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Mr. Bryan May

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

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• (1100)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Good morning, everyone. We'll get started right on time.

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

First up is MP Terry Sheehan from Sault Ste. Marie. Of course, he is the author of motion 194.

I want to apologize, Mr. Sheehan, that we had to bump you last time. We hope that we don't have to bump you too much this time. The next 10 minutes are all yours, sir.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much, Chair.

Thank you very much to all the committee members, staff, and in particular my staff for doing a great deal of work on this. I truly appreciate it.

[Translation]

Good morning, it is a pleasure to be here today.

[English]

Usually, as the chair mentioned, I'd be introducing my motion to you, but I'm appearing after several excellent witnesses. I think it's fair to say that you all have a very good understanding of what I'm trying to accomplish here with M-194.

Why did I want this committee to study precarious employment in Canada? I believe Canada must be able to define precarious employment in a structured, cohesive manner so that we can recognize potential indicators and vulnerabilities that are uniformly identified across the country. The goal is to develop policy to target those who need it most. At the heart of this motion is that creating the very best foundation for developing appropriate and relevant policy to make positive changes is the most important outcome.

My riding of Sault Ste. Marie has faced its share of employment challenges. When we hear about communities with these types of challenges, it's often in such broad terms as low income, unemployment and economic downturn. However, when I was knocking on doors or chatting with constituents going about their

day, I was hearing stories about personal situations that were much more intricate for them than simply "unemployed". There were people who had a job but were worried about a contract being renewed. There were people who worked full time but had no sick leave or paid leave. There were people who worked two or three part-time jobs to piece together a full-time wage.

I found this incredibly interesting. I wondered how prevalent these employment scenarios were across the country and who was being disproportionately affected. As I mentioned briefly during one of the testimonies, I too had worked in what you might determine was precarious work, in contract positions for the public sector and as an owner of a business. I was self-employed as well.

In researching this type of patchwork or uncertain employment, I found a vast amount of research on various forms of precarious work. I was surprised to see that there existed no concrete consensus on what defined precarious work or how we can identify those affected by precarious employment. Most importantly, there were no organized ideas on what we can do about it, because so many working definitions of precarious employment were being applied across the nation.

For example, according to the International Labour Organization, precarious employment generally refers to a lack or inadequacy of rights and protections at work. This definition can apply to informal work but also to several types of formal work, including subcontracts, temporary contracts, interim work, certain types of self-employment and involuntary part-time work. These types of formal employment are considered more precarious because they are associated with reduced financial security and stability stemming from lower wages on average, less access to such benefits as private pension plans and complementary health insurance, and greater uncertainty about future employment income. I believe a key matrix for creating a definition needs to be clear on job security versus income security. The job security aspect is something the employer is involved with, but we can take action on income security as well, for example, legislated basic income, basic equality, or protected leave standards.

Because precarious work situations vary significantly, it is challenging to capture precarious employment with existing labour force statistics. Studies have focused on types of employment where individuals are more likely to face precarious conditions. Last week the committee heard from Colin Busby. He co-authored a report with the C.D. Howe Institute entitled “Precarious Positions: Policy Options to Mitigate Risks in Non-standard Employment”, which I referred to as part of my research. Mr. Busby is an authoritative voice in employment policy. He added some great points during his testimony. He pointed out that while Statistics Canada currently tracks non-standard employment, and this data is used in research on precarious work, it is not really the appropriate data to use. Specifically, with current data we cannot identify statistically how different groups of people are affected. Defining precarious employment will allow for more appropriate data to be collected.

• (1105)

Also, we need data to be able to track the timeline of precarity amongst certain groups on top of precarious work alone. Who is more likely to experience precarity long term? While the current statistics are an imperfect measure for precarious employment, the trends and composition effects of these statistics do provide important insights into the state and impact of precarious employment on Canadian society.

Certain groups are more likely to be in precarious employment. What current research shows us is that while no one is immune to the effects of precarious work, Statistics Canada data reveal that some groups are more likely to hold precarious jobs than others. A recent report from the Canadian Centre for Policy Alternatives, entitled “No Safe Harbour”, found that more than a fifth of Canada's professionals—that's 22%—are in some form of precarious work, including part-time work, contract work or freelance work. This study reports that precarious work—this is a quote—“cuts across all employment sectors, professional occupations, wage levels, ages, and career stages.”

However, for women, as indicated, several studies clearly demonstrate that the labour market is tilted against women. In other words, women are disproportionately affected by precarious employment. Professional women are more likely than their male counterparts to be in precarious work, with women accounting for 60% of all precarious professionals. In 2017, 62% of workers in involuntary part-time employment and 52% of temporary workers were women. Newcomers are also extremely at risk for precarious employment.

In terms of age, unfortunately, you cannot count on age and experience helping you out. Data indicates a spike in the share of precarious work among the 55 plus age group, as well as among those with 10 or more years of experience in their profession. These are folks who are only 10 to 15 years away from retirement. If they're not able to put away money for a good retirement, how's it going to be for them in the future?

Younger workers are much more likely to be in precarious employment. Statistics Canada says that in 2017, 32% of 15- to 24-year-old workers held temporary employment, in contrast to 10% of 24- to 55-year-olds and 11% of workers 55 years and older.

In terms of education, interestingly, education alone won't shield you from that problem. This survey found that precarious professionals are actually more likely to have a post-graduate degree—30%—than non-precarious professionals, at 23%.

As well, having a full-time job might not be enough to avoid precarity, as 26% of precarious workers reported having a full-time job. Typically, these jobs lack security or lack benefits such as sick days or pensions.

