? We're trying to find that out. We have a project called foresight, and we're launching consultations across the country to find out that exact answer.

From a policy perspective, there are even broader questions that we need to worry about here in this room. For example, if the accounting profession depends on things like financial reporting to gain critical early job skills, where is the new generation of accountants going to get that if those jobs have been automated away?

Do we become more precarious? It's very possible, but I think the answer is that we don't know.

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

MP Vaughan.

**Mr. Adam Vaughan (Spadina—Fort York, Lib.):** I have a couple of questions for Mr. Fong.

On page 7 of the report, I note that with regard to part-time employment by sector, the three fastest-growing areas are education; information, culture and recreation; and accommodation and food services. These define my riding in downtown Toronto in many ways in terms of the digital media sector, the culture sector, as well as the hospitality sector. On the next page, what I also note is that with regard to temporary employment share by sector, those areas with the fastest-growing employment rates are also the areas with the fastest-growing temporary employment dynamics. This means that the new growth in the job market is in precarious work. That is why

it's an emerging issue as opposed to one that you can go back 10 years and measure very effectively.

That being said, you raised the point that someone earning \$200,000 as an IT specialist working contract to contract is not necessarily precariously employed. The phrase that I often hear when discussing this in the community is that they are a bike accident away from being precariously employed. In other words, all it takes is a momentary change in their life circumstance and suddenly that \$200,000 is unavailable to them. Additionally, if they take time away from the constant renewal of contracts, they get off the conveyor belt of contracts and all of a sudden find themselves in a position where they can't find new work. Then their skills start to fall behind. So, in light of the fact that salary isn't the issue, but rather the precariousness of the contracts regardless of salary, what are the things that government could do, instead of fighting precariousness, to understand how to accommodate it and protect people who find themselves in that situation? There's this notion that you have to stop it as opposed to accommodate it. Maybe the thing to do is to accommodate it more substantially.

• (1200)

**Mr. Francis Fong:** I think that's an excellent question.

I'll note first some of the remarks that my colleague, Monique, made about trying to balance how we define precarious work with, ultimately, what we decide are our policies to address it and what cost that imposes on business. If I look at how limited the resources are that Canada has to address all the different problems that we face, precarious work being an important one, in my opinion, what I would want to do is make sure that those resources go to those who are in greatest need. That would be, ultimately, my main concern. Is someone a bike accident away from precarity? I think that's absolutely true. I think you could probably extend that point to many full-year, full-time workers, people with permanent jobs.

We all face some level of precarity in our work. It might not be a bike accident. My company could decide at any point that it no longer needs a chief economist, and I could lose my job, or something along those lines. I think precarity has now become a new reality for all of us. That is why I think it's excellent that you brought up rethinking what we do to accommodate that new reality because it is going to be a new reality. Maybe we're putting the cart before the horse here because for me, ultimately, I think we need to define the issue and count how many people there actually are first.

**Mr. Adam Vaughan:** If employers are driving this partially as a way of sort of composing a workforce around projects that they have in place right in front of them.... Now we have heard through other previous studies that if we were to touch EI premiums much more, it would constitute a change in the rate structure. There would have to be a new actuarial table established and probably new rates to support flexibility and quicker access to funds.

If employers are driving precarity into the workforce, do they not, therefore, have an obligation to also create the stability that completes that social contract?

**Mr. Francis Fong:** I think that's a very tough question. It's a very philosophical question, in my opinion. I mean, I would lean towards yes in that regard; you are absolutely right. But, ultimately, it's going to be a challenge to convince that the economic force that is driving the workplace towards more of these kinds of work arrangements is going to result in the need for higher EI premiums or whatever the case may be. You know, at the end of the day, yes, I think you're right about that.

**The Chair:** Thank you.

Now we'll go to MP Morrissey, please.

