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## **Standing Committee on the Status of Women**

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**EVIDENCE**

**Thursday, February 26, 2009**

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**Chair**

**The Honourable Hedy Fry**

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## Standing Committee on the Status of Women

Thursday, February 26, 2009

• (1110)

[English]

**The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)):** I'm going to call the meeting to order now, please.

The Caledon Institute has sent its regrets. Mr. Battle is ill, and the other person who might have represented him also couldn't do it, so he has moved the Caledon Institute to appear on another day. So we have only one witness today, and that is Richard Shillington from Informetrica Limited.

Normally we would have given each witness 10 minutes, but I think Mr. Shillington has such a body of information and knowledge that we could extend his presentation to 15, if you choose, or we could just ask him more questions. We'll do whatever you feel is best. I want to hear any ideas. Just give me some indication. Should we have a 15-minute presentation by Mr. Shillington? Absolutely. Okay.

So, Richard, you have an extra five to go here, and then I think we will open it up to questions.

After that, as you will note in your orders of the day, we'll go in camera. We're going to go to committee business. We're going to decide how we're going to carry out this whole process. We have a work plan that we want you to look at. We can talk about it. We will bring in all the other concerns that you have at that time and discuss that.

Okay, we shall begin.

Mr. Shillington, go ahead, please. You have 15 minutes.

**Mr. Richard Shillington (Senior Associate, Informetrica Limited):** Thank you very much for the opportunity to speak to you about employment insurance.

I appeared before this committee on this same topic in November 2006. I appeared about a year ago before a Senate committee on the same topic, and I have made available to the staff of the committee my submissions from those times.

Employment insurance has been a much abused program for a number of years. It has become less and less effective in meeting its original goal, providing temporary income support for the unemployed, because its funds are now used for a variety of purposes other than that.

Let me highlight the major assaults on this insurance program: the end of benefits for "voluntary quits"; the end of federal responsibility for benefits in areas of high unemployment, the so-called regionally

extended benefits, by which the federal government used to pay a share of benefits out of its consolidated revenue fund when unemployment rates were high; the 1996 shift from weeks to hours, further marginalizing the marginalized; and the squeezing of maximum insurable earnings.

Employment insurance contributions are a regressive form of taxation. The contributions are now paying for training, and the surplus in the fund, as you know, has been used in the consolidated revenue fund and, I would argue, to facilitate tax cuts.

I've distributed a chart that illustrates that ratio of EI "regular" beneficiaries to the unemployed, which has fallen from what it was in the period before 1990, when it was in the range of 80% to 90%. EI started excluding those classified as "voluntary quits" from benefits, and the ratio dropped to about 45% in 1996.

In 1996 the criterion for eligibility was changed from so many weeks of employment in the last year to so many hours of employment in the last year. This has disadvantaged those working part time. This has disadvantaged young people, particularly people with children, and those would be women. So the ratio of EI "regular" beneficiaries to the unemployed today is about 50% for men and 40% for women.

A better measure of EI coverage than that ratio concentrates only on the unemployed who have contributed to the program in the last year. These data are not as easy to get your hands on, but I have published some research on them in the past. This ratio is slightly higher, because the denominator only includes the unemployed who have paid into the program, but it is still as low as 20% to 25% for young people and mothers working part time. The vulnerable employed are much less likely to receive benefits from this program than the unemployed who are not vulnerable.

Over time, EI is fulfilling less and less of its original purpose. Looking just at regular benefits, that is, the benefits for the unemployed, they used to be 90% of all income benefits. Income benefits would include the regular benefits plus sickness benefits, and maternity, parental, and caregiving benefits.

So what proportion of all income benefits are the benefits for the unemployed receiving regular benefits? It used to be 91%. It is now 58% of the income benefits. These regular benefits are now about 47% of the contributions. So the income benefits are now less than half of contributions that everybody pays into the plan, because a lot of the money is now being used to fund training.

It used to be that EI benefits were about 2% of the wages of Canadians. If you took the EI benefits and divided them by the total wage package of Canadians, they were about 2.1%. Now it is 1.2%, so it's been cut almost in half.

Adjusting for inflation, EI benefits per family have fallen by about one-third over the last 20 years. For poor families, these benefits have fallen by about half, because of the changes that have made it harder for people who are vulnerable to receive benefits.

•(1115)

The regional impact of EI, as you well know, makes it harder for people in areas with low unemployment rates to get benefits and easier for people in areas with high unemployment rates. I have published some research with some people in Toronto showing that Toronto made up about 19% of contributions to the fund and received about 10% of the benefits in 2002. Ontario makes up about 41% of the contributions and receives about 28% of the benefits.

I'd like to make a couple of comments about EI in the context of the current economic situation. We know that EI benefits have a higher multiplier effect on the economy—and this is an economic incentive—than other income supports. We also know that the multiplier effect is higher when benefits are targeted at vulnerable populations. Based on my listening to the media, calls to improve access to EI are coming from across the political spectrum. The recent budget did nothing to improve access to EI benefits. We acknowledge that those who satisfy the access requirements will get up to an extra five weeks in benefits, but there's no improvement in the budget that I read that would improve access to the program.

Because your interest is in EI and women, and because this is the Standing Committee on the Status of Women, I'll make some comments about maternity and parental benefits. I would argue that the recent addition of compassionate leave and parental and maternity benefits to EI confuses the purpose of the employment insurance program. These are worthwhile programs. I am not sure that putting them within EI is the best design. In fact, I'm quite sure it's not.

Maternity benefits are only available to about half of new mothers. They are not available to the self-employed. About half of the new mothers who don't get maternity benefits were working in the last year; they either did not have enough hours or were self-employed. New mothers who are receiving maternity benefits cannot supplement their income with employment. They can, but the money earned would be reduced in their maternity benefits dollar for dollar. This is part of the problem from putting these benefits within an EI system.

The Canadian Bar Association contracted for a study on maternity benefits for the self-employed, the implications of extending EI to the self-employed, and also the implications of establishing a program like the Quebec program for Canada. That research was published about a year ago. Your staff has a copy of that report. It's a public document, so I encourage you to see what's in it.

Let me describe for a moment the maternity benefit program under EI. If you're sick or have been unemployed in the last year, your EI maternity benefits could be curtailed. There's a two-week waiting period for maternity benefits under EI, and the argument for that is

beyond me. There's a 55% replacement rate for EI benefits, to a maximum benefit of about \$450 per week. As I mentioned, you're not allowed to have earnings while on maternity benefits.

If you compare those conditions with any of the maternity benefits available to people who have employer top-ups, this is not a generous program. In fact, people who are in good economic circumstances generally have negotiated far better maternity benefits for themselves than are available to the general population, which suggests that they don't think the benefits under EI are adequate for them.

There's been a new development over the last couple of years: Quebec's experience with what it calls the Quebec parental insurance plan. I assume you are aware that Quebec has withdrawn from the EI program for the purposes of maternity and parental benefits. It started in January of 2006, so we now have some experience with what they've seen.

It includes the self-employed; all self-employed people contribute a special payroll tax to this plan. It's not voluntary; everybody pays in, even men who would generally not be looking to fatherhood pay into this program.

There's a flexibility in the maternity benefit design. You can receive a higher benefit rate. You can get a 75% replacement of income for a shorter period, or a lower replacement rate for a longer period, whatever suits your need.

There is no two-week waiting period. And the maximum benefit under the Quebec plan is double the maximum benefit under the EI plan, partly because the replacement rate is higher and partly because the maximum insured earnings are higher.

•(1120)

The average benefit is about 40% higher than the EI benefit for males and about 33% higher for females. The number of beneficiaries for the Quebec experience is about 20% higher than the EI program for females, and it is two or three times higher—200% or 300% higher—for males, because Quebec has a paternity benefit that can only be taken by fathers.

It's more flexible. I mentioned the variable duration and replacement rate. Eligibility is easier. You have to have \$2,000 of earnings in the last year, not 600 hours. So the total benefits being paid out of the Quebec plan are roughly double what was paid in Quebec under EI.

I hope these comments are of some use. I look forward to an interesting discussion.

**The Chair:** Right on time. We gave you the extra four minutes, Richard, but you didn't take them. Great.

**Mr. Richard Shillington:** I had my notes prepared. I only wandered a little.

**The Chair:** Very well done.

I will begin with the first round.