Again, a study by the Law Commission of Ontario concluded that not only are youth and women overrepresented among precarious workers, but so too are racialized persons, immigrants, aboriginal persons, persons with disabilities and older adults. The panel of witnesses we heard from at this committee confirmed this to be true. They further pointed out the causal link to child and senior poverty resulting from precarious work.

Data also show that precarious employment as a proportion of working arrangements is more prevalent in certain sectors. Education, information, culture and recreation and agriculture have larger proportions of temporary employees. Witnesses also mentioned the federally regulated trucking industry, precarious government contracts and subcontracting as problematic.

Some sectors have large numbers of both temporary and self-employed workers. These sectors include culture and recreation, construction, health care and social assistance. Other sectors, such as education, accommodation and food services and the wholesale and retail trade, have large numbers of temporary workers as compared to the self-employed. Still other sectors, such as professional, scientific and technical services and agriculture, have large numbers of self-employed compared to temporary workers. Self-employment does not generally equate to precarity, as it is a choice. This is where the importance of identifying indicators becomes clear.

There is no doubt that there are many legitimate social and economic concerns regarding vulnerable employees in precarious employment. The combination of low income, lack of control over scheduling and lack of benefits, such as pensions and health care, personal emergency leave or sick leave, all together or in various combinations creates a great deal of uncertainty, anxiety and stress, which undermine the quality of life and the physical well-being of a wide swath of workers and their families in our society.

I'm thankful to have heard thoughtful and insightful questions from members of this committee during witness testimony and to have had such a breadth of expert witnesses testify on this issue to date. They've offered suggestions for solutions and their perspectives on problem areas. Most importantly, their experience in this field is invaluable.

In terms of problem areas, rights vary by province. Is there a regionality to precarious employment? We need to define this. Worker voice is suppressed when in temporary work. We heard that as well. Also, the triangulation of temp agencies, client and worker leads to confusion or omission of regulations. Mental health issues increased. Depression, anxiety, self-esteem issues, and a lack of definition have led to a lack of effective policy.

• (1110)

The gig or sharing economy can offer flexibility for workers. Some individuals are choosing alternative forms of work arrangements for flexibility or personal job satisfaction. They may find that this is suitable to their way of life. As we see the landscape of the traditional workplace changing due to innovation and technology, we're now seeing a fundamental transformation to Canada's workforce. With workers not considered employees, we see issues with no T4s and therefore no employer contributions to CPP benefits, etc. We heard about employees and employers running into problems with the CRA because their intended agreements didn't meet the definition of the CRA requirements.

In July 2018, BMO released a report on the gig economy. The report states that 85% of companies surveyed in the study foresee an increasing move to an agile workplace. Employers estimate that in the next few years almost a quarter of their workforce will be working virtually or remotely. There is no doubt that innovation is a positive element of the changing workplace. With innovation changing how we live and work, we see new opportunities but also new challenges for Canadians.

The nature of work is changing, and we need to understand how it impacts our workers so that we can better protect Canadians. What role do unions play in this new world of work? Is this still a functional model for worker advocacy with the traditional unionized labour groups? Is it pertinent to the gig or platform economies?

We heard some excellent testimony from people like Francis Fong, who touched on many things. We also brought out some excellent questions. I think of MP Falk's questioning of the chamber where they agreed there is a need for more training and more cultural sensitivity around that.

Thank you very much, everyone. I really appreciate the opportunity to bring this forward to you for your input.

Thank you, Mr. Chair.

The Chair: Thank you, MP Sheehan.

The bells are ringing, and I would like to ask for unanimous consent to continue.

Do I have that consent?

Mr. John Barlow (Foothills, CPC): No.

The Chair: Okay. We will be back after the votes.

Thank you.

• (1110)

(Pause)

• (1200)

The Chair: Could we come to order, please.

Do I have quorum at the table?

We have six. Okay, we'll come to order.

Welcome back, everybody.

We're going to change things up a little bit, given that we were interrupted for votes. Here is what I think would be fair, just to make sure that Terry is heard and we actually have an opportunity to ask him questions. Each side will get a question. Maybe keep it to about five minutes, because we do have government officials still to get to. When you break that down, we'll have roughly the same amount of time with both Terry and the other witnesses.

Starting us off, we have MP Falk, who would like to take the first question.

Go ahead.

• (1205)

Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC): Thank you, MP Sheehan, for being here.

You made mention in your remarks to something about legislating basic income. I'm wondering if you can expand on that. What do you mean by that?

Mr. Terry Sheehan: Basically, what I was mentioning was that we heard the expert testimony from various people talking about precarious employment. Two things were mentioned about precarity that really seemed to strike us. One was income security, and I don't want to say "versus" job security because I think they're very similar on a spectrum. I don't think they're diametrically opposed; I think they're more intersecting somewhere in the centre.

The legislation that I'd be referring to—and this would have to come through the government—is how exactly we can make individuals who are working precariously more secure personally, whether it's financial or through health benefits or through a variety of things in the testimony we heard.

We also heard about how important some of the recent changes are that were made by the government through things like Bill C-86, which is allowing some more flexibility for workers to work and to garner leave. That would be just one example of some of the legislation that has been introduced and was talked about around the table. That's what I was referencing.

Mrs. Rosemarie Falk: Okay, thank you.

You mentioned that the labour market is tilted against women. How do we know, or is there any way of differentiating who, out of women who are wanting the work...? I know lots of women who prefer to work part time just because of the flexibility because of their kids, school and that type of thing, and that's a choice. Do we know even a percentage of how many women feel that the labour market is against them versus how many want to work part time or want to be more involved with family, if possible?