**Mr. Robert Morrissey (Egmont, Lib.):** Thank you, Mr. Chair.

I'm going to follow up on the theme my colleague, MP Vaughan, was using. If you look at the statistics, the full-time, stable workforce is pretty consistent over 18 years. That tells me the precarious side is staying consistent as well. There are a number of factors driving that. In our government's recent budget, we increased the attractiveness for seniors to return to the workforce. They would then fit within the statistic of precarious work. Am I correct? However, they would not require the supports that Ms. Schmidt referenced because they have supports and different demands from their socio-economic perspective.

**Ms. Monique Moreau:** Perhaps I could jump in here. We would agree, and I think this gets to the point that Mr. Fong was making earlier, that if you look at slide 5, the percentage of people who are facing part time due to economic constraints are the people who we should be supporting. We should be trying to make sure that we don't disrupt the sought-out versions of part-time or contract or temporary work. Again, the definition part is going to be tricky, but I think it's something to keep in mind. This gets a bit to the discussion that MP Vaughan was having, that all of the support structures we have societally right now through employment insurance and the Canada Labour Code revisions were created during a time when the economy was employers and full-time workers, largely.

Now we need to adapt—we have no choice—and whether you call it the gig economy or technological innovation, it's coming. Our view is that the sharing economy and the gig economy have come up due to over-regulation and so the Airbnbs, the Ubers and the Lyfts of the world are frankly flying footloose and fancy-free and getting away with it, and it's disrupting the incumbents who we have sympathy for. They're struggling.

• (1205)

**Mr. Robert Morrissey:** I agree with that. I want to go to the last recommendation made, which is to help self-employed workers and that EI and taxation rules need to adapt.

Briefly, if you were going to recommend changes, what recommendation would you make on those two?

**Ms. Monique Moreau:** You can opt in and out of EI now as a self-employed worker, which we think is important, but that should be expanded to some of the other benefits that you can get under EI, and under taxation, especially when it comes to being an employee or an independent contractor, there needs to be clarity.

I can't remember who among the panel has mentioned this now but there's a fog of confusion between Finance and the Canada Revenue Agency in determining when an employee is considered to

be an employee or when they're considered to be an independent contractor, and this will sometimes go contrary to the intentions of the two parties. Then the employer and the employee end up facing back taxes based on a ruling by CRA.

We would push the government to consider...and this impacts a whole raft of regions of the economy.

**Mr. Robert Morrissey:** I agree.

I have a question for Mr. Cardozo.

Precarious employment appears to have been consistent over the last number of years as a percentage of the workforce. How can government training programs decrease precarious employment? If we look at it, it has been consistent. How could government training programs be better targeted to decrease precarious employment? In your opinion, can they do that?

**Mr. Andrew Cardozo:** One of the things that we've talked about is kind of like what Mr. Vaughan talked about, not so much accommodating but preparing people for precarious employment, and that is providing training in entrepreneurship.

One of the things I noticed in the budget, and which is a really important and positive development, is lifelong learning for adult workers, with their being able to opt out and take a certain number of weeks of training. That is super important in the long term. It is important for people to be able to keep their jobs, whether they're permanent or precarious, that prepare them for training for other kinds of jobs, but I come back to the point of entrepreneurship.

At one of the round tables that we had, which was actually in Corner Brook, Newfoundland, somebody said something that I kind of knew, but she just said it so articulately, which is that we should have entrepreneurship training for all students, not just business students. If you go to the kinds of workers Mr. Vaughan was talking about in his riding, artists and so forth, they don't really often focus on entrepreneurship training, yet they are entrepreneurs, and we just expect them to make it through and they themselves expect to make it through. But as we go to more of a gig economy and self-employment—

**Mr. Robert Morrissey:** So you see a training-focused role.

The part that I find difficult is the reference made—a number of people have made it—that more and more precarious employment is occurring, but if you look at the bar, it's pretty flat. So how do you rationalize the two?

