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**Chair**

**Mr. Bryan May**



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

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• (1105)

[English]

**The Chair (Mr. Bryan May (Cambridge, Lib.)):** Good morning. 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 resuming its study of precarious employment in Canada. We are joined by a number of great witnesses today, and I'll introduce them now.

First of all, from Basic Income Canada Network we have Sheila Regehr, chairperson.

Coming to us via video conference from Vancouver, we have Parisa Mahboubi, senior policy analyst, Toronto Office, C.D. Howe Institute.

From the Canadian Chamber of Commerce we have Leah Nord, director, skills and immigration policy.

From the Canadian Labour Congress we have Chris Roberts, national director, social and economic policy department.

Also joining us via video conference from Montreal, from the Institute for Research on Public Policy we have Colin Busby, research director.

Welcome, all.

We will get started with opening statements.

To start us off, from Basic Income Canada Network, Sheila Regehr. The next seven minutes are all yours.

**Ms. Sheila Regehr (Chairperson, Basic Income Canada Network):** Thank you very much for the opportunity to appear before this committee. We'll have a written brief that will follow shortly. Today with my limited time I want to highlight just a few points. I have four key points. I'm going to do a bit of history and then I want to talk mostly about the impact of precarious work on people.

My first point is that I went straight to the dictionary and I saw that precarity, according to what I read, encompasses uncertainty, lack of security and control, and threats of danger. I think threats of danger is the really important part, and, for people, those amount to things like income loss and poor health, but from a wider perspective they also include things like bursting of debt bubbles and societal unrest. Those threats are real.

The second point I want to make is that this committee talks about employment. I'm very particular about how I use "employment" and "work". All work is precarious to some extent. New forms of paid work cannot be divorced from the broader circumstances that affect security: for example, maternity, disability, weather, or bad luck. For the growing precariat, however, the lines are increasingly blurring between employer/employee relationships and paid and unpaid economic activity, both market and non-market.

The third point is therefore that the definitions and indicators of precarity must reflect those first two points in order to inform effective policy solutions: for example, indicators of time spent in paid and unpaid work as well as education and training, and the impact of income security policies such as child benefits and tax credits, not just employment-related indicators.

The fourth point is that due to the increasingly precarious nature of employment, the expansion of forms of basic income—I assume that's why I was invited—not tied to employment, which some Canadians already receive, is urgently needed for others.

I'll take just a very brief divergence into some historical context. We all know that a key driver of precarious work is technological change—think of Uber being made possible by smart phones—but it's part of a larger challenge. I have a quote on that larger challenge of "the growing and serious imbalance between our ability to create wealth with our tremendous productive power and the inability of millions of families to consume that abundance because they lack adequate purchasing power." That's a quote from 1955, from a labour leader to a committee like this one. Not much has changed, but I think the significance today of that era is that governments responded strongly over the next number of years to adopt public policies to meet those kinds of concerns that they saw coming, with things like unemployment insurance and student loans that continue to benefit people today.

The problem now is that change is accelerating and our progress has stalled, eroded, reversed in some cases, or is simply not kept up with new realities. I have just a few examples. Employment insurance is harder to get at a time when stable jobs are harder to find. More people are working at paid jobs or even just tasks with no benefits and protections. Financial shortfalls for a lot of people are being managed by taking on debt. Social assistance continues to be miserly and punitive while we continue with tax breaks for the wealthy.

The last point I want to make as an example is important because it points the way to the future, I think. That is that one of the really positive things we've done in Canada is that basic incomes for seniors and children, which have been in place for years, have been proven to be very successful in improving security for individuals and as a stimulus to the economy, but they exclude people. Those people are vulnerable to precarity and poverty. Things like the Canada workers benefit are helpful, but they're inadequate in amount and range of coverage.

Now I want to turn to the impact on people. I want to do this by looking at how people who are living precarious lives respond when that situation changes and they have more security.

The examples I'm going to provide are from a report called "Signposts to Success" done by the Basic Income Canada Network on the responses to a survey on the Ontario basic income pilot project. We ended up with a database that no one else had. We surveyed and received over 400 responses. I want to highlight three main areas that show you the kind of impact that increased security has on people.

Mental health was the biggest one. In the government's baseline survey of all the participants when they enrolled, almost 81% were suffering from moderate to severe psychological distress. That's 80% of the people enrolling in this program: people who are working for a living and struggling and also people who are on social assistance.

On our survey several months into the basic income, when they had been receiving this security, 88% of recipients reported less stress and anxiety and greater confidence. We have tons of examples, but they included things like reducing and eliminating medication. They controlled conditions better with diet, exercise and social contact. In turn, then, they were able to do things like go back to school, get a job or get a better job. There were similar results on health and food security overall. One of the important things here is that again they talked about things like reducing medication, but also about becoming more alert and actually physically more capable of activities that were not possible for them before.

The last area that I want to highlight is work. It's the one that everybody talks about when we talk about basic income and we worry about work disincentives. That's a bit of a myth. In our study, we found exactly the opposite. In the baseline survey, most people who were employed reported that they thought they were in dead-end jobs with no future. In our survey, we can see that people with the security of a basic income went back to school, upgraded skills, got better jobs, and were able to put gas in the car or buy bus tickets. Everybody improved in some way.

For me, then, I guess the bottom line is that basic income security reduces precarity. It improves lives, and it opens up options for everyone in ways that programs tied to employment alone cannot. The federal government has stated its intention to move in the direction of a basic income, and it's one that we fully support to address precarious work and many other phenomena.

Thank you.

• (1110)

**The Chair:** Thanks very much.

Up next, via video conference, from the C.D. Howe Institute, we have Parisa Mahboubi, senior policy analyst in the Toronto office.

**Ms. Parisa Mahboubi (Senior Policy Analyst, Toronto Office, C.D. Howe Institute):** Thank you very much. I am pleased to have this opportunity to speak to you regarding precarious employment in Canada.

The labour market outcomes experienced by individuals in terms of quality of jobs and compensation are the key determinants of living standards. The traditionally preferred jobs are considered to be stable, full-time jobs with access to benefits. On the contrary, precarious employment often offers low pay and is relatively insecure, unstable and uncertain.

Several types of non-traditional employment that can capture the features of precarious employment are temporary positions including term or contract, casual or seasonal work, part-time positions, full-time employment with multiple jobs and unincorporated self-employment.

While full-time permanent positions remain the norm in Canada and the share of precarious employment in total employment has been relatively stable since 1997, at around 34%, there are some alarming shifts in the labour market that require special attention.

First, the stability and the proportion of precarious employment still mean a growing absolute number of workers in precarious work, which has climbed by 1.5 million from 1997 to 2018.

Second, full-time but temporary employment has grown by 63% since 1997, outpacing the 36% increase in total employment.

While term or contract employment, either full-time or part-time, has always been the largest component of temporary employment, there has been a shift towards more contract work over time. In particular, the number of Canadians employed in these types of jobs has almost doubled, accounting for a rise in contract work as a share of temporary positions, from 46% in 1997 to 53% in 2018.

Service industries, as a group, are the fastest-growing industries in Canada. The industry breakdown of temporary work shows that not only the lion's share of temporary employees is in the service industries' sector, but also that this sector has seen the largest growth in the amount of temporary work available. As a result, the share of temporary employees in service industries has climbed from 76% in 1997 to 83% in 2018.

Another dimension to the rise of precarious work, particularly in service industries, is the shift towards more part-time employment. Part-time employment has also grown by 32% since 1997, with almost no change in its share, and represents 45% of all precarious work and 15% of total employment in 2018.

The good news is that the number of involuntary part-timers has started to decline. The percentage of part-time workers who would prefer full-time employment was 22% in 2018, down from 28% in 2010.

Indeed, while trends in precarious employment are driven mainly by globalization, technology development, the shift towards services and the need for flexibility in business, more Canadians desire flexible work arrangements. In particular, demographic changes such as aging, greater labour force participation of women, and emphasis on higher education are playing key roles in this respect.

For example, older Canadians who are generally living longer, healthier lives have been a major contributor to the growth in part-time jobs and temporary work. For some individuals, temporary work has also been a stepping stone to full-time permanent employment.

• (1115)

However, poor compensation and employment uncertainty negatively affect the willingness to spend and delay family formation, a home purchase and saving for retirement. Learning from approaches to precarious employment in some European countries as provided in a C.D. Howe study in 2016 by Colin Busby and Ramya Muthukumaran highlights that Canada should turn its focus from rigid labour employment legislation that prevents job creation to policies that provide proper support for workers with precarious jobs.