Mr. Terry Sheehan: Those points that you make are very salient, as well as the fact about the overall thought process of what is precarious and what isn't. There are those who choose to work in a position because of what they feel meets their needs, whether they wish to work part time, and they could be men or women.

The research I have done has shown that the market tilts against women, even women who take some leave and go on maternity leave and then raise their child for a bit. When they get back into the workforce, it's a lot slower for them to catch up, if you will, to their male counterparts.

Mrs. Rosemarie Falk: What is slower?

Mr. Terry Sheehan: Basically, it's the opportunities for them to get to the full-time work, to get from a contract position to full-time employment. You'll see that a lot.

I think Allyson Schmidt, who testified to this committee, is a single mother who has been working five different jobs, making about \$25,000 a year, without benefits, without sick leave, and is an example of somebody who is working there.

It is tilted against women, from all the research I've done, where all things considered, 60% of women are working precariously, as opposed to men.

Mrs. Rosemarie Falk: Yes, and I think having a good definition of that would help narrow it down, and we would be able to get a more accurate number.

You said that 22% of Canadian professionals find themselves in precarious work. Which type of professionals are we talking about?

Mr. Terry Sheehan: That's a great question. The number is a little higher. I believe it's around.... I have to look at my number here. Sorry; you're right. It is 22% of Canadian professionals who are working in some sort of precarity. The interesting point, and it highlights and underlines it, is that people with post-secondary degrees are 30% more likely to be working in precarious employment as opposed to people who don't have a post-secondary degree, which is 20%.

I asked that question. This is why we need a definition. I asked the Canadian Chamber of Commerce and the Canadian Federation of Independent Business what industries are represented that way. They indicated there was no definition of precarious work, so they really couldn't tell me. I remember that the woman, I believe from the chamber, said that.

When you look at Mr. Fong's statements during his testimony, he also indicated that there are a great deal of professionals who are working.... He said that even the accountants he represents are exposed to precarious work for a variety of reasons, including some technological shifts that are happening where a lot of people are doing a lot of their base accounting through the Internet, so a lot of those people aren't being trained in that particular field. Part of the reason for the study is to define some of those industries and professions.

The Chair: Thank you very much.

Dan, you have five minutes.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you very much, Mr. Sheehan, for being here today. I wish we had a bit more time with you.

You have sat in on a few of the witnesses' testimonies during the study. Based on testimony so far, what actions do you want to see ESDC take?

● (1210)

Mr. Terry Sheehan: I'm looking forward to the testimony that will be coming after me, but I think that, to begin with, obviously, at the crux of it is that we need a national definition on precarious work, because, without it, we are using a whole bunch of different thoughts and different studies on what precarity is. Once it is defined, I believe that the actions they can take.... As I've said in my speeches in the House, never has the world moved this quickly, nor will it ever move this slowly.

There are so many changes happening that I think the government needs to take a look at different ways in which they can introduce policies and potentially legislation dealing with people working precariously. You can start also at home, if you will. I mean, the government has the purview and can move rather quickly on what it does within itself in identifying who may fit the definition of precarious work working either for the federal government or in federally regulated industries, as they have. I think about pay equity and some of the proactive legislation that was passed by Parliament related to that.

Mr. Dan Ruimy: You mentioned pay equity and modern labour standards. My colleague and you have mentioned women in the workforce. Do you see pay equity as something that can help minimize precarious workers?

Mr. Terry Sheehan: Oh, yes, I believe so. That is definitely one of the tools in the proverbial tool box. When we start as a society, as people, saying it's not really fair that somebody who is doing the same work—it could be in the same ministry—is sitting in a cubicle beside somebody who is receiving more pay. Why is that fair? Well, it's not, so it goes to precarious employment why some people who are working, regardless of gender, have full benefits, pensions, sick leave and full-time pay as opposed to the person sitting beside them who is not receiving them. Pay equity is a move that has been made in the right direction. I would certainly support that the work of pay equity does underline and highlight the need for a definition of precarious employment.

Mr. Dan Ruimy: You come from a northern community, Sault Ste. Marie. In my riding of Pitt Meadows—Maple Ridge, we are a smaller community, rural-urban. Do you see a difference between small local communities like yours and mine versus larger communities like Toronto, Montreal and Vancouver? If so, what kind of impact do you find it may have on communities like ours?

Mr. Terry Sheehan: It's a great question. I'll go back to the testimony we heard from Allyson Schmidt. It was very powerful, very moving. She is from Sault Ste. Marie. Allyson is working in Sault Ste. Marie, has her family there, has a bunch of commitments. She's really working hard, as you know, making \$25,000 a year with five different jobs. Allyson's situation and that of many people like Allyson, who are working in ridings like mine or yours, don't have the opportunity to move to the next city. The next largest city to Sault Ste. Marie is a three and a half to four hour drive to Sudbury. If you go west, it's eight hours to Thunder Bay. It's even more difficult for somebody who's working precariously in rural or semi-rural Canada, because there aren't as many opportunities there. This does not minimize what somebody who is working precariously in Toronto, Vancouver, Montreal or Halifax is exposed to. It's even more difficult in small communities in rural and semi-rural Canada.

• (1215)

The Chair: Thank you.

MP Sansoucy, you have five minutes, please.

[*Translation*]

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

Good afternoon, Mr. Sheehan.

