



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

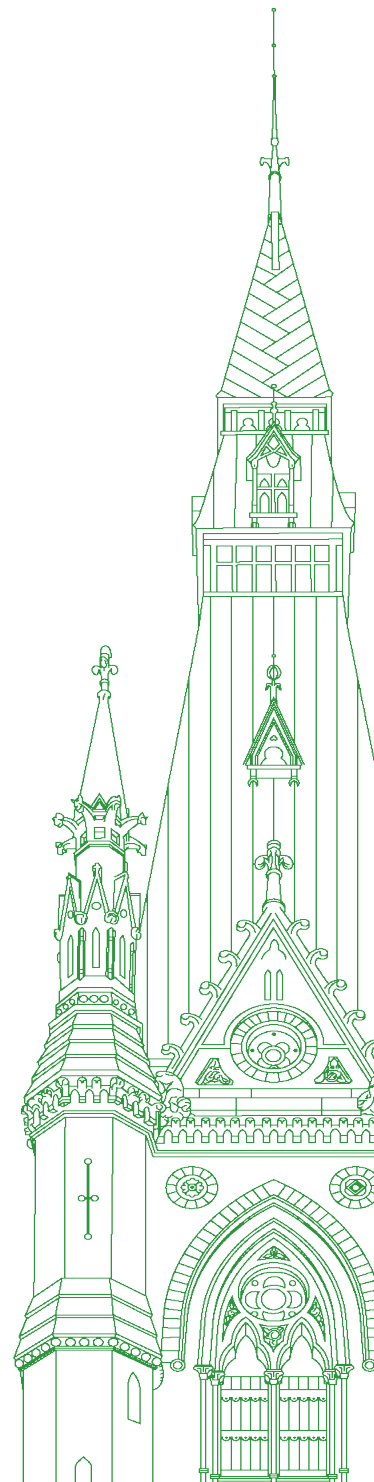
43rd PARLIAMENT, 2nd SESSION

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

EVIDENCE

NUMBER 027

Tuesday, April 20, 2021



Chair: Mr. Sean Casey

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

Tuesday, April 20, 2021

• (1530)

[English]

The Chair (Mr. Sean Casey (Charlottetown, Lib.)): I call this meeting to order.

Welcome to meeting number 27 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today's meeting is taking place in a hybrid format pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. The website will always show the person speaking rather than the entirety of the committee.

[Translation]

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Wednesday, October 28, 2020, the committee will resume its study of the review of the employment insurance program.

I would like to welcome our witnesses to being our discussion with five minutes of opening remarks, followed by a round of questions.

We have with us today Marie-Hélène Dubé, a criminologist and founder of the “15 weeks is not enough” campaign, as well as Pierre Céré, spokesperson for the Conseil national des chômeurs et chômeuses.

For the benefit of our witnesses, I would like to make a few additional comments. Interpretation in this videoconference will work very much like a regular committee meeting. You have the choice, at the bottom of your screen, of either floor, English or French.

When speaking, please speak slowly and clearly. When you are not speaking, your mic should be on mute.

We'll start with Mrs. Dubé for five minutes.

Mrs. Dubé, you have the floor for five minutes.

Mrs. Marie-Hélène Dubé (Criminologist and Founder, 15 Weeks is not Enough Campaign, As an Individual): Thank you, Mr. Chair.

Good afternoon, everyone.

Thank you for the invitation to appear before the committee today. I appreciate it very much.

I'm the founder of the “15 weeks is not enough” campaign. I've faced cancer three times in five years. Each time, I came up against

the 15-week limit of EI sickness benefits. So I understand the purpose of your study.

During the third recurrence of cancer, I decided to launch a petition to change the Employment Insurance Act, which hadn't been amended since 1971. Since then, 13 bills have been introduced and the petition has gathered 620,000 signatures. This petition is still very active and collects many signatures every week. It has given me a better understanding of the reality out there.

Of course, we can applaud a number of measures included in the budget presented yesterday. However, I would like to share with you my failure to understand the announcement of 26 weeks of EI sickness benefits. I'll explain my point of view.

In 2019, the Parliamentary Budget Officer did a study on the possibility of increasing the number of weeks of health insurance benefits to 50. That study showed that it would be economically viable.

The study also showed that 77% of people receiving the full 15 weeks of benefits would need a minimum of 41 weeks of benefits. When you offer 26 weeks of benefits, you're helping 23% of people. That's no small thing, but why implement a measure that isn't relevant today?

The request to increase the number of weeks of benefits to 50 isn't a whim. It's a recommendation made by experts. It has also been supported from the very beginning by health organizations, the Fondation québécoise du cancer, unions, groups working to protect the rights of unemployed workers, various other organizations and society in general. Public opinion is very much in favour of this amendment. This refusal is therefore difficult to understand.

There has been a lot of debate on this issue over the past few years, and the same arguments have been repeated often. Today, I'd like to bring your attention to two elements that I consider to be very important, but that we don't often hear about.

First, keeping the number of weeks of health insurance benefits at 15 or 26 weeks is very costly, since it creates a number of other expenses. The bill is high.

Families sometimes have to rely on social assistance programs of last resort because they weren't given a few weeks or a few months of EI benefits. Unfortunately, these people often remain in poverty for the next 20 years and are unable to get out of it. This is the well-documented phenomenon known as the intergenerational transmission of poverty, which can span three to seven generations. The impact of this phenomenon is major. One person starts out in a problematic situation, and thousands of people end up in the same situation. It's a temporary situation that has permanent consequences.

In the case of an intergenerational transmission of poverty over seven generations, a total of 1,015 families could be affected. A lot of people suffer the impact of a problem that could have been addressed in the first place.

Poverty reduction strategies never talk about illness. Instead, they talk about access to housing and education, among other things. However, we never talk about illness. Yet, according to the 2016 report on the burden of socio-economic inequalities, inequalities related to health problems create an economic burden of \$6.2 billion. People who come up against the 15-week EI sickness benefit limit aren't the only ones represented in this statistic, but they are part of it. This is the first thing I wanted to make you aware of. We do not talk about them often enough.

Second, there is a loss of revenue. These families, these tens of thousands of people who have to resort to social assistance unexpectedly, no longer pay taxes. They can't go back to being active citizens, whereas when you are sick, you want to get well so you can go back to work. This situation generates a huge loss of revenue for the government.

• (1535)

That has to be factored into the calculations. Unfortunately, every time I appear before committees, I say things that are ignored in many cases, but I think they're important. Today, I wanted to make you aware of these things so that you can think about them and that a satisfactory option can be established. It's important not to forget the people who are still the most disadvantaged and affected. The people who won't be helped are the ones who will be the sickest. That's the sad thing about the 26-week limit. The plan should be improved.

I often say that I'm very proud to live in a country—in this case Canada—where people are now allowed to die with dignity. However, I find it paradoxical and sad that we have to take care of ourselves by living in mediocrity and survive in poverty in order to do so. It makes no sense to me.

I think you know that, aside from the United States, the conditions in G7 countries are really better than here. This is also the case in most countries in the Organisation for Economic Co-operation and Development, or OECD. Our country is the only one that offers less than one year of benefits. I wish I could be proud to say that a program has been changed to reflect today's reality. You have an opportunity to make a difference and close these gaps.

This concludes my speech.

The Chair: Thank you very much.

Mr. Céré, welcome to the committee. The floor is yours.

Mr. Pierre Céré (Spokesperson, Conseil national des chômeurs et chômeuses): Hon. members, I would like to thank you for your invitation.

Please note that the document we have provided to you, which is in both official languages, has been modified slightly as a result of the budget. Actually, many things have happened. In particular, the most recent figures for various income replacement programs, such as the Canada economic recovery benefit, or CERB, have been updated.

First, I must say that we agree with the government who is set on reforming the employment insurance program, which was formalized earlier this year by the mandate given to Minister Qualtrough. We believe that the current situation must be improved to ensure workers are better protected against unemployment.

If the announcements in yesterday's budget can contribute to this direction, the measures announced will have to finally go beyond the temporary measures stage.

Two things have become apparent:

First, the health crisis, with its serious repercussions on the economy and the world of work has revealed the flaws of the employment insurance program. The program literally collapsed in the spring of 2020 before getting back on track at the end of September with more relaxed measures that were very much welcome. These conclusions were shared by the recent report of the International Monetary Fund, or IMF.

Second, if this social program crashed in this way last year, it was essentially because of the manifold cost-cutting measures that were imposed on it in the 1990s, specifically between 1990 and 1996, under two different but successive governments. The last 25 to 30 years have been lived under this leaden shroud. The EI program was literally put in a straitjacket to prevent it from playing its role. So what happened was what we saw last year.

Since 2001, with the aim of analyzing the employment insurance program, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities has, according to our evaluation, 72 official meetings, during which 289 witnesses, probably more, were heard and dozens and dozens of briefs submitted. The committee has produced some 20 reports of its own on the matter.

I have personally appeared a dozen times, I think, before your committee and before the Standing Committee on Finance since 2001. We have discussed and examined everything there is to know on employment insurance. No stone has been left unturned. All solutions have been considered; all their costs calculated. We know the problems, and we are keenly aware of their solutions.

The Conseil national des chômeurs et chômeuses has launched an online platform in both official languages. We have provided the address to this committee. It's a clear and accurate platform based on studies and international comparisons. It's the result of numerous discussions and debates within our organization. It's a platform and a vision for EI that is based on long years of experience and knowledge that is both theoretical and practical.

We've carried out numerous public opinion campaigns so that things change. For example, last year, we ran a campaign on the social safety net. A few weeks ago, we ran another on a resolution that we named "Resolution EI-21".

Our efforts have never stopped. However, I'm not here to defend our platform. I am here first and foremost to suggest a new blueprint for reparations and justice, an employment insurance program that belongs in this century, the 21st century, rather than in the past, and that reflects the modern realities of labour and the demands of the world of work.

In this sense, we are focused on two objectives: expanding the present coverage and improving the protection of workers.

The expansion of the coverage refers to many things. It is necessary to expand the coverage to areas of the world of work that are currently uncovered, such as self-employment, representing 15% of the workforce, or three million people. Doing so would also ensure a greater access to EI to those who are the least protected: part-time workers, representing 20% of the workforce, of which two-thirds are women, seasonal workers in specific regions of the country, and indigenous communities. This means that it is crucial to improve the eligibility conditions with universal criteria that would take these realities into account.

• (1540)

Expanding the coverage would also imply relaxing the serious sanctions linked to supposedly invalid reasons for ending employment. Currently, 25% of applicants who have worked and contributed to the plan in the last year have had their applications refused because of these sanctions.

Improving the protection of workers means reflecting on premium rates and how they are calculated, benefit periods, the duration of sickness benefits, and so on. It also means that the application process needs to be simplified through easy-to-follow regulations, as the program has become needlessly complex.

In our view, it is a matter of working towards these two goals with the conviction and the sincerity of people who know that absolute perfection does not exist. We deplore the fact that most of the measures announced in yesterday's budget are temporary in nature. That is not right.

I reiterate what I said at the start. No stone has been left unturned, all problems have been identified, and a plethora of solutions has already been suggested. I am left with only one thing to say. To quote a very famous slogan:

[*English*]

"Do it."

[*Translation*]

Thank you.

The Chair: Thank you, Mr. Céré.

We'll now open it up to questions, starting with the Conservatives.

Mr. Généreux, you have the floor for six minutes.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Thank you very much, Mr. Chair.

Mr. Céré, I would add:

[*English*]

"Keep it simple, stupid."

[*Translation*]

We want to make the solutions permanent, but we also need to make them as simple as possible.

My thanks to the committee for welcoming me today as a special guest. I feel there may be a little conflict of interest, since Marie-Hélène Dubé is from my riding.

Mrs. Dubé, thank you very much for joining us today.

As for the content of the budget unveiled yesterday, we already knew that the Liberal government was going to increase the number of weeks of benefits payable from 15 to 26 for people with serious illnesses. The government did not hide it, quite the contrary. It made the announcement a number of weeks ago, maybe months. It was in the budget and it is now a reality. If I understand correctly, the government will change the legislation so that people with serious illnesses will be eligible for 26 weeks of benefits.

I must mention that Ms. Chabot, who is with us, has introduced Bill C-265, which calls for 50 weeks of benefits.

At our 2018 convention in Saint-Hyacinthe, which you attended, Mrs. Dubé, we adopted a proposal from my association to increase the number of weeks of benefits payable to 52.

At the Conservative Party national convention, which took place in the last few weeks, we passed that same resolution to increase the number of weeks of benefits payable from 15 to 52.

Mrs. Dubé, you mentioned that you had cancer three times over a five-year period and that, each time, you were only eligible for 15 weeks of benefits. Without going into detail, if you had had 50 or 52 weeks of benefits, what would have changed in your life?

Clearly, I don't want to know the details of your personal finances, but I would like to know to what extent your burden would have been lighter if you had received 50 weeks of benefits instead of 15.

• (1545)

Mrs. Marie-Hélène Dubé: Thank you for the question.

In my case, it would have made all the difference in the world in many ways. I should point out that I am a federal government employee. At the time, I was hired on renewable contracts and I had no benefits. The first time I received 15 weeks. I was seriously ill and it was an emergency situation. They didn't even know if I would survive. I went into a lot of debt.

The second time, I felt that the situation didn't make sense, so I went back to work far too soon. I didn't follow medical advice because I couldn't. So I got sick again very quickly. We can assume that, if I had had the time to take care of myself and my children, to take care of everything, it might have been different.

The third recurrence had serious consequences for me. I had not even worked enough hours to qualify for the 15 weeks of benefits a third time. So I had to delay surgery and work full time until the day before the surgery, when I had been told to rest two months prior to that. I didn't follow that order and suffered serious consequences and all kinds of debt as a result. In my misfortune, I was fortunate enough to own a house, which I had to remortgage heavily on three occasions. Had I not had that, I probably would have had to apply for social assistance until the end of time.

So 50 weeks of benefits could make all the difference. If we think we are saving money by reducing unemployment by a few months, let's also think about all the consequences for many years to come. We would be better off if this small gap were addressed. Actually, we know that illness is part of the life of one out of every two people and two out of every three people in the case of cancer. There are also mental health problems, depression, heart problems. A lot of people are ill, but the illness does not have to be fatal because people are able to take care of themselves. However, the system has not kept up, which is incomprehensible.

So it could have made a big difference for me and for the children. I would have had less stress.

Mr. Bernard Généreux: In fact, according to the situation you have just described, Mrs. Dubé, apart from the direct financial repercussions of not having more than 15 weeks of benefits, people who are ill are forced to make decisions that are detrimental to their health.

I think that's the more serious problem. The situation becomes worse because of the stress related to finances or an ongoing lack of income. EI meets some of the needs, but does not make up for all of the income. This really puts a lot of pressure on people, which pushes them to make decisions that are detrimental to their health. This, of course, has a cost to society.

• (1550)

The Chair: There are 30 seconds left.

Mrs. Marie-Hélène Dubé: Yes, there is a human cost. We have to think about the repercussions. People will have a lot of complications that they wouldn't otherwise have had, such as depression. Delaying treatment costs more because you are sicker. Society as a whole is becoming poorer. We think we are saving money, but it's completely the opposite.

The Chair: Mr. Housefather, you have the floor for six minutes.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you, Mr. Chair.

I would like to begin by welcoming the witnesses.

Mrs. Dubé, I commend you not only for your courage, but also for addressing a personal situation and trying to help society. We thank you for that.

Mr. Céré, I applaud your perseverance. The fact that you have been appearing before our committees regularly since 2011 to address the exact same issues is incredible. I think this is the first time since 1971, for 50 years, that the program's sickness benefits have been enhanced, with the addition of 11 weeks of benefits. It goes from 15 to 26 weeks. That is at least a step forward.

Mrs. Dubé, you said that this would only help 23% of those who have made a claim. I would say that the adjustment from 15 to 26 weeks of benefits will help 100% of people. It may not be enough for 73% of people, but with the increase in weeks, it will help everyone.

Mr. Céré, you issued a press release yesterday noting that the budget included significant progress. However, you issued another press release in which you said you are not satisfied because the measures regarding the universal standard are temporary. It's only a one-year increase, but there will be consultations later this year. But I understand that you are tired of consultations.

Do you have any views on coverage for self-employed and gig workers? We are consulting. There is no question that they should be covered by EI.

Could you give us some advice on who should be added and how many hours should be used as a basis for calculating eligibility?

Mr. Pierre Céré: Temporary measures have been introduced in response to the crisis. You know as well as I do that the employment insurance system failed to play its part last year. It was no joke; everything literally collapsed. Offices closed, phone lines didn't work and the Internet system crashed. Like a plane in mid-flight, the government had to create the Canada emergency response benefit (CERB) in a matter of days. It worked.

Mr. Housefather, we should never forget that, at some point last year, 9 million people lost their jobs. We are talking about 45% of the workforce. The government had to respond quickly, and did so by implementing the CERB, which ended at the end of September. The government then had time to think and implemented programs that were sustainable. Those who did not qualify for EI were directed to the Canada Revenue Agency and the CRB. Employed workers continued to be covered by the EI system, with some flexibility. This lasted for about one year. Then extensions and all sorts of adjustments were made.