Policy options to better address income and employment insecurity associated with precarious employment are improving employment insurance eligibility by adopting more balanced employment insurance eligibility requirements, both regionally and for workers in non-standard jobs; and ensuring uptake of the new Canada training benefit for workers in precarious employment.

The above-mentioned policies can provide policy-makers with options to mitigate the challenges faced by workers in precarious jobs and maintain a dynamic labour market outcome.

Thank you for your attention, and I look forward to your questions.

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

Up next from the Canadian Chamber of Commerce is Leah Nord, director, skills and immigration policy. You have seven minutes.

**Ms. Leah Nord (Director, Skills and Immigration Policy, Canadian Chamber of Commerce):** Thank you. It's a pleasure to be here this morning.

The Canadian Chamber of Commerce is the voice of Canadian business. Our network consists of 450 chambers of commerce and boards of trade across the country, representing 200,000 businesses. We also have over 100 corporate members and an equal number of association members.

Digitalization, automation, Industry 4.0, and artificial intelligence are all top of mind for individuals, organizations, businesses and governments alike across the country, the Canadian Chamber of Commerce included. For example, over the past year, our activities have included a report called "Skills for an Automated Future", which examines the effects of automation on the workforce, the skills and training that people will need to work in a digitized world, and ways to facilitate that training.

Our national AGM in Thunder Bay, our executive dinner in St. John's and Ontario's economic summit all had a focus on skills challenges and the workforce of the future. As well, this month and last, March and April 2019, we have hosted a series of round tables on artificial intelligence. On April 16, in Montreal, our AI and the workforce session will explore not only the specialized talent needed for the country, but also focus on how to facilitate the integration of the broader workforce, those who interface with AI and the skill sets needed to do so. This future of work has brought us all here today, to drive towards a definition of precarious work and its impacts on Canadian society.

There is a new reality in the Canadian workforce landscape, which started as early as the turn of the century and has picked up momentum since. To seemingly state the obvious, and to state it simply, gone are the days when Canadians go to secondary school, then possibly, or not, post-secondary, get a job with a single company over a lifetime and then retire at 65 with an income and benefits arrangements.

What this all means is not clear cut. Increasingly, as the data and research shows, full-time employees or employees in the public sector might feel precarious or insecure. At the same time, contractual or part-time workers are not necessarily vulnerable. They can, in fact, on a fully informed, personal-choice basis, be embracing this new gig economy.

Further, for example, survey results from BMO's wealth management survey, published in January 2018, found that the most cited reason for becoming self-employed was voluntarily making the choice, at 60%, or wanting a new challenge or change, at 49%. BMO also made the point that those in the gig economy range from the traditionally defined blue-collar workers, to IT, engineering, accounting and HR professionals.

As the future of work in the new economy is evolving, so much is unclear. I'd like to make three points about what the Canadian Chamber of Commerce thinks is clear.

First of all, it's not all doom and gloom. There is possibility, potential and opportunity. In December 2018, I conducted a series of interviews with influencers and thought leaders in the chamber network.

I'll quote a bit from the conclusions, as follows. Discussion on artificial intelligence in the workforce is welcomed and important, yet we must acknowledge that the technology is still nascent and much is unknown. Disruption is inevitable, and it is acknowledged that the conversation speculating about massive job loss persists in the media and the marketplace; however a more prevalent sentiment among interviewees was the expectation that while there will be some impacts on jobs, the labour market will evolve and adapt.

Second, within this evolving landscape, we need to be wary of the data and its implications. You've heard testimony already, which is reflected in the literature and research, about the qualitative lens that needs to give the numbers real and true meaning. You've also heard that how to do so is really problematic. Until we know if and where the issues and challenges lie in a gig economy, especially in the federally regulated private sector, we should not be jumping to program solutions.

Third, what we need is to set up Canadians, all Canadians, in all regions across the country—all ages, genders, fields and backgrounds—for success.

How do we do this? The Canadian Chamber of Commerce has recommendations for the federal government in two key categories.

• (1120)

First of all, in focusing on the future of work, the government should focus on skills. As this committee has heard on a number of occasions over the past year, the Canadian chamber and its members and network across the country have a series of policy resolutions and recommendations for developing a skills agenda for the 21st century workforce. In essence, it involves developing a national, overarching skills and competency framework, followed swiftly by a gap analysis and forecasting of future needs; and promoting and developing a competency-based assessment or assessments. The Government of Canada can demonstrate leadership in this area by implementing such evaluations within the federal public service. Our third recommendation is facilitating corresponding and requisite education and training and promoting a culture shift for lifelong learning.

Those are easy to state, colossally more difficult to implement, but critical for success. This is where the Government of Canada's focus should be, in partnership with all levels of government, the business sector, the education sector and all stakeholders involved in skills.

Recognizing my previous comments on programming in the absence of defined issues, the Canadian chamber does have recommendations vis-à-vis three areas of federal government programming related to the future of work, the Canadian workforce and notions of precarious work.

The first is with EI, the employment insurance program. The Canadian chamber has long called for a review of Canada's EI program, particularly as it relates to contribution ratios and the programs that EI dollars fund. I reiterate that again here today and add that a truly substantive review of the program would allow for real visioning on how best to support Canada's workforce in this century and through the ebbs and tides of labour market conditions. The Canadian chamber supports the idea of exploring how the EI

program and other income support programs can be effectively combined with skills training and employment services.

This review would also include consideration of budget 2019's proposed Canada training benefit. The potential impact on small as well as medium and larger businesses of providing four weeks is unclear. There is the EI small business premium rebate to offset costs, but the structure of the program is still undefined, and there are also questions about what courses and programs will qualify and how these align with business needs. It is critical to consult employers.

My time is running out.

We also have comments around the portability of benefits. There have been a lot of initial discussions about what benefits will be portable and how they could be operationalized. We have struck a working group that will respond to the expert panel that has been established on workforce issues. Recommendations are forthcoming. We encourage you to proceed very carefully; there are jurisdictional cost and feasibility issues.

We also have comments regarding a national pharmacare program and support a concept that fills in the gaps. I have a position brief to share with those interested.

In closing, I would like to thank the committee for the opportunity to speak today and underscore the importance of including the business sector in these discussions. The Canadian chamber with its members are willing partners in consultation and collaboration.

Thank you.

• (1125)

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

Next from the Canadian Labour Congress is Mr. Chris Roberts, national director, social and economic policy department.

**Mr. Chris Roberts (National Director, Social and Economic Policy Department, Canadian Labour Congress):** Thank you very much, Chair.

Good morning, committee members. Thank you for the opportunity to appear before you today on this important subject.

The Canadian Labour Congress speaks on national issues on behalf of three million unionized workers in Canada. It brings together over 50 national and international unions, 12 provincial and territorial federations of labour, and over 100 labour councils from coast to coast to coast.

The issue of precarious work is of vital importance to Canadian unions and to working people in Canada. We commend the member for Sault Ste. Marie for his motion and for his role in initiating this important study.

On Tuesday, the committee heard the eloquent testimony of Allyson Schmidt, who recounted not only the personal stress and hardship of precarious employment, but the economic inefficiency and sheer waste that results when someone with such talent and potential cannot secure stable, rewarding employment that makes full use of her capacities.

This sort of labour market failure is widespread in Canada. Employment precarity affects far more workers and is far more prevalent than many understand or are willing to admit. Low pay, employment instability and income volatility, limited access to labour standards protections and other manifestations of labour market insecurity affect millions of workers in this country.

The Poverty and Employment Precarity in Southern Ontario research project, known as PEPSO, an initiative of the United Way and McMaster University, found that in 2011 20% of those working in the greater Toronto area were in precarious forms of employment. Another 20% were in employment relationships that bore at least some of the characteristics of precarious employment.

Ontario's 2017 Changing Workplaces Review found that vulnerable workers in precarious employment made up nearly one-third of Ontario workers in 2014. Non-standard employment alone made up more than one-quarter of Ontario's workforce. This type of employment includes temporary employees, such as term, contract, seasonal and casual workers; the unincorporated self-employed without paid help; involuntary part-time employees; and multiple job holders where the main job pays less than the median wage.

However, in our view, precarious employment should not be reduced to a question of non-standard work or temporary employment. While there is a high degree of overlap between non-standard and precarious employment, not all contingent or non-standard employment can be viewed as precarious. There are some individuals in non-standard employment, for instance, very highly paid professionals with specialized skills working on contract, who are not in precarious circumstances.

On the flip side, there are workers in standard employment whose work is characterized by aspects of precariousness, so precarious employment should be understood to include not just workers whose employment is uncertain or temporary, but also full-time workers in low-paid jobs, without pensions, benefits or adequate employment standards protections.

