



**Confédération  
des syndicats nationaux**

Brief submitted  
by the  
Confédération des syndicats nationaux

to the Standing Committee on Finance  
in view of its study on youth employment in Canada

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## **Preface**

The Confédération des syndicats nationaux (CSN) is a union organization composed of nearly 1,700 unions that include more than 300,000 workers, mainly in Quebec, united on a sectoral or professional basis in eight federations, as well as regionally on thirteen central councils.

## Introduction

The following brief presents the point of view of the Confédération des syndicats nationaux regarding the situation of youth in the labour market. The first section addresses youth working conditions. The second looks at employment and job creation policies. The third discusses the federal government's main employment policies that affect youth. The fourth section includes our recommendations.

## Deteriorating working conditions among youth

Despite a decline in the rate of youth unemployment over the last twenty years, the situation of youth in relation to the labour market is far from rosy.

First, there has been a significant increase in atypical employment (part-time, occasional, seasonal, temporary work, etc.) over the last two decades, and this trend is particularly pronounced among youth. The rate of atypical employment among 15-24-year olds in Quebec rose from 58.9% in 1997 to 65.4% in 2012. In addition, atypical workers face important disparities in treatment based on their job status, that is say they often have working conditions inferior to those who perform the same tasks, but who occupy a regular position<sup>1</sup>. Neither the *Canada Labour Code (Part III)* nor the *Canadian Human Rights Act* prohibit such disparities in workplaces under federal jurisdiction. This situation is unacceptable and was also denounced in the 2006 *Arthur Report* that recommended an end to such practices.

Second, many youth experience discriminatory situations due to disparities in treatment based on the hiring date. The Quebec government amended its *Act respecting labour standards* in 2001 to prohibit such two-tier remuneration, judging this practice discriminatory (according to age). Everything remains to be done on the federal side, since such practices are not formally prohibited in workplaces under federal jurisdiction. We think it is time for the federal government to follow suit and pass a law prohibiting wage discrimination based on the hiring date.

Note that pension plans in Canada are being undermined. In 2009, in Canada, only 24.8% of those under 30 had a group plan (including group RRSPs), while the ratio was 54.4% among those aged 30 and older<sup>2</sup>. Thus, many of today's youth will have to rely mainly on public pension plans for their retirement as individual savings prove to be insufficient in many cases. However, public plans are currently insufficient to ensure adequate retirement revenue. In this sense, we think that the Government of Canada must restore the age of eligibility for Old Age Security pension and the Guaranteed Income Supplement to 65 years of age, as recent reforms will harm all Canadians.

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<sup>1</sup> For more information: Comité national des jeunes CSN (CSN National Youth Committee) (2013), *Avis sur les disparités que subissent les jeunes travailleuses et travailleurs atypiques* (only available in French)

<sup>2</sup> Author's calculations, according to the 2009 *Survey of Labour and Income Dynamics*.

Several provinces have put forward proposals to reform plans, such as improvement of the Canada Pension Plan and Quebec Pension Plan. In our opinion, the federal government must assume a leadership role and promote pension plan improvements in Canada. It must also prioritize the right for all workers to be covered by a pension plan to which each employer is required by law to pay a premium.

Third, despite the growing importance of this issue in public discourse, little progress has been made in terms of the work-life balance. At least this is what is shown in data from the *Workplace and Employee Survey*<sup>3</sup>. This situation is troubling, since it particularly affects young families and women who, in general, assume a larger share of family responsibilities. The federal Parliament must act to ensure a better work-life balance and, by making parent and preventative leave a priority, pass legislation worthy of the name.

Fourth, it is clear that youth are particularly affected by unemployment. Year after year, the unemployment rate among youth aged 15 to 24 is nearly twice that of the population 15 years and older (1.88 times higher on a national level, over the last ten years). In addition, there is reason to believe that youth are discriminated against by Employment Insurance reform passed this year. Indeed, as they occupy a higher proportion of temporary and seasonal jobs (see above data on atypical employment), they are more penalized because they have to rely on benefits more often, due to the nature of their employment. These youth are now required to seek and accept any job within an hour of their residence and a salary that is up to 30% less than they previously earned. In addition, tightening eligibility criteria will have a devastating effect on Canadians and youth. This is unacceptable.