**Mr. Andrew Cardozo:** It's also about the different aspects of precariousness. Some of it is temporariness. Some of it is low income. As was mentioned earlier—

**Mr. Robert Morrissey:** Then how do we go to...there's permanent temporary employment, and this goes back to the whole definition of precarious. We're getting a whole smorgasbord of issues that you're attempting to address, because Mr. Fong referenced the seasonal fish processing industry. It's old. They're highly skilled workers. They don't view themselves as precarious because they return, return, return to the same employer, and they do have benefits in those scales. In lumping them into the precarious definition, they would not see themselves there.

I understand Ms. Schmidt's position. That to me is where we should be focusing, on really defining precarious and then looking at what supports are needed to either help individuals move out of those situations or if they can't and because of lifestyle they must stay, then what supports are needed to prevent them from creeping into poverty from time to time.

• (1210)

**The Chair:** Thank you. Sorry, but I'm afraid that's time.

MP Falk, please. You have six minutes.

**Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC):** Thank you.

The first question I have is for Mr. Cardozo. This is somewhat of a follow-up to Mr. Morrissey's question.

Is entrepreneurship training, then, something that you would suggest be in school?

**Mr. Andrew Cardozo:** Yes, I certainly suggest it be in high school, as well as in colleges and universities. It should be in all of high school, but once you get to college or university and you're taking a program in arts, there should be an entrepreneurship component in there. It is essentially just getting people ready for the workforce.

**Mrs. Rosemarie Falk:** It's an interesting thought.

Recently, when we were in the ridings, I had an opportunity to moderate a panel. It was basically for women entrepreneurs. It was crazy how many women didn't view themselves as an entrepreneur until somebody said, "Oh, you have a business. What you're doing, even though it is a hobby, you've turned into a business." It's having this group and this opportunity for them to be able to tap into mentorship, experience they could tap into, and then they're turning around and actually employing people and that type of thing. I find it interesting, too, just how many people don't realize that with what they're doing, they're an entrepreneur.

**Mr. Andrew Cardozo:** Exactly.

**Mrs. Rosemarie Falk:** Monique, I have a couple of questions regarding the CFIB's position on recommendations.

On the first recommendation, "Support regulations that give flexibility to both employees and employers", what type of flexibility would be suggested?

**Ms. Monique Moreau:** Again, that gets back to going to the intention of the party, that if the employer is seeking an independent contractor and the independent contractor wants to be an independent contractor—they don't want to be part-time or full-time permanent—we respect that and make it easy to then accommodate them in that role.

It would be minimizing for the independent contractor, as a self-employed person, the red tape involved with being self-employed, and minimizing for the employer any complications resulting from other obligations on them as a business owner.

**Mrs. Rosemarie Falk:** Would that just be conversation, then, at the time of employment or hire?

**Ms. Monique Moreau:** Typically that is how it happens. We recommend that people sign a formal contract, certainly, that outlines exactly what the length of the contract is, the reimbursement, compensation and so on, all those details, and that it speaks to the intention of the parties that they both are willingly entering into the agreement together and are not unduly being made a contractor when they don't want to be.

**Mrs. Rosemarie Falk:** I don't know whether this is something you can answer, but do you know how many contractors or temporary employees would enter into these contracts, not ideally wanting to but taking it because they need the work?

**Ms. Monique Moreau:** I can probably get into further detail on that with a bit of research, but if you go back to my chart on slide 5, you get a sense of that by the percentage of total employment, the number of people who are in part time by reason of what we call "opportunity constraint. In 2016, it appears to have been around 5% of total employment in Canada, so it's relatively small.

If you want, you could even include personal constraint in that batch. These are individuals who perhaps are constrained by caring for family members or children, or they cannot accommodate full-time work. You can include them as well, or even a portion, as Francis talked about earlier. Say there is a student who is studying part time and wants more hours but is constrained in their current role. You can even inch towards some of those. However, as a whole percentage of employment, even including all of those elements, you'd be looking at somewhere between 8% and 9% of total employment in Canada.

**Mrs. Rosemarie Falk:** Okay.

I don't remember who had asked this question earlier or where this conversation came from, but how do we as federal legislators focus on that part of the population that has economic constraints? How do we successfully do that without stepping on provincial jurisdiction?

That question is for anyone.

**Prof. Katherine Lippel:** You do have jurisdiction in terms of the working conditions of people who are regulated federally, and if you set a good example, that helps. That's the first answer.

The second element, which relates to what was just said, is that the reason we do not have laws that allow parties to contract out and to say they are independent contractors is that regulatory protections are a public order. You can't, for instance, say, "I'm going to say I'm a self-employed person today and not earn minimum wage," because that would be illegal and it has been that way for 100 years.

You have to be careful in terms of freedom of contract that you're not opening up the idea of people, as I've seen in my research, working for temp agencies and being told "Mondays, Wednesdays and Fridays, you're self-employed", and they're doing the same work on Tuesday and Thursday. That's a way of getting around public order legislation such as the Canada Labour Code, which is in your jurisdiction.

Of course, if you have best practices legislation federally, that helps in terms of the models you're giving to the provinces.

• (1215)

**Ms. Monique Moreau:** I would just add the sidebar that we agree with that approach. Certainly, we're not interested in carving out of legislation, you know, horrendous working conditions for individuals.

**Mrs. Rosemarie Falk:** Sure. I don't think any of us are.

**Ms. Monique Moreau:** It's more about respecting the intention of the contract and the intention of the parties. We could do a whole other committee on the resulting conflict that comes out of that when the legislator, or the government, comes in and says, "I don't care that you two decided on an independent contractor-employer relationship. This looks like employee-employer to me. Now you owe back taxes and all these other things." For a number of years we've been having difficulty with that, because the world of work is changing in terms of how we define a long-term contract, as the IT example provided. It used to be that bringing in your own tools made you a contractor. You used to be able to have short contracts. Now you come in with the tools in your brain. You might work as an IT worker for four or five years, but then that contract ends. Whatever software you have mounted for a system doesn't need you anymore. Then you're on to your next one.

That's where we have to adapt.

**Mrs. Rosemarie Falk:** Thank you.

**The Chair:** MP Ruimy, please.

**Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.):** Thank you, everybody, for your presentations.

This is something we have been hearing about for a long time. When I look back at my vast career, I remember a point when I delivered pizza for two separate companies. With one company I was actually on their payroll. With the other I wasn't; I was considered a subcontractor.

Part of what I think we're trying to accomplish here is that we absolutely need to start to define what precarious work means. In the case of being a driver, has the company decided it's in their better interest to pay me not as a regular employee but just as a driver? They don't have to worry about payroll. They don't have to worry about taxes. They don't have to worry about anything else. When I start to look at precarious work, that's what starts to come to my mind. How many situations are we presented with, and that have evolved to where we are today, where if you have a set of tools, you can be considered to be a contractor? But are we doing this to avoid our responsibilities? I get that business has a role to play, but we also have to make sure, as governments, that our policies and our legislation support our people. It has to be both. If they're not paying

taxes or they're not being taken care of with employment insurance, for instance, then that's a disservice to all Canadians.

Having said that, I have a couple of questions. One is for the CFIB.

I get why people want to hire outside contractors, but why not train in-house? In Toronto right now we have a massive problem because we don't have any contractors to build. Why not create an in-house training program rather than always hire out?

**Ms. Monique Moreau:** I'm so thrilled you asked that question. Now I can share with you that we know that small business owners in Canada—this is 2014 data, so it's probably even more now—spend \$9 billion a year on informal training in their own business. So it's not necessarily a lack of training; it's training that goes unrecognized by governments. They get no compensation for that. They just do it when they are trying to skill up their workers or bring on new employees.

I think we have to challenge this myth that precarious work is increasing and that independent contractors are being forced into it. That's not what our data shows. That's not what StatsCan data shows. That's not what public opinion research has shown us. Again, it's not about capturing the group of people who want the work and cannot find it and who need the work. That's different from individuals who are choosing this work and who want to be there and it satisfies all the parties.