As you showed in your presentation, underlying your motion is our need to develop a definition. You heard me when I asked several witnesses who appeared before the committee whether we could use the definition from the International Labour Organization as a basis. You said earlier that there is no consensus, and all the witnesses told me it was difficult to provide a precise definition because it will not necessarily be restrictive. On the one hand, your motion seeks to develop a definition to target government objectives and solutions on precarious employment. On the other hand, we also know that a definition will not help Canadians who are currently faced with an emergency.

In light of the testimony that shows how difficult it is to develop a definition, which is really the basis of your motion, what could we recommend to the government?

[*English*]

Mr. Terry Sheehan: Thank you very much.

[*Translation*]

Thank you for your question. It is very important.

[*English*]

The questions that have arisen through some of the expert testimony, I'll reference—I didn't get an opportunity to spend time because we ran out of time before the votes—what Francis Fong has said. As you know, he is the chief economist for the Canadian Chartered Professional accountants. I found what he said to be very interesting. He told us that any definition of precarious work should start with the problem intended to be solved, which is people bouncing in and out of poverty. I agree with him. It should include volatile incomes, dangerous work. We heard testimony from a professor from the University of Ottawa who stated that as well. We should break down the definition into individual sections, by issue to

be solved. A regulatory definition must provide clarity and also be precise. I think that's a good guiding principle as well.

You will recall some of the solutions that were suggested. Partnering is necessary for effective solutions, so having the government and the private sector able to do that. Another is for training on technological advances. We heard that over and over again in the testimony. The Pearson Centre said that entrepreneurship training is needed, but in high school, not later when you're already working. Through MP Falk's question that was also reiterated by the Canadian Chamber of Commerce. I thought that was very important to include, and then also include a continuum of precarity and support, implement teaching.... I already stated that.

Those are some of the factors that I thought were really important for us to consider addressing in our definition, to try to encapsulate some of that as well.

[*Translation*]

Ms. Brigitte Sansoucy: As you and Mr. Fong pointed out, it is also important to establish a link with poverty. You talked about that earlier when you said that women's incomes were lower and that women still had jobs that were traditionally less well paid.

Earlier in the discussion, we talked about guaranteed minimum income that, like the pilot projects carried out in Manitoba and Ontario, can also be one of the potential solutions.

Do you think we could recommend that the federal government follow suit to ensure those pilot projects are carried out and that we better document the issue of guaranteed minimum income? Essentially, based on your motion, our recommendations should help move things in that direction.

[*English*]

The Chair: Give a very brief answer, please.

Mr. Terry Sheehan: I certainly think that's something that needs to be explored because that's something the government can do. I would suggest that we look at that. There are other legislative pieces and policy pieces that the government can definitely get involved with, including leave and things of that nature, but that's definitely something that should be considered.

Thank you.

• (1220)

The Chair: Thank you very much.

Unfortunately, that brings us to the end of this part of today's meeting.

Terry, we're very pleased to have you here, and thank you very much for proposing this study.

We're going to suspend very briefly to get the department officials in their seats, so don't go anywhere. As soon as they're ready, I'll be gavelling us in.

Thank you.

• (1220) _____ (Pause) _____

• (1220)

The Chair: We're going to continue with our study of precarious employment in Canada.

Joining us this afternoon from the Department of Employment and Social Development, we have Andrew Brown, director general, employment insurance policy, skills and employment branch. We also have Barbara Moran, director general, strategic policy, analysis and workplace information directorate, labour program; as well as Éric Michaud, director, economic analysis division, economic policy directorate.

From Statistics Canada, we have Josée Bégin, director, labour statistics division; and Vincent Dale, assistant director, labour statistics division.

Thank you, all, for being here.

We're going to start off with the Department of Employment and Social Development.

Éric, the next 10 minutes are all yours.

[*Translation*]

Mr. Éric Michaud (Director, Economic Analysis Division, Economic Policy Directorate, Department of Employment and Social Development): Good afternoon, Mr. Chair, Mr. Vice-Chair, Madam Vice-Chair and distinguished members of the committee.

I am here to speak to you about precarious employment in Canada. I am joined, as you mentioned, by Andrew Brown, Director General, Employment Insurance Policy, and Barbara Moran, Director General, Labour Program.

As you have heard a number of times over the past two weeks, the concept of precarious employment is broad and there continues to be a lack of consensus on a clear definition in Canada and globally. For example, some international organizations have tried to define what job quality means and what precarious working conditions are.

The Organization for Economic Co-operation and Development, or OECD, developed a framework to measure and assess job quality by analyzing three dimensions: earnings quality, labour market security and quality of the work environment. Along the same lines, the International Labour Organization, or ILO, has proposed four precarious employment conditions: low wage, poor protection from termination of employment, lack of access to social protection and benefits, and limited access of workers to exercise their rights.

• (1225)

[*English*]

Overall, precarious employment encompasses a range of factors that contribute to whether a particular form of employment exposes workers to employment instability, a lack of legal protection and/or social and economic vulnerability.

In addition to the absence of a clear definition of precarious employment, important data limitations exist for measuring these aspects of work, such as a lack of time series data. Therefore, proxies

are often used to allude to precarious employment. Indicators include non-standard work, i.e., part-time and temporary work and self-employment; low-paid work; union coverage rate and access to pension plans and employee benefits.

While non-standard work is one of the most commonly used proxies of precarious employment, it is often a poor measure and can be misleading. The overall share of non-standard work in total employment has remained relatively stable in Canada since the 1990s, representing about 38% of all jobs since then. Similar trends are observable for low-paid work.

However, not all non-standard workers have poor-quality jobs and are in precarious positions. We have many examples of self-employed professionals in high-wage occupations, such as physicians, dentists, lawyers and accountants, successful business owners as well as high-wage contract workers in the information technology sector.

Furthermore, some individuals may also prefer a non-standard form of work for reasons ranging from personal preference, caring for children or going to school. About three-quarters of part-time workers choose this type of work voluntarily.

On the other hand, precarity also exists in standard employment, for example, if workers are uncertain about how long their jobs may last, or have low pay and no access to employee benefits. This is why non-standard work is a poor proxy of precarious employment.

[*Translation*]

Given that precariousness exists in both standard and non-standard work, there is a need to better understand the precarious employment situations for different groups in the population. In general, females are more likely to be in non-standard work and may face more precarious employment conditions than their male counterparts. A gap persists between genders when it comes to hourly wages and annual earnings.

Likewise, older workers are more likely to be in non-standard work, particularly part-time work and self-employment. Youth are also more likely to be in non-standard work, mostly because of the flexibility these kinds of jobs offer for students.

At this time, there is limited information on whether other vulnerable groups, such as visible minorities, indigenous peoples, persons with disabilities and recent immigrants, are more likely to be in non-standard work.

As we think about the future of work, technological change continues to impact it and could eventually change its very nature. This is leading to new forms of work and could lead to greater job insecurity for some. As such, it will be important to obtain better information on precarious employment and technological changes.

While potential job impacts of automatization remain difficult to assess, it is clear that some groups of Canadians could be affected more than others. For example, individuals who are over-represented in low-skilled, low-wage and routine occupations are at greater risk of being negatively impacted.

There is also the concern that the emergence of platform-enabled gigs, such as Uber, may put more workers at risk of falling into a precarious situation if they lead to a weakening in the employer-employee relationship.

● (1230)

[English]

While many labour market policies and programs were designed in large part to help offset the risk that workers and job seekers encounter in the labour market, they often require workers to have an employer-employee relationship and to work a sufficient number of hours to be eligible, e.g., the employment insurance program.

The study on precarious employment that you have undertaken could contribute to the discussion on the adaptation of the eligibility rules for precarious workers and help improve ESDC programs in that regard. In addition, the study could also link to the modernization of federal labour standards under the Canada Labour Code.

In 2017 and 2018, through budget implementation legislation, the government made several amendments to the Canada Labour Code that, among other things, will ensure fair treatment and compensation for employees in precarious employment. Having a better understanding of precarious employment could help us monitor the results of these legislative changes and inform future policy development.

Such a study could also run in parallel with the work that is currently being done by the independent expert panel on modern federal labour standards, which was recently established by the Minister of Employment, Workforce Development and Labour. The panel is examining several issues related to precarious employment, such as labour standards coverage for non-standard workers and the minimum wage.

In summary, while there are some similarities internationally, there is no consistency in how to define precarious employment. In addition, a lack of data is another important challenge that the government and people outside of the government are facing. My colleagues from Statistics Canada will provide you with some details about what is being done to address that challenge.

Thank you to the committee for this opportunity to share our perspective on the study on precarious employment in Canada. My colleagues and I look forward to your questions later.

The Chair: Thank you very much.

Up next is Statistics Canada.

Josée, go ahead for 10 minutes, please.

[Translation]

Ms. Josée Bégin (Director, Labour Statistics Division, Statistics Canada): Mr. Chair and honourable members of the committee, thank you for the opportunity to take the floor today to talk about precarious employment in Canada.

Statistics Canada has been measuring key aspects of the labour market since at least the 1980s and, in many cases, since 1976. I would like to use my time to provide an overview of our data sources and of some of the main observations related to precarious employment. I would also like to give you an idea of our priorities over the next few years, especially when it comes to bridging gaps in statistics and responding to the realities of an increasingly digital economy.

I want to point out that, in addition to our common data sources, we have a large research capacity, and we would be happy to work with the committee to examine any issue or any specific research topic you may suggest.

Like my colleague from ESDC mentioned, there is still no single definition of precarious employment, be it in Canada or abroad. At Statistics Canada, we prefer to think of precarious employment as a set of multidimensional elements to consider. For the purposes of today's presentation, what we mean by precariousness is job or income insecurity.

That insecurity may be considered as a series of risks, with some being directly related to the employee-employer relationship, others to the family, and others to the economy in general and social protections.

Employment may be precarious if it has one or several of the following characteristics: wages, hours of employment or social benefits are insufficient to meet the needs of an individual or family; the employee-employer relationship is temporary or provides limited career opportunities; or working conditions are stressful or dangerous.

The risks or the level of precariousness an individual or a family must face can increase if key economic trends—such as international competition or technological change—put certain industries or professions in danger, and risks can increase or decrease based on social protections workers and their families have access to.

Considering those definitions, I would like to focus on three series of issues related to precarious employment.

The first series of issues concerns trends related to forms of employment over the past few decades. If we consider a typical job to be a permanent full-time job that includes social benefits such as a pension plan, data clearly shows that typical jobs have become less common since the 1980s, especially among young workers.

•(1235)

[English]

It is important to take note of differences between men and women during this period. For example, while both pension plan coverage and unionization rates have fallen for men since 1981, they have been relatively stable for women. This reflects a number of underlying trends, including increased participation of women in industries with higher rates of unionization such as public administration, health and social services, and education.

While trends in standard and non-standard employment are relatively clear, we do see some mixed signals related to precarity in a broader set of our labour market data. For example, since the late 1990s we have seen a decrease in the proportion of employees earning less than \$15 per hour. Similarly, when we analyze data related to layoffs, we see that layoff rates have actually decreased since 1981, countering the perception of an increasingly unstable or insecure labour market.

A second set of questions occupying our attention is the contribution of non-standard employment to the Canadian economy. In addition to changes in practices within industries, our data suggests that increases in non-standard employment, such as temporary work, self-employment without employees and part-time work, reflects an ongoing shift in the relative importance of goods-producing industries to service-producing industries. For example, the contribution of non-standard employment to total employment is about four times greater in professional, scientific and technical service industries, which include legal, accounting, design and research services, than it is in manufacturing. There has been little change in these figures since 1997, and in both industries the contribution of each type of employment has been remarkably stable.

Over this period, however, total employment in manufacturing has decreased significantly while employment in professional, scientific and technical services has increased steadily, contributing to an overall increase in non-standard employment.

Another way of assessing the contribution of non-standard employment to the Canadian economy is to compare internationally. When we look at one measure, temporary employment, we see that Canada is slightly above the OECD average in the contribution of temporary employment to total employment.

This national average disguises considerable variations across Canada, both in the overall level of temporary employment and in the particular type of non-permanent work.

Regional variations in precarious or non-standard work are also illustrated with a more specific example. When we look at wage growth since the year 2000, we see clearly that gains have been strongest in oil-producing provinces. When we dig deeper, we see that within these provinces, between 2004 and 2015, growth was strongest among those with lower levels of education. This is, of course, a positive story, in that it illustrates the contribution of skilled trades and other types of labour to the Canadian economy.

Since the drop in oil prices in 2015, however, the story has been less positive, as those without a university degree have seen a decrease, in real terms, in their hourly wages. This simply illustrates

that dependence on business cycles and commodity prices is a particular type of precarity.

A third and important set of questions related to precarity, which we are grappling with at Statistics Canada, is the impact of globalization and digitalization on the quality of work. One example of a possible impact is the emergence of digitally mediated employment, where work is secured entirely through a website or app and done either in person or virtually.

This type of employment may increase precarity to the extent that it involves a series of short-term gigs and is unlikely to offer traditional levels of benefits or social protections.

This type of work presents certain measurement challenges to Statistics Canada and our international peers. First, some workers in this situation may report on our labour force survey as being self-employed while others may report themselves as employees, making it difficult to properly measure changes in the size of this activity. Second, some of this activity may involve second or third jobs, which are used to supplement the income of a main job. Finally, much of this activity likely crosses international boundaries and may not be well captured in tax and other administrative data sources.

We are committed to adapting our existing measures and filling data gaps to address the realities of a changing world.

Before concluding, I would like to share with you some thoughts on future directions for measuring the quality of work generally and precarity in particular.

Statistics Canada is committed to a series of actions to address data gaps related to digitalization and globalization. This includes adding questions to our existing surveys and developing new methods for the collection and integration of data. Much of this will involve partnerships with other national statistical organizations that are facing very similar challenges.

Similarly, we are aware of the need for more and better data on the impact of automation, artificial intelligence and other sources of technological change. In particular, we are pursuing methods to improve data on the skills held by Canadians and required by employers. Finally, we are taking action to improve the availability of local and detailed labour market information on a range of topics. This will facilitate decision-making by employers, jobseekers, educators and parents.

I would like to conclude, Mr. Chair, by emphasizing that Statistics Canada holds a wealth of data on employment and the quality of work. I hope I have given you a sense of the insights that can be gleaned from these data, and of course, I would be pleased to furnish the committee, as required, with more specific data on the experiences of specific populations, groups or regions.

•(1240)

I'd be more than happy to answer any questions the committee may have.

The Chair: Thank you very much. That's pretty much perfect timing, so well done.

We're going to move quickly to questions. Based on the clock we're each going to get at least one six-minute question.

To start us off, MP Diotte, you have the floor.

Mr. Kerry Diotte (Edmonton Griesbach, CPC): Thanks very much for being here. Those were lots of great stats, for sure, and it's quite a complicated issue, all in all.

I guess we get back again to defining precarious employment.

Mr. Michaud, you talked about the need to find a definition. I think this committee has been seized with that for some time. You said that while there are some similarities internationally, there's no consistency in how to define precarious employment.

I'm wondering if there's any country that has come close to or has a definition of precarious employment.

Mr. Éric Michaud: That's a good question.

I'm not sure about specific countries, but Australia had one and the U.S. had come up with one, or one that was proposed. Based on the reality of our labour market, their definitions are interesting and we can learn from them but they're not something I would suggest we mirror or replicate.

Mr. Kerry Diotte: Would you be able to offer a bit of what their definition comprised?

Mr. Éric Michaud: Yes, let me just make sure I have it.

For Australia, a study found precarious employment could be summarized according to three broad domains: job insecurity, lack of control and working conditions. Those are some factors. In fact, I misled you. I said that they have a definition, but in fact it's a study. That's Australia.

The U.S. also had a study and the two elements that they suggest measuring would be the extent to which work is insecure, uncertain and unstable, and whether workers have opportunities for advancement in their current jobs.

•(1245)

Mr. Kerry Diotte: Okay, that's a good start anyway.

Ms. Bégin, it was interesting to me, coming from Alberta, to see that the real hourly wage growth in Canada was influenced very much by the oil sector. When it was going strong, everyone was benefiting. Now that we don't have any pipelines and the sector is struggling, it has tailed off. Workers with lower levels of education were actually ill-equipped to adjust to the downturn and we can see the result of that.

