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**BRAVE
NEW
WORK**

KEY ISSUES SERIES

FACILITATING THE FUTURE OF WORK THROUGH A MODERNIZED EI SYSTEM



SUNIL JOHAL & ERICH HARTMANN
THE MOWAT CENTRE
APRIL 2019



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ABOUT BRAVE NEW WORK

How can leading Canadian businesses and workers thrive and prosper in the future of work?

Automation, digitization, AI and other tech-enabled advances have changed traditional work patterns and will increasingly change the nature of work. The unbundling of tasks from work and jobs—and jobs from organizations—is affecting living standards and work opportunities in Canada. Other mega-trends like changing demographics and societal expectations will add to these challenges. Decision makers need to explore new policy options to ensure decent jobs and to secure a competitive, inclusive and innovative Canadian economy.

In partnership with TD Bank Group, Cogeco, Deloitte, the Government of Canada and the Metcalf Foundation, PPF has committed to a 3-year initiative focused on the changing nature of work, and its implications for Canadians. Through research projects and Pan-Canadian convening, PPF is developing brave, informed, and precautionary policy ideas and solutions to issues related to the future of work.

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Policy development for the future of work will be influenced by a wide and interconnected system of technological, social and political trends. PPF's Key Issues Series explores pressing areas of policy concern around these trends in research papers authored by Canadian experts. Each paper offers an in-depth look at the policy issue and its impact on Canadian businesses and workers, with recommendations and ideas for policymakers as well as a diverse array of other stakeholders including education providers, labour organizations, and public and private service providers.

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EXECUTIVE SUMMARY

The nature of work is changing across advanced economies. The interaction of automation and artificial intelligence with demographic changes, large-scale sectoral disruptions, slowing productivity growth and other trends raises concerns about the future of work. These shifts are also accompanied by the opportunity to shape a future that provides workers with better opportunities for decent work. The nature and design of key support programs is at the heart of whether the future will hold promise or peril for many workers.

The Employment Insurance (EI) program is a core component of Canada's social safety net and provides vital income support to workers when they lose employment, as well as access to skills-training supports. However, as Canada's labour market undergoes significant changes, the program is leaving too many people behind and is not well-structured to cope with the large-scale disruptions that lie around the corner.

The future of work will be characterized by structural changes in the labour market, largely driven by new technologies. It will likely mean greater precarity and the continued erosion of traditional employment relationships for Canadian workers. More part-time, temporary and self-employed workers, tenuous attachment to the labour force, and long spells of unemployment will all be more common. These changes are already causing many to fall outside of the EI umbrella today, as many workers are not eligible to qualify for EI or even contribute to the program.

As these trends continue, they will further expose three fundamental flaws with EI:

1. The program will continue to leave too many behind, with no protection against the risk of unemployment;
2. The evidentiary basis used to justify the regionally based formula for eligibility and benefit levels will continue to erode, leading to an increasingly unfair ineligibility of many workers from the EI program; and
3. The design flaws of EI will continue to ripple through the skills training system, creating barriers for Canada's most vulnerable to improving their employability.

Addressing these issues will require more than simple tinkering with measures to expand eligibility around the margins. To ensure that Canadian workers are properly supported in light of ongoing and emerging trends related to the future of work, these problems must be addressed through bold and fundamental reform of the entire system of unemployment supports.

In particular, the EI program should be supplemented by a new Temporary Unemployment Assistance program that would help those who are currently outside the EI umbrella and others not well served by the current system. To address the unprincipled regional disqualification of workers from receiving benefits, the creation of a nationally standardized EI system should also be prioritized. Canada's skills training system should also be transformed to permit the creation of an integrated and flexible system designed to equip workers with skills to find new work regardless of their attachment to EI. Absent transformational change, too many workers in Canada today—and in the future—will continue to be left out as the world of work continues to evolve.

CANADA'S EMPLOYMENT INSURANCE PROGRAM: WHAT IS IT AND WHO USES IT?

