

Globalization, Vulnerable Workers and the Changing Nature of Work in Canada

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Outline

- About CPRN
- Globalization and policy choice
- Indicators of vulnerability in the labour market
- Growth of non-standard work: is the employment contract still a useful platform?
- Policy options to help vulnerable workers



About CPRN

- An independent, non-profit, socio-economic policy think tank.
- Mission: to create knowledge and lead public dialogue and debate on social and economic issues important to Canadians' well-being.
- Goal: to help make Canada a more just, prosperous and caring society.

Globalization, risk, and policy choice

- Greater mobility of capital => greater emphasis on economic efficiency and flexibility.
- Governments and employers still have choices to make. There is more than one sustainable model of labour market policy.
- There are countries with high employment rates, an active labour market policy, and a relatively low % of workers earning low wages.



Employment rates 2005

persons aged 15-64

- Denmark 75.5
- Norway 75.2
- New Zealand 74.6
- Sweden 73.9
- UK 72.6
- Canada 72.5
- US 71.5
- Netherlands 71.1
- Germany 65.5
- France 62.3

Source: OECD Factbook 2007, p.121

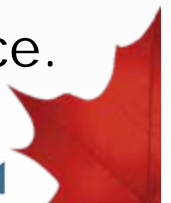
Vulnerable workers in Canada

Low pay

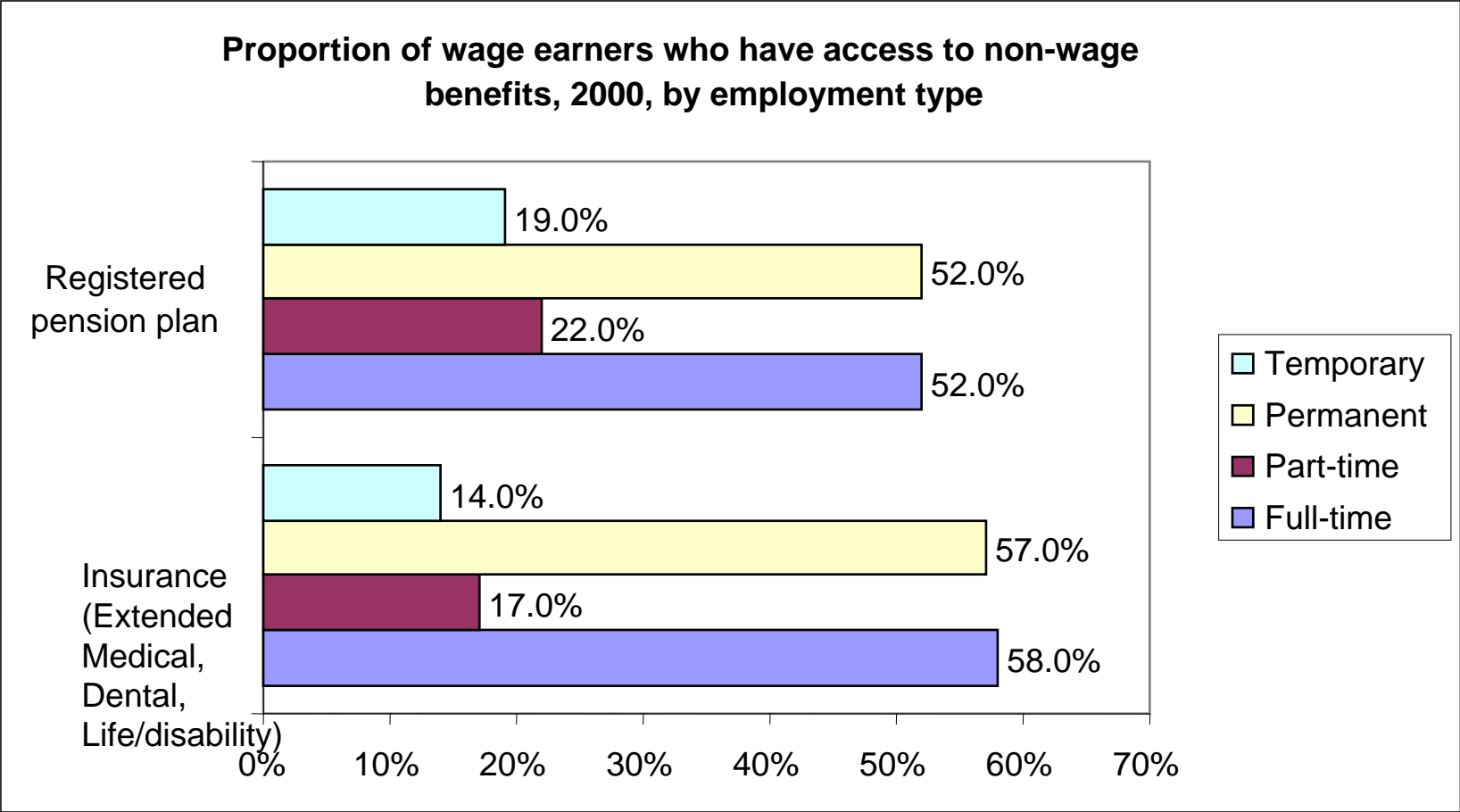
- In 2000, 17.5% of workers aged 20+, not FT students, earned < \$10/hr.
 - Men 11.6%
 - Women 23.9%
- In '05, adjusting for inflation (\$11.23/hour) - 18.9% .
 - Men 13.9%
 - Women 24.1%
- Recent immigrants, Aboriginals, also disproportionately low-paid.