Ms. Zarac, you have seven minutes. If you look at me now and then, I can give you the time so you know how you're doing.

[Translation]

**Mrs. Lise Zarac (LaSalle—Émard, Lib.):** Thank you very much, Mr. Shillington.

[English]

You didn't have to convince me of the advantages of the Quebec plan. It definitely suits more women than the EI benefits.

We know that women do earn less than men, and when they go on maternity leave they quite often don't take the time they should. The Quebec plan is definitely an advantage.

Could you elaborate more on the advantages of the Quebec plan?

•(1125)

**Mr. Richard Shillington:** There is the flexibility in terms of adjusting your benefit rate and the duration. There's a higher dollar value. It has three benefit categories: the maternity benefit, which can only be taken by the mother; the parental benefit, like in EI, which can be taken by either; and the paternity benefit that can only be taken by males, which is what I would assume is the major reason the male uptake is so much higher.

There are two reasons. One, there's that one benefit that only they can take. If you don't use it, it's gone. The second is that because the maximum benefits are so much higher—double, \$800-some per week—than the EI benefit, males who usually have higher incomes will lose less by taking advantage of that.

Also, there's no two-week waiting period. It has been a total mystery to me for years as to why we have a “deductible” of two weeks for getting benefits because you're having a baby. It's as if we want to punish people for making the mistake of getting pregnant.

You'll notice that in the employer plan for the public sector in Ottawa there's no two-week waiting period. Again, why would we have this? We have it because it's embedded in an employment insurance program that has lots of focus on deductibility and determining labour force attachment.

**Mrs. Lise Zarac:** In conclusion, would you say we should really have two different programs, a maternity program and an unemployment program?

**Mr. Richard Shillington:** Both the compassionate leave program and the maternity and parental benefit programs are not well designed because they live within an EI program that's talking about unemployment and labour force attachment, both of those programs. You can understand politically why it happened. In some sense it was cheap money and there was money that was a surplus anyway, so you could add it there without increasing taxes anywhere else. My preference would be a totally separate program outside of EI. If that's not feasible, then, yes, you could add the self-employed within EI if there could be a way to do that. But I think a totally separate program, which means you could design it....

A small critical point. Even in the Quebec plan they are still clawing back earnings from people who are receiving maternity benefits. I do not understand the argument for this at all, particularly if you're going to include self-employed people. I've been self-employed for most of my career. Many of the people who are self-employed receiving maternity benefits are going to want to work part time. Especially if they're self-employed and have their own business, they want to stay attached to their business. To have a program that says deductions are going to be made dollar for dollar from any earnings they receive while on maternity benefits, it escapes me what the argument for that would be, unless you go back to the EI world where you say this will help till they get working, and if they're working, we're going to take that benefit away. But in the context of maternity benefits, this is your money, use it how it suits you, with as much flexibility as a bureaucracy can tolerate to suit the needs of individuals. Even Quebec is still doing the clawbacks, which I don't think serves a useful purpose.

**Mrs. Lise Zarac:** I was surprised by the fact that you said that 50% of the money is put into financing training programs. I believe women do not take advantage of that training to better their positions to have access to more work. What would you consider would make it easier for women to access those training programs?

**Mr. Richard Shillington:** First, I think I said that half the money was going into the income benefits. I guess the rest is training. I don't think I know a lot about the training programs, and your observation that women use them less is new to me. But I'm no expert in that area.

I must say I am dubious about the value of those training programs, frankly, from things I've read. But my preference, if I were allowed to design this system from scratch, would be that training is paid for out of consolidated revenue using a progressive income tax system. It's not paid for out of a regressive payroll tax. Therefore, you could have a lower payroll tax to pay for income benefits, but of course I would have benefits that are somewhat more generous than these.

We are heading into a very interesting social experiment. People who have been doing research about EI and publishing studies about it for 15 years have worried about its diminished role as a cushion for vulnerable Canadians, and now we're hitting a serious economic dislocation, I gather. We will see how that impacts on EI. It's not clear to me that it's going to have a huge impact on EI, frankly, because it's quite possibly the case that if the economic downturn affects vulnerable Canadians more than secure Canadians—and arguably that will happen—then those people are generally not eligible for EI. So they will be going straight to welfare. And given the changes in the social assistance welfare regulations of the last 15 years, many of them won't be eligible because we've tightened up on those eligibilities. So I'm not sure what's going to happen to them.

•(1130)

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

Ms. Demers.

[*Translation*]

**Ms. Nicole Demers (Laval, BQ):** Thank you, Madam Chair.

[*English*]

**The Chair:** You have three minutes left, Ms. Demers.

[*Translation*]

**Ms. Nicole Demers:** Mr. Shillington, thank you for being with us today.

You say you have appeared before the committee, but that wasn't the Committee on the Status of Women, because it didn't exist in 2000. You say you made presentations to the Senate in 2000, 2005 and 2007 on the same issue.

Mr. Shillington, the rise of the right wing that we are seeing just about everywhere in the world, except in South America, is tending to create even more distance between classes than there was 10 years ago. Bit by bit, the middle class is being done away with, and various governments are using different methods to achieve that.

In normal economic circumstances, the programs that were proposed a few years ago would probably be welcomed by the general public. That is not the case now. For example, the children under six benefit is worth more for people with higher incomes, because they can get the entire benefit. As you put it so well, employment insurance benefits people with higher earnings more, and the same is true of tax credits.

Mr. Shillington, you spoke earlier about a multiplier effect. Do you believe that the various programs have that kind of effect on the lives of the most vulnerable people, women heads of single-parent families who don't have access to these programs because of the barriers in their way?

Thank you.

•(1135)

[*English*]

**Mr. Richard Shillington:** I interpret that question to be very broad.

For those of you who don't know my background, I'm a mathematician by training, a statistician. I use numbers to try to see the world.

I have done recent work on the income disparities of Canadians. It's not so much that the poor are worse off than they were in the past—I don't think you can sustain that argument over the last 30 years—but the top 30% or 40% are certainly pulling away; there's no doubt that this has happened.

If you look at the broad federal programs that are important for protecting vulnerable Canadians—that's the EI program—the short observation is that benefits have been cut by about one-third in the last 20 years. For the poor they've been cut by a half. That's self-evident.

On the child tax benefit and the idea of increased support for poorer families with children, I'm absolutely on-side 100%. It's too bad that Mr. Battle is not here, but I'm forced to observe that it was designed in a way so that people on welfare would not benefit from the increased benefits in the child tax benefit. The provinces are running social assistance, and the federal government chose to remove human rights protections. There used to be something called the Canada Assistance Plan, and the federal funding was contingent on meeting certain standards. That was eliminated in 1995.

I've been doing a great deal of work over the last 10 years on benefits for seniors, on OAS and the guaranteed income supplement. Let me use this opportunity to observe that the average income of a senior in Canada who retires without an employer pension plan is \$15,000, and 80% of them have an income below \$20,000. If I go back over the last 25 years that I've been doing this kind of work in this town, I can think of only one program that might have increased the income of poor seniors. Old age security has been indexed to CPI since before 1985, and there have been no increases other than that for 25 years. GIS, which is targeted to low income, was increased by \$35 a month about four years ago. That's the only increase in the guaranteed income supplement's purchasing power in the last 25 years.

In the same period, the RRSP limits have gone from about \$4,000 to \$22,000. We've had pension income-splitting provisions that will benefit seniors who are well enough off to worry about income taxes. We've had increases in the age credit and tax deductions that will benefit seniors who are lucky enough to be paying income tax. But for those who are retiring on \$15,000 a year, \$35 a month is the total increase in the federal support over the last 25 years.

So of course you have an increase in disparity. It is inevitable from that 25-year history.

You saw *The Globe and Mail* headline, maybe six months ago, indicating that the increase in the average earnings of people who work full-time for the full year was, over the last 20 years, \$53 a year—it was less than \$100. Why have we had huge GDP growth, huge productivity growth, huge increases in corporate profits over the last 25 years and no increase in the purchasing power of wages? What has happened with the dynamic of the conflict between employers and employees in negotiating a wage for my time?

Certainly, amongst people who know this material much better than I, the “voluntary quit” regulation that said that if you leave your job you will not be eligible for EI—that you'll get nothing under EI if you leave your job voluntarily, or if I fire you, you'll get nothing out of EI—has affected the competitive position between employers and employees.

**The Chair:** You have less than one minute.

[Translation]

**Ms. Nicole Demers:** Mr. Shillington, you work with figures. Are you an objective person? Are you more on the left than the right? Is a person who works with figures objective, and someone who can be trusted to make real diagnoses, and not diagnoses that tend to be against the interests of one or the other party?

• (1140)

[English]

**Mr. Richard Shillington:** Of course, I'm not objective; I think I'm fair. If anybody claims to be objective, you should be very suspicious. When somebody looks at average incomes or measures things using median incomes, they've made a choice about what's important to them.

I will say, in my defence, that if you look at my publication record right up to the last six months, I've had material published repeatedly by the National Anti-Poverty Organization, the Canadian Council of Social Development, the Canadian Centre for Policy Alternatives, and the C.D. Howe Institute. You'll see my work referenced by people right across the political spectrum, including Gordon Pape in his most recent book on retirement planning.

I would not claim to be objective at all. If we talk about child poverty and senior poverty, no, I'm not at all neutral; not in the least am I neutral on this. But I think I try to be fair in the way I use data.

**The Chair:** Merci, Monsieur Shillington.

Patricia Davidson.

**Mrs. Patricia Davidson (Sarnia—Lambton, CPC):** Thank you, Madam Chair.

Thank you, Mr. Shillington, for being here. I've enjoyed your presentation very much. I think we've heard some things that we all need to hear and that perhaps we haven't heard quite as clearly before this morning.

I have notes all over the place, so I'm going to be rattling papers here as I sort through them. There's one thing that has always confused me. With your background, maybe you can help me with this.

Different people come to this committee and give us different statistics on what is happening. Some people talk about 25% of women who can access EI. Then we hear the statistics that 80% or 81% who are eligible are able to collect and they can receive benefits. As well, somebody said something to me about a beneficiaries-to-unemployed ratio, and that this is how they're getting one of these sets of figures, while the other set of figures is coming from another method that Statistics Canada is using to collect data.

I'm told that the beneficiaries-to-unemployed ratio includes people who have never worked, so they have never paid into EI—or maybe they have worked, but not within the past year, or maybe they're people who quit their job without just cause, or they were self-employed and didn't pay into the program.

Those are all reasons, I think, why people are not collecting, but do we go with the 80% eligibility, that 81% who are eligible and collecting, or do we go with the 25%? There's such a huge disparity between the numbers. Anybody can use any number to prove their side of the story or further their side of the argument.

**Mr. Richard Shillington:** And your circumstance is challenging, because people will use information to support their point of view.

The chart I distributed concerns the beneficiaries to unemployment. I think in my presentation I said there is a better way of measuring coverage. In fact, I was part of three “experts” who did some reports for the department about four years ago on how you measure coverage. Some of the numbers I presented here I used in that report, about how you measure coverage using what I think is the better measure.

That data is not readily available. In preparing for this meeting I went to Statistics Canada and spent about \$100 getting readily available data in order to produce this chart. As you know, nobody is paying me to be here. In fact, because I'm self-employed, it costs me money to be here. If I had wanted to do the proper analysis, I would have spent a week and maybe \$3,000, and I wasn't willing to do that.

The data exists to measure this better. I gave you some numbers in my presentation, which, if you knew it better, still don't give you 80%. I know how you get the 80%, and I'll explain it.

The value of the beneficiaries-to-unemployed ratio figure is that it's easy to get—I can get the raw data for \$100—but it's not the best measure. You're right, some people in the denominator didn't pay in. If you adjust for that—and this is the paper I wrote four or five years ago for the department—it doesn't go from 45% to 80%. It goes from about 45% to 55%. But you still have extraordinarily low coverage figures for young people, women with children, people who work part time.

The way you get the 85% figure is.... Think of EI as a series of hurdles. To be eligible for your benefit, you first of all have to have had paid employment—self-employment doesn't count. You have to have a certain number of hours. You have to have left your job for the right reason—you can't be fired; it has to be a lay-off. What they're saying is, once you've satisfied this number of hurdles, how many people are excluded by the last hurdle—which is hours? That gets to 85%.

That 85% figure, which I'm very familiar with, isn't even saying that of the people who are unemployed, 80% are eligible—I don't think, though I could be wrong. I believe it is 80% of the general labour force. Usually the way that figure is used to convince people of one point of view is, of the people who are working today, if they lost their job, 85% would be eligible.

Well, most of the people who are working today aren't at risk of losing their job. If you lose your job, the more vulnerable you are the less likely you are to be eligible. Most people who are in their jobs right now have been in their job for more than a year, and most jobs are full-time. So most people out there now, if they lost their job, would be eligible. This is only relevant if everybody lost their job, which is not going to happen.

So it's a hypothetical construct designed to create a big number.

I hope that helps explain it. I am a mathematician and I'm familiar with how you can make a ratio larger or smaller, and not everybody is going to be fair.

• (1145)

**Mrs. Patricia Davidson:** There's one other thing I want to ask you about. When you were speaking of maternity and paternity benefits, I believe what you said was that it confuses the issue, if they're bundled with the EI program. Do you want to expand on that a little bit? Where should they be?

**Mr. Richard Shillington:** Let's step back. Why do we have maternity benefits? It's a program, I presume, that says if you can't work for a period of time because you're a new parent—narrowly, it's for mothers, and then more broadly for mothers and fathers—we are going to provide some income support for you so that you don't become destitute while becoming a new parent. There's a need for this. Is the need only for people who work in paid employment and not for people who are self-employed?

**Mrs. Patricia Davidson:** You know, there is a proposal to expand it to self-employed as well.

**Mr. Richard Shillington:** I don't know whether it's a proposal or a suggestion that we think about it. I'd be happy to talk about that. I've actually spent a fair bit of time in the research I mentioned before, for the Canadian Bar Association, thinking about that and looking at what Quebec has done.

I think it was pretty clear in my comments that this is better than the status quo, but it would still be encumbered by being administered within EI.

I get phone calls and e-mails regularly from people who have found me, wondering, “Why are my maternity benefits only this many weeks?” Well, that's because you were unemployed part of last year. “But what has that to do with my need for maternity benefits? In fact, my need is greater.” Well, no, that's the way the program works: you can't get benefits for more than  $x$  weeks.

When you put maternity benefits within that program, that limit still exists.

**Mrs. Patricia Davidson:** But if part of the benefit of a maternity-paternity program—

**The Chair:** Ms. Davidson, you are one minute over.

**Mrs. Patricia Davidson:** Okay, sorry.

**The Chair:** Ms. Mathysen.

**Ms. Irene Mathysen (London—Fanshawe, NDP):** Thank you, Madam Chair.

Thank you, Mr. Shillington. It's very good to see you here again and very good to benefit from your number crunching.

We're here talking about numbers and percentages and how many people access a program and who is excluded, but we haven't talked about the social impact. Ultimately—and you referred to this—the employment insurance, or in the old days the unemployment insurance, program was intended to meet a societal need. I'd like to discuss that societal need, in terms of that program being there for a purpose.

In connection, first of all, with older women—I don't think there has been much discussion today about older women—many of them will lose their jobs in this economic downturn and they will struggle financially. Will the current employment insurance program accommodate the needs of these older women workers? What do we need to do to prevent these women from falling into despair and destitution?

• (1150)

**Mr. Richard Shillington:** I'm a research associate at Informetrica. Informetrica is an economic research firm that does forecasting. They have some data on the likely impact of the recession by gender.

I'm not qualified at all. I'm a statistician, but I'm not an economist. So I don't even want to share the results with you. You can ask them for it.



You do notice that the stimulative package and the money going into infrastructure is likely going to benefit people working in construction. At first blush, you would think most of that benefit is going to go to males, but that's not what the data suggests. As I said, the social experiment we're going into, a major recession, having substantially... "dismantled" is too strong a term, but hobbled EI and social assistance, should be very interesting.

If we find significant numbers of people ending up on social assistance in this country, we are going to be in such a bad state. In order to be eligible for social assistance, for example, in Ontario, you have to have less than \$1,000 of assets. You imagine the hypothetical family—two people, one works for Nortel, one works for...pick another company—and their income goes to zero. Most of us are going to go through whatever assets we have very quickly, and then you start selling things.

You may be eligible for EI, but even with EI, if you're in an area with a low unemployment rate, the duration is not going to be 46 weeks. If you're eligible for EI, your benefits are not going to last a year. At our maximum of \$450 per week, for many people, that won't pay their mortgage. We shall see. But we've certainly saved a lot of money over the last 20 years by cutting back on these programs.

**Ms. Irene Mathysen:** So it's money that went into general revenues and didn't benefit the people who it was supposed to benefit.

In talking about what could happen, what is a possibility down the road in terms of lack of income and having to sell things and loss of purchasing power.... We know it impacts negatively on the individual, be it a young mother, a self-employed woman, or just the self-employed, period. Have you given much thought or consideration to the impact on the broader community? This is something that I think we really need to give consideration to.

For example, we keep hearing that tax cuts have a certain stimulation on the economy. EI has a much better, more significant stimulation, and you actually mentioned that in your remarks. But have we considered the impact on the larger community? What on earth happens to us in the scenario you just described?

**Mr. Richard Shillington:** The economic circumstance we're in, broadly speaking, I suspect, isn't our doing, but in having good times, particularly good times for comfortable Canadians, we did cut back substantially on our social programs, and now we're at a state where my generation hasn't experienced a depression like this, so we won't have learned the lessons our parents learned. So we shall see what happens.

I have no idea how bad this could get. We shall see. But I do very much worry about those vulnerable Canadians, young people working part time, the lone parents juggling—I don't know how—parenting and trying to earn an income, seniors without a pension, seniors without benefits, employees without the employer health benefits that most of us take for granted and are subsidized by the tax system.

• (1155)

**Ms. Irene Mathysen:** With many of my constituents—and there's been an increase of traffic just in the city of London alone—the number of people seeking employment insurance benefits has

increased by 75%. They come to my office, and they're in despair. They don't know what to do.

Some of them have asked that severance, vacation pay, and pensions be excluded from earnings under the EI Act. Do you have any idea how many people are excluded from accessing EI after the two-week waiting period because of these other considerations? Do we need to exclude severance, vacation, and pensions in order to circle the square?

I don't mean to cause you pain.

**Mr. Richard Shillington:** It's okay. I'm just trying to think.

I don't know. The officials know. If they know how many people had their beneficiary period delayed because of income, you can ask them.

Very quickly, is that a reason? I don't really have much of a problem with saying that because you have severance we're going to delay your EI benefits. A pension makes me more nervous. You try to think about that; it's more your money, not your earnings.

I had a conversation with an official and asked whether we could find a way that people could have earnings while on maternity benefits. There was a discussion, and I said, "But how can you have a top-up of your maternity benefits to 93% of your earnings without having that clawed back?" The answer was, "Oh, well that's not earnings."

So some cashflow is not clawed back—employer top-ups—but severance will delay you. As far as pensions go, I'm not sure.

**Ms. Irene Mathysen:** Technically, pensions are deferred earnings. It comes back to you putting into the EI program, but you can't collect out. You put into your pension; you can't benefit from it.

**Mr. Richard Shillington:** Well, your EI benefits are delayed.

If we wanted to have a full discussion on that, I'd actually want to think about what types of sources you have that would be reasonable to delay. I don't think I have a problem with severance because it's money to re-establish yourself because you've lost this job. Therefore, you don't need the EI, right? Whereas pensions to my mind are a different thing. It's your money.

**Ms. Irene Mathysen:** Except if you were paying off a mortgage with the severance in order to manage on 55%—

**The Chair:** Ms. Mathysen, we've run out of time.

We're moving into the second round. Remember this is five minutes only.

Anita Neville.

**Hon. Anita Neville (Winnipeg South Centre, Lib.):** Thanks very much, Madam Chair.

Again, Mr. Shillington, thank you for coming. You're always overwhelmed with information.

You talked about the economic dislocation we are in. We've heard, both in this room and in other forums, and you acknowledged it too, that it's unprecedented and many of us don't know our way through this.

We're focusing on EI benefits for women. We know that women are disadvantaged. We've seen the statistics that you and others have provided.

What would be your recommendation for the most urgent response to the reform of EI that would benefit women in the upcoming months—again not knowing with certainty what the time ahead is going to bring?

**Mr. Richard Shillington:** If you look at this chart with the measure that I could most easily get access to without spending more than \$100, you see this decline. It's the same measurement when it was 80% or 90%, so there was a time, even with that measure, when the vast majority of unemployed were getting EI. The major drop is the “voluntary quit” rule. It wasn't the case before 1993 that people who quit their jobs got EI on the same basis. They didn't. They had a penalty on their waiting time, so it's not as if they weren't covered. To my mind it's as if you have car insurance, and if you are at fault right now what happens is normally you pay the deductible. That's your penalty for being at fault. If we wanted to run car insurance the way we run EI—you are not covered—you would not be insured if you were at fault. You would get no coverage whatsoever, and half the people involved in car accidents would have no insurance because they were at fault. Most of us would find that unhelpful.

I would address the “voluntary quit” rule. I'd go back to the rule that said if you quit your job, you will have a longer waiting period, rather than not being eligible whatsoever. We know that right now the current rules create the incentive for lots of little agreements between employers and employees about who gets laid off and who is fired and who quits. We know that's happening.

Also the move from weeks to hours disadvantages part-timers, who are obviously disproportionately women, in three different ways. If two people were hired on the same day, one worked half time and the other worked full time, then five weeks later they were both laid off, the person who worked part time had half the earnings, but they paid half in. They are less likely to get EI, and if they are eligible for EI, they could get a lower weekly benefit and they would collect benefits for a shorter period of time. They are penalized three different ways for working part time.

• (1200)

**Hon. Anita Neville:** Say that again.

**Mr. Richard Shillington:** If you had two people who were hired, one full time, one part time, at the same hourly rate and five weeks later they were both laid off, one will have half the hours of the other, so depending on the local unemployment rate, may be ineligible. Let's assume they are both eligible. The average weekly benefit is calculated based on a divisor and the divisor varies, so you could get fewer benefits and the duration of benefits varies both by the number of hours you worked and your local unemployment rate. You could actually receive benefits for a shorter duration. There are penalties at each stage. I talked about hurdles.

**Hon. Anita Neville:** What do we do about it? What do we recommend?

**Mr. Richard Shillington:** Go back to weeks. I was involved in... Kelly Lesiuk. I don't know how many of you will know the name.

**Hon. Anita Neville:** I do.

**Mr. Richard Shillington:** It was a court case in Winnipeg. She was a woman who challenged the EI changes in 1996 because she claimed they had a disproportionate impact on women. I was an expert witness and I spent five days in a courtroom with the data.

How could you possibly believe that going from weeks to hours would not have a disproportionate impact on people who work part time, and how could you not believe that women disproportionately work part time?

**Hon. Anita Neville:** Thank you.

Do I have any more time?

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

**Hon. Anita Neville:** I'll pass.

**The Chair:** Thank you.

Just one quick thing. Could we break for two minutes to get your meal and come back and work while you're eating? How about that?

**Ms. Candice Hoepfner (Portage—Lisgar, CPC):** Chair, I'm wondering how the rest of the committee feels if we only begin our future business at 12:30. I'm a little concerned we might not get it all done by one o'clock. Was that the plan we were going to begin then?

**The Chair:** Yes.

**Ms. Candice Hoepfner:** How do we feel? Do we think we can get it done in half an hour?

**The Chair:** It will be up to you, because what you will then do is not be able to get your full number of people questioned in the second round.

**Ms. Candice Hoepfner:** That's if we don't go the full time.

**The Chair:** Yes, that's the trade-off. We just have to be focused and do our private members business in half an hour. We should be able to do that.

Let's get the food.

• (1200) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

**The Chair:** We will resume.

We will allow you to chew while you speak, as long your soup doesn't get cold.

We are resuming questions.

Madam Boucher.

[*Translation*]

**Mrs. Sylvie Boucher (Beauport—Limoilou, CPC):** Good morning, Mr. Shillington. It is very interesting to have you here. I was a little frustrated earlier. I have a lot of compassion for women, but because I am useless at mathematics I have a little difficulty understanding when we are talking about ratios and all that. Because figures don't do the job for me, I am going to stick to something I understand.

We want to help Canadians as much as possible. Everyone knows that we are in an economic recession, and no one really knows what is going to happen. Everyday we have good news and bad news; in fact, it is generally bad. I am a fairly positive woman, I am a single mother of two teenagers. When I was a child, I didn't need much, because my parents were well off, but as an adult I hit rock bottom. I was one of those women living below the poverty line. I had \$7,000 a year to live on. I know where I have been and I know where I want to go.

We have implemented the Canada Skills and Transition Strategy, which increases the funding available to the provinces for training. It is up to them to decide how they will spend those funds, however. Can you talk to us about self-employed workers? In my riding, there are a lot of self-employed people who work at home. They are a varied group, like the needs and the areas they work in. We want self-employed workers to have access to employment insurance. I think it's a good measure because they have not had access up to now. It is better to take small steps than to sit and twiddle our thumbs.

Our government is going to establish a group of experts who will consult Canadians about the best way to give self-employed workers access to maternity and parental leave benefits.

You are very familiar with the figures and you have worked a lot in this field. Can you tell us how the government should consult this group of experts so that we can help women in particular?

[*English*]

**The Chair:** Mr. Shillington, you have two minutes to respond.

**Mr. Richard Shillington:** From what I've read of that proposal, the way I read the proposal is that the contributions to a separate EI fund for the self-employed would be only for maternity and parental benefits. I think providing regular unemployment benefits to the self-employed would be fraught with problems.

I understand that the contributions were going to be voluntary, and I can't see how that would work. Economists have the term "moral hazard"—you know, you could see older men saying no. With Quebec's plan, everybody pays in, as I emphasized.

Within the limits of the Constitution, I think you can do very much what Quebec has done. Because you're going to include the self-employed, your contributions can't come through payroll deductions because the self-employed tend not to participate in that. The contributions come through the income tax system, very much like the way we fund CPP.

I would basically look to Quebec, and to the extent that you can, copy what they've done.

Does that help at all?

• (1215)

**Mrs. Sylvie Boucher:** It's a good idea.

**The Chair:** Madam Boucher, you have 15 seconds.

[*Translation*]

**Mrs. Sylvie Boucher:** More specifically, I would like to know how the committee could help our government to help women in particular. If we meet with the groups of experts, are there provinces other than Quebec where there is a similar contribution paid?

[*English*]

**The Chair:** I'm sorry. I would like to remind members that your time of five minutes includes questions and answers.

Madame Boucher, actually there is no opportunity for Mr. Shillington to answer the question you just asked him, which was well put. You have gone over your five minutes.

**Mrs. Sylvie Boucher:** Okay. I'm sorry.

**The Chair:** Perhaps Mr. Shillington can get creative and use the opportunity in another question to answer it.

Madame Deschamps.

[*Translation*]

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** I am going to speak in French. I have only five minutes, so I will try to be fairly brief.

The fat was trimmed from employment insurance in the 1990s. Do you think this scheme is out of date, outmoded, and not suited to the reality of the kinds of jobs we have now? Ten or 15 years ago, when you had a job, you had job security. Now, the face of work is changing and it is also changing from region to region. We are increasingly seeing people with seasonal jobs, part-time jobs, casual jobs, contract work and self-employment. Unfortunately, it is often women who are stuck in those kinds of jobs, particularly because they are single-parent heads of household. They don't really have a choice. And the scheme is not really suited to those circumstances.

Can the reduction in employer and employee contributions help to stimulate the economy? Is it enough to extend the benefit period by five weeks? Actually, that measure will not increase the number of people who can receive benefits. Yesterday, an economist made much of the need to extend access to the scheme to stimulate the economy, in the current crisis. In concrete terms, what could be done quickly to help people get access to employment insurance benefits?

• (1220)

[English]

**Mr. Richard Shillington:** The first answer is that certainly self-employment is an increasing share of the economy, so the exclusion of the self-employed is a problem. Then again, I'm not sure how we could cover the self-employed for regular benefits. For maternity and parental caregiving, yes, but for regular benefits, I think that would be a problem.

More and more people are having two or three jobs. Imagine someone who has one job that's paid employment—they're an employee—and another job that's self-employment. They're mixing the two. Then they get laid off from the paid employment job. Well, I would assume that they're not eligible for the EI benefits because of their self-employment; they could be available, but they'd be clawed back.

So we have people living complex lives. I think the system is out of joint with that.

I've said what I would do to change it. I think I'm being realistic about the chance of this happening soon. I would revisit the two big changes, the big change of going from weeks to hours, which had exactly the opposite effect of what we were told in 1996 the effect would be, and the total, complete exclusion of voluntary quits from the system, rather than simply a small penalty as existed previously.

I would do both of those things. However, I'm not fooling myself that it would happen quickly.

[Translation]

**Ms. Johanne Deschamps:** In my opinion, because of the way the fund is managed at present, it is a disguised tax levied from workers and employers. The government does not contribute a penny to it. As well, eligibility for employment insurance benefits is being further restricted and funds reserved for training or the Consolidated Revenue Fund are being diverted. I find it somewhat improper for the employment insurance fund to be used in that way. Risk coverage is proposed so that people have access to insurance if they lose their jobs. But the scheme has been so distorted that at present people are not able to use it. We are paying what I call a disguised tax, which is used for other things.

[English]

**Mr. Richard Shillington:** I agree totally. The most unfair example that comes to mind is university students and high school students who pay into this fund for their summer employment, who have virtually no chance of collecting EI benefits.

They may pay more into EI than they pay income tax. It's one of the first lessons in life; you are forced by law to pay into a fund knowing you have virtually no chance of receiving the benefit from it because you're going back to school. What's the purpose of this? I don't understand it at all.

**The Chair:** Ms. Mathysen.

**Ms. Irene Mathysen:** Madam Chair, the 2009 federal budget proposes to freeze EI employee premiums at \$1.73 per \$100 of insurable earnings for 2009 and 2010. Have you given any thought to the impact of this measure? Would there be a differential with regard to the impact between men and women?

**Mr. Richard Shillington:** No, I haven't given it any thought. I don't think there would be a differential impact between men and women. I assume men are more likely to be over the maximum insurable earnings.

It is surprising they're freezing the premiums at this time. I guess that means they're planning on going into a deficit in the fund, since the cumulative surplus is gone. Or they think the fund won't need more money in the next couple of years. I'm not sure why you would freeze it. What's the point of freezing it at this point?

I agree with the earlier comment, that basically the fund has drifted so far from unemployment insurance for people who are unemployed to maternity, parental, caregiving, all these other benefits and then training on top of that. In a better world, I think training would be funded out of a progressive tax system rather than out of a regressive payroll tax. I've already said that.

**Ms. Irene Mathysen:** Has the loss of that surplus limited us in a restrictive way in terms of how we can respond? Have we painted ourselves into a corner?

**Mr. Richard Shillington:** The surplus was accumulated over years when people paid far more into the fund than they received in benefits. This is the chart that illustrates how the surplus was built up. There's a terrible temptation to say we have a better use for that fund, which is to either pay off the deficit or make it possible to have cuts in income taxes, which most of these people who were left out would never benefit from.

**Ms. Irene Mathysen:** In yielding to this deduction, have we created a horrific problem?

**Mr. Richard Shillington:** There was never a bank account for the surplus that had \$57 billion in it, a positive balance. It was always a paper transaction, so it's disappearing.

We do have a fund that, for all those years, was collecting far more money than it needed. It was being used to keep the deficit down. It wasn't being used to pay for benefits.

**Ms. Irene Mathysen:** I'm wondering what measures can be taken or should be taken to ensure that employment insurance is accessible to aboriginal, disabled, and rural women? Do we need to do something for these women who are very often cut off, isolated, and need the resources?

• (1225)

**Mr. Richard Shillington:** The data exists—and I know where to get it, that's what I do for a living—on whether or not those people you mentioned are more likely to be working part time than other Canadians. I suspect the answer is yes. People working in the rural area are more likely to have a part-time job.

Because they're working part time for all the reasons I've indicated, they're less likely to be eligible for EI benefits if they lose their job, because of the 1996 changes.

**The Chair:** You have some time, Ms. Mathysen. You use your time extremely well.

**Ms. Irene Mathysen:** Thank you.

When you began, you talked about the egregious assaults that have taken place over the years against employment insurance. Of all those you listed, which do you think had the most detrimental effect? What would you say is the big bad number one—

**Mr. Richard Shillington:** Voluntary quits. Not only for what it did for the people who would otherwise be eligible for EI, but because of what it did to the dynamic in the employer-employee relationship. First of all, setting up a reward for, effectively, fraud: "I'm leaving. would you please lay me off?" We all know this is happening a lot. Or an employer who decides, "No, you're fired; you're not getting EI." The employer decides you're not getting EI.

I'm not suggesting going to a period where there's no penalty for voluntary quits. I'm suggesting a penalty that is more proportionate than the current one.

Back to the same analogy, I would say the current system is akin to having car insurance where if you're at fault, you're not insured. We would never tolerate that.

**Ms. Irene Mathysen:** So it can be a lever, not only for fraud, but be punitive as well.

**Mr. Richard Shillington:** Of course.

**Ms. Irene Mathysen:** And we're not taking into consideration the fact that the individual has to leave, because they're a caregiver, if they have an ill parent, or they're experiencing unbearable harassment or time management problems.

**Mr. Richard Shillington:** There are appeal processes and—

**The Chair:** Time is up. We've gone 15 seconds over.

We need to start exactly on time to do our private members business.

**Ms. Irene Mathysen:** I'm sorry, Madam Chair, I thought I really had lots of time.

**The Chair:** That's fine.

Now, Ms. Hoepfner.

**Ms. Candice Hoepfner:** I'll go after Mrs. McLeod.

**The Chair:** Okay.

Mrs. McLeod.

**Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC):** Thank you, Madam Chair.

I would like to thank Mr. Shillington. I think it's been very fascinating information for me, at times.

I guess I'd like to make a few quick comments and then ask a question. It sounds like, from what you've said today, that it's a very positive thing that EI has now been removed from the opportunity.... It's now truly kept at arm's length and is an employment insurance program, as opposed to the prior ability to use it for general revenue. So that sounds like a very positive move.

I think I'm very, very much struck by some of the data that I thought would be very simple, but it's something that you think requires more money and time. From this chart, I thought I could see things like how many of the women are self-employed versus a whole number of measures. It seems that to really understand this issue we have to fill some really big data gaps, or at least some easily attainable data gaps.

More to the point, though, I hear what you're saying about the maternity program and the two-week waiting period. There's a certain amount of sense that we have to balance how much we can afford for these programs. If it's 17 weeks, it's 17 weeks. Whether there's a delay or not, that's a different issue. So I think that's a different area for discussion than the two-week waiting period for the general public.

We did some pretty extensive consultation, and the input we received was that if there were limited funding, people would prefer five weeks at the end, as opposed to having two and three weeks. That was really the feedback we got through our consultation. Then there's a whole host of reasons for why it was seen to help the more vulnerable, etc.

So I'd really be curious for you to comment on this. As I say, I see the two-week waiting period for maternity benefits as a very different thing from EI.

• (1230)

**Mr. Richard Shillington:** Data gaps, yes, there are. As you proceed and gather data, you could certainly delve into them, but tread very carefully. It's very difficult to know exactly what you're getting when you're looking at data, so you have to ask lots of questions about exactly how it was formulated.

On the five weeks, I don't know what your consultations led to. It's not my area of expertise at all. However, there's no doubt in my mind, and I have data to back it up, that the more vulnerable you are, the more likely you are to not be eligible for EI. The addition of five more weeks of EI added benefits for those who are already getting EI, so I don't think you can construe that as helping the people who are most vulnerable, because they're the ones who are excluded.

And you're right, you have to worry about how much money is being spent and you have to make sure it's spent appropriately. I think the \$57 billion, if that's the right figure, or the \$54 billion, illustrates how there has always been money to spend; we just chose not to spend it on these populations. Your job as members of Parliament is to decide how the money is to be spent.

**Mrs. Cathy McLeod:** Certainly, I would suspect that anyone who is unemployed for the full term of the allowable time available is vulnerable. To think that those five weeks are supportive for them is.... Regarding the more vulnerable populations, again, I would find more data to be very valuable on this, and I don't think we have it.

**Mr. Richard Shillington:** I take your point. You're right that I should not say that everybody who's eligible is not vulnerable and that they're all very well off and living well. I should never have suggested that. It's a matter of gradations. If you ask what proportion of the population are eligible for EI, and you do that by age, you will find that the younger you are, the less likely you're going to be eligible. I have a chart in my notes about who gets EI by family income: the lower your family income, the less likely you are to get EI; those who work part-time are less likely to get EI; and if you have a lone parent with children, they are less likely to get EI. It's the same in all of those dimensions.

But you're right that I should never have suggested that somebody who's collected EI and exhausted their benefits, and who would benefit from the extra five weeks and be quite happy to get it, is therefore not vulnerable. No, but they're less likely to be vulnerable, I think, than the people who are excluded. I hope that's a fair comment.

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

You mentioned some papers you did for the department. If you could give us the titles of those papers, we will seek to get those papers, because they contain information. I think the Informetrica data on the project of women and the recession is data we will also try to bring in. And who gets EI by family income is another study you just spoke about. If you can tell us the title of it, perhaps we can get it.

**Mr. Richard Shillington:** It's in my speaking notes and it's also on my website.

**The Chair:** Good. Thank you very much. As usual, extremely....

Yes?

[Translation]

**Ms. Johanne Deschamps:** Madam Chair, I would like to make a motion in connection with this subject.

[English]

**The Chair:** You don't need a motion—I don't think—to get data.

[Translation]

**Ms. Johanne Deschamps:** In connection with...

[English]

**The Chair:** Is this motion pertaining to the...?

Yes, we are going in camera soon, so we can probably deal with it then. We only have 30 minutes to get the work plan done and we're going in camera in a minute.

[Translation]

**Ms. Johanne Deschamps:** I would very much like it to be public, Madam Chair, and not in camera.

**Mrs. Sylvie Boucher:** Why?

**Ms. Johanne Deschamps:** For reasons of transparency. Our proceedings are being televised.

• (1235)

[English]

**The Chair:** That means we will have cut back on the time for private members business, so if you can, please present the motion as rapidly as you can. We will not discuss the motion today, because we really have to get on with our work plan and we had said we would stop and give ourselves half an hour.

If you want to do this today...or you can do it at the next meeting, perhaps—present the motion then, and not in camera. Would you wait until the next meeting?

[Translation]

**Ms. Johanne Deschamps:** I made a request and I would like to make a motion, Madam Chair. Let me move it and we will discuss it.

[English]

**The Chair:** As long as you know that we won't be discussing that motion now; that's all I'm saying. We don't have the time to discuss the motion at this moment.

Present the motion, Madame Deschamps, but we will not debate the motion, because we are due to go in camera now.

So present your motion—

[Translation]

**Ms. Johanne Deschamps:** That is your decision, Madam Chair. May I challenge it?

I have the privilege of moving a motion in connection with today's subject.

[English]

**The Chair:** I am giving you the choice. You can present your motion now—it will not be debated—or you can wait until the next meeting and present it then so that we can discuss it.

[Translation]

**Ms. Johanne Deschamps:** When we decided the rules of procedure for this committee, we gave ourselves the privilege of making a motion that deals with the subject at hand. You are now telling me that I must postpone my motion.

[English]

**The Chair:** I would like to get the feeling of the committee, because I could rule on this, but I think it's really important for us.... We had said we would discuss a work plan. We now no longer have time to discuss a work plan. If you present your motion, Madame Deschamps, either the committee will decide to limit the debate on it for a very short period of time, which will then allow us to go in camera and discuss the work plan....

I would like to get a sense of the committee on this. Perhaps she could quickly read the motion. Once she reads it, it's open for discussion, if it's pertaining to the business at hand. She tells me it is.

Would you read us the motion?

I have to say, if she reads the motion, then it's on the table.

**Ms. Candice Hoepfner:** I want to say something for the record.

My only concern, and I've expressed it earlier, is that we have a sufficient amount of time to talk about the work plan. I for one have to leave right at one o'clock, so if she presents it, whatever decision we make, as long as we have our time to talk about the work plan....

**The Chair:** I'm just explaining to you that this is why I'm turning it over to the committee to decide. If it is presented and is pertinent to the things we're discussing, we have to debate it. If you want, we could limit debate, and I don't know whether Madame Deschamps would agree to that, or—what I was suggesting to her—unless this motion is urgent, she can bring it in on Tuesday. It will give us time to debate it properly. It would be done in public, so it wouldn't be in camera, and we can get on with this. That's why I suggested it to Madame Deschamps. But it is her choice and it is the choice of the committee.