Looking at some of the other stats you brought out, we know from Mr. Michaud's testimony about a persistent gender gap when it comes to hourly wages and annual earnings, according to some studies anyway.

Ms. Bégin, you talk about jobs offering pension plan coverage. If you look at page 4, it's actually down for men and stable for women, and unionization has fallen for men but not for women.

How does that jive with the gender gap, the so-called gap where earnings are allegedly falling for women? From your stats, it looks like they're better off, at least the employees aged 17 to 64.

Mr. Vincent Dale (Assistant Director, Labour Statistics Division, Statistics Canada): That's a good example of how, when thinking of precarity or job quality, you have to think of multiple dimensions.

We've given two dimensions there where the situation is relatively stable for women, where there have been decreases for men. You're referring, I think, to the gender wage gap, the gap in wages between men and women. We haven't showed that in the presentation, but if we had shown that, we would have shown a narrowing of the gap between men and women but still the persistence of a wage gap between men and women.

Again, that's another dimension of job quality, something we didn't choose to include in the deck.

Mr. Kerry Diotte: On that topic, as my colleague was mentioning, oftentimes there are choices that people make. As my colleague was saying, women sometimes want that flexibility to stay home with their children, etc. Certainly, I would think that in the federal government and many provincial governments there would not be an issue with a wage gap whatsoever. In other words, the job somebody is doing, male or female, would have the same pay, obviously.

Mr. Vincent Dale: It's a very complex question. You'd have to look at the hours women work compared to men, for example. You'd have to take into account absences for child-rearing, etc. We do have very detailed studies on that. I'd be happy to refer the committee to those more detailed results.

Mr. Kerry Diotte: You say that the gap is narrowing. Can you suggest any reason that's happening? I take it that men and women are getting closer to equality across the board.

Mr. Vincent Dale: Again, I think it's best if we refer the committee to a more detailed study, rather than having me make a mistake in some of the details.

Mr. Kerry Diotte: You do have some details on that.

Mr. Vincent Dale: Absolutely. We'd look, for example, at the composition of wages by hours worked, as opposed to hourly wages. It may be that one is narrowing, but one is persisting. We break that down into different components in more detailed studies. I don't have the details at hand.

The Chair: Thank you.

Next, we're going to MP Long.

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

Thank you to our witnesses for their testimony this afternoon.

This question is for ESDC. In previous meetings, we discussed how precarious workers don't have access to the same benefits and protections that permanent employees do. Is there a concern about how this lack of protections can compromise safety in a federally regulated industry?

Ms. Barbara Moran (Director General, Strategic Policy, Analysis and Workplace Information, Labour Program, Department of Employment and Social Development): Thank you for the question, Mr. Chair.

In terms of concern we may have around lack of protections for some of these workers, I think that's one of the issues some of the recent legislative amendments were attempting to tackle. It's saying that workers in more non-standard employment, temporary and part-time employees, for example, can face situations where they don't have the same wage rights, for the sake of argument. Some of the things you look at when you're considering that are equal treatment protections. One of the legislative amendments prohibits an employer from paying an employee a lower rate of wage than another employee if they're doing substantially the same work. Basically, it's saying that if you're a part-time worker and you're sitting beside a full-time worker doing the same job, you should be paid the same wage rate. That's not happening right now.

That's one of the examples. It's looking at other things, such as making sure you have an opportunity to be reimbursed when you have work-related expenses. You look at things like minimum age for hazardous occupations. Through these recent legislative amendments, there was a raising of the minimum age from 17 years to 18 years, and things like that. For employees in more precarious situations, you look at making sure they have labour standards protections at least equivalent to full-time workers, where you can.

● (1250)

Mr. Wayne Long: Is ESDC concerned about precarious workers' lack of pension benefits and how that's going to impact people looking to retire, now and into the future?

Ms. Barbara Moran: Maybe I'll start by referring to an expert panel. I think you've heard that an expert panel has been struck that is due to report at the end of June.

One of the issues they are looking at is access and portability of benefits. Access to benefits has traditionally been based on full-time, long-term employment with one employer. It's looking at this issue of access to benefits in the federally regulated private sector. I will note that currently, under the Canada Labour Code, there is no general obligation to provide supplementary benefit plans. There are a couple of smaller provisions, but none that say employers must provide certain supplementary benefits.

Mr. Wayne Long: Thank you very much.

We will now go to MP Morrissey.

Mr. Robert Morrissey (Egmont, Lib.): Thank you. My question is for Ms. Bégin of Stats Canada. Some witnesses have cited StatsCan data to argue that precarious employment is not on the rise, or not an issue. Would you have the same interpretation of the data you're looking at?

[*Translation*]

Ms. Josée Bégin: Thank you for the question.

As we said in our presentation, there isn't really a single definition. However, we have to take into account certain multidimensional elements.

Based on the analyzed elements, which are age groups, provinces—we know there is a difference in terms of provinces or regions—or population groups, the answers to the question of whether an individual has a precarious job or not can vary.

[*English*]

Mr. Robert Morrissey: Do you have data on which sectors or industries rely the most on precarious workers, contractors, or subcontracting?

Ms. Josée Bégin: We do have some information. I mentioned only two industries during my presentation, but we would be happy to provide that information afterwards as a follow-up action item.

Mr. Robert Morrissey: Ms. Bégin or Mr. Dale, in your view, could measuring precarious employment positively impact government programs and policies?

Mr. Vincent Dale: We are very committed to measuring all aspects, as many aspects of quality of employment as we can. We already have measures for examples of non-standard employment.