For this reason, the Changing Workplaces Review emphasized the need to focus on vulnerable workers in precarious employment as a conceptual way forward. It pointed out that vulnerability, powerlessness at work and in the labour market, and increased physical and financial risks are important dimensions of precarious employment.

Importantly, this approach focuses attention on the ways in which employment-related risks and costs have been progressively shifted to individual workers; how shrinking pension coverage and falling access to post-retirement benefits have transferred retirement risk to individual workers; how declining access to employment insurance benefits has weakened protections against unemployment and raised the cost of job loss. It focuses attention on how employers' declining investment in vocational and on-the-job training has raised

individual risks of skill obsolescence and technological unemployment; how changes to workers' compensation have increased risks faced by workers when becoming injured or ill at work, and so on.

Our recommendations to the committee, then, consist of the following.

The committee should recommend, in our view, that the Government of Canada work in conjunction with academics, unions, employers and other stakeholders toward a definition of precarious employment and better data-gathering in the interests of reducing precarity.

In particular, the government should generate better labour market information on the differential impact of precarious employment on women, indigenous people, racialized workers and newcomers to Canada, youth and individuals with disabilities.

● (1130)

The government should develop measures of precariousness that can be tracked over time, and against which government efforts to reduce precarity can be evaluated.

As an employer, and through legislation and regulation, the federal government can take immediate steps to reduce precarious employment and promote good jobs in both the federal public sector and the private sector.

It can continue to strengthen labour standards for workers in federally regulated industries.

It can reduce the degree of outsourcing and reliance on temporary agency employment in the federal public service.

It can address the particular vulnerability of migrant workers in Canada, especially migrant workers in agricultural and low-wage streams of the temporary foreign worker program. It can also move to regularize undocumented workers in Canada, who live and work in particularly precarious circumstances.

It can improve access to employment insurance benefits and raise the replacement rate, among other needed improvements.

It can work to remove obstacles to unionization and improve workers' access to collective bargaining.

Finally, fiscal and monetary policy-makers can devote greater priority to pursuing genuinely full employment in Canada.

Thank you very much, and I look forward to questions from committee members.

**The Chair:** Thank you very much, Mr. Roberts.

Up next, we have Colin Busby, research director, from the Institute for Research on Public Policy, coming to us via video conference from Montreal.

•(1135)

**Mr. Colin Busby (Research Director, Institute for Research on Public Policy):** I do want to thank the chair and the committee for inviting me today to discuss with them an important issue: how we can work towards better defining and measuring precarious work, and do so in a way that helps to evaluate and design policies to address it.

I want to spend the first half of my presentation discussing options to achieve a more standardized definition of precarious work. Then I want to spend the last half discussing why the way we define precarious work matters because it leads to, and in some ways predetermines, policy responses.

Economic uncertainty is on the mind of many Canadians. It is increasingly understood that the benefits of economic growth in recent years are not being spread evenly among all workers. As a result, many feel excluded from the benefits of economic progress. Of course, the pressures of economic progress—technological development and how it's facilitated by globalization—have had a major impact on labour markets and workplace insecurities.

Yet, keep in mind, we designed the blueprints of our social safety net and our foundational labour legislation standards in a very different era. Most labour legislation regulations and institutions, although modestly amended over the years, were put in place in the 1970s and the 1980s, a time when many businesses were large—mainly manufacturing—and were the main source of full-time, full-year jobs, and most workers were male.

Large employers were often protected by tariffs and faced limited competition, and union coverage was far higher, whereas today there is more open competition and there are more small employers, more services and, of course, more women in the labour force.

When you add to this workers' anxiety about new technology and how it might replace their work, it's not hard to understand why so many Canadians feel this sense of economic unease.

Although there is no consistent definition of precarious work in academic and policy literature, there are some common threads. Conceptually, the term “precarious work” aims to express the uncertainty and vulnerability of one's work. Broadly defined, it captures job uncertainty, in terms of potential future layoffs, for example; predictability or lack thereof, in terms of someone's shift scheduling, for instance; and being low income or having few benefits or entitlements.

Statistics Canada keeps track of what's called non-standard employment, like part-time temporary work, which the previous witnesses have already talked about. Precarious workers are often associated with the results of these data because of their availability.

Still, because people in non-standard jobs can be well compensated, sometimes as a result of the insecurity of their jobs, there has been a shift towards focusing more on low-paid workers as the central element of job precarity, regardless of the form of employment. Previous witnesses have mentioned this, and I want to support it because, after all, some full-time, full-year work is quite insecure. Low-paid workers may have little opportunity for career advancement and little protection from unions, and they might not have

extended medical benefits that improve their access to prescription drugs, dental or other extended health benefits.

As we search for a more common, better way to measure precarious work, I would add, as was just mentioned by the previous witness, that we do want to know about whether specific groups of workers are potentially more affected in precarious work over time. Those can be women, racialized groups, new immigrants, youth service workers, people with disabilities, etc.

I would also echo the point made by Parisa: Knowing the total number of precarious workers from one year to the next tells us only part of what we as policy-makers need to know. We need to know whether or not episodes of precarious work are long lasting, whether or not they're more of a temporary phenomenon and whether or not they lead to more permanent, full-time, well-compensated opportunities.

Again, this is a point of repetition, but I will make it because it's important: The 2017 Changing Workplaces Review in Ontario used two definitions of precarious work, focusing mainly on low income as the underlying variable. It's a methodology decision that I strongly support and, as Chris mentioned previously, they found that about one-third of workers in Ontario, using either definition, could be classified as precarious.

However, we must be mindful of how we define precariousness because it influences how we develop policies. When it comes to improving support and security for workers, what are we trying to provide: job security, income security or some combination of the two? If job security is the main focus of our definition of precarity, we might focus more around labour legislation issues like hiring and firing, as well as severance rules. But if income security is the focus, we might end up focusing more on the social safety net in the absence of job security. However, most likely, we probably want to be looking at a balance of the two.

•(1140)

I want to give a very quick example as to how we define precarious work. One way of doing so can contribute to how we analyze policy responses. Statistics Canada recently produced research called “Assessing Job Quality in Canada: A Multidimensional Approach”. It looks at six elements of job precariousness, which I'll go through very quickly: things like income and benefits, career prospects like opportunities for career advancement, work intensity, autonomy in the job and in the workplace, training opportunities and so on.

The results of this study shed light on the more complex issues of precarity. They show major differences in workplace precarity across sectors but also within specific sectors. The data also show important implications with respect to gender, with women more commonly in precarious work, as well as increased job precariousness for youth and those in part-time work.

To take one result from this study and ponder briefly on how these findings can shape policy responses, consider the finding in the report that large firms tend to provide much higher quality, well-paid jobs relative to small businesses. What do we make of this? Does it mean that we should stop favouring small businesses through a more favourable tax regime relative to large businesses? Or, to the extreme, should we stop worrying about growing market concentration among firms and antitrust legislation if it means more stable, high-paid work for some?

I don't have the answers to those questions and I don't want to speculate, but I want to highlight that the issue of precarious work is intertwined with the competitive environment for Canadian businesses. I think this is what the private member's motion was trying to get at when stating that a common definition of precarious work should “enable us to look to prevention, support, and the opportunity for innovation in both the public and private sectors.” Underlying all this is a tension between the vulnerability and uncertainty that workers face and our options to address them and the fact that we encourage competitive business climates that require giving firms flexibility in making business decisions and employing workers and purchasing capital.

What this boils down to in how we look at ways to address workplace precarity and maintain an innovative economy is as follows. Although efforts to better define and track precarious work are an invaluable task of the federal government that arguably Statistics Canada should undertake, ignoring the inevitable tension and pressures facing workers and firms and the need to find compromising solutions to these problems means we're going to probably risk struggling to make progress in shaping policy responses.

On this point—I'm going to conclude shortly—the need for governance solutions that brings together tripartite groups—business, labour and government agencies—should be an essential part of the way that we aim to advance policy going forward.

I want to conclude by stating that I favour a standard definition of precarious work that places the greatest weight on income uncertainty as I do believe it underpins most economic security issues regardless of type of work and because it would also support the widest range of potential policy responses.

On that point, we should strive for the right and more modernized mix of labour legislation, income security programs and programs that encourage work and transitions among jobs as we go about addressing precarious work.

Thank you.

**The Chair:** Thank you very much, Mr. Busby.

We're going to start with questions now.

Up first we have MP Falk.

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

Ms. Regehr, you mentioned EI is harder to get. Can you tell me why?

**Ms. Sheila Regehr:** It's because of all the changes in regulations. Chris will know the details much more clearly than I, but we've been talking about women and looking at the gender aspects of this. Within EI you see these paradoxical things where you have the expansion of maternity and parental benefits, which is great for those who qualify, but an earlier study that I'm aware of shows that a lot of the women who need that support most are going to be least able to get it because they're living in precarious situations.