Poor access to rights, benefits, supports

- Non-standard and low-paid workers have little access to extended medical coverage or employer pension plan.
- Low-paid workers unlikely to receive employer-sponsored training or gov't help to upgrade skills.
- Less than half of unemployed benefit from EI.
- Self-employed not covered by laws that set minimum standards of employment. Some regular employees do not benefit from the laws because of lack of compliance.



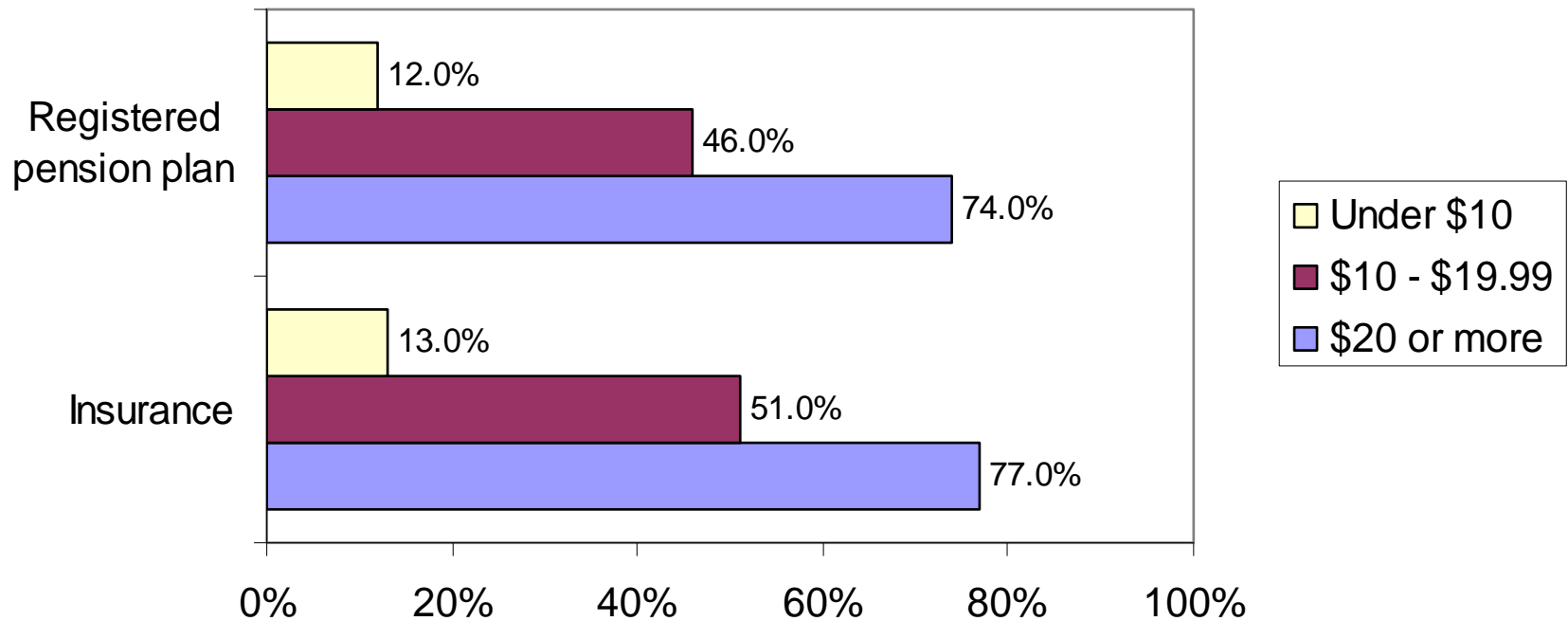
Non-standard work and access to benefits



Source: Marshall (2003).

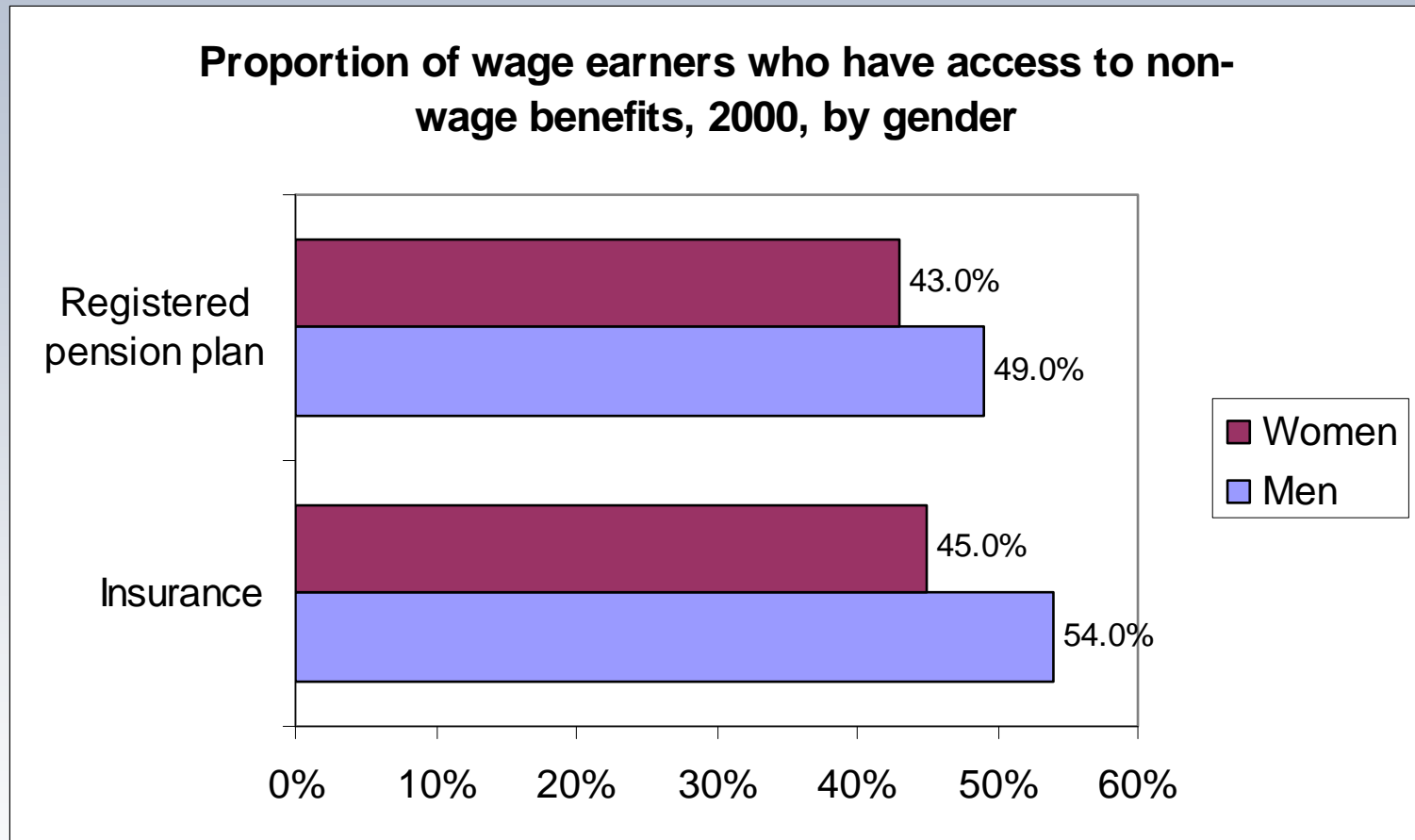
Low wages and access to benefits

Proportion of wage earners who have access to non-wage benefits, 2000, by wage rate group



Source: Marshall (2003).

Access to benefits by gender



Source: Marshall (2003).

Low wage workers and collective representation

- Unionization rate for jobs earning less than \$10/hr was 10% in 2004 (down from 15% in 1981).
- For jobs earning \$10+ per hour, unionization rate was 37% in 2004 (44% in 1981).

Source: Morissette and Picot (2005, Table 6)

Growth of non-standard work

- Standard employment: full-time employee, indefinite duration, one employer
- Gradual increase in share of non-standard work between mid 1970s and mid 1990s.
- As of 2002, 37% overall, but with a clear gender gap: 41% for women, 34% for men because of greater prevalence of part-time work (both permanent and temporary) among women.
- Reasons for growth: new technologies; globalization; business need for flexibility; costs of providing benefits; some workers seeking work/family balance or greater independence.
- Not all non-standard workers are vulnerable; not all vulnerable workers are non-standard.



What are the policy options to help more workers have good jobs?

- There is no single policy change to solve the problem.
- Need a mix of instruments that distributes costs/risks across the actors.
- Need to address income, rights, benefits, supports.

Platforms for helping vulnerable workers

1. The traditional employment contract
2. All contracts for paid work
3. Work over the life course
4. Universal measures and social supports

The traditional employment contract

- Increase minimum wages while increasing income supplements for working poor.
- Treat “dependent contractors” as employees.
- Prohibit contracts that impede the regular employment of temp agency personnel beyond short initial period.
- Take more active measures to obtain compliance with employment standards laws.
- Expand eligibility for EI
- Pay equity legislation

Contracts for paid work

- Specify that all contracts for paid work must allow the minimum wage to be earned, with reasonable effort.



Work over the life course

- Provide better support to working people as they face transitions over their careers.
- Expand access to adult basic skills and skill-upgrading programs. Myers and de Broucker (2006):
 - Second chances in education/training can have large payoff.
 - Our adult learning systems are complex, fragmented, difficult to navigate.
- Improve employer investment in training.

Universal measures and social supports

- Provide coverage for catastrophic drug costs and basic dental care on a “progressive universal” basis.
- Improve access to affordable housing and child care.



Conclusions

- Globalization has contributed to the growth in non-standard work.
- Not all non-standard workers are vulnerable; not all vulnerable workers are non-standard.
- Models of labour market policy with less polarization are sustainable.
- Helping vulnerable workers in Canada requires a mix of policy instruments.



Key Sources

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