

# Provincial Labour Consultation

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## Changing Workplaces Review

Peel Poverty Reduction Strategy Committee Response

September 2015



## Peel Poverty Reduction Strategy (2012-2015)

The Peel Poverty Reduction Strategy Committee (PPRSC) thanks the Ministry of Labour for the opportunity to respond to the Changing Workplaces Review.

Under the umbrella of the Peel Poverty Reduction Strategy (2012-2015), PPRSC has been working to create the conditions that contribute to change in our community. This is accomplished through awareness building, advocacy and collaboration. PPRSC is a multi-sectoral committee that is co-chaired by the United Way of Peel Region and the Region of Peel, Human Services Department. The pillars of the Peel Poverty Reduction Strategy are:

- Economic Opportunities
- Income Security
- Affordable and Accessible Transportation
- Food Security
- Safe and Affordable Housing

In response to the Changing Workplaces Review, PPRSC has identified Peel specific issues relating to the pillars of the Peel Poverty Reduction Strategy and recommendations to impact change in the lives of our most vulnerable. Approximately 12.6% - 17% of Peel's population are living in poverty.<sup>1</sup>

## Peel's Economy & Precarious Employment

*“The realities behind those doors are extreme poverty and hardship due to high levels of precarious employment. Residents struggle every month to pay their mortgages, home and car insurances, property tax and other bills.”*

Since the 2009 global recession, Peel's economy has changed; precarious employment is becoming increasingly prevalent. The temporary and contract forms of employment increased in Peel from 17% in 2011 to 19.8% in 2014. Approximately 40% of individuals in the GTHA are precariously employed.<sup>2</sup>

The second quarter of 2015 saw the highest labour market growth in the trades, accommodation and food services industry<sup>3</sup>; an industry that is predominantly staffed by minimum wage, part-time workers. Many of these workers are often on call or temporarily/casually employed and uncertain of the number of hours they will work each week. To financially sustain themselves and their family, precariously employed individuals are more willing to opt for long shifts, overtime, and forgoing breaks.

Due to the current state of the economy, many local businesses cannot afford to pay adequate wages and are often looking for ways to cut costs. Employers may classify employees as and/or only seek independent contractors. Such workers do not have access to Employment Insurance and are not protected by the Employment Standards Act. Many of the precariously employed are therefore excluded from the benefits

*“Due to precarious work, less hours of work or minimum paid jobs, people are forced to live in poor and dirty, buildings risking their own lives, family health, hygiene and well-being overall.”*

(medical, dental coverage, paid sick days, personal emergency days) offered to permanent, full-time employees. Most are also not offered training and development opportunities due to the non-permanency of their positions. The non-standard nature of this type of employment also makes access to joining a union difficult.

*“...They are not sure if they will be able to feed their families tomorrow or if they will be able to pay their bills. There is never enough money and there is even more pressure on finding permanent income.”*

The combinations of these factors have negative implications on the overall health, well-being and possibly the upwards social mobility of individuals and families in Peel.

#### RECOMMENDATIONS:

- Regulate equal pay for equal work regardless of whether a person is full time or part time
- A living or fair wage that is reflective of the cost of living
- Provide tax breaks for employers who are striving to improve working conditions (higher wages, reasonable number of hours and breaks etc.)
- Require employers to provide advance notice of scheduling
- Expand the range of industries covered by the ESA & LRA and the definition of ‘employees’ to include all workers (part-time, temporary, independent contractors, etc.)
- Have employers prove that workers are truly independent contractors by choice
- Review current Employment Insurance practices, including contribution, application and utilization
- Support workers’ right to unionize and make the process easier
- A collective voice/space for workers (not necessarily a union), especially for those who are precariously employed

## Immigration Policy - Express Entry

Labour market trends project growth in the labour force coming exclusively from immigration starting 2015.<sup>4</sup> This emphasizes the need to protect both immigrant and local workers.

Highly qualified immigrants often face numerous barriers to obtaining employment in their field and over-represent the precariously employed sector. The early experience of precarious employment for immigrants may have long term negative implications.<sup>5</sup>

*“.....Sometimes there are information sessions available in public library for people who are either new immigrants or foreign trained and are looking for work. But according to the increasing population, there is an urgent need to have more of these food banks and employment counselling, community services in my neighbourhood. So that they can be easily accessible and can service more people.”*

Barriers to fair and appropriate employment for immigrants include:

*We are always at home. We do not have the time and money to participate in any activities including religious activities. We cannot drive our children to enrol them in extra-curricular activities or religious classes. Our kids are in total darkness. They are unable to learn good moral and good ethics. It is harder for them to differentiate between right and wrong.”*

- Credential recognition process
- Cost of certification
- Lack of professional and social connections
- Lack of information regarding effective job search and job attainment strategies
- Discriminatory hiring practices
- Cultural barriers (language, differences in norms, etc.)
- Lack of Canadian experience

The unspoken requirement of Canadian work experience continues to drive many workers into poor working conditions. Many highly skilled newcomers are seeking Canadian work experience. This drives many into questionable work arrangements with a high risk of exploitation. These workers continue to be underpaid or are asked to work as volunteers by employers looking for cheap or free labour.

Immigrants are desperate for employment experience. As a result, they often work for free hoping that those opportunities will translate to permanent, stable employment.<sup>6</sup> However, due to the jobs to people ratio (one job for every four people) in Peel’s labour market, increased population growth and other factors, it is increasingly difficult for newcomers and immigrants to find stable, secure, permanent employment.

Temporary employment agencies which often offer temporary and precarious work conditions for much longer periods of time also make it challenging for immigrants to secure stable and secure work. Precarious working conditions have adverse effects on newcomers and their families, including a deterioration of mental and physical health. Unpredictable hours and a lack of minimum hours guaranteed per week also remains a hurdle and newcomers often stay trapped in the cycle of precarity.

The minimal employment standards outlined in LRA and ESA therefore needs to ensure dignity and respect for all workers, and provide the framework for ‘good jobs’ and better working conditions. A

proactive enforcement of both the LRA and the ESA are needed to enhance transparency and accountability in the system to provide workers with better working conditions.

Public education also needs to take place in culturally and linguistically diverse ways to enhance workers' knowledge of their rights. Without public outreach campaigns, workers will remain timid and hesitant to learn or demand their rights.

To add to the numerous challenges newcomers and immigrants are facing, the loss of the long form census has affected our ability to understand how different groups (such as immigrants and racialized people) are impacted by employment precarity and labour market trends over time. All sectors need comprehensive, reliable data to plan, respond to labour market trends and support our most vulnerable. We will continue to urge the Federal government to reinstate the long form census.

#### **RECOMMENDATIONS:**

- **Recognition of dignity and respect for all workers, a framework for 'good jobs' and better working conditions**
- **Proactive enforcement of both the LRA and the ESA**
- **Public education and outreach campaigns in culturally and linguistically diverse ways to enhance workers' knowledge of their rights**
- **Regulate HR hiring practices (specific to the discrimination of racialized groups)**
- **Enhance the existing job bank, create awareness and improve accessibility to connect job seekers to employers and available jobs especially for those on social assistance and employment insurance**
- **Improve the credential recognition process for newcomers and immigrants**
- **Regulate that employers must seek local talent before hiring from abroad**

## Youth Unemployment

Peel's population has increased by 31.1% from 2001 to 2011.<sup>7</sup> With the ratio of available jobs to people being one job for every four people, the unemployment rate at 7.9% continues to be a challenge<sup>8</sup>. This issue is magnified with the elevated youth unemployment rate in Peel. In 2014, Peel's youth unemployment rate stood at 18.9%, well above the pre-recession rate of 13.6% in 2007.<sup>9</sup>

*"We have seen many neighbourhood kids engage in criminal activities such as buying cheap gas from a dealer to resale, cashing cheques for strangers and selling stolen items just for few dollars."*

The high rate of youth unemployment can be partly attributed to mature workers remaining in the workforce longer. However, perceptions that employers have of youth may be inhibiting employment opportunities.

*"Instead of participating in sports, they hang out on the street looking for new ways to make money. They sell drugs, steal from stores, steal from others and harm others in the process. This has an extremely negative effect on the community. Children and adults are all together affected by this."*

The Peel-Halton 2011-2014 survey reveals some employer perceptions youth:<sup>10</sup>

- Sense of entitlement
- Poor attitudes toward work
- Lack of soft skills
- Lack of 'hands on' experience

While 46.3% employers prefer work experience to 'paper' degrees<sup>11</sup>, many youth fall short in this area. To overcome the lack of experience, youths seeking employment may be persuaded to accept low or no wage employment.

Programs (such as internships, mentorships) that invest in youth and also allow for a transfer of knowledge and experience are likely to be highly beneficial. These opportunities will provide youth with employment experience and employers with the confidence they need to hire skilled young workers. Internships should also be paid and the length of time increased to provide youth with appropriate opportunities for network building, knowledge transfer and overall experience in the workforce.

### RECOMMENDATIONS:

- Increase co-op and internship opportunities and their length of time
- Regulate that all co-ops and internships are paid
- Invest in programs for youths to gain experience (ie. mentoring programs, breaking down one position into three, etc.)

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<sup>1</sup> 2011 National Housing Survey and 2011 Taxfiler Data

<sup>2</sup> Poverty and Employment Precarity in Southern Ontario, “The Precarity Penalty: The impact of employment precarity on individuals, households and communities – and what to do about it” May 2015.

<sup>3</sup> Region Business Intelligence Centre of Excellence, “Labour Market Changes in Peel, Second Quarter 2015.” 2015.

<sup>4</sup> Ministry of Labour. “Changing Workplaces Review: Guide to Consultations.” May 2015.

<sup>5</sup> Poverty and Employment Precarity in Southern Ontario, “The Precarity Penalty: The impact of employment precarity on individuals, households and communities – and what to do about it” May 2015

<sup>6</sup> *Ibid.*

<sup>7</sup> Region of Peel, Annual Housing System Report, 2015.

"Region of Peel." *Dashboard of Economics*. 2015.

<sup>8</sup> Business Intelligence Center of Excellence. “Labour Market Trends and Emerging Issues.” July 2015.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

\*Note: All quotes are sourced from the PEPSO Photo Voice Project