**Mrs. Rosemarie Falk:** So just reaching the minimum hours for work—

**Ms. Sheila Regehr:** —reaching the minimum hours, having the required time periods.... Very often a second or subsequent childbirth is difficult because you have the labour force interruptions related to the first child you are raising, and because it's based on income, your options for being able to remove yourself temporarily from paid work to raise your children is really limited because of the financial pressure.

● (1145)

**Mrs. Rosemarie Falk:** Okay, thank you.

Ms. Nord, as the chamber, an organization that supports and is a voice for business, I'm wondering about your opinion on the federal government supporting training initiatives that would allow someone to move into a better job versus the responsibility of the employer or that business.

**Ms. Leah Nord:** We support the need to change the education and training system or to at least adapt it somewhat. It's this lifelong learning concept, and I think there is a role for everyone.

I think it is about the way that it gets structured going forward, and I think there are some considerations. If a business or a sector is going to put forth training, it has to have benefits for the business as well, if we structure it like that. There is an individual responsibility as well, in a career path, so it is an absolute careful balance.

One of the questions we have within the present training benefit being proposed, for example, is that you get a four-week leave to take courses, but what courses are going to qualify? What courses in this day and age, at least at a post-secondary level, are going to give you four weeks of what...? That might be an individual need, but how does that align with the business need? Is it existing right now within any number of agreements and mechanisms? We don't want to see professional development services provided by business lost in the shuffle either.

**Mrs. Rosemarie Falk:** You've mentioned lifelong learning. Being somebody who is younger and who falls into the millennial category, I've been taught that already, just throughout school, in terms of having that scale of always learning new things, trying new things and trying new challenges.

How do we shift culture or how do we shift education amongst the different generations of people? People are working not just at 30; people are working into their seventies or even into their eighties. How do we shift that focus of always needing to learn and be adaptable?

**Ms. Leah Nord:** Short courses, badging, micro-credentializing, a recognition of non-traditional post-secondary education and not waiting for unemployment to come before you go back for a full degree: It's a whole engendering of a culture shift.

It's also about the skills that are being taught. I believe Andrew brought up the entrepreneurial piece with the traditional soft skills, foundational skills and human skills such as resiliency, teamwork and adaptability. This is critical. These human skills are not going to be replaced by the robots either, right? There's a very technical aspect to a lot of professions across the board, but arguably these are the sorts of skills that we need to engender.

**Mrs. Rosemarie Falk:** I don't know if you can answer this, but do you know how the business community is doing in this area? Would you say that they are setting an example by training employees and that kind of thing and continuing to train them to make them more adaptable? Or is that not happening at all?

**Ms. Leah Nord:** It is. It's not across the board. It's who can afford to and where the priorities are. In this day and age with the technical change... There's always been change. There have always been revolutions. The rapidity of the pace of change... This is more quantitative than qualitative, but in my experience, a lot of businesses are offering days off just to keep up. It's more from the technology front than it is on the soft skills front, but I'm not able to speak definitively on it.

**Mrs. Rosemarie Falk:** Okay.

You also mentioned doom and gloom, in that it isn't all doom and gloom in the changing labour market. What can we do tangibly as policy-makers at this level of government to make sure that it's not all doom and gloom?

**The Chair:** That's your time, but I'm going to allow a quick response.

**Ms. Leah Nord:** There's a suite of responses. There's investment in innovation, and that's a whole conversation. It comes back to the point I made earlier: investment in skills training, that resiliency and adaptability, and the culture shift in mindset. Again, it's easy to state and colossally hard to implement, but critical.

•(1150)

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

**The Chair:** We'll now go to MP Sheehan, please, for six minutes.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much for the amazing testimony again today.

This panel and the last panel have been really good, and I really appreciate the opportunity to be at the committee, Mr. Chair, as well as all the questions from everyone around this table. It has all been very thought provoking as we undertake this study.

I'll start my questions with Colin Busby. In "No Safe Harbour", it was identified that certain groups seem to be working more precariously than others, including women, at 60%, more than men. Why is that happening, would you say? I'd like to open it up to that one particular group to begin with, Colin.

**Mr. Colin Busby:** Off the top, women tend to have much higher concentrations of part-time work. Part-time work tends to fall into that more precarious category of work because there tends not to be the same amount of income security that you get with a full-time job. Scheduling is often more complicated. As well, the rates of qualification for employment insurance, which came up earlier, are much lower for people in part-time positions. Those who fail to accumulate enough hours worked to qualify for employment insurance tend to be those who have part-time employment. Those are just a few reasons as to why that is, and that preference for part-time employment also stems often from paternal or maternal obligations.

**Mr. Terry Sheehan:** That leads to my next question, then. Jennifer Robson in 2017 published research with the IRPP on parental benefits in Canada. What, if any, connection do you see between an increase in precariousness of work and a need to change parental benefits in Canada?

**Mr. Colin Busby:** Workers want flexibility. This is what workers want. They want flexibility. Some of the previous speakers mentioned that there is some preference among workers to take on more non-standard forms of employment, which tend to be more precarious, because they want that flexibility. They also want that flexibility in terms of the ability to access parental benefits and the length for which they access parental benefits.

The study that you mentioned cites a number of examples, often drawing from the Quebec program for maternity and paternity benefits, which is much different because they've designed their own set of rules that are much easier to qualify for and much more generous in terms of what they pay for than the rules of employment insurance for mothers and fathers in the rest of Canada. I think there's really a lot to be said about that, because to qualify for EI and maternity/paternity benefits in all parts of Canada outside of Quebec one has to have a very significant commitment to the labour force. If you're in a part-time job, you might not even qualify. In Quebec they say, if you've worked 100 hours or so in the last year, they want you in; they want you to be part of it; they think you deserve paternal and maternal benefits. It's a very different design. It's something that the federal government should look more closely at.

**Mr. Terry Sheehan:** Thank you.

My next question is for Chris Roberts from the Canadian Labour Congress. It's sort of a general question. How are the CLC's members helping precarious workers, and what strategies are they employing?

**Mr. Chris Roberts:** That's a great question. I think there are a lot of unions that are trying to organize workers in precarious employment—vulnerable workers, in particular. You have the United Food and Commercial Workers, which is organizing migrant workers, newcomers to Canada, in meat-packing, giving them collective bargaining coverage and all the benefits that come with that. You have unions attempting to organize in ride-hailing and ride-sharing industries. I think unions are innovating by devising new forms of organization that appeal to workers in particularly insecure and precarious circumstances.

I think also that, just through public policy advocacy, unions are trying to bring forward the sorts of proposals that have been raised here today around expanding universal social protection and winning universal pharmacare programs, so it doesn't matter if you have a union at work or if you don't have a negotiated workplace private drug insurance plan; you can still have access to necessary medicines and that sort of thing.

I think unions, like others, have only made this issue more of an urgent priority in recent years and are trying to adjust the insecurity that does affect their members as well.

• (1155)

**Mr. Terry Sheehan:** Thank you.

Leah, from the Canadian Chamber of Commerce, you mentioned some good points. On Andrew's position about more entrepreneurship training, you validated that, so I appreciated that question.

Your membership is large. Are there particular sectors within your membership where there's more precarity? Do you have any data on that?

**Ms. Leah Nord:** What is precarity? We have labour force issues and demands across the board. Define precarity. Labour force issues across the country, across sectors.... There's precarity, if you want to take that point of view, in rural, remote and smaller areas, where we have diminishing populations and increasing retirement. Take a look at sectors. I was in front of this committee last week when we were talking about, even within Toronto and Hamilton, sectors like the construction industry. Precarity from a labour force demand viewpoint across the board is one of the major issues for all of our members, and it's one that is uniform.

**Mr. Terry Sheehan:** Thank you.

**The Chair:** Now for six minutes, go ahead, Ms. Sansoucy.

[*Translation*]

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

I thank all of the witnesses for their contribution to the work of our committee. I'd like to point out that they all referred to the need to reform our employment insurance system, particularly its eligibility criteria; this is especially the case for women, who are in the labour force, although only a third of them have access to the program at this time.

My first question is for you, Mr. Roberts. You pointed out that precarious employment can affect any field of activity and any age group. In Canada, we even see an increasing number of people who work full time but are nevertheless in poverty and are new clients at the food bank.

Like many Canadians, we believe that the harmonization of salaries in sectors under federal jurisdiction would be a first step in eliminating precarious employment. The president of your organization, Mr. Hassan Yussuff, stated that the minimum wage should be set at \$15, so that someone who works full-time is not under the poverty line despite that. Could you explain how that measure would help to reduce precarious employment?