### **Economic and fiscal policies, a view of youth workers**

The youth employment situation has taken a turn for the worse since the recession. The current employment level is still lower than what it was before the recession. In 2013, in terms of employment, the shortfall was still 196,000 among those aged 15-24 in Canada compared to 2008 and 12,700 in Quebec. During this time, the youth pool continued to grow, so the employment rate still lags behind a draconian 4.6 points (-1.7 points in Quebec). This is enormous! Such a situation puts many youth at risk of facing a prolonged absence from the labour market, which could have a significant impact.

Despite some signs of economic improvement, the recovery is fragile. As for this situation, we consider the federal government's budgetary policy to be totally inappropriate. Program spending growth is only 0.8% for 2013-2014, the lowest increase in twenty years. For the CSN, it is clear that we must support the economy and employment among youth. Social programs and public services help youth and cuts hurt them, as well as the general population.

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<sup>3</sup> Elmustapha Najem and Diane-Gabrielle Tremblay (2010), "The incidence of work-life balance practices in Canadian workplaces: are unionized workplaces better equipped and is the situation improving?" *Revue interventions économiques*, vol. 41 (only available in French).

Given the precarious economic situation, not only must policies aim to stimulate job creation, but we also consider it crucial to focus on the creation of well-paying jobs. In this regard, we note wage stagnation among youth (in constant dollars). Indeed, in Quebec, the average annual growth rate of real wages among those aged 15 to 24 was only 0.7% from 1997 to 2013<sup>4</sup>. The wage gap between those aged 15–24 and those 15 years and older was 40.9% in 2013. More than ever, government efforts should focus on creating better quality jobs for youth.

It is within this context that the CSN has been calling for the restoration of an industrial policy to revitalize the manufacturing sector, where 163,000 jobs were lost in Quebec between 2002 and 2013, as well as 394,000 more in the rest of Canada<sup>5</sup>. These jobs are no longer accessible to youth.

The goal of the industrial policy should be to encourage the following niches: new technologies, new processes, new products or services, workforce training programs, etc. Among these niches, priority must be given to those that impact a maximum number of businesses and regions. All industrial sectors, even more traditional *a priori* sectors, can develop new niches: the production of biomaterials in the forestry industry, for example. In this sense, the industrial policy must involve all industries and not only advanced or knowledge-based industries.

The industrial policy should concern itself as much with healthy sectors, such as the food processing and aerospace industries, as with struggling sectors, such as forestry, furniture and textiles. This is a pledge to create quality jobs preferable to tax cuts for businesses that have been granted in recent years. The CSN recently tabled its industrial policy framework for the shipbuilding industry. We believe the federal government must support this industry and provide it with the means to compete with other shipyards around the world.

In summary, the Canadian government can support its manufacturing sector by better and more adequately utilizing its monetary and trade policies, by ensuring better control of foreign takeovers that are taking place in several sectors, such as mining and metalworking. It must also better support innovation, development and research.

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<sup>4</sup> Author's calculations, according to data in the *Labour Force Survey* and the *Consumer Price Index*.

<sup>5</sup> See CSN (2012), *Avenir du secteur manufacturier et industriel québécois, pour un développement durable : une intervention structurée* [http://www.csn.qc.ca/c/document\\_library/get\\_file?uuid=209ce70d-5f04-4303-8dac-b4cd0b580616&groupId=13943](http://www.csn.qc.ca/c/document_library/get_file?uuid=209ce70d-5f04-4303-8dac-b4cd0b580616&groupId=13943) (only available in French). An English version summary is available here: [http://www.csn.qc.ca/c/document\\_library/get\\_file?uuid=b20853cb-48be-4721-b882-085a6b774fd1&groupId=13943](http://www.csn.qc.ca/c/document_library/get_file?uuid=b20853cb-48be-4721-b882-085a6b774fd1&groupId=13943)

## Youth employment policies

A significant number of youth are not studying or working. In Quebec, an estimated 200,000 youth are in this situation. Economic development policies are crucial, but they must also run parallel to job creation policies. Youth who stay out of school and the workplace run the risk of seeing their skills become unrecognized. Having a hole in one's CV is an important barrier to re-entering the workforce, because these workers are shunned by employers. Youth are even more at risk as they have not yet acquired key experience in the job market. Our comments focus on three federal measures, namely the *Canada-Quebec Labour Market Agreement* aimed at supporting the Quebec government to intervene with people out of the labour market and not eligible for employment insurance; *Labour Market Development Agreements* (LMDA) aimed at helping provinces with the unemployed; and the *Youth Employment Strategy*, aid destined for youth from ages 15 to 30.