It worked, but now we are moving towards a transition, a future recovery. So we have to think about the EI system in a different way than just in terms of temporary measures. For years, we have been playing yo-yo with pilot projects, temporary measures and things like that. My colleague and I are not stupid people. Yesterday, we studied the budget very carefully. We listened to the commentators, the journalists, the political observers and the civil society players and we all understood that the government would establish a new single eligibility requirement for all Canadians, a permanent 420-hour measure, starting this August.

This made the headlines. Why? Because this sort of budget or document often uses cryptic language. The word “cryptic” means you don’t understand or you understand what you want to understand. Who knows? That being said, many people understood that a new 420-hour measure was being set up. They later understood, less than 24 hours after the budget was presented, that it was a temporary measure for one year. That was confirmed; we were told that the consultations had taken place.

Earlier, you said that I have been appearing before your committees since 2011, but really it has been since 2001. I have been involved with unemployed groups since 1979, for 42 years. We started our organization in 1979, during the downsizing, which we called the “Cullen measures” after the name of the minister. The 1990s were a terrible time. Both the Conservative government and the Jean Chrétien government were terrible for the EI system. It has been in a straitjacket for 30 years. Everyone has analyzed and reviewed it to death. That includes this committee.

You can see I am a little upset. Of course, I can calm down, rest assured. The fact remains that your own committee has produced dozens of reports and studies on the EI system. We know the solutions. So please implement them. Your government knows the solutions. Move slowly if you have to, block by block, but do so with a little more resolve. Let’s be transparent and clear with the public. That’s all I’m saying.

• (1555)

Mr. Anthony Housefather: I think my time is up, Mr. Chair.

The Chair: You’re right.

Mr. Anthony Housefather: I’m sure Ms. Chabot is pleased that Mr. Céré said to proceed block by block.

Thank you, Mr. Chair.

The Chair: I think so too.

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): I will not answer Mr. Housefather, because I do not want to waste time.

Mr. Céré and Mrs. Dubé, good afternoon. Thank you for joining us.

Unlike others, I know you, and I want to applaud your extraordinary spirit in fighting for employment insurance in Quebec, which will of course have an impact on all Canadian workers.

I wouldn’t say “just do it”, although I like the expression. I would say “go, go, go”. That’s what I actually mean. For years, we have seen the EI system shrink rather than strengthen, hence the massive blow we have received in the current crisis.

Mrs. Dubé, you made some very compelling arguments in favour of the 50 weeks of benefits. One of them was the issue of equity. We are talking about workers who pay into EI for their entire lives. For 50 years, they have been discriminated against and they are not treated fairly when they lose their jobs.

Can you tell us more about that?

Mrs. Marie-Hélène Dubé: Thank you for the question; it is a very good one.

We do need to think about that. Workers have been paying premiums for many years, and they all pay the same amount. However, as soon as a problem arises, it is no longer the same coverage. That doesn’t happen with other types of insurance. It’s like saying that, after a collision, your auto insurance company only pays for a portion of the costs by picking and choosing which ones they cover. It’s as absurd as that. Although everyone pays the same premiums, some may be told that they will only be paid for 15 weeks and may even end up in poverty after that. It’s really a question of fairness or discrimination.

Why shouldn’t people who have paid the same contributions be entitled to the same coverage so that they can then resume their place as active citizens? This is a very important point. It’s also a matter of trust.

Since 2009, I have collected 620,000 signatures, 500,000 of which are on paper. I don’t understand why the government is ignoring this and pretending that nothing is wrong. Before the Liberals were in power, I had worked extensively with Denis Coderre. At that time, everyone was in favour of this bill, which went a long way by proposing 52 weeks of benefits.

I think the public trust is very important. In December 2019, in a private meeting I had with Prime Minister Trudeau and Minister Qualtrough, it was clearly agreed that 26 weeks was inadequate, that they would go back and do their homework and come back with a better proposal. Again, it was a matter of trust.

Finally, let's talk about COVID-19. All those who will be dealing with the aftermath of COVID-19 and its complications for a long time will not have enough with 26 weeks of benefits. As Mr. Céré was saying with respect to temporary measures, if we set the duration of benefits at 50 weeks, we could cover them all instead of always using temporary measures. We have shown that it can be done. We have the money; it comes from the workers. Everything has already been studied. Just do it.

Frankly, I don't understand the 26 week proposal. Fairness, trust and humanity are key to helping people look after themselves.

• (1600)

Ms. Louise Chabot: Thank you very much.

Mr. Céré, we were surprised by the temporary measures, the 420 insurable hours of work, using the 13% minimum unemployment rate, and the 26-week duration, which was extended to 50 weeks temporarily.

According to Resolution AE-21, which you worked on, you want these measures to be considered permanent in the reform. Let's not forget that most of the temporary measures will expire in September 2021.

Did I understand what you said correctly? Can we build on that?

Mr. Pierre Céré: We definitely can.

We're aware of these issues and we have already implemented measures to make employment insurance more flexible.

Right now, budget announcements are being made for next year. That's fine, but it's not too late to do some good. The expectation is that, by August or September 2021, based on some projections, we can even make the single eligibility requirement permanent. The eligibility requirement based on various unemployment rates in the 62 regions needs to be dropped for good. We need to stick with a single eligibility requirement for both regular and special benefits.

The temporary measures will end in September, and those who do not qualify for employment insurance are very concerned. I'm thinking especially of the self-employed. Fortunately, the CRB has been extended to 50 weeks, but that will all end in September. What happens after that?

The department has a mandate to review the employment insurance program with the goal of expanding coverage to include the self-employed. September is just around the corner. I was expecting to see a proposal to revise the program to cover self-employed workers. I was expecting it to be similar to the CRB, which already exists.

The crisis is not over and the transition to recovery is barely under way. We don't know the future, but we do know that the temporary measures will end in September. The self-employed are the first to feel it. We have a serious issue.

I think of all our friends in the world of arts and entertainment, and of all the self-employed everywhere. That's a lot of people. We need to think about this and put permanent measures in place for employment insurance. We're very anxious to see coverage expanded to include the self-employed.

The Chair: Thank you, Mr. Céré.

[English]

Ms. Gazan, please, you have six minutes.

Ms. Leah Gazan (Winnipeg Centre, NDP): Thank you so much, Chair.

I'd like to welcome our witnesses.

My first question is for Madam Dubé.

First of all, thank you for sharing your story. As somebody who comes from a family of people who have had cancer, as we all do, I think your story is common. I agree with you. Certainly 15 weeks are not enough. You mentioned 26 weeks are not enough. I agree with you on that.

I also have the concerns that you raised, particularly around COVID-19. We talk about people having COVID-19 but we don't talk about the long-term impacts of that in terms of health implications, even after somebody recovers from COVID-19 but is left with serious health implications.

In light of your personal story, but certainly in light of the pandemic that we're currently in, why is it so critical to expand the number of sick weeks even further?

• (1605)

[Translation]

Mrs. Marie-Hélène Dubé: Thank you for the question.

It's an important point. I can give you a very simple example related to COVID-19. My youngest son is 22 years old. He's a firefighter and is in excellent shape. He contracted COVID-19 last December, and he was the first to admit he was surprised he was so sick. It took many weeks, even a few months, for him to recover, and we're talking about a young person in great shape.

We are starting to see cases of young people—and not so young people—who are already past the six-month period for the effects of COVID-19 and are still not able to return to work.

By setting the number of weeks of benefits at 26, are we once again telling all the people who are going to join those who have run out of benefits and are not returning to work—they currently make up 77% of those people—that they too will be forced to go on welfare? That percentage will go up and the reciprocal percentage, 23%, will go down.

We must not overlook all the impacts associated with this illness or the many years they will be part of a system that does nothing for them. As Mr. Céré said, we are sailing in uncharted waters on this, but we can already start taking a step back. We can see that there are impacts, and that young people and people of all ages are being affected, including very active ones. Do we want to push these individuals into poverty?

In addition, I have often heard the government say that no one will be left behind and that they will help all Canadians. What about the sick people who went through their 15 weeks of benefits and fell through the cracks? They had no CERB, no other benefits. That is terrible. We need to think about that.

For all these reasons, the benefit needs to be changed to reflect today's reality. Why put in place a benefit that's inadequate and that will immediately lead to more claims? Let's get it right and make sure we include those who will experience the effects of COVID-19.

This will also stop us continuously implementing temporary measures. Otherwise, we're going to have to develop more of them. So this would allow us to introduce a measure that would more in tune with the times.

[English]

Ms. Leah Gazan: Thank you so much, Madam Dubé.

I agree with you completely. It's one of the reasons I have been pushing for a permanent, guaranteed livable basic income.

I don't think—

The Chair: Ms. Gazan, excuse me for one second.

[Translation]

Mrs. Dubé, could I ask you to move your microphone closer to your nose so the interpreters can hear better.

Mrs. Marie-Hélène Dubé: Okay.

[English]

The Chair: You won't lose any time, Ms. Gazan.

Please go ahead.

Ms. Leah Gazan: Thank you, Chair.

One of the reasons that I have been pushing for a guaranteed livable basic income is the argument that we can't assume that everybody is able to work. Those who cannot work shouldn't be destined to a life of poverty.

I really appreciate what you shared today.

[Translation]

I'm anglophone, so forgive me if I mispronounce your name, Mr. Céré.

[English]

Monsieur Céré, one of the things you spoke about in your brief was proposing adopting universal criteria for EI eligibility. You spoke a little bit about that today in committee.

Can you explain why the expansion of coverage is important? Very quickly, what recommendations would you add to some that you have already discussed?

• (1610)

[Translation]

Mr. Pierre Céré: In the past, until 1990 I would say, coverage under the employment insurance program was very good.

Until 1990, over 80% to 85% of workers were covered by the employment insurance system. If they lost their jobs, they could expect to receive unemployment insurance benefits, as they were called at the time. All the cutbacks from 1990 to 1996 were designed to put up barriers to employment insurance. I feel that was the objective of those governments. Accounting calculations were certainly done as well, because we can recall the accumulated surpluses that, infamously, were diverted. But that's another story.

They put up barriers to the program and made it much harder to get benefits. In 1996, when unemployment insurance became employment insurance, they took advantage of that to require many more hours of work to qualify for. They knew perfectly well where they were heading.

People who work part-time, 20% of the workforce, two-thirds of them women, were literally kicked out of the program. The numbers prove it.

Today, nearly 40% of people who apply for employment insurance are covered. We have a real problem that needs to be thought through. We believe a single eligibility requirement could fit the bill. It would take into account all the realities, which are diverse in the working world—I'm thinking in particular of seasonal, part-time, gig or contract jobs. The 420-hour criterion is excellent. Instead of using it as a temporary measure, we should make it permanent.

I will finish by saying that Canada is the only country in the world, of all the countries with an employment insurance program, where the eligibility requirement is based on place of residence. The eligibility requirement changes depending on where you live. We need to stop that and simplify the program to ensure that it protects those who pay into it.

[English]

Ms. Leah Gazan: I agree with you. I don't think we've ever recovered from the austerity of the 1990s. It has dunked people deeper and deeper into poverty.

You spoke about—

The Chair: Thanks, Ms. Gazan.

Ms. Leah Gazan: Okay. Hopefully I'll have a chance next round.

Thank you.

The Chair: Yes.

[Translation]

Mr. Généreux, you have the floor for six minutes.

Mr. Bernard Généreux: Thank you, Mr. Chair.

Mr. Céré, I am an employer and I've had about 30 employees for what will soon be 30 years. Obviously, employers and employees share the cost of employment insurance. The government itself does not directly contribute to the cost; it's split between employers and employees.

Of course, as you said, society has evolved over the last 40 years. You have been fighting this battle for 40 years. I understand that COVID-19 was a game changer, that some things were adjusted temporarily, and that you are hoping these measures will become permanent and not be only temporary.

Has your team or the government assessed the cost to employers and employees if the basic requirement of 420 hours of work were to be applied across Canada, and include everyone, for example, the 15% of workers who are self-employed and not currently included, as well as contract, temporary and seasonal workers?

Please excuse my ignorance in this regard.

Mr. Pierre Céré: It's not ignorance, Mr. Généreux.

I would say that if you go digging through your committee's archives, you will find plenty of studies and numbers.

Mr. Bernard Généreux: The studies are—

Mr. Pierre Céré: I'll give you an example.

Right now, the premium rate is one of the lowest it's been in 40 years, at \$1.58. In 2008-2009, during the last economic crisis, I clearly remember being on the radio with economists, right-wing economists, I must admit, from the Montreal Economic Institute. We were discussing the proposal by the Liberal leader at the time, Mr. Ignatieff, which was to establish a single eligibility requirement for employment insurance with 360 hours of work, to get through the crisis.

One economist was telling me that we couldn't do that, that it would cost too much, that it would change the premium rate, and so on.

I then asked the price of milk question, "Ma'am, do you know the current premium rate?"

She replied that it was \$2.00 for workers. I told her it wasn't, and that I had the numbers in front of me. I had all the premium rates dating back to 1972 in front of me. The rate was \$1.73 at the time. I said, "Ma'am, if you think that at \$2.00 we're not doing so badly, but we shouldn't raise it, the 26-cent difference solves all the problems".

The question of sickness benefits was raised several times earlier. The Parliamentary Budget Officer said that increasing the number of weeks of sickness benefits from 15 to 50 translates into a 6-cent increase in the workers' premium. In this case, that would be an increase from \$1.58 to \$1.64. Are people going to go jump off a bridge?

• (1615)

Mr. Bernard Généreux: Certainly not.

But I will ask my question again. Do we have any evidence available?

Entrepreneurs have been struggling to find workers since the COVID-19 pandemic began. In my constituency, 500 to 600 jobs that pay from \$15 to \$25 an hour are vacant.

Several employees used the CERB after losing their jobs last summer and continued to receive benefits until the CERB ended. In some cases, they were eligible for employment insurance. So those workers didn't necessarily return to work even if they had the opportunity to do so.

That comes at a cost. I'm thinking of a business in my constituency whose owners are unable to find workers right now, even though they are offering \$18 an hour. They are even considering relocating their business to the United States. It must be said that we also have an immigration issue.

Income replacement benefits come at a cost.

Mr. Pierre Céré: Yes, of course, and the cost has been massive since the beginning of the crisis.

Mr. Bernard Généreux: Absolutely.

Mr. Pierre Céré: Since March 15, 2020, \$200 billion has been spent on income replacement benefits. That's the equivalent of more than 10 years of the employment insurance budget. However, millions of people have received assistance.

Let's remember for the rest of our lives that, in 2020 alone, 9 million people lost their jobs at some point. That's 45% of the population.

Mr. Bernard Généreux: I'm not saying it wasn't necessary.

I'm going to play devil's advocate: Canadians have managed to save \$100 billion since the pandemic began. So there's a lot of money in the economy.

Mr. Pierre Céré: That doesn't come from the CERB, Mr. Généreux. The CERB is the equivalent of minimum wage. If you multiply the minimum wage by 40 hours, you will get more than the CERB benefit.

The CERB gets blamed for everything. The reason people saved money was because they couldn't travel, consume arts and entertainment, or go to restaurants. I spent less money myself during the pandemic.

People paid their bills with the CERB. That money went right back into the local economy.

You're an entrepreneur. Unemployed people who bought consumer goods from your business did so with CERB or EI money. That money goes right back into the local economy. It's important to understand that.

Mr. Bernard Généreux: I completely agree with you.

Has my time run out already, Mr. Chair?

The Chair: Yes, Mr. Généreux.

Mr. Pierre Céré: I would like to have continued our conversation, Mr. Généreux. We will have to do it again.

The Chair: Thank you, Mr. Généreux and Mr. Céré.

[English]

Now we'll go to Mr. Dong, please, for five minutes.

Mr. Han Dong (Don Valley North, Lib.): Thank you very much, Chair.

I want to thank both witnesses for coming to the committee today.

Monsieur Céré, I will allow you to continue that discussion. I very much agree with what you just said. I've been in constant communication with my friends across the world, from some of the regions that have experienced terrible outbreaks during this wave. They are telling me that part of the reason is that workers don't have financial support from their government. They don't have coverage. They don't have a choice but to go to work and provide for their families.

Earlier on, last March, the government made a very clear, and I think a very decisive decision to make sure that personal financial support was in place. We can see, and I agree with you, that almost nine million Canadians who lost their jobs due to COVID have had substantial coverage in terms of income. Had that not been in place, we'd probably have ended up in a much worse situation, especially during the first wave.

We heard a lot of concerns about that, a lot of debate about that, the cost of it, that people may game the system. Everything had to happen very quickly, in a matter of weeks. We heard that during the debate. Sometimes I'm unclear, even now, where the honourable Conservative members stand on these issues. We hear conflicting comments on these. One thing I learned in the last year is to always go by their votes. I do appreciate that, at the end of the day, all parties worked together and got those supports through very quickly, prior to last summer, which was fantastic.

One thing that we noticed in the transition from the CERB to CRB is that the system was intended to be very flexible, to be inclusive of those who normally wouldn't qualify under the previous EI system. I want to get your thoughts and your feedback, and perhaps through you, from your membership, on how these flexibilities benefited them, or more importantly, benefited the workforce of our country.

• (1620)

[Translation]

Mr. Pierre Céré: Is your question for me, Mr. Dong?

[English]

Mr. Han Dong: Yes.

[Translation]

Mr. Pierre Céré: The entire world of work has been paralyzed by the public health situation. The shock was brutal last year and continues to be so. There are still major shockwaves. You can see what is happening in Ontario at the moment. The economy is paralyzed in a number of places. So these income replacement measures provided for Canadians are courageous and necessary. We don't let the people down. We don't let the citizens of this country down.

Last year, when the CERB was established, employment insurance in all its forms was completely set aside, including regular

benefits, sickness benefits or caregiving benefits, in order to establish a single benefit based on good faith. About nine million people lost their jobs and were able to take advantage of the measure, which was subsequently replaced by the CRB.

What Marie-Hélène Dubé said about the CRB was true, and I echo it. Sick people who were not eligible, or who were eligible only for 15 weeks of sickness benefits and cannot demonstrate even the slightest ability to work, are ineligible for employment insurance, of course. But they are no longer eligible for the CRB either and they are in limbo. A gap needs to be filled there and it is not too late to do so.

No one has pointed this out since the meeting began, but the 26 weeks of sickness benefits that are going to be provided will begin only as of August 2022. Why are we waiting until August next year, until 2022, when, in the current situation, all kinds of temporary measures have been established and then extended? You know as well as I do that we could move a little faster. It should have been done quite quickly.

We are demanding a comprehensive 50-week benefit, for regular benefits and sickness benefits alike. However, 26 weeks is a step forward. When something is offered, you take it. We celebrate it, saying all the while that it is not enough. We will continue to fight for it to go to 50 weeks.

[English]

Mr. Han Dong: You brought up Ontario, and of course in Ontario the conversation about the sickness benefit coverage is very much alive. I'm actually pretty encouraged to see the increasing coverage in the budget.

I want to ask you—

The Chair: Mr. Dong, you're out of time. I'm sorry.

Mr. Han Dong: Okay. Thank you, Chair.

[Translation]

The Chair: Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you.

One thing is for sure: the status quo is no longer an option. I think we all agree on that and, correct me if I am wrong, the witnesses have said so too. That is why we are conducting this study. It is a concern to realize that, in September, very soon actually, most of the temporary measures will come to an end. I was just going to mention that the 26 weeks of sickness benefits will begin in 2022.

The Supreme Court has held that the objectives of employment insurance “are not only to remedy the poverty caused by unemployment, but also to maintain the ties between unemployed persons and the labour market”.

I am now going to talk about the funding of the employment insurance program. In annex 1 to the budget, I read that it would be back in balance in seven years. That is a concern, because first, there will be a huge deficit, then a surplus in the second year, and then a return to balance. Of course, it depends on the premium rates paid by employees and employers, which can change. That has been proven. However, when the program was established, the government also played a role in funding it.

Mr. Céré, is that a possible solution? Could that be reinstated?

• (1625)

Mr. Pierre Céré: Yes, that can be a possible solution. The important thing is for the program to protect workers and to cover its costs.

Since the government of the day withdrew the state from the fund in 1990, it has only had premiums from the workers and the employers, on a 40-60 basis. Employers provide 60% of the employment insurance fund. Could we see the state returning to the fund, contributing 10%, for example? Yes, we could. Other formulae are also possible.

I have often heard representatives and leaders of employers' associations say that they do not disagree with us at all, that they understand that we are in the trenches, that we know the need for an employment insurance program and that they are able to help us. However, they find that they are paying too much. Could we change certain things along those lines? Yes, we could.

We need a real program that protects workers and we need to balance the program's expenditures.

So it is very possible to foresee the state contributing to the employment insurance fund once more, Ms. Chabot.

Ms. Louise Chabot: The Canadian Federation of Independent Business, the CFIB, has said that self-employed workers are not prepared to contribute.

Mr. Pierre Céré: They are mistaken.

Take, for example, the Québec Parental Insurance Plan, the QPIP. It is probably the only social program that had the courage to do that after the 1990s. Since 2006, self-employed workers have been automatically protected under the program. They pay a premium, sort of midway between the total of the workers' premium and the current employers' premium. You can consult the figures on the Québec Parental Insurance Plan. I have them with me.

The CFIB is wrong when it says that employers will be paying for self-employed workers. That's wrong. Look at the QPIP; it works well.

The Chair: Thank you.

[*English*]

The last round of questions goes to Ms. Gazan, please, for two and a half minutes.

Ms. Leah Gazan: Thank you so much, Chair.

Monsieur Céré, in the last round you began speaking about EI models that other countries are using for the self-employed. I'm

wondering if you could point to two specific international models that we should perhaps consider implementing in Canada.

[*Translation*]

Mr. Pierre Céré: That is a huge topic. In the appendices at the end of the document we have provided for you, in French and in English, you will see a study we prepared on how self-employed workers are covered around the world.

We went to see what was being done in Australia, and even in places like Belarus, Croatia, Denmark, Finland, France, Greece and Hungary. The document has four pages on the programs that provide regular coverage and those that provide voluntary or partial coverage. However, countless countries, in both north and south—we can even talk about Kazakhstan, I believe—have employment insurance programs that protect self-employed workers. A number of formulae are possible.

It is a major debate, of course, but we believe that such a program in Canada could model itself on the operation of the CRB. It would perhaps not have the same eligibility criteria, for example, how much money people have to have earned or the same \$500 per week. However, the CRB has a structure that could be used as a model to establish a permanent program that would ensure that the world of self-employed work is covered.

I feel that we have reached that point as a 21st century society.

• (1630)

The Chair: Thank you, Mr. Céré and Ms. Gazan.

Colleagues, that is all the time we have with this group of witnesses.

My thanks to the witnesses for their passion, their obvious expertise and their long experience with these issues. I am grateful to them. Their participation will be very useful for our study and they have my sincere thanks for joining us today.

We will suspend the session in order to welcome our next witnesses.

• (1630)

(Pause)

• (1640)

The Chair: The committee meeting today is part of our review of the employment insurance program.

I would like to make a few comments for the benefit of the new witnesses.

Wait until I call you by name before you begin to speak. When you are ready to speak, click on the microphone icon to activate it.

The interpretation services provided in this videoconference are much the same as during regular meetings of the committee. At the bottom of your screen you can choose between the floor, English or French.

[English]

When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute.

I would now like to welcome our witnesses to continue our discussion with five minutes of opening remarks followed by questions.

We have with us today, David Gray, professor of economics at the University of Ottawa.

[Translation]

We also have with us Kimmyanne Brown, workplace rights coordinator, Conseil d'intervention pour l'accès des femmes au travail, and Ruth Rose-Lizée, a member of the Conseil.

[English]

We will begin with Mr. Gray.

Welcome to the committee, Mr. Gray. You have the floor for five minutes.

Dr. David Gray (Professor of Economics, University of Ottawa, As an Individual): Thank you very much, Mr. Casey.

The title of my very, very brief presentation this afternoon is “Employment Insurance Reforms for the Post-Pandemic Period”.

The first point I would like to raise is that this pandemic was a once-in-a-century catastrophe, and the economic impact of this pandemic has also been quite distinct from that of the previous recession of 2008-09, for example. When I say once in a century, I hope that we have to wait more than a century in the future before something like this happens again.

I'm assuming that the labour market recovery, the economic recovery, will be nearly complete by the end of this year, 2021, so the first point that I would like to assert is that we should not implement major and permanent reforms to the EI regime in the post-pandemic period based on what's happened right now in the pandemic era labour market. Having said that, I think there are definitely some lessons to be learned in the pandemic-induced recession now. There was a depression for two or three months in the spring of 2020. I'm assuming that much of the recovery will be done by the end of this year, so I'm going to talk about reforms under those premises.

Regarding the fallout, the rate of long-term unemployment has risen substantially. Canada has generally fared quite well compared to many other countries as far as long-term unemployment is concerned, and so I fear that some workers will be laid off permanently. We are going to have to allocate more resources towards retraining, skills development, literacy and essential skills for those workers who will never be able to return to their prior jobs. This, I note, is an ongoing challenge of targeting workers on the periphery of the labour market with efficacious employment benefit and support measures.

I'd also like to talk about a topic that was brought up in the prior session, gig workers. We all know that gig workers in certain occupations have been hit very, very hard by this pandemic. This includes my younger daughter, who aspires to be an opera diva in the

live entertainment industry. She has had her career put on hold for at least a two-year period, so I want to address the issue of whether EI coverage can be extended to gig workers.

I have a piece that was published recently in Policy Options. It is really short, current and totally accessible. My co-author, Colin Busby at the Institute for Research in Public Policy, and I argue that a step in the right direction would be to try to get more and more gig workers covered under the labour code so they're more like employees rather than self-employed people. There is no official definition of what constitutes gig workers as far as Statistics Canada is concerned. The dividing line between self-employment and gig employment is quite fuzzy from both a legal point of view—I think some changes are possible there—and from a practical point of view.

• (1645)

We should note that some gig workers have other jobs, so some gig workers are just moonlighting. An advantage would be the major welfare gains, as we economists say, for certain gig workers in the face of unpredictable shocks beyond their control, which leave them unemployed temporarily. Ideally, it would be desirable to at least partially plug a hole in the social safety net that does not cover gig workers.

However, many challenges would be involved. There are hardly any instances in the industrialized world where governments provide unemployment insurance benefits to self-employed workers. I fear that many would opt out of it if given the opportunity, so we might have to make participation mandatory in the interests of solvency. That would definitely spur some opposition.

We have to wrestle with the issue of eligibility, for instance. Eligibility would have to be based on prior earnings as the unit of account. It's far more administratively convenient for employment insurance when we base eligibility on hours worked as the unit of account.

• (1650)

The Chair: Could I get you to wrap it up, Mr. Gray?

Dr. David Gray: Yes, okay.

My fear is, though, we would likely see the provision of insurance altering the employment and unemployment outcomes. That would likely encourage a higher level of separation, sometimes in the form of quits, other times in the form of layoffs, higher than the counterfactual, more than what would otherwise be the case.

Ideally, we want to cover losses, which are totally unavoidable from the viewpoint of the employer as well as from the employee. A lot of details would have to be ironed out. We might have to experiment with a pilot project or two to gauge the values for the level of earnings that are covered, the percentage of prior earnings that would be covered, the length of the prior contribution period and the length of the benefit entitlement period.

The Chair: Thank you, Mr. Gray.

I'm sure you will get a chance to elaborate more once we go to questions.

Next we're going to the Conseil d'intervention pour l'accès des femmes au travail

Ms. Brown, you have the floor.

[Translation]

Ms. Kimmyanne Brown (Workplace Rights Coordinator, Conseil d'intervention pour l'accès des femmes au travail): Good afternoon.

As I understand it, the sound problem that my colleague Ms. Rose-Lizée is experiencing is still not rectified. Is that correct?

The Chair: Yes, that is correct. The problem itself seems to be rectified now, but I don't know whether the sound quality is sufficient for the interpreters.

Ms. Rose-Lizée, can you speak for a few seconds so that we can check that everything is in order?

Ms. Ruth Rose-Lizée (Member, Conseil d'intervention pour l'accès des femmes au travail): We would like to draw your attention to two issues that discriminate against women. I would also like to point out that our brief was signed by 17 women's groups. It was coordinated by the Conseil d'intervention pour l'accès des femmes au travail, Quebec's principal organization focusing on problems of women's access to work and on defending women's rights at work.

The first issue is the limit of 50 weeks when special benefits and regular benefits are combined. You should know that a number of cases, at least six, are currently before the Tribunal administratif du travail. I have prepared an in-depth document on that subject, and the committee can consult it if it wishes.

The problem has existed for a long time. A number of cases previously went to court, 20 or 30 years ago. Currently, the limit of 50 weeks affects women predominantly because they apply for the great majority of maternity and parental benefits. If they are unemployed when their leave comes to an end, they are no longer eligible for benefits.

• (1655)

[English]

Ms. Leah Gazan: I have a point of order, Chair.

I'm so sorry, but there's no interpretation at all. I've been patiently waiting, but there's still none.

The Chair: I just received a note to that effect. It's because of the quality of the sound that the interpreters are unable to translate.

[Translation]

Ms. Rose-Lizée, I am afraid I have to inform you that we must hand over to Ms. Brown for the rest of the presentation.

Ms. Brown the floor is yours.

Ms. Kimmyanne Brown: I do not know the exact point my colleague reached, but you have access to our speaking notes, which come in two parts.

My colleague was talking about the 50-week limit on benefits, which directly discriminates against women.

I will talk about the issue of the eligibility requirement based on hours of work. I heard a number of earlier witnesses bring that up also.

It is the position of the Conseil d'intervention pour l'accès des femmes au travail, or CIAFT, that this requirement directly discriminates against women.

Why does it discriminate? As you probably know, most part-time work is done by women. In 2019, 64% of those doing part-time work were women. You probably also know that they are not working part-time by choice but often because they have to. Far more women are looking after domestic duties, such as caring for children, balancing family, work and school, as well as informal caregiving, which must not be overlooked in the context of the pandemic. That is why the requirement based on hours of work is discriminatory.

We recommend that a hybrid eligibility requirement be created, with two possibilities for assessing eligibility: hours worked or weeks worked. You will understand that, with the requirement based on the number of weeks worked, women who work part-time will be discriminated against. For the same effort at work, the same premium rate and the same experience of unemployment, women are less often eligible for benefits than men. This disproportionate effect is discriminatory. That is why we sincerely believe that a hybrid eligibility requirement would clearly address our concern.

Our position is detailed in our speaking notes. You will also find a table there with an example showing the difference between a woman working part-time and a man not working part-time. You will see that the woman is clearly discriminated against.

Mr. Chair, do I have any time left?

The Chair: You have 30 seconds.

Ms. Kimmyanne Brown: So let me invite you to consult our notes.

As Ms. Rose-Lizée was saying in connection with the 50-week limit on benefits, one case challenging this discriminatory provision is currently before the courts.

The review of the employment insurance program must absolutely take into consideration the current needs of women.

The Chair: Thank you very much, Ms. Brown.

We now move to questions from members.

We will start with the Conservatives.

[English]

Ms. Dancho, please go ahead for six minutes.

Ms. Raquel Dancho (Kildonan—St. Paul, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for being here and for being patient with all the interpretation issues. I appreciate that.

I have a few questions for Mr. Gray.

Mr. Gray, I've been reading quite a bit of your research and it's excellent. I'd love to hear some of your thoughts on EI reform. In one article, you called for a new, voluntary EI program to bring self-employed and gig workers into the EI system. You mentioned that they should be voluntary and not required. Could you expand on why that is?

• (1700)

Dr. David Gray: You are quite right that I have changed my stance a little bit for today. The reason for our recommending in that article that it should probably be voluntary is that we think a lot of people will opt out of it.

The reason I said today that we might have to make it mandatory is to avoid an issue of what we economists call adverse selection, whereby those gig workers who face the highest risk of income insecurity in the future will opt into it, but those who are the most confident about their income security going forward will opt out. We will have only relatively higher-risk gig workers enrolling while those who are at relatively lower risk, at least as they perceive it or as they forecast it, will opt out of it.

We have mandatory coverage for EI to try to get around that adverse selection problem, which is very well known to insurance [*Technical difficulty—Editor*], for all types of insurance, so I see that as sort of an economic and political issue.

Ms. Raquel Dancho: Okay. Thank you.

Dr. David Gray: Thank you very much for the compliment. I really wasn't expecting that.

Ms. Raquel Dancho: All MPs endeavour to research their witnesses, and we appreciate your being here and sharing your wisdom.

Thank you to all the witnesses for taking time to be here.

Mr. Gray, I want to ask you a few more things. You recently wrote, as well that the pandemic is a “unique event, and we caution the federal government to not dramatically redesign EI in response to this somewhat temporary situation.”

Can you elaborate on that further for committee members?

Dr. David Gray: Just the outcome for the labour market is very different, so we have a big drop in demand. During the last session they were talking a lot about the big drop in demand, but we also have a drop in supply with businesses being totally closed or businesses being partially open but with workers, often for very good reasons, being fearful of showing up. We have supply-side constraints as well as demand-side constraints. That's not been the case before. Even with the Great Depression, that wasn't the case.

There are a number of reasons people are out of work right now. Going forward, I think the unemployment insurance system, yes, needs to be adjusted for the 21st century, both with the passive benefits like those we're talking about now and also with the training and retraining and skills development. Perhaps that's for another session. That's a challenge that I feel very strongly about as well.

Ms. Raquel Dancho: Thank you.

The minister of this department, of EI—I believe it was last week, but the weeks are all blending together—alluded to the need to sequence upcoming EI reforms due to the age of the system.

From your perspective, and you might have touched on this as well, can you provide for the committee your thoughts on some of the areas that you think the government should prioritize in this sequencing?

Dr. David Gray: I'm in favour of doing away with the one-size-fits-all administrative apparatus and creating a number of more specialized programs.

By the way, I really sympathize with what Ms. Brown was saying about part-time workers. Part-time workers are not treated nearly as well as part-year workers are, for example. Someone who works 50 weeks a year at 20 hours per week is not treated nearly as well as someone who works only a certain part of the year but full time.

I'm in favour of more specially designed unemployment insurance regimes.

• (1705)

Ms. Raquel Dancho: Thank you. That's excellent.

We just have a few seconds left, so could you provide for the committee what you believe the core responsibilities are for EI in 2021 and beyond?

Dr. David Gray: I'll talk just about the passive benefits rather than the active benefits.

With the passive benefits, we want to cover the idiosyncratic risk of job loss and certainly the job loss caused by recessions and cyclical unemployment. It's a system that is not too costly because we don't have trillions of dollars to fund it, but it is consistent with a flexible and dynamic, yet equitable, labour market.

The Chair: Thank you, Mr. Gray.

Thank you, Ms. Dancho.

Next we have Mr. Long, please, for six minutes.

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

Good afternoon and thank you to our witnesses. They were very interesting presentations.

[*Translation*]

Ms. Louise Chabot: Mr. Chair, we are being told that the member's equipment does not allow the interpreters to do their job.

[English]

The Chair: Mr. Long, the interpreters are having some problems. Are you using the House of Commons-issued headset?

Mr. Wayne Long: Is that better now?

The Chair: Yes. I think so.

Mr. Wayne Long: Hopefully, I can have my time back.

The Chair: Yes. Go ahead.

Mr. Wayne Long: Mr. Gray, my questions will be for you.

I want to thank you for your advocacy and your calling for reform. I, too, have read your articles and am quite interested with what you have to say.

My experience, certainly as an MP in Saint John—Rothesay, was that the EI system was there and it covered everybody that needed it. Save for a few problems, it was very adequate. Then came COVID-19. We were getting calls into our office—I won't name names—from people who were performers.

Dr. David Gray: Was it my daughter?

Mr. Wayne Long: It wasn't your daughter, but there were some wonderful performers here who performed at some local pubs. We have a wonderful Imperial Theatre, etc. They were telling their stories to us. It became abundantly clear that there were so many who weren't covered. They deserve to be covered. They had good careers and performed and what have you. They made livings.

When COVID-19 came and the feet were taken from underneath them, they didn't have coverage. I think it showed the shortcomings in EI, which was that not every worker was covered nor can everyone who is covered get benefits when they need them.

It's clear that reform is needed. Certainly in your articles you're quoted as saying that the system needs reform and—correct me; I'm not putting words in your mouth—don't just do it because of COVID-19; take a longer view and do the right reforms.

I want to initially talk to you about EI access. I'm hoping you can provide some insight to the committee regarding the average worker's ability to access EI benefits and some of the more common issues that currently exist.

As you may be aware, budget 2021 proposes to make EI more accessible and simple for Canadians through a 420-hour common entrance requirement for regular and special benefits, with a 14-week minimum entitlement for regular benefits, and a new common earnings threshold for fishing benefits.

When it comes to access, what type of impact do you feel these changes that were announced in budget 2021 will have?

• (1710)

Dr. David Gray: It would be somewhat minor, because the figure that is always thrown around regarding EI coverage is that 80% of the unemployed workers were covered circa 1990 and now only 40% of them are covered. Most of those people have entered the labour force, but haven't contributed to the regime in the prior 12 months.

I certainly have no problem with reducing the entry requirements. They really should be uniform throughout the land. The pre-

ceding witness mentioned that we're the only country that has these geographically variegated program parameters. She was right about that. Just for the sake of simplicity, I'm okay with lowest common denominator, but that's not going to make a major difference with the access.

As far as those splendid performers from your neck of the woods are concerned, do you think they would be willing to...? They are obviously attached to the labour force, right? These are not people who work for two months a year and then take the next 10 months off. These are people who are career performers.

Do you think they would be willing to contribute readily? That's what we would need. We would need people to be able and willing to contribute readily into such a regime for the sake of solvency and efficiency.

Mr. Wayne Long: I can't speak for the rest of the country, but the number of people who literally had no coverage at all was alarming. Obviously, we made changes, as you know, through COVID with respect to eligibility, the CERB and other benefits, to make sure they were covered, because we learned, as we went on, that they deserved coverage.

In your presentation, you speak about a pilot project that you proposed or would like to see happen. Could you elaborate on that a bit more?

Dr. David Gray: That's been a practice of ESDC for decades and decades now. Just about any reforms, even small ones, are tested by pilot projects only in certain EI administrative regions. That's a very sound practice, as long as a representative set of areas are chosen. Don't just take the high unemployment ones. Don't just take the low unemployment ones. Yes, you have to try that out, because it's easier said than done to devise an efficient scheme that's going to be solvent and that's not going to drain resources away from other unemployed workers, for example.

The Chair: Thank you, Mr. Gray and Mr. Long.

[Translation]

Ms. Chabot, the floor is yours for six minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

My sincere thanks to our witnesses for joining us today.

Ms. Rose-Lizée, I am sorry that we are not able to hear from you.

Ms. Brown and Mr. Gray, thank you also for joining us.

My questions will go to the representatives from the Conseil d'intervention pour l'accès des femmes au travail.

Ladies, I first want to acknowledge the work that you are doing to eliminate discrimination against women in the employment insurance program and to make sure that they have a social safety net. You gave two major examples. We know that the employment insurance program is complex and that not everyone is really familiar with how it works. When you talk about the 50-week limit for benefits that comes into play when you combine two types of benefits, I assume that you are actually talking about regular benefits and special benefits.

There is parental leave, but let's take the example of maternity leave. Correct me if I am wrong. Maternity leave can be up to 50 weeks. As I understand it, those weeks during which women are on maternity leave are not insurable weeks that allow them to be eligible for other benefits, like regular benefits. During the crisis, some women found that they no longer had a job when their maternity leave ended. Without the temporary measures, they would have fallen between the cracks.

Can you give me some solutions for that problem?

● (1715)

Ms. Kimmyanne Brown: Yes, that's exactly right. It's a good example.

Section 12 of the Employment Insurance Act sets a limit of 50 weeks for the benefits that a person can receive when regular benefits and special benefits are combined.

We deal a lot with cases where women in Quebec receive benefits from the Québec Parental Insurance Plan. It very frequently happens that, during or at the end of a woman's maternity leave, she learns that her position has been eliminated. In theory, the employment insurance program should guarantee that the woman is eligible for protection, especially because she has paid into it. But that woman cannot receive benefits. She must therefore find a job during her maternity leave. I believe everyone would agree that requiring that a woman do that makes no sense, because she has to look after her baby. That, of course, is why the maternity leave exists.

That is why we consider it discriminatory. It is currently being challenged.

That example is the easiest to understand: when a woman on maternity leave learns that her job has been eliminated, she is not eligible for employment insurance benefits, even though she has paid into it.

Ms. Louise Chabot: Can you suggest a solution that would put the program right?

Ms. Kimmyanne Brown: In my opinion, the ideal solution is simply to abolish the 50-week limit for benefits. That would allow women to have access to the benefits to which they are perfectly entitled.

Ms. Louise Chabot: Thank you.

Women and young people were more particularly affected by the pandemic. That is what the figures show in terms of job losses. Currently, the eligibility requirement for employment insurance is based on the number of hours, and it varies. Let us not forget that this single criterion of 420 hours is a temporary measure. Usually, it varies from 420 hours to 700 hours depending on the region.

So what you are saying is that a man who works full time, 40 hours a week, will be eligible for benefits more quickly than a person who works 15 hours per week. Is that correct?

Ms. Kimmyanne Brown: Yes, that's basically it.

In addition, the woman is then going to receive less money. That contributes to putting women in a precarious situation.

If we adopt a hybrid eligibility requirement, based either on hours worked or weeks worked, that kind of discrimination would not occur. The woman would receive the benefits she needs.

Ms. Louise Chabot: Should there be a minimum number of hours or should we consider the number of weeks?

Ms. Kimmyanne Brown: Actually, our third recommendation is that the minimum requirement be either 420 hours or 12 weeks of work, and at least 35 weeks of regular benefits.

Ms. Louise Chabot: Do you have any proposals on the income replacement rate, that is, the amount of the benefit?

● (1720)

Ms. Kimmyanne Brown: Honestly, I do not know which recommendation that is.

I have to be very honest: Ms. Rose-Lizée and I divided up the points in the presentation to make it equal for us both. That's why your question catches me unawares.

Ms. Louise Chabot: I don't want to put you on the spot, Ms. Brown.

In my opinion, your entire brief is more than thorough. Thank you for this contribution to the committee.

The Chair: Thank you, Ms. Chabot.

[English]

Next, we're going to Ms. Gazan, please, for six minutes.

Ms. Leah Gazan: Thank you, Chair.

I noticed Mr. Gray's hand is up.

[Translation]

Dr. David Gray: I just want to make a brief comment.

I completely agree with the proposal to offer a choice between the number of hours and the number of weeks worked in the past in order to determine eligibility for employment insurance.

The 1996 reform was a good one, but it was really designed to benefit seasonal workers, not part-time workers.

[English]

Ms. Leah Gazan: Thank you, Chair. Sorry, I thought that was a point of order.

Is my time starting now?

The Chair: Go ahead. Sure.

Ms. Leah Gazan: Perfect.

I'd like to thank, first of all, the witnesses for being here.

My first question is for the Conseil d'intervention pour l'accès des femmes au travail.

My question is about child care. Yesterday the federal government announced a national child care program, something, I might add, that has been promised for over 28 years, but a welcomed announcement. I can't tell you how frustrating it is for me. We talk about EI reforms which are great, but I think we also have to acknowledge that EI was a system set up for white working males back during the Great Depression. Now we see women and we see the impact of the pandemic particularly on them, and particularly on BIPOC women in terms of health care sectors that are getting hit hard with COVID on the front lines.

The national child care program, of course, as you know, was inspired by the Quebec program. Can you talk to the committee about the strength of Quebec's affordable child care program, how it's critical, and how it will benefit workers, particularly women?

[Translation]

Ms. Kimmyanne Brown: That is not really the objective of the brief. However, for CFIAT—and congratulations to Ms. Gazan for saying the full name correctly—it is clear that very affordable day-care places are needed in order to allow women to enter the workforce. As for the experience in Quebec, since that is where I live, it is clear that it does allow women to get back into the workforce. Currently, in Quebec, we have a lack of daycare places, but that is a different discussion.

In a word, the national program will have impacts on the employment insurance program. That is why it's urgent to review it, because more women will be coming into the workforce as a result of the future national program. The criteria for eligibility to the employment insurance program will have to be reviewed because, as you so rightly said, the reform in the 1990s was really done so that the program would benefit a certain category of workers, largely made up of men. We now recognize that, not only was the program not designed for women, but also that it discriminates against them.

[English]

Ms. Leah Gazan: Thank you so much for your comments. I agree entirely.

Your organization also proposed increasing the replacement rate to 60%, which was the rate used before the 1990s. Why do you propose this increase, and how do you see it more specifically impacting women?

• (1725)

[Translation]

Ms. Kimmyanne Brown: Our recommendation 7 will have a direct effect on women accessing the workforce. Employment insurance calls itself a social insurance program, not an assistance program, so it must ensure that income continues when an event interrupts a person's ability to earn a salary for the reasons set out in the act. Increasing the income replacement rate to 60% would address those problems.

[English]

Ms. Leah Gazan: I would probably note, and I wonder if you agree, that we've witnessed this during COVID. As a result of kids having to stay home, that responsibility is more often placed on the female caregivers. It's certainly being proven right now in the midst of a pandemic.

My next question is for Mr. Gray.

Why do you believe that the entitlement to an EI regular benefit should be determined by changes in the provincial employment rate rather than the unemployment rate in these different EI economic regions?

Dr. David Gray: It's a more accurate indicator of shock, of something bad happening in the labour market: the reduction in employment, a drop in labour demand, the availability of jobs and the availability of job openings, vacancies.

Ms. Leah Gazan: Yes, so how would that roll out in a program? You indicate that should be determined by changes in the provincial employment rate, so how would the federal government support that concept?

Dr. David Gray: Administratively it would be a pretty easy change for them to make. It's easier to calculate the employment rate than it is to calculate the unemployment rate for each of these administrative areas.

Our point was that we want the system to be able to adjust more quickly when there's a major drop, a downturn in the labour market. We were inspired by what happened in Alberta in 2014. Even though it was Canada's richest province, it got hit really hard with a big drop in the price of crude oil. The system was really slow to adjust because it was based on the unemployment rate, which was rising much more slowly than the unemployment rate was dropping. That's an illustration that we used to support our case.

The Chair: Thank you, Mr. Gray and Ms. Gazan.

Next we're going to Ms. Falk, please, for five minutes.

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

I would like to thank all the witnesses for contributing to our study and also making the time, out of their schedules and their lives, to be here.

As we navigate through this pandemic and work towards recovery, we know it's important that the government be focused on jobs, job creation and connecting Canadians with available jobs, while also ensuring that benefits are there for those who are going to need them. Part of ensuring that those benefits continue to exist is ensuring the sustainability of the program.

Last week at our committee we heard from the Canadian Federation of Independent Business, which suggested that no permanent changes be made to the EI program until our economy has recovered. It also raised concerns about the impact that higher payroll taxes would have on our economic recovery.

Mr. Gray, I noted that in your open letter to Minister Qualtrough last fall you suggested that the EI program should not necessarily be redesigned to meet the stress test for a shock of the magnitude of this pandemic. Are there specific program structures in the temporary COVID support programs that you would suggest not be incorporated permanently into our EI program?

• (1730)

Dr. David Gray: Yes, that's exactly what I think. As for the Canada emergency response benefit and its replacement, it's really my hope that come later this year, we'll have maybe not full employment, but adequate job openings. Right now we're about 300,000 positions short of where we were in the good old days of February 2020. I'm hoping that the need for all these extraordinary measures will be obviated and we can go back to a reformed employment insurance system, part one and part two, for the 21st century.

It is unsustainable. A deficit of \$350 billion is like World War II. I wasn't around back then, but we cannot go on with expenditures, with outlays anywhere near that magnitude, for more than another four or five months or so, even though fiscality is not my primary area of expertise.

Mrs. Rosemarie Falk: Mr. Gray, I note as well that when we had the Canadian Federation of Independent Business here, they had the recommendation that no new permanent changes be introduced until our economy recovers.

I noted that similarity in your opening remarks. I'm wondering if you could explain further as to why.

Dr. David Gray: I suppose it's because the labour market situation will be very, very different. Hopefully, we'll be back to normal before we make any changes. I am in favour of expansion in certain areas—no overlap, no transition.

When the war against the pandemic ends, we will move on to the recovery phase with different imperatives and different policy objectives.

Get people vaccinated so that everyone can go back to work safely. We're going to have a certain number of workers who will be permanently laid off. Get them into training as soon as possible. I don't want to—

Mrs. Rosemarie Falk: I guess on that point, what would you say the priorities in reform would be once we come to recovery?

Dr. David Gray: At a very broad level, it's a recognition that the unemployed are very heterogeneous. Someone mentioned a little while ago—and I agree totally—the system designed for full-time, mostly Caucasian, white-collar workers in the 1940s and 1950s. We have these different types of unemployed workers with different attributes in different situations. I'm hoping for a system that can be compartmentalized a bit more to address more specific and particular needs of different unemployed workers.

The Chair: Thank you, Ms. Falk and Mr. Gray.

That is all the time we have for questions today.

I want to sincerely thank our witnesses for being with us.

• (1735)

[*Translation*]

Ms. Rose-Lizée, I am terribly sorry that we had technical problems. Unfortunately, it happens from time to time when we are working by videoconference on Zoom.

Your colleague represented your organization very well and we are very grateful for the work that you and your organization are doing.

[*English*]

Madam Brown, thank you so much for so ably managing the situation.

Thanks again to our witnesses. You're welcome to go.

There are a couple of things I need to raise with the members before we adjourn.

Colleagues, we have one more panel of witnesses on the EI study coming up this Thursday. The second hour of the meeting will be dedicated to drafting instructions. I believe it would be helpful to the committee if the analysts provided us with a draft outline. That would help inform our discussions around drafting instructions. If you're okay with that, we can so direct them.

Is there any issue with having the analysts provide us with a draft outline for our drafting instructions on Thursday?

An hon. member: No, not at all.

The Chair: I see consensus.

Finally, by Friday you will have the latest draft of the urban, rural and northern indigenous housing study. Please submit whatever changes you propose in advance so that our discussions can be a little more efficient—translated and the like. That would be greatly appreciated.

That's all I have. Is it the will of the committee to adjourn?

Ms. Raquel Dancho: Mr. Chair, I have one clarification.

The Chair: Mr. Dancho, go ahead.

Ms. Raquel Dancho: Thanks. When can we expect the drafting instructions from the analysts?

The Chair: Well, actually, we're going to issue the drafting instructions. Are you talking about the draft outline?

Ms. Raquel Dancho: Yes, what you mentioned and what we tacitly agreed to. I'm just wondering about the timeline for the outline.

The Chair: Can you help us, Eleni? When might we see that?

Ms. Eleni Kachulis (Committee Researcher): The draft outline will be sent out tomorrow afternoon, along with the briefing note for the panel for Thursday's meeting.

Ms. Raquel Dancho: Thank you, Eleni.

The Chair: Is it the will of the committee to adjourn? I see consensus.

[*Translation*]

Ms. Louise Chabot: Mr. Chair, I had my hand up. I am sorry.

The Chair: My apologies, Ms. Chabot.

The floor is yours.

Ms. Louise Chabot: I agree with you completely that we should submit in advance the changes that we want to make to the report on Indigenous housing. That will help us greatly. However, receiving the previous version of the report would also help us a lot.

We are going to wait until we receive the version that includes the recommendations. There may not be the required 48 hours notice, but I would like us to have that possibility. In order to do our work, we really must receive the version dated as of the last session.

The Chair: I completely agree with you. That's why I mentioned it.

Thank you, Ms. Chabot.

[*English*]

Okay, colleagues, I'll see you Thursday.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>