• (1220)

**Mr. Dan Ruimy:** I'm going to push back on that a little bit. Again, because it hasn't really been fully defined, we don't know what those numbers look like. We don't have a great understanding. That's just one sector. Allyson's sector is another. A ton of people work at chain restaurants. Some get their part-time work and some don't. Until we actually define what this is, how can we actually measure and prove your point? I'm going to say that even though you're spending the \$9 billion, I still question why we have such a shortage of people.

Mr. Fong, in your studies do you see a decline in job security?

**Mr. Francis Fong:** I'll point to the data that Monique has shared already and add that the aggregate data doesn't necessarily show it. What I'll point to is that it might mask some underlying trends. I already pointed to the part-time data. The share of part-time employment has not moved since 1993, so we've had almost 25 years or whatever of it being stable in terms of its total share. But within that we might be seeing a shift towards more types of precarity in industries that pay lower wages or where people don't necessarily have knowledge of their future hours of work or what have you.

That's the real challenge here. We have all these little bits and pieces of information. Certainly, the committee has shared a number of stories already and the folks on the panel have already shared a number of stories. We're hearing about it and we're seeing it, so how do we line that up? The first thing we have to do is to define it and start collecting data so we actually know.

**Mr. Dan Ruimy:** Agreed.

Do you see precarious work being linked to employer misconduct in any way?

**Mr. Francis Fong:** There certainly has to be some portion of that. As part of our proposed definition, we want to start collecting data on that as well. Any definition of precarious work can't just be about money. It's not just a certain level of income and then volatile income and then we're good. No, it has to do with what Katherine was talking about in terms of safety. It has to do with fear of losing one's job or being on the margin and fearing losing one's job and things like that. Employer misconduct absolutely has to be part of that definition.

**Mr. Dan Ruimy:** Okay.

Mr. Cardozo, once you get somebody who's in a precarious situation, for whatever reason, like Allyson is in her situation, how do they get out of that situation?

**The Chair:** Be very quick, please.

**Mr. Andrew Cardozo:** I'm sorry. I don't have all the answers to that.

One of the things is certainly training and retraining people to get into other areas. It depends on what other factors there are. Some of the factors that Allyson Schmidt mentioned are really key and they're very real inasmuch as if you have certain family obligations that don't allow you to sign up for a new set of courses, you're not going to be able to ascertain that. It's a multi-million dollar question you're asking and it's quite complex. It's a really good one that I hope you will pursue, because it's key to this issue.

**Mr. Francis Fong:** Mr. Chair, may I add to that?

**The Chair:** You have 10 seconds.

**Mr. Francis Fong:** One point I want to make on that is that we may never be able to get rid of these types of jobs. We're always going to need people to work at McDonald's or Tim Hortons, so it is incumbent on us as policy-makers to make sure that the people in those jobs are taken care of.

**The Chair:** MP Barlow, go ahead for five minutes, please.

**Mr. John Barlow (Foothills, CPC):** Thank you very much, Mr. Chair.

I appreciate the great answers and input from our witnesses. You can see that the issue we face has a lot of different nuances, as Mr. Fong said.

Ms. Moreau, I want to ask you a bit about one of the slides you had about the transition. You were talking about the transition from part-time or precarious employment into those full-time positions. Do those numbers include apprenticeships, internships and those types of things, which usually might be defined as precarious? Are those situations included in those numbers?

**Ms. Monique Moreau:** They would be, but they don't represent the vast majority of the figures. Based on how our membership breaks out over the economy, we don't have as many sectors of the economy that require partnerships as we do others, so it would be even more vast.

• (1225)

**Mr. John Barlow:** Certainly, what we hear a lot here when it comes to EI numbers is that welders, electricians and plumbers are not included in those numbers because they are contractors and business owners. That's the decision they make and that's the situation that works.

I would be really curious—and I know my colleague Mr. Diotte asked this question right off the bat—to know CFIB's definition of precarious employment, or which direction you would like to see us go with something like this.

**Ms. Monique Moreau:** Again, I think we've had some good suggestions.

It can't be just about income or just about part-time or full-time status or permanency. I think a good place to start—or another ingredient to add in, if you will—is the intention of the parties. What are the individuals who are in the employment worker relationship seeking? As I've said, going back to slide 5, if you're looking to address the older worker who is retired and is enjoying.... I had an Uber driver in a really nice car; I got lucky one day. He is a car aficionado and is retired and does this three months of the year, and he's in Florida for another four. He's thrilled to get out for a few hours a day and talk to individuals. It gets him out the door every day. Is this person with a decent government pension who has a great lifestyle, frankly, the person we need to protect, or is it the full-time, minimum wage workers who are seeking different protections? Are we trying to protect the part-time teenage worker who's living at home and is learning how to be in the workforce for the first time, or a student who is trying to work two part-time jobs to ensure that they pay their tuition?

Those are the constraints that I think the committee needs to be careful of, and it's again why we try to do a bit of data-based, evidence-based myth busting, if you will, to show that it's not a crisis. There has been no increase in precarious employment. The data for the last 20 years have stayed relatively stable. If the solution is a bit more focused, can we then spend the limited resources that we have helping individuals who need it?

**Mr. John Barlow:** Right.

You touched on it at the beginning. Looking at your graph on page 5, I agree that this is not something we've seen a massive trend in. It may be, as Mr. Fong said, that we just don't understand the underlying part of it yet.

I don't think when Uber, Airbnb and those types of things started they were really intended to be full-time careers or jobs. They were intended to be some fun money on the side, but we've seen them start to grow into those full-time careers.



Ms. Morneau, you were talking about addressing some of the regulations on that side. Can you quickly give me a couple of things you'd like to see there to address that?

**Ms. Monique Moreau:** Certainly.

Our view is that the sharing economy and the gig economy have come up because of over-regulation. Disrupters have come in and said, "We're going to try it this way." They're playing in a sandbox of no regulation, and governments are trying to cope. We think the answer is somewhere in the middle, not in over-regulation and obviously not letting those disrupters sort of fly by night.

Again, it's considering somewhere in the middle, a way to make sure.... Our view is that government will have to cope. We have to go forward now with this new economy. Instead of trying to regulate everything in, can we look at making sure that we're not impeding those businesses that are legitimately working, protecting their workers and paying them well, and make sure that we're just getting after what we think is a smaller piece of the pie?

**Mr. John Barlow:** I think all of us would agree we're playing catch-up on the sharing economy. It's just grown so much faster than I think any of us would have expected. Any input you would have on that, and perhaps a future study, would certainly be welcome.

Allyson, you didn't have a chance to answer either. Really quickly, what would be your definition of "precarious employment"?

**Ms. Allyson Schmidt:** I'm not really sure, because in listening to everyone and just seeing.... Take my position, for example. I'm educated. I've been working. I have experience. Yet somehow, for whatever reasons, I'm not able to move beyond into full-time, permanent employment. The ramifications that has for me are shared by many other people.

I have a quick anecdote. I went on to a master's level of education. I was told by my supervisor at the time that there was no point in my getting an education because statistically, as a single mother I have more hope of getting out of poverty by getting married than by pursuing an education.

This is the reality that I'm living in. So when everyone speaks about statistics.... I live in Sault Ste. Marie. I don't have the ability to move to Toronto or Ottawa or to a bigger centre. I am in a small town in northern Ontario, and this is where I have to live because of the nature of my family.

While Canada has a lot of opportunities, there are these places across Canada where we don't have the opportunity that's out there, and we're hurting. We see people lose a job and be stuck; the contract runs out and another one doesn't come in, whether it's in social services or contract to contract or a funding-based activity.

I'm not quite sure, because there are all these things going on, but it's a landscape that can be very hostile.

• (1230)

**The Chair:** Thank you for that.

Madam Sansoucy, you have three minutes, please.

[Translation]

**Ms. Brigitte Sansoucy:** Thank you very much.

My question is for Ms. Lippel and Mr. Fong.

Ms. Lippel, you explained how the definition must take the context into account.

Mr. Fong, in your document, you talk about the conditions needed to develop a good definition. We know that the International Labour Organization, or ILO, a tripartite agency that brings together government, employer and worker representatives, has a definition for precarious employment.

Should the national standard definition of precarious employment be aligned with the ILO definition? If the ILO definition can be improved, should we take steps based on our own definition? Given that more and more companies are transnational, are we better off operating with the same definition and benefiting from research being done elsewhere? Since Canada is a member of the ILO, should we start with its definition first? What is your view on that?

**Prof. Katherine Lippel:** Thank you for the question.

The report to which I referred is specifically about occupational health. In my opinion, the harmful consequences of precarious work should not become the definition of precarious work. I find it somewhat concerning to say that, when an employer is abusive, it is precarious work. Employment in a unionized multinational company where there is abuse does not mean that the job becomes precarious.

So we must avoid defining work on the assumption that it is precarious if things go wrong and that it is not precarious if things go well or if people do not oppose it. We really need to be very specific about what we are looking at.

The ILO talks about the sectors of activity and issues that need to be addressed. Job insecurity is something that can be measured. We must measure the job insecurity, not its precarious nature. Precariousness means 10, 15 or 20 cumulative variables which, because of the context in which the work is done, put lives at risk. Some studies say that the situation is as bad in Toronto as it is in Sault Ste. Marie. This context must be highlighted for the legislation. So don't try to find a one-size-fits-all definition. You must be specific in your objectives.

**Ms. Brigitte Sansoucy:** Thank you.

Mr. Fong, I would like to hear your answer if the chair will allow it.

[English]

**Mr. Francis Fong:** It's a great question. As an economist, I would love to have a definition that's internationally comparable, because it would allow someone like me to look across countries and say how Canada ranks up. That would be great.

I think the challenge for aligning with the ILO is that, if I recall correctly, the ILO's definition is purposely quite broad in order to be manageable, I think, but if we go down this road of trying to define it for ourselves, taking into account health and safety, temporary agencies and all of these different circumstances that Canadians might face, we risk that those same conditions might not be present in Germany, or that they might interpret them differently, maybe not as negative or not as positive, whatever.

While it might be great, my concern would be that how we define it for Canadians doesn't translate as well maybe culturally to other countries, so I think that would be the challenge. I will note that even coming up with a harmonized definition of unemployment isn't necessarily that easy on an international basis. While I would love it, I think it would be very difficult.

• (1235)

[*Translation*]

**Ms. Brigitte Sansoucy:** Thank you.

[*English*]

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

That brings us to the end of two rounds.

I have had a request from MP Morrissey for an additional question.

Madam Sansoucy, would you like an additional question as well?

Okay. Maybe five minutes, if you guys want to jump in.

I will start with Bobby.

**Mr. Robert Morrissey:** My question is for both Ms. Lippel and Mr. Cardozo.

Do you see a difference between precarious employment and a side gig?

Just give a short answer.

**Prof. Katherine Lippel:** You talk about the gig economy where your whole life is side gigs.

**Mr. Robert Morrissey:** No. Okay. That's not the gig I was referring to. The side gig is just a side job.

**Prof. Katherine Lippel:** Okay. The status of precarious employment is, when people have no choice but to accumulate contracts that are precarious, that is when you have to act. But it doesn't become more secure if it's a side gig. It's still precarious employment.

**Mr. Andrew Cardozo:** I guess I'd focus on the word "side", because somebody could be part of the gig economy when they're doing several gigs in order to survive. If it's a side thing.... I think Monique Moreau used the term "passion". If it's a passionate thing where you're doing something because you're passionate about it and you make some money on the side not core to your survival and that, then there's a difference.

**Mr. Robert Morrissey:** You don't necessarily see the two as together. Okay.

**The Chair:** I'm afraid I have to interrupt.

It looks like the bells are ringing, and from what I understand, it's only for 15 minutes.

We'll have to end it there.

I want to thank everybody for being here. Thank you for getting us started off on the right foot with this study.

I will have to adjourn the meeting, unfortunately.

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