[*English*]

**Mr. Chris Roberts:** If I understood you correctly, in particular, what impact could the \$15-an-hour minimum wage, the return to a federal minimum wage, have? That's being studied by the expert panel of course.

I think there is good evidence to show that a significant number of low-paid workers in federally regulated private sector industries would benefit from restoring a federal minimum wage at that level. I think it would have an important impact on bringing up standards and wage floors in regional economies where the provincial minimum wage is lower than that. I think it would send an important signal to other jurisdictions that the federal government is committed to strong wage floors.

For all those reasons—and I think other reasons that the expert panel will study in terms of the likely employment impacts—there is good reason to believe that there will be few, if any, negative employment impacts. There are just good reasons for workers in banking and in airports and other places to set that wage floor at \$15 an hour.

[*Translation*]

**Ms. Brigitte Sansoucy:** Earlier it was mentioned that many young people occupy a large proportion of these precarious jobs. You also pointed out in a 2016 report that young people make up more than one fourth of the unemployed. What solutions could prevent millennials from being the main victims of precarious employment?

• (1200)

[*English*]

**Mr. Chris Roberts:** It's definitely the case that millennials and youth are particularly vulnerable to the kind of exploitation and extreme insecurity that we see rising around the margins of the labour market in particular. There has been discussion about workers wanting flexibility. I think that may be the case in many instances, but no one signs up for insecurity. They may want flexibility and autonomy and challenges but not the insecurity and exploitation that come along with it. There have been interesting international studies of young workers that show surprising—in the context of this discussion—support for job security or employment security.

I think that young workers do have a real interest and a real desire for the same kinds of opportunities and investments and entitlements as those found in standard employment, that stably employed and secure and well-paid employees of our generation have enjoyed.

I think that young workers are particularly vulnerable as new entrants to the labour force, but they want many of the things that their predecessors had.

[Translation]

**Ms. Brigitte Sansoucy:** I expected you to answer that unionization was one solution. Thank you very much Mr. Roberts.

My next question is for you, Ms. Regehr. You had a ring seat for the introduction of guaranteed minimum income programs in Manitoba, and for pilot programs in Ontario. In your opinion, would this be a solution we could put forward in our study of precarious employment? We know that the federal government has just put in place a poverty reduction strategy. Should the guaranteed minimum income have been one of the solutions chosen to fight poverty and precarious employment?

[English]

**The Chair:** It's time, but I'll allow for a very brief answer, please.

**Ms. Sheila Regehr:** Yes, absolutely. I want to pick up on what the gentleman from the IRPP said as well. I think the focus really does need to be on income, not just for those already living in poverty, or close, or those who have precarious employment today, because those precarious situations are uncertain. They can change tomorrow.

Having that income security provides the flexibility. All of our study results show that with that flexibility you can get retraining, you can get reskilled, but the bottom line is people have to live daily lives. They have to eat, they have to put a roof over their head, while all of these other things are being done. Otherwise, the rest of it is for naught.

The income security part of it really matters.

[Translation]

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

[English]

**The Chair:** We now go over to MP Sangha for six minutes, please.

**Mr. Ramesh Sangha (Brampton Centre, Lib.):** Thank you very much for coming today and giving this valuable information. In the GTA, and especially in my riding of Brampton Centre, I mostly see new immigrants coming and most of them are not qualified for jobs. They work part-time, full-time. They look for any type of job and they get it, and they start working on that. They are mostly very vulnerable. They will change from one job to another.

When these types of situations are there, it is obvious that they are suffering from the shortcomings of the system. We want to do something for them, but we are not able to give it properly because there are other circumstances that are obstructing everything.

Madam Nord, in your presentation you suggested to the federal government three points—focus on skills, training and education—and the competency of these.

With all these things in mind, do you have any data from your membership about which sectors or industries use contract workers or workers who are very vulnerable?

●(1205)

**Ms. Leah Nord:** No is the short answer, but I want to build off something about the Brampton area as well. When you talk about basic income, this actually brings into the discussion the cost of living as well. This isn't work precarity...basic income, cost of living, housing costs, for example.

When we talk about competency-based assessments, this is exactly what would help immigrants and new Canadians in this country, where we move from a credentialing system to a competency-based assessment. I heard testimony on Tuesday around temp agencies, and a large percentage of people who use those are immigrants. The issue isn't job precarity. The issue is Canadian work experience, for example.

This comes back to the issue of addressing what the actual problem is, or defining what the problems are and what the solutions are. If the issue for immigrants and migrants is the precarity of their legal status in the country, let's talk about the temporary foreign worker program. As you know, I could talk a lot about that program as well.

Precarity in work is one thing, but is it income? Where are we looking? On benefits, for example, you could have a minimum wage across this country, but what does that mean for benefits? This is all-encompassing, but I'm just trying to make the point that we have to be precise in what we're looking at and the problems we're trying to solve therein.

**Mr. Ramesh Sangha:** The question, though, is about the availability of jobs. I've seen that SMEs also are suffering from this. They're looking for people to come and work for them. Once they train someone for 20 or 30 days, the worker shifts to another employer, and they're still left with no employment.... The businesses are at a precarious level. They're also not able to produce things as required by their contractors.

What are your suggestions with this type of situation?

**Ms. Leah Nord:** I'll let you answer first, and then I can jump in.

**Mr. Chris Roberts:** I think you've put your finger on a long-standing problem in Canada, which is the tendency of employers to underinvest in training and developing their existing workforces because of the fear of poaching: that the skills will be poached and some free rider who isn't investing in training will come along and take advantage of the investments their competitor has made.

The way many countries and the Province of Quebec get around this problem is by imposing a training levy on all employers. Those employers—often large employers that are investing a great deal in training their workforces are exempt—that fail to devote a certain percentage of payroll towards training have to put money into the general pool, which then goes to support training and skills development initiatives.

That would be one way to raise the level of training investments generally in Canada, which have been declining over the course of 25 years. It would be one way to ensure that workers receive more investments in essential skills training, digital skills, and also some important opportunities.

**Mr. Ramesh Sangha:** Do you have any suggestions for the federal government to start with?

• (1210)

**Mr. Chris Roberts:** Yes. I think the federal government needs to invest much more in literacy and essential skills. This is a fundamental deficiency for vulnerable workers in precarious employment. Low-paid workers are often not the workers who receive training in the workplace. It's typically the higher-paid, already more highly educated employees who receive the lion's share of training. The people who need it the most are the ones least likely to receive training, and they're often the individuals who need basic investments in literacy, numeracy, digital skills and the like.

That would be a first step. I think the Canada training benefit, the new benefit announced in the budget, also needs to be reviewed, if it's going to be accessible to low-income vulnerable workers.

**Mr. Ramesh Sangha:** Thank you very much.

**The Chair:** Now we'll go to MP Morrissey, please.

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

Ms. Regehr, this follows up on your statement that EI is harder to get. Would you not acknowledge two significant changes our government made that speak to the issue of precarious employment and the area of training? One is that we eliminated the new entrant and the "re-entrant after a period of time" minimum criterion from the EI system, which was a punitive 900-and-some hours. The data showed it was impacting women and youth more than any other demographic. The other is that we are recently allowing significant training initiatives, with the eligibility of receiving EI benefits while in full-time training.

Would you not acknowledge that these speak to some degree to the issues around precariousness?

**Ms. Sheila Regehr:** I would say certainly. I think there are many good things in the system that are working that way and need to continue to work that way. My major concern and the concern of people in our network, looking more broadly at the economy, is to identify who the people are who are in the most precarious situations who are not going to get access to those kinds of benefits, EI and—

**Mr. Robert Morrissey:** Yes, but your generalized statement that EI is now harder to get is not really reflective of the reality, when I look at those two areas.

**Ms. Sheila Regehr:** Yes, there have been improvements. I started working with Employment and Immigration 30 years ago. It was better then.

**Mr. Robert Morrissey:** We all acknowledge that the focus of this study is not toward those who choose to follow precarious employment but those who find themselves with no other option but precarious employment. Based on that, do you agree that an increase in precarious work increases or decreases economic activity or economic growth?

**Ms. Sheila Regehr:** There are a number of effects. If you have fewer people able to access the job market, and in Canada—

**Mr. Robert Morrissey:** My question was to the chamber.

**Ms. Sheila Regehr:** Oh, I'm sorry.

**Ms. Leah Nord:** Is the issue about whether or not work precarity increases economic efficiency?

**Mr. Robert Morrissey:** No, not efficiency; from your membership, does it have an impact on increasing economic activity?

**Ms. Leah Nord:** I'd have to see the correlation. What I would be concerned about, as we go forward with this...and our membership would agree. I like this overlay of...and that's the qualitative piece in the numbers. This is non-standard work. We can agree to some of these.