The CSN acknowledges the renewal of the *Canada-Quebec Labour Market Agreement* for the period 2014–2020 (although it focusses on people excluded from the labour market) instead of and in place of the Canada Job Grant. On one hand, the agreement recognizes the distinct character of the Quebec model regarding employment policies, in particular the crucial role played by the Commission des partenaires du marché du travail. On the other hand, it recognizes expertise developed by Emploi-Québec and partner organizations in terms of knowledge of the realities of the labour market (and regional realities) and accompanying employability and training practices. It's a winning formula for youth excluded from the labour market.

Regarding *Labour Market Development Agreements* (LMDA) that aim to support training and apprenticeship needs for Employment Insurance claimants, we believe that the federal government must maintain the same approach. It would be reprehensible for the federal government to renegotiate these agreements with the provinces for the simple reason of wanting to reduce the duration of Employment Insurance benefits<sup>6</sup>. It would also be unacceptable to give in to the immediate needs of businesses.

Training offered to the unemployed should not be disconnected from the reality of the labour market. However, at the same time, youth should be able to choose whether to improve their skills for work or personal learning and develop new skills recognized by a wide range of businesses. The particular needs of businesses constantly evolve according to conditions in their sector. Apprenticeships and training should avoid allowing workers to become the prisoners of a business, and should rather allow them to become qualified for various companies. In addition, training provided must also be suitable for each person, their abilities and aspirations.

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<sup>6</sup> See Guillaume Bourgeault-Côté, "Main-d'œuvre - Ottawa ouvre un autre front: Le fédéral veut revoir immédiatement les ententes sur le développement du marché du travail," *Le Devoir*, Tuesday, February 11, 2014, p. A1 [only available in French]



Once again, we believe that the Quebec model has proven itself in recent years and that the federal government has no business interfering in the way Quebec and other provinces provide training and employability measures to the unemployed. Ottawa has even less of a leg to stand on as it has not contributed financially to the Employment Insurance program for many years. And, as stated by the federal government in its agreement with Quebec on the labour market, the Quebec model addresses its concerns, namely that employers play a central role in training in Quebec.

In addition to transfers to provinces under labour market agreements and those on labour market development, the federal government intervenes directly with youth through the *Youth Employment Strategy* (YES), in the amount of \$330M per year. Unfortunately, we must highlight a number of problems with this program. We do not think that YES programs are adequately delivered, as no guidance is available to assist youth excluded from the labour market. It is difficult to identify in such a context whether these programs are really suitable for youth, given their situation and particular needs. For example, summer internships, are they really the best adapted tool to integrate high school graduates into the labour market?

One of the existing measures in Quebec is funding for *Carrefours jeunesse-emploi* (CJE). When a youth walks into a CJE, he or she is supported by a professional who guides him or her toward the best approach, based on his or her profile, whether that means vocational guidance, a return to school, specific training, an internship, employability program, etc.

This type of guidance allows a comprehensive plan to be developed consisting of a coherent continuum of activities (examples: career choices, literacy training, education, employment integration training, etc.). A plan can be decided on after several meetings with youth so that they can be better aware of their strengths and weaknesses, their ambitions, better understand the programs available and opportunities in the labour market, etc. Due to this coherent continuum of activities, the effectiveness of each measure is reinforced by the implementation of the others. This approach also allows youth to be tracked after their internship or training and provides for the application of measures aimed at keeping youth employed.

Moreover, one of the challenges in the coming years is an increase in the profiles of young users, because those who are referred to CJE face more challenging social problems which add to the obstacles to integration into the labour market. Within this context, the *Skills Link* program, one component of the *Youth Employment Strategy* that focuses on youth facing barriers to employment, is completely useless. Companies request funding: youth receive no support, neither before an activity is financed by *Skills Link* nor after; they cannot be recommended to health or social service resources or community resources as needed, etc. For us, it is clear that the federal government should not be spearheading this initiative. In our opinion, the Quebec government has the capability to offer structural solutions on youth employability.

The Quebec government, through expertise developed by Emploi-Québec, is much more aware of the challenges facing youth and the situation in regional and local labour markets. This expertise was developed thanks to its online job offer system, labour-management cooperation at the provincial level through the Commission des partenaires du marché du travail, at the regional level through regional commissions, at the sectoral level through sectoral workforce committees. Emploi-Québec regularly collaborates with local job centres, with stakeholders in youth employability such as the *Carrefours jeunesse-emploi* that are present throughout Quebec and other community organizations. In addition, Emploi-Québec is advised by the Comité consultatif jeunes (CCJ), which brings together youth outreach, employability and entrepreneurship workers (student associations, youth committees in labour and employer organizations, etc.). Emploi-Québec professionals and youth job centres are in constant contact with employers in different localities. They recognize their needs and, in return, employers are aware of measures available to them.

For all of these reasons, the Quebec government is more likely than the federal government to identify programs geared toward youth. It can establish a coherent intervention strategy for all stakeholders (youth, business, support organizations), instead of only dispensing aid to businesses aware of available programs.

In fact, the *Youth Employment Strategy* carried out in Quebec affects the coherence of interventions developed by the provincial government and falls outside the synergy developed among all the stakeholders. It has led to some confusion since it is offered in addition to the basket of services offered by the provincial government. The CCJ carried out an analysis in 2002 of the duplication of services between federal programs offered through the *Youth Employment Strategy* and the basket of services offered or funded by the provincial government<sup>7</sup>. We believe that several duplications still exist.

We therefore believe it is necessary for the federal government to initiate talks with the Quebec government aimed at giving Quebec the right to opt out of the *Youth Employment Strategy* with full compensation.

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<sup>7</sup> Comité consultatif jeunes (2002), *Vers le rapatriement de la Stratégie emploi jeunesse*.

## **Conclusion**

Youth working conditions are bleak, especially due to the rise of atypical employment, to the persistence of problems linked to disparities in the treatment of the hiring date, to little progress made on the work-life balance, to the high youth unemployment rate, etc. This is why the CSN calls for the modernization of federal labour legislation to confront the deterioration of working conditions among youth. We believe that the federal government must promote the improvement of pension plans in Canada, with a view to ensuring the right of every employee to be covered by a pension plan to which every employer is required by law to pay a premium. As well, it would be in the interest of young workers to abolish Employment Insurance reform and that regarding the age of eligibility for Old Age Security pension and the Guaranteed Income Supplement that especially affects youth.

Even today, the level of employment and the employment rate among youth falls short of what existed before the 2008 recession. The persistent fragility of the economic recovery harms youth employment and low wage gains for those aged 15-24 in recent years affects the creation of quality jobs. This is why the CSN calls on the federal government to stimulate youth job creation through an expansionary fiscal policy and the establishment of an industrial policy devoted to the revival of the manufacturing sector.

Finally, we can state that there is still a large number of youth who are neither studying nor working. They are more and more excluded from the labour market, in the sense that a growing number of them have an increasingly heavy profile that poses several significant obstacles to their insertion in the labour market. With regard to the situation in Quebec, we believe that only the provincial government has the expertise and networking needed to address these issues. Federal programs under the *Youth Employment Strategy* have many problems, including an important lack of support for youth within a comprehensive process of insertion and retention in the labour market.

In this context, the CSN demands that the federal government allow Quebec the flexibility to manage employability measures and training that is financed by agreements on the development of the labour market and give Quebec the right to opt out of the *Youth Employment Strategy* with full compensation.

## **Recommendations**

### **Improve working conditions for youth**

1. Modernize federal labour legislation in order to tackle the deterioration of working conditions among youth and, more particularly, discrimination against youth based on the hiring date and employment status.
2. Play a leadership role to promote the improvement of pension plans in Canada to ensure the right of every employee to be covered by a pension plan to which every employer is required by law to pay a premium.
3. Abolish Employment Insurance reform and that regarding the age of eligibility for Old Age Security pension and the Guaranteed Income Supplement that affect the Canadian population.
4. Promote the work-life-study balance by passing legislation worthy of the name that encourages preventative leave for pregnant women and parental leave.

### **Create jobs for youth**

5. Stimulate job creation for youth through an expansionary fiscal policy and the establishment of an industrial policy devoted to the revival of the manufacturing sector, all respecting provincial jurisdiction.

### **Employment policies for youth**

1. Respect Quebec's jurisdiction to manage employability measures and training that is financed by agreements on the development of the labour market.
2. Give Quebec the right to opt out of the Youth Employment Strategy with full compensation.