We recognize that we can improve, that there are data types that we can improve, and that we can fill some of those gaps. It's certainly our objective to provide policy-makers with as much detail as possible on a very complex, a very multi-dimensional problem. As we outlined in the presentation, we're taking some concrete initiatives on skills, for example, and on developing and refining our definitions of different forms of employment to fill those data gaps.

● (1255)

Mr. Robert Morrissey: Do you see a connection between precarious employment and people having to work later in life? There was testimony given that people are rejoining the workforce later. Does that have to do with whether that is precarious or not?

The Chair: Be really quick, please.

[*Translation*]

Ms. Josée Bégin: The short answer is that we needed to carry out longitudinal studies to be able to answer you.

At Statistics Canada, we have started to ask certain questions on that topic in our labour force survey, for example, by trying to figure out whether people who continue to work after a certain age do so by choice or by necessity. To answer the question properly, we would need to be able to examine the results after a period of several years.

[English]

The Chair: Thank you.

Madam Sansoucy.

[Translation]

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

My question is primarily for Mr. Michaud.

You told us that amendments have been made to the Canada Labour Code. You also talked about the expert panel.

Although it is important for labour standards to exist for people with non-standard jobs, is it enough to improve accessibility? That is a first step, but, throughout your presentation, you talked about how the labour market has changed.

Statistics Canada also talked to us about that, especially when it comes to emerging industries and the digital economy. Instead of improving labour laws, would it not be necessary to carry out an in-depth review, as the labour market is completely different than it was when those laws were drafted?

Mr. Éric Michaud: That is a very good question.

I don't have a clear answer. From the outset, I would come back to the need to have a definition that would help identify people and measure how this has evolved. With the increasingly rapid technological changes, what will be the repercussions on workers and precariousness? We can speculate, but we do not have exact measures.

So, providing regulations and protections for workers who are most likely to be in a precarious situation is a good element. However, it is essential to be able to follow and identify them.

Ms. Brigitte Sansoucy: Okay. Thank you.

One of your colleagues, Mr. Brown, has heard me say a number of times that it was necessary to comprehensively reform the employment insurance system. We are still waiting for that to happen.

Witnesses and representatives of various organizations have come to say before the committee that a large number of workers have contributed to the employment insurance plan and did not have access to it, in part because they did not have enough hours worked. We have often heard that.

What adjustments could we make to the employment insurance system, aside from reducing the number of hours of work required, to further help part-time or contract workers with temporary jobs?

Mr. Andrew Brown (Director General, Employment Insurance Policy, Skills and Employment, Department of Employment and Social Development): Thank you for the question.

Concerning the employment insurance program, the bottom line is that a number of measures are in place to monitor the program's coverage. The Statistics Canada investigation on employment insurance coverage is important, as it helps see the evolution of the system over a long period.

[English]

Over the last 10-year period, eligibility for EI benefits has been relatively stable. It's about 84% right now, but we know there are significant differences between people who are in permanent employment versus people who are in temporary employment. It's much higher, at about 92%, for people in permanent employment, versus about 77% for people in temporary employment. Again, not having a specific measure for a definition of precarious employment, we're not able to provide a measure in terms of the eligibility for EI among workers in precarious employment.

[Translation]

Ms. Brigitte Sansoucy: Does the same logic apply to self-employed workers?

Mr. Andrew Brown: In general, to have access to the program, people need to have insurable employment, which is not the case for self-employed workers. That is why they do not have access to the program. The same goes for many individuals with non-standard jobs.

• (1300)

Ms. Brigitte Sansoucy: Like Ms. Bégin said, those are self-employed workers found in a number of emerging industries, such as the digital economy.

Since that situation is becoming increasingly common, should consideration be given to making those jobs insurable?

[English]

Mr. Andrew Brown: I would absolutely agree with that. One way, as you mentioned, is to take a look at the number of hours, but that helps to qualify only the people who are already in some kind of insurable employment. We need to also take a look at those workers who are not in insurable employment and think about whether there is a way to bring them into the EI program or about some other kind of support that would be provided to workers who do not currently have a job that would be considered insurable.

[Translation]

Ms. Brigitte Sansoucy: Thank you very much.

In December 2018, Statistics Canada published a study on job quality. Definitions in that study were fairly general. In our study, we are talking about using precariousness indicators. A general approach can involve both advantages and disadvantages.

Do you think it would be useful—and possible—to create precarious employment indicators based on the characteristics brought up in our study?

[English]

The Chair: Make it very brief, please.

Mr. Vincent Dale: It's a complex question. We can certainly produce a range of indicators of precarious employment. We do already have a range that we can expand on. There's a separate question. I think people may be looking for one silver bullet, a single-measure indication of precarity, and I would recommend that people think more in terms of a basket of measures, a range of measures that touch on different aspects of precarity, such as pension coverage, wages, hours, permanence of employment. That's the range of indications we currently have, and we're committed to expanding it.

I honestly don't see a way of coming up with a single measure that would quantify precisely the number of people in a precarious position.

The Chair: Thank you very much. I would agree it is a very complex issue, as we are all learning through this study.

That does bring us to the top of the hour, and unfortunately, it brings us to the end of the witness stage of this study.

I want to thank MP Sheehan for bringing this motion to us. I would like to thank all of you for being here again to bring the departmental perspective. Thank you to my colleagues, those to my left and right, those in the translation booth, as well as the people behind us who make it possible to be heard beyond these walls. Thank you very much.

The meeting is adjourned.

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