**Mr. Robert Morrissey:** But would precarious, in your opinion, increase economic activity or decrease it?

**Ms. Leah Nord:** It would be unrelated.

**Ms. Sheila Regehr:** I say it decreases it.

**Mr. Robert Morrissey:** Ms. Regehr, you believe it would decrease economic activity.

**Ms. Sheila Regehr:** More security, as shown by Canadian benefits like the Canada child benefit, means more productivity, more access to the economy and more economic activity.

**Ms. Leah Nord:** I'll just flip that, then. If there are higher costs for business, it will have an impact that is not necessarily positive on the economy.

**Mr. Robert Morrissey:** Okay.

I have a question for C.D. Howe. Do you have any data on which sectors or industries rely on contract workers the most? Do you have specific data on it that you could provide to the committee?

• (1215)

**Ms. Parisa Mahboubi:** Statistics Canada basically provides data on the number of people in temporary work by different industries. As I mentioned, the main focus was services, but within services there are some variations. I don't have the specific list, but education, health and accommodation industries have the highest—

**Mr. Robert Morrissey:** Excuse me; do you have specific data that C.D. Howe might have prepared on its own or accessed on its own?

**Ms. Parisa Mahboubi:** It's through Statistics Canada.

**Mr. Robert Morrissey:** So you're relying on Stats Canada.

**Ms. Parisa Mahboubi:** Yes, but we frequently analyze that data.

**Mr. Robert Morrissey:** That's critical. If that's what you're basing your data on, it's critical, then, that the Stats Canada information be broad and reflective, which would only be available through the long-form census data process. Correct?

**Ms. Parisa Mahboubi:** Yes. But there is something that we can get from the data. For example, some industries, if they have a larger proportion of temporary workers, offer lower wages on average, and some industries offer lower hours of work. Through that, we can to some extent conclude, for example, that in some industries, workers in precarious employment are more available, basically.

**Mr. Robert Morrissey:** I have another question. You mentioned in your statement that—

**The Chair:** I'm sorry, Mr. Morrissey, but you don't really have time for another question. Maybe you can ask something quickly. Please make it very brief.

**Mr. Robert Morrissey:** Okay.

You mentioned a rise in contract and temporary work. Do you have any data as to why this is occurring? You referenced data from 1997. Do you not have anything more current?

**The Chair:** Please make it a very quick response.

**Ms. Parisa Mahboubi:** The earliest data we have is from 1997, again through Statistics Canada. Comparing data with that specific year, there has been a rise. The biggest rise in temporary work was around that time. In earlier studies, they calculated some numbers in the past of just overall precarious work. Before 1997 the rate was low, but with changes in the economy, as I mentioned, because of globalization and changes in workers' preferences, it shifted toward temporary work over time.

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

MP Barlow, please.

**Mr. John Barlow (Foothills, CPC):** Thanks to our witnesses for being here today.

Ms. Mahboubi, you talked about some numbers at the beginning of your presentation in terms of the increase in precarious employment. In our previous panel, we had CFIB and CPA Canada saying that the percentage of precarious workers hasn't really changed in decades.

I'm wondering if you have a definition through C.D. Howe of what precarious employment is. That would certainly help us, as we go through this process, as to why there's a discrepancy in the numbers among the different groups.

**Ms. Parisa Mahboubi:** For this calculation, basically, as I mentioned at the beginning of my statement, to calculate the percentage, which has been stable since 1997, I considered four types of employment: temporary positions, part-time positions, full-time employment with multiple jobs and unincorporated self-employment.

As even other witnesses mentioned, this doesn't suggest that all workers in these types of employment are in precarious employment, but these types of employment may, to some extent, capture the features of precarious work. The calculation is just based on those numbers.

**Mr. John Barlow:** Thank you.

I know it's hard. You talked about those four different types of employment, but if you were to give an example to us as a committee about how we would describe precarious employment,

would you have one definition that would help us? Does C.D. Howe have a definition of precarious employment, or is it just taking these different factors into account when trying to identify it?

• (1220)

**Ms. Parisa Mahboubi:** There is basically no consensus over how to define precarious work, but again, as I mentioned at the beginning of my statement, because we usually refer to types of jobs that are low paying with low benefits or no access to benefits, they are insecure, but as even Colin Busby mentioned, we need to distinguish which is more important, uncertainty or low income.

For example, not all workers in temporary work face low income, but maybe because they are on contract, they are uncertain about whether they will have the same job next year or not, but they earn a lot today.

There are several types, and it's really important to distinguish between different types of employment, but the problem is data. Having access to data is really important here, and researchers in Canada basically don't have access to very valuable data to analyze that.

**Mr. John Barlow:** Thank you, I appreciate that.

Ms. Nord, thank you very much for coming back. It's like you're a member of the committee now, it seems.

You briefly touched on this, and I want to ask you to maybe expand on it. We've heard from business owners on the new skills training program that was in the recent budget that it actually doesn't happen unless they get an agreement with the provinces and territories to change their leave provisions, so it's a program that may not happen at all.

The onus that's being put on businesses is that they have to provide four weeks' paid leave as part of that. Please touch on what the impact of that program on business owners would be, especially in the absence of metrics or accountability on what that training would be, and if it would benefit the business.

**Ms. Leah Nord:** Yes, and again, I want to reiterate from the business community that we are advocates for training—

**Mr. John Barlow:** Oh, absolutely.

**Ms. Leah Nord:** —and upskilling across the board. The devil is in these details, and there aren't the details here either. It's increased business cost, and it's increased coverage for a period of time off, for what type of course and how that will... There are increased costs because it's flowing through the EI program as well, from that point of view. When does this leave happen? How does it happen? What are the parameters? Where are those decisions made? We have more questions than answers at this point.

**Mr. John Barlow:** Yes, I don't think there's any question that we have to have a focus on training. We certainly had one of our witnesses who was here again today talking about focusing as early as junior high school and high school on entrepreneurship and skills training, things I think we've lost some focus on. From the business perspective, we also heard CFIB say that their members have committed \$9 billion to training that no one is really accountable for.

Are there some ways to address precarious employment with more focus on how we support that skills training, whether it's additional programs for apprenticeship or discussing curriculum with provinces to bring those entrepreneurial and skill training programs to an earlier age?

**Ms. Leah Nord:** An earlier age, absolutely, and you've heard us say that as well, whether it be in the trades, whether it be around these soft skills or whether it be in literacy and digitization.

I think an overall comment going forward is something that Mr. Busby said as well. It's these tripartite discussions with all of the stakeholders and all of the players at the table, which again are colossally difficult, but I think these are the discussions that have to be had.

Businesses are willing to absolutely play their part. They recognize that importance. In terms of funding around work-integrated learning, that student, who is no longer only your traditional student, might not stay, but if it helps solve a business issue, that will help.

Everyone has a role and responsibility. On Tuesday, there was some talk around individual companies participating for this global greater good of skill training in the economy. I think there are fine lines between it all, but it has to be a discussion, absolutely.

**The Chair:** Thank you.

MP Long, please.

**Mr. Wayne Long (Saint John—Rothesay, Lib.):** Good afternoon to my colleagues, and thank you to our presenters for some very informative testimony.

Mr. Roberts, my riding is Saint John—Rothesay, in southern New Brunswick, and it's a unionized riding. I would just like to touch on a couple of things. The president of the CLC, Hassan Yussuff, has been in Saint John. We laid wreaths together for the day of mourning at Rockwood Park, at the Frank and Ella Hatheway monument just last year, the year previous and the year previous to that. It's always great to see him.

Can you briefly touch on your views of the importance of unionization with respect to employees' rights and precarious employment?

• (1225)

**Mr. Chris Roberts:** I'll try to be brief.

I think it's really irreplaceable and invaluable as a way to ensure workers' rights in the workplace. I think we have a long way to go to improve the compliance and enforcement of labour standards in this country, but there's really no substitute at the end of the day for workers' own self-organization to ensure that standards in the workplace are being met.

That goes to the issue of access to collective bargaining as well. There's talk about collective voice for non-union workers, but in fact, collective bargaining is something different. It goes to the issue of the power imbalance that we've talked about, the vulnerability.

The government has now ratified all eight core ILO conventions, including the right to organize and the right to form independent organizations for the purpose of collective bargaining. We think the

Government of Canada has an obligation to actually promote access to collective bargaining as a charter right in Canada, and to make it available to more workers who want it.

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

My next question is again for you, Mr. Roberts. At present, the system of labour standards enforcement is largely complaint-driven. This requires workers to not only know their rights—I see this all the time in my office—but also to know how to use the existing system to make a complaint.

In your view, are there ways to make labour standards less reliant on complaint-driven mechanisms?

**Mr. Chris Roberts:** Absolutely.

I think there's a deterrence gap in Canadian labour standards law and enforcement. I think that there's been a move too far toward incentivizing employers or encouraging them to live up to the basic rights and entitlements of workers in the workplace. I think there has to be a renewed effort to deter the kinds of business practices that amount to unfair competition with respect to employers that actually do observe the law and—

**Mr. Wayne Long:** I'll just jump in with respect to federally regulated sectors.

What are the special challenges of this complaint-driven mechanism in the federal jurisdiction, given that many workers may not even know...? Again, I see this all of the time with constituents coming into my office. They don't even know that they work in a federally regulated sector.

**Mr. Chris Roberts:** That's a huge question.

I think there need to be greater investments in staffing the inspectorate to support the kind of proactive, robust deterrence-based enforcement that would be important to achieving greater compliance with employment standards. I think working closely with the provinces to address employers that do straddle the boundary between jurisdictions....

You see that in airports a lot, where the entity setting the pace in terms of labour standards down through the value chain is a federally regulated entity but where the actual employer providing the subcontracted service is provincially regulated. There needs to be more coordination between the two.

**Mr. Wayne Long:** The final question is for you, Mr. Roberts. How would having a structured definition of precarious employment specifically help to inform enforcement activities, in the context of federal jurisdiction workplaces?

**Mr. Chris Roberts:** I think it would certainly raise the priority and urgency of precarious employment. As I've said, I think it's a far greater problem in this country politically, as well as economically and socially, than many believe. I think it would focus attention in much the same way that this government has been effective in focusing attention on gender inequities, and other forms of inequities, by integrating them into fiscal decision-making and budgetary reporting and planning. We are beginning to do that around inequality as a fundamental issue. I think combatting precarity could also be a key objective. If adequate metrics are established, we could use them to track progress toward enhancing employment security and attacking precarity.

• (1230)

**Mr. Wayne Long:** Ms. Regehr, thanks for your presentation this morning.

You made a statement that more security means higher productivity. I was a small business owner. I certainly had to balance budgets, meet payroll, do accounts receivable and accounts payable and all those things. Can you just elaborate on the programs and initiatives our government has done to make workers feel more secure?

**The Chair:** Answer very briefly, please.

**Ms. Sheila Regehr:** I'm not sure that I can elaborate on a number of programs that do that. My focus is really on income security, and the income piece. We have been particularly focused on looking at programs that do that for Canadians in very broad ways that aren't directly tied to labour force participation. Take seniors' benefits. A colleague talked earlier about how some people are working right up into their 80s. That applies. Seniors' benefits and the Canada child benefit enable people to work, stay attached to the labour force, maintain their family's health and well-being and make sure they have that resilience we've talked about, in order to participate in the economy. That strengthens the economy. It gives people the kind of flexibility and security that Chris was talking about.

One of the things I should have mentioned more in the results of our study is that one of the impacts we saw was an increase in people's ability to start or expand a small business, which we thought was quite a remarkable finding.

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

**The Chair:** MP Diotte, you have five minutes.

**Mr. Kerry Diotte (Edmonton Griesbach, CPC):** Where do I start? There are so many avenues.

Ms. Nord, there's been talk this morning about a \$15-per-hour wage, as one of the solutions to precarious employment. I know in Alberta it has had a devastating effect. A lot of businesses end up closing, particularly the food and beverage businesses.

What's your view on going towards something like that?

**Ms. Leah Nord:** Again, I think it fundamentally comes back to addressing the problem that doesn't have a multi-faceted answer. I think the chamber—I wouldn't want to speak for all of them unequivocally, but we would have a number of questions around that. Are we talking about minimum wage?

**Mr. Kerry Diotte:** Sorry, I meant a \$15-per-hour minimum wage.

**Ms. Leah Nord:** Yes. You can imagine what that might do to employment. We talk about precarity of work. You might have a higher hourly wage, but what are your total hours? These are business costs that are real. I think we have to look at how we address the problems, absolutely, but we would be very concerned in the business community. Again, there is a cost issue. There's also a jurisdictional issue. Where you have jurisdictions across the country, you have an urban-rural divide as well. I think this pushes upward costs that would really have to be analyzed in order to take it forward.

**Mr. Kerry Diotte:** I know that in Alberta, they found that it made work more precarious, because suddenly restaurateurs could not... In order to pay that \$15 minimum wage, they cut a worker. They laid off one or two people. They were forced to do that. It had the reverse effect.

**Ms. Leah Nord:** It doesn't have the benefits of being off.... Again, it's always the data and how we look at it and how relevant...but we would have a number of concerns absolutely therein.

**Mr. Kerry Diotte:** Ms. Regehr, the biggest solution in your mind would be to establish a guaranteed income for everybody. I hear your rationale for doing so, which is it gives people a chance to get back to school and gives them freedom and so forth. Ultimately, don't you believe that you'd have to sell Canadians on that? What do you think people would say to you if you say that we want to give all marginalized Canadians money so that they don't have to work? How would you sell something like that?

• (1235)

**Ms. Sheila Regehr:** We've already sold it. We have a Canada child tax benefit that provides a basic income to families and it's shown that it does not have that negative work effect that people fear. In the results of the Ontario pilot, even though they're truncated, all of the early results show that what that security did was enable people to do a better job of economic activity to be able to get to work and that sort of thing. I should stress too that we're proposing this as a solution. This is not the solution to everything. All of the other things that we've been talking about are critically important too, but it's that very basic level of security that people can count on that enables them to have the resilience to weather precarity and the uncertainty that we face going forwards. That's going to become increasingly important for people.

**Mr. Kerry Diotte:** I would like to ask Ms. Nord the same thing. What would you say? Do you think Canadians would accept that if we were to take the extreme view and say we're going to give everybody a basic income? To me that's sound very communistic.

**Ms. Leah Nord:** I can speak for the chamber. Again, it's rife with issues. The expert panel is exploring this, and we have a working group established that will have more defined recommendations and key messages. You'd have to survey the Canadian public at the end of the day. From the Canadian business perspective, we would absolutely have a number of concerns.

**Mr. Kerry Diotte:** I'll get everybody's view on this.

**The Chair:** Actually that's your time, sir.

**Mr. Chris Roberts:** May I just respond very quickly?

**The Chair:** Very briefly please.

**Mr. Chris Roberts:** On the suggestion that basic income is a communist idea, I'll just point that it was Milton Friedman who was the originator of the modern idea of negative income tax.

**The Chair:** Thank you.

Now we go over to Madame Sansoucy please.

[Translation]

**Ms. Brigitte Sansoucy:** Thank you, Mr. Chair.

My question is for you, Mr. Busby. You said in your 2016 report and in your presentation that the definition of precarious employment must be general enough, so that no employee category is left out. You also proposed policies that could improve those workers' employment conditions, particularly easier access to the social safety net.

I know that you broached this point in your presentation, but do you think we should really launch a review of Canada's labour laws to fight precarious employment and take the new realities of the labour market into account?

**Mr. Colin Busby:** That is an excellent question.

In one older report, I pointed out that there were many risks inherent in revising the labour laws. That is obvious, and I was afraid mistakes would be made if people tried to go too far.

However, I want to remind you of the message I tried to convey in my statement today. There are three elements that must be considered when dealing with public employment policy and their potential repercussions.

We have to think carefully about labour laws. These laws were adopted in the seventies, eighties and nineties, at a time when the work force and the labour market were very different. If we decide to change those laws, we have to ask ourselves whether it is preferable to consider changing the labour laws, the social safety system, or the programs that encourage people to work.

[English]

We have to be thinking about the *securité sociale* as three components: the law; the system of social security, like income supports; and then how we encourage skill development and work *en égalité*. We can't focus on one lever or one component more than the other. We have to be thinking about how they work together and function together.

[Translation]

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

Several people have talked about definitions. My next question is for Mr. Busby or Mr. Roberts.

The International Labour Organization, which includes government, employers and Canadian workers among its members, uses a definition of precarious employment. Should Canada adopt a similar definition so as to facilitate international comparisons? If not, if the ILO definition can be improved, should Canada improve it and try to use its influence within that organization to have this revised definition adopted by the other members of the ILO?

• (1240)

[English]

**The Chair:** That's time, but I'll allow for a brief answer, please.

[Translation]

**Ms. Brigitte Sansoucy:** What do you think, Mr. Busby?

**Mr. Colin Busby:** Are these questions for me?

**Ms. Brigitte Sansoucy:** Could you answer briefly, Mr. Busby and Mr. Roberts?

**Mr. Colin Busby:** I will let the other witness answer.

[English]

**Mr. Chris Roberts:** Very quickly, I'm not aware of a single ILO definition of precarious employment. I do know that they think in terms of the transfer of risks and responsibilities from employers to individuals that I touched on.

I think that the key components have to be a subjective and an objective component to understanding labour market insecurity in all of its dimensions. There's no simple, ready-made, universal, international definition that we can simply sign on to.

There is good reason to explore a measure that is adequate to the Canadian context, keeping in mind what other countries have done to try to get a handle on this phenomenon.

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

That takes us to the end of two rounds of questions.

We have some time left on the clock. Is there a desire for an additional question on each side?

We'll start with Adam, and maybe keep it to about four or five minutes.

**Mr. Adam Vaughan (Spadina—Fort York, Lib.):** Very quickly, to the Canadian Chamber of Commerce, businesses have moved to rightsizing labour costs around the work they have by using short-term or contractual workers to deal with surges or slumps in the process. Is that not true?

**Ms. Leah Nord:** Absolutely, or for highly specialized implementation of certain projects. Yes.

**Mr. Adam Vaughan:** That's allowed them to sustain profit margins rather than having to carry artificially high labour costs due to the work they have at hand.

**Ms. Leah Nord:** I mean—

**Mr. Adam Vaughan:** If they had to take full-time employment on and pay people when there was no work to be done—

**Ms. Leah Nord:** Okay, from that point of view, yes.

**Mr. Adam Vaughan:** You would agree, then, that corporations benefit from creating precarious work. That's why they do it.

**Ms. Leah Nord:** What is precarious work, though? That is the definition.

I don't think that part-time work or contractual work are necessarily precarious. The alternative might be to not hire anyone at all, and then where does that leave us?

**Mr. Adam Vaughan:** Certainly, and that would also cut productivity and profitability, wouldn't it?

**Ms. Leah Nord:** Yes.

**Mr. Adam Vaughan:** In terms of the question to the Canadian Labour Congress, we saw yesterday in Ontario a move to reduce overtime, to no longer calculate it on a week-by-week basis but on a daily basis. You could work 16 hours in one day, but because you didn't hit 40 hours in the week, you would no longer be qualified for overtime.

Does this help or hurt the state of precarious work?

**Mr. Chris Roberts:** I think it doesn't benefit employees.

We saw that same kind of manoeuvre when Mike Harris came to power in Ontario. There was this attempt to flexibilize the rules, or change the rules under the guise of flexibility, in a way that meant it undercut and circumvented those entitlements altogether.

With respect to employers and just-in-time workers, I think there may be a false economy. I agree with you that employers want to hire employees on a just-in-time basis as disposable inputs into production, but I think one of the consequences is that you don't see the business strategies that rely on investment in machinery, equipment, productivity-enhancing innovations in the workplace, because they can't compete on the basis of low wages and the "precaritization" of labour.

There is an economic advantage to closing off the low road of competition and requiring employers to adopt business strategies that don't rest on the super-exploitation—

**Mr. Adam Vaughan:** I want to explore that with this notion of dropping labour standards while we invest more into precarious work.

One of the things we saw during the SARS crisis in Toronto was that the spread of SARS was facilitated by the high number of part-time nursing staff. In other words, many medical institutions, to avoid giving benefits and to avoid overtime, don't give nurses full-time hours. As a result, most nurses in Toronto require three jobs for a single salary. It was the shuffling of nurses around the health care institutions that spread SARS as a result, and it was one of the unexpected discoveries following SARS.

In light of that, as we move to reduce the capacity to get overtime even when you work 16 hours a day, and as we accelerate the incentives to go to part-time work as a result, the unintended consequence of those things is job quality—and the unintended consequence of that is a degradation of full-time salaries and full-time positions for individuals. We create precarity by loosening labour laws, not just by acts of business.

● (1245)

**Mr. Chris Roberts:** I think another dimension of that is the health and safety risks in the workplace. When you get that kind of decline in job quality, that rise in insecurity, and the sort of fissuring that's being described elsewhere, where you have a whole chain of subcontractors, each responsible for their own teams, but no one looking after how they integrate and interact in the workplace, those basic health and safety concerns get dropped and you get outcomes

like the BP drilling platform disaster in the Gulf of Mexico a few years ago, which was related to that kind of insular—

**Mr. Adam Vaughan:** If we are building incentives into creating precarious work, would it not flow from that, to be fair, to ask those businesses, as well as public institutions that profit from part-time or precarious work, to also invest in measures to make those livable for the people who have to endure them? In other words, if businesses or government profits from part-time precarious work, would it not be wise to ask those people who profit from precariousness to invest in supporting the programs that make precarious work livable? Is that not reasonable?

**The Chair:** Give a very brief answer, please.

**Mr. Chris Roberts:** Yes, I think precarity represents a subsidy from employees to employers. When they drop pensions, when they remove benefit programs, that's the employers being subsidized by their own workers and by the taxpayers who have to pay those benefits in retirement and when workers get sick. There should be a recovery of some of those benefits from employers, I agree.

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

MP Barlow, go ahead, please.

**Mr. John Barlow:** I have just one quick question. I just want to address the question of my colleague Mr. Vaughan. I know he's not trying to disparage every business that is doing these things, because I know in Alberta right now with the downturn I have businesses in my riding that are keeping all of their employees just on their line of credit and their credit cards. So it's not that all of these businesses—absolutely, I'm sure there are some that are abusing some of the policies there, but I think the vast majority of business owners do everything they possibly can to maintain their full-time employees. It's so costly for them to retrain. They do not want to be flipping this all through. To say that business owners are profiting by having precarious employment, I don't think is fair at all.

Mr. Busby, you mentioned earlier that large firms offer better support than do some SMEs and that precariousness is intertwined with competition. Can you just explain that a little bit better or expand a bit on what you meant by that?

**Mr. Colin Busby:** The rules that we design for firms and for businesses—which generally have been encouraged, as I said, through the steady increase in globalization, freer trade and more competition—put them in a position where the contracts and the employment arrangements they set out for workers essentially fall within the competitive environment that they must function within. So you can't really look at them as equal since they are two very distinct kinds of policies. If we are setting up and encouraging firms to be more competitive—and these are the rules we're setting in place for them to compete on the bottom line more, to compete internationally—then you have to understand why there are issues with precarity and why there are issues with employment arrangements, which some people have spoken about today.

I'm saying that the two things are not easily separated at the end of the day. There's only so much security to go around. It exists in the finite, so we have to be very thoughtful about how we design our overall frameworks of policies—be they on labour legislation, on employment insurance or on other forms of income support—and how we think about those to say, okay, this is the competitive environment that businesses are in; they need to operate here; they are the creators of wealth. We need to be very open-minded about how we go about things.

• (1250)

**Mr. John Barlow:** Thanks.

**The Chair:** Are there any other final thoughts? We have a few more minutes.

MP Sheehan.

**Mr. Terry Sheehan:** I just wanted to ask this quickly. The federal government itself employs a number of people, both in the public sector and also in the private sector. I'm thinking of Pearson airport where there are 49,000 or 50,000 people working, contributing major GDP to Ontario's economy, and some of those folks are working precariously, contract to contract to contract, without benefits, without sick leave, without vacation days and such.

I don't know how much time we have, but I'd like to hear from a couple of people on the panel if they'd like to comment on what they feel we could do as a federal government in the future to address precarity federally.

**Mr. Chris Roberts:** I think the federal government is already taking important steps to modernize or improve labour standards in the Canada Labour Code. I think that goes not only to part III, which is unrepresented non-unionized employees, but also to part I. A good

example is the contract-flipping that goes on in airports, where providers may unionize and bargain decent wages only to find that their employer or the airport puts the contract out to tender and a company competing on a lower wage rate can win the contract, and it all starts over again, but the workers themselves take wage cuts.

There are provisions in part I that would extend basic protections to workers who have already established negotiated wages and benefits, and it would force competition away from wages as the basis of competitive rivalry to something different, like the quality of the service provided, and the like.

I think those kinds of steps are important steps that the federal government can continue to make.

**Mr. Terry Sheehan:** Thank you for that.

**The Chair:** Thank you to all of you here and those joining us by video conference to help us with this study.

Before I adjourn, I have some future business notes.

On April 9 we'll be continuing with M-194, where we'll be picking up that meeting that we lost and we'll be meeting with officials.

Mr. Sheehan, I believe you will be a witness as well on that day.

Then on April 11 we'll be receiving a presentation of the 2017 Centennial Flame Research Award and we'll be doing some committee business.

Thank you very much, everybody. Thank you to those on my left and right and those behind me who make today possible.

We will adjourn.

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