I believe, however, that in terms of getting on with this work, we must discuss the work plan. So Madame Deschamps, if you read your motion now, we can debate it in public, but we will limit the debate, and the committee will decide on the limited debate—and limit it to only five minutes.

If you think that will do justice to your motion, present it now. If you would like to do justice to your motion, I would suggest that you present it at the next meeting, when we can have a better debate on it. The choice is really yours, first and foremost.

Madam McLeod.

**Mrs. Cathy McLeod:** I have just a quick point of order. I can't recall from our original meeting. If a motion is brought to the floor related to the relevant subjects, how are we dealing with the interpretation issues?

**The Chair:** How do you mean, the interpretation?

**Mrs. Cathy McLeod:** I mean the English-French interpretation. I thought there was something other than just the booth interpretation.

**The Chair:** The booth? Are you not getting translation?

• (1240)

**Mrs. Cathy McLeod:** No, I thought there was an additional mechanism that had to take place.

**The Chair:** Do you mean that a motion must be presented in both official languages? Is that what you're speaking of?

**Mrs. Cathy McLeod:** Yes, thank you.

**The Chair:** I think if a motion comes from the floor or from the table that is pertinent to the issue at hand, it does not have to be done in both languages.

[Translation]

**Ms. Nicole Demers:** Madam Chair, I was here when we decided on the rules of procedure for this committee; Mr. Petit was not. We decided that when a motion was introduced it could be debated immediately. Certainly, Madam Chair, a motion is in the language of the person moving it. The motion would then be translated by the translators. We have also adopted a procedure that lets us debate the motion and vote on it the same day.

The more time we waste, the farther we get from the subject. This is a motion dealing with employment insurance.

[English]

**The Chair:** Madame Demers, you are asking me to make a decision as a chair. I am asking the committee to decide how they want to proceed, mainly because—yes, I agree with you that if Madame Deschamps presents that motion now, she does not have to present it in two languages. I explained that to Ms. McLeod just now, so you repeated what I just said.

I am suggesting that if Madame Deschamps presents a motion and it's pertinent to what we're doing, we have to debate it. I am suggesting that we could resolve this by setting a time limit on debate so that we have some time to go into the work plan. If not, we are not going to do that.

I have also said to Madame Deschamps that if the motion is not urgent, if it doesn't have to come in today, she could bring it in at the next meeting and we will debate it in public in this committee.

I am asking her to first make a choice. This doesn't seem to be understood by anyone.

Do you want the motion to come now because it's urgent, in which case we will have to limit debate, or do you wish to wait until the next meeting when we can debate it in full? That's the first question.

You need it now; it's an urgent motion. All right, then, go ahead.

Before we do that, I will suggest that we limit debate. Does the committee feel we need to limit debate?

**Some hon. members:** Agreed.

**The Chair:** Then what is the limit on the debate? May I suggest five minutes?

Madam Davidson.

**Mrs. Patricia Davidson:** Madam Chair, I have no idea what the motion is, but apparently if it is urgent, we need to hear it. But saying right now that we're going to limit debate when we don't even know what the subject is.... I am not in favour of that.

**The Chair:** So let us not limit debate. But then I think this committee needs to understand, I am asking you to make a decision. If we allow ourselves to debate until one o'clock, you do not do the work plan.

**An hon. member:** I understand.

**The Chair:** We are using up time to discuss it, so let's just go into it, and I will allow the debate to continue until one o'clock, when we adjourn. That's fine; so we will not go in camera today and discuss the work plan.

Madame Deschamps, let us have your motion.

[*Translation*]

**Ms. Johanne Deschamps:** Thank you, Madam Chair.

We have been talking about economic security for women for three years now. We have come up with nothing new. We have devoted two meetings to these discussions, and the same things keep getting said over and over.

In my opinion, it is urgent that a motion be introduced to say as follows:

The committee asks that the Minister of Human Resources and Skills Development change the eligibility criteria for the employment insurance program to give more women access to it, and that the Chair report it to the House.

In the current economic climate, everyone agrees that we have to take speedy measures to give more women access to the scheme. If we sit and twiddle our thumbs, as my friend Sylvie Boucher would say, we could keep on studying the problem for years to come.

[*English*]

**The Chair:** Now, before we debate this motion, may I please suggest that what this motion is effectively saying is that the work that we are doing right now should cease because we have all the information we need, and it is presuming that there would be a unanimous decision to do this.

So I'm going to open debate. Those who wish to speak?

Madam Davidson

**Mrs. Patricia Davidson:** Yes, thank you, Madam Chair.

I would like to see the motion in writing at some point in time. But I'm not so sure from what I've heard that I'm in agreement with it at this point. I think we do have more people to hear from. I think there is more information coming that we need to hear.

We heard from Mr. Shillington today that one way to improve the situation is to change the "voluntary quit" rule. That is not what this motion says. He also said that another way is to go back to the weeks instead of hours. That's not what this motion is saying.

So I think we need to hear more information, and I really think I cannot vote for this motion. I cannot support it.

• (1245)

**The Chair:** Madam McLeod

**Mrs. Cathy McLeod:** I will reiterate that perhaps Madame Deschamps is very familiar with all of the issues, but we've only heard from three witnesses and we have many, many more to hear from. I don't feel I have a picture that would allow the full, appropriate recommendation.

**Ms. Johanne Deschamps:** Madame Chair—

**The Chair:** Madame Deschamps, is this on a point of information only, because if you speak, you will automatically be closing debate? I have a list of people to debate the issue.

Go ahead.

[*Translation*]

**Ms. Johanne Deschamps:** It is in response to what you said. I don't want to end consideration of the subject. My motion relates simply to the eligibility criteria under the scheme and not to the entire program.

[*English*]

**The Chair:** However, from a study you make a report and put recommendations in the report. If you put a recommendation in the middle of a study, you're almost making the study invalid, because you don't know what people will decide by the end of the study and whether or not they will then agree with this. And people are suggesting that they lack information.

However, I will allow the debate to go on.

Ms. Hoepfner.

**Ms. Candice Hoepfner:** I have two things to say.

First of all, on a point of order, I just want to express for the record that I believe we are on a very slippery slope when we take motions like this and say we don't need 48 hours' notice. We can generally say that everything we're talking about pertaining to women has to do with what we're talking about. I know not everybody would agree, but I think we have to be very careful that motions that we take without the full 48 hours truly are related specifically to what we're doing, and I realize this is a difficult judgment to make—

**The Chair:** Well, it's not actually difficult in this instance.

We are speaking about EI. We're doing a study on EI. Ms. Deschamps' motion pertains specifically to EI. It is an appropriate motion to bring forward without our 48 hours' notice.



We decided on how the committee would work. We decided that if something pertained to the agenda item, it would not need 48 hours' notice.

This is about EI. We are studying EI. It is a relevant motion. Thank you.

Anything further, Ms. Hoepfner?

**Ms. Candice Hoepfner:** Can I speak to the motion, then, for a moment?

**The Chair:** Yes, go ahead.

**Ms. Candice Hoepfner:** First of all, I would like to hear it read, if we could.

I truly believe there are a host of other witnesses whom we need to hear from. We want to do justice to the women in this country, and if that truly is our motivation, we need to make sure that the motions we're bringing forward to the government will be productive and that we'll be able to move forward with them. What concerns me is that this does not seem to fall in line with that.

So could we hear the motion read again?

**The Chair:** The motion is that the committee asks, or demands, that the Minister of Human Resources change the criteria for admissibility or being able to apply for the EI program to allow for a larger number of women to participate in it, and that the chair report this to the House.

Ms. Neville.

**Hon. Anita Neville:** Thank you, particularly for reading the motion again. I understand the urgency that Madame Deschamps feels on the EI issue. We're all hearing stories in our communities. I can't help thinking of the dislocation of the economic climate, as Mr. Shillington referred to it.

I'm also part of another group, Madam Chair, that is looking at EI and EI alternatives. There are a number of ways of changing the criteria to ensure greater accessibility to the EI program. I don't think we've heard them all here yet today in terms of how it benefits women.

We haven't looked at the regional discrepancies. We haven't looked at taking it down to a solid 360 hours. We haven't looked at the implications of turning it from hours to weeks. I'm particularly concerned about the regional discrepancies.

While I understand the urgency, and I, like Madam Mathysen, am particularly concerned about the potential social unrest that is going to come in this country, I think it's premature to deal with this motion right away.

In speaking to it, I would say that I think it's important that very soon in the discussion we hear from the Minister of Human Resources.

• (1250)

**The Chair:** Thank you.

In our work plan we had put forward a lot of people who would be able to broaden the scope, as you said, Ms. Neville, but we will not be discussing the plan right now.

Madame Boucher.

[*Translation*]

**Mrs. Sylvie Boucher:** I know the situation is urgent. Everyone here agrees on that point. But with all due respect to Ms. Deschamps, I would point out that we have not finished our consideration. As Ms. Neville said, depending on where you are in Canada, there are differences. Ultimately, women are the ones who pay. We are trying to get some social justice for women. Whether we are on the government side or the opposition side, we are all trying to work together. In my opinion, it is important that nothing be left to chance, so that women are not the losers. Most importantly, we have to consider the differences, be it rural or urban communities. In order for the rules to be changed and everybody to be winners, it is very important to know where we are going with it.

[*English*]

**The Chair:** Madame Demers.

[*Translation*]

**Ms. Nicole Demers:** Madam Chair, we have not seen an economic crisis like this since the 1920s or 30s. Back then, the social fabric was more tightly woven and families helped each other. Today, the social fabric is very weak. The people who suffer the most are women. We have seen the statistics showing that only 28% of women aged 15 to 34 have access to employment insurance, and the situation is the same for women earning less than \$10 an hour, and the figure is 27% in the case of women who work part-time. I think these are the women Ms. Deschamps wants to be sure we can help quickly. The goal is for them to be able to get financial support to meet their families' needs and their own needs.

Madam Chair, I am aware that a much broader study has to be done, but the fact is that people are suffering while we do that study and make our decisions. We here are earning nice salaries, and we can afford to do that, but the people in their homes who have nothing to meet their children's needs, they need us to act quickly. Those people are the reason why I would hope that we will act quickly.

The motion asks simply that the Minister consider the eligibility criteria so that more women have access to employment insurance.

[*English*]

**The Chair:** Madam Mathysen.

**Ms. Irene Mathysen:** Thank you, Madam Chair.

I would like to point out that there is some precedence for this kind of motion. We've done it before from this committee and reported to the House.

I feel the frustration of Madame Deschamps in many ways. This committee has discussed these issues over and over again in the past three years, but we haven't been able to move this government. We haven't been able to touch the heart of this government and move these issues forward. So at this point in time, I think a debate in the House, in light of the crisis we face, is a positive step. We hear these things in this committee, but they're not heard beyond this committee, and I would like them to be heard.

**The Chair:** Madame Boucher.

[Translation]

**Mrs. Sylvie Boucher:** It was earlier.

[English]

**The Chair:** She had put her hand up.

Is there any other further debate on this?

Madame Deschamps, would you like to conclude?

[Translation]

**Ms. Johanne Deschamps:** I think it will be relatively brief. Everything has been said.

The main purpose of this motion is to put more pressure on the government or the Minister of Human Resources. I am not expecting miracles. I know that it won't be done in the next few weeks. As my colleagues and I have said, we have been talking about this problem for three years. The current economic crisis is a serious one. I come from a region that has been hard hit by the forestry crisis. I see too many families who come to the end of their benefits, or after, and are no longer entitled to them because the scheme is too stringent. Then they are forced to sell what they own, to leave the region and go into exile—because that is really what it is—after all those years. Those people have to leave their families and their homes to go and find work in unfamiliar regions. If we want to stimulate the economy, we have to take action quickly, or we will see our regions decline.

• (1255)

[English]

**The Chair:** Thank you, Madame Deschamps.

I will call for the vote, if there's no further debate on this issue.

(Motion negatived)

**The Chair:** We have five minutes.

Ms. Morgan, the analyst, has drawn up a work plan, which shows what will happen in weeks. On one side of the work plan there are weeks and in the middle it talks about themes, so she has divided the weeks into themes and brought together the names of people who fit into the themes from all of your lists.

It is not in both languages yet. We will ensure that this is translated and sent to you.

The list of people who will present that fit under the themes are put in one column, and we have put in brackets the parties that suggested them. So as we do a theme and as we do a week, there is a way of finding out that on a ratio of three to one...let us imagine that the people we have received so far under that date and under that theme only come from three political parties; we will allow a fourth political party to put their person in under that theme. So you will

have a period of time between now and the next meeting to maybe suggest those people to fill it in. Basically what we will try to do, therefore, is to ensure that there are about four presenters on every theme in every meeting and that each one of them is well represented from the four parties here.

So the fairness will be addressed. It will show us how the themes will work. Amongst them, we believe, given what we heard today from Mr. Shillington and given what Madame Deschamps has brought forward, we should ask the department, HRSDC, to present, to bring some of the reports that Mr. Shillington has done for the department, and to give Statistics Canada the ability to come and give us some of the information that Ms. Davidson and others said they didn't have. We will also have people from Quebec come and tell us about their self-employed schemes in Quebec. So we will have a theme that is based on government departmental representation that will give us data, give us facts, etc.

Now you would look at this and decide whether you believe there is another department that we have missed. Let us know about that; we will take steps to do that. Then we need to set aside an extra day for the round table on the academics alone. We haven't fit a time for that, so we need to ask you to set aside a day for that, and to look at the number of people who were listed here as academics at the round table and find that balance on the ratio we talked about, to have all parties have people come in to present at that round table.

So you will see it's an excellent job by Ms. Morgan. It deals with fairness, it deals with themes, it deals with timelines, and it allows everyone to have input, to get their party's person on that theme to come in. So we will send it to you when it is translated.

Ms. Hoepfner.

**Ms. Candice Hoepfner:** The only question I have is on the themes. I think it's important that we discuss the order of importance: how the decisions on those themes and the order of importance are going to be made.

And are we still going to have a meeting to discuss the working plan?

**The Chair:** Yes, I was going to suggest that for the next meeting, instead of leaving the in camera portion of the work plan for after, we use the first half-hour to discuss this clearly.

I will quickly tell you—you will get this, but for your information and because we really need to have groups come in for the next meeting—that the very first theme would have been umbrella women's organizations.

**An hon. member:** Umbrella...?

**The Chair:** Umbrella means national—big groups like FAFIA and CRIAW and the Canadian Federation of University Women, and so on.

Women's organizations would be the—

• (1300)

**Ms. Candice Hoepfner:** My concern, as I expressed before, is that we would not have enough time to discuss the working plan. I don't want to see us bringing witnesses in until we have all agreed on a working plan, on the priority of the issues, and on how the witnesses will be determined.

I feel that's fair. I brought it forward and I know I was one of the only ones who had that concern. In fairness, I feel we need to have a solid meeting at which we discuss the working plan before we proceed with witnesses.

**The Chair:** What this will mean, of course, is that in the next week we will not have witnesses. I think this postpones the timelines for our plan.

Ms. Hoepfner made a suggestion. Do I have consensus from the committee that they agree with her, or do I have consensus that they do not?

May I hear from the committee, please, concerning the next meeting?

**Hon. Anita Neville:** There must be some things that are not controversial that we can identify. We heard the urgency of moving this agenda forward today. I think we could use half an hour in camera at the beginning of the next meeting, and then let's move on with one of the groups.

I would leave it totally to those at the front to come up with a fair and balanced approach. I have every confidence—

**The Chair:** I suggest that we use the first half-hour of the next meeting to deal with the work plan in the long term, but that we also

have witnesses. I think those who are prepared to come at the drop of a hat are probably going to be the national women's organizations. You may want to suggest one to put in, because the three-to-one thing doesn't have fairness.

You will get this as soon as possible. What I'm suggesting is that we ask these women's organizations, so if you have a national women's organization you want to suggest, you may suggest it to us.

**Mrs. Patricia Davidson:** Are there any themes that have all four parties represented—

**The Chair:** There are. One of them would be the departments. We have no idea whether ministers and staff can come. We are at their mercy in terms of that. Other themes would be aboriginal women, women with disabilities....

Would you like us to bring forward a theme that would have everybody present? We will pick one with everybody represented, all four parties.

**Some hon. members:** Agreed.

**The Chair:** Good. We will do that, and then we will send this to you as soon as possible in both languages. We would like to hear back from you as soon as possible, so that if you feel your party is not represented in the theme, you could give us some names, so that we can get on with discussing this plan next week.

Thank you.

The meeting is adjourned.

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