The Employment Insurance (EI) program is Canada's primary and most important safety net to support workers when they lose employment. Unemployed Canadians derive significant benefit from the EI program, as it can “increase the quality of the new job found by EI claimant, notably in terms of wages and employment duration, as more time and resources are provided to an individual to search for suitable employment.”¹

The federal government, through the EI program, provides benefit payments to eligible unemployed contributors to partially replace lost employment income while they look for work or upgrade their skills. Through EI special benefits, the federal government also supports those who are absent from work due to specific life circumstances such as sickness, maternity or providing care to family members. This paper, however, will focus mainly on EI regular benefits—whose target population is unemployed individuals with a valid reason for job separation and who are searching for suitable employment—and the labour market training programs that share key linkages with the EI program.

In 2016-17, an average of 566,000 beneficiaries received EI regular benefits each month. Though benefits levels and durations vary case-by-case, an EI regular claimant received, on average, \$449 in weekly regular benefits for a duration of 20.5 weeks.²

There is no “typical” or “average” EI recipient. The program is used by unemployed workers of all ages and education levels and covers all regions of the country and sectors of the economy. The program calculates benefit eligibility, level and duration using several individual factors such as insurable earnings and hours worked, and regional factors such as the unemployment rate in the region where the claimant is. Because of these different variables the experiences of many unemployed Canadians vary substantially from that of the “average” recipient.

For example, average benefit levels and duration differ on gender lines. In 2016-17, average weekly benefits paid to men (\$474) were higher than the average paid to women (\$412). Men also had slightly longer average benefit duration at 20.6 weeks, compared to women at 20.1 weeks. Benefits also differ according to age, with women 24 years old and under receiving the lowest average weekly benefit at \$364. Long-tenured workers also received a larger share of the total benefits paid relative to their share of claims. Employees from smaller firms also tended to be over-represented among EI regular claimants.³

¹ Employment and Social Development Canada. 2018. “Employment Insurance Monitoring and Assessment Report 2016/2017.”

² Ibid.

³ All figures referenced in this paragraph were derived from the Employment Insurance Monitoring and Assessment Report 2016/2017.

There is also substantial regional variation in who benefits from EI and by how much.

The largest variance from the “average” experience, however, is for those who do not use the EI program because they are ineligible to receive benefits. EI has its policy roots in insurance principles and, as such, disqualifies those who have not paid sufficient premiums, worked enough hours or who have voluntarily left a job. This has the effect of excluding many from EI eligibility, including the self-employed, gig workers, freelancers, recent immigrants and the long-term unemployed. The future of work in Canada, however, will see this already large segment of Canada’s workforce increase in size, rendering EI an ineffective means of income support for an increasing proportion of unemployed Canadians.

THE FUTURE OF WORK IN CANADA

The future of work in Canada will be characterized by structural changes in the labour market such as long spells of unemployment, increased job precarity and more non-standard employment relationships such as part-time, temporary and self-employed workers. In recent decades, these changes have been driven by a range of factors, including increased globalization, corporate strategies to control labour costs, decreased unionization rates and technological advances.

Non-traditional workers—including part-time workers, freelancers, independent contractors, remote workers, consultants and contingent workers—comprise between 20 to 30 percent of the workforce in Canada today.⁴ From 2005 to 2015 the proportion of full-time workers between the ages of 25 and 54 declined from 63.3% to 56.2% for men and from 46.4% to 43.7% for women.⁵ Between 1976 and 2016 the number of Canadians engaged in part-time work grew from 12.5% to 19.6%, while between 1997 and 2016 temporary workers grew from 8.6% to 13.5% of the labour market. Growth in full-time jobs in 2018 was encouraging, but longer-term trends point in another direction (although the trend-lines have stabilized for non-standard work in the past 10 to 15 years).

NEW ECONOMIES AND NEW FORMS OF WORK

THE GIG ECONOMY is most commonly associated with the tendency to work multiple short-term jobs and piece work.⁶

THE PLATFORM ECONOMY is most commonly associated with the proliferation of platform technologies which enable labour and careers to be broken down into component parts—that is, the “unbundling” of full- and part-time jobs into gigs and micro-tasks.⁷

PRECARIOUS WORK is most commonly associated with uncertainty and instability in a job. The term typically includes non-standard types of employment such as part-time, temporary and contract work, as well as self-employment. These forms of work are often less well-paid than traditional work and are tied to few or no benefits.⁸

⁴ Randstad. 2016. “Workforce 2025: the future of the world of work.” <http://content.randstad.ca/hubfs/workforce2025/Workforce2025-Randstad-Part1.pdf>.

⁵ Statistics Canada. 2017. “Labour in Canada: Key results from the 2016 Census.” The Daily. <http://www.statcan.gc.ca/daily-quotidien/171129/dq171129b-eng.htm?HPA=1>.

⁶ Johal, S. and Thirgood, J. 2016. “Working Without a Net: Rethinking Canada’s social policy in the new age of work.” Toronto: Mowat Centre.

⁷ Johal, S. et al. 2018. “Robots, Revenues and Responses: Ontario and the future of work.” Toronto: Mowat Centre.

⁸ Johal, S. and Thirgood, J., “Working Without a Net: Rethinking Canada’s social policy in the new age of work.”

Changes in the nature of work are not unique to Canada, as non-standard work has accounted for 60% of job growth across advanced economies since the mid-1990s.⁹ Further penetration of technology into everyday tasks, such as the platform or gig economy, which is estimated to be growing by 33% per year,¹⁰ could fuel significant further growth in part-time and temporary gigs for Canadians. Again, similar trends are occurring in other countries. For example, freelancers represent 35% of the U.S. workforce, a number that could reach more than 50% by 2027. Similar growth in Canada would mean a significant spike in the number of non-standard or non-traditional workers. Recent increases in income volatility for Canadians, with more than 3.3 million adults experiencing 25% fluctuations in monthly income, can be viewed as a consequence of the increasingly precarious and contingent status of many workers in Canada.¹¹

As new technologies such as artificial intelligence, robotics and digital platforms continue to proliferate, there are significant questions about how they will impact the jobs of the future. Some project that technological disruptions could eliminate close to half of existing jobs in advanced economies, while other studies have the number close to five percent.¹²

Significant technological disruption is putting very real pressure on employment regulatory and policy frameworks. Without transformational change, these regulatory and policy frameworks could become untenable.¹³ Lower-wage positions will be more susceptible to automation and disruption, and workers from marginalized communities could face even more challenges making ends meet.

These trends are starting to expose and magnify fundamental flaws in Canada's unemployment support system and its cornerstone, the EI program. Built for years past, the system is premised on the notion of the traditional binary employment relationship—a person is either in work or out of work, in school or out of school, in the labour force or retired—and other outdated assumptions.

These assumptions will lead to increasingly large problems as employment relationships evolve. Without bold and fundamental changes, more workers will be left behind by a system that does not protect them from job loss or precipitous declines in income. Workers in different parts of Canada will be excluded from accessing benefits based on outdated rationale. Access to skills retraining programs is even more vital now for workers to adapt to the changing demands of a modern economy. But under existing assumptions of the unemployment support system, skills training will continue to under-serve those who have the most tenuous attachment to the labour market.

⁹ Organization for Economic Co-operation and Development. 2015. "In it together: Why less inequality benefits all." Paris: OECD Publishing.

¹⁰ Policy Horizons Canada. 1 May 2016. Canada and the Changing Nature of Work.

¹¹ See for example TD Bank's "Pervasive and Profound: The Impact of Income Volatility on Canadians." <https://td-capa.s3.amazonaws.com/prod/default/0001/01/2ed95a1a680ea5b78ab53646f1f432f51405bc02.pdf>

¹² Johal, S. et al. "Robots, Revenues and Responses: Ontario and the future of work."

¹³ Johal, S. and Thirgood, J., "Working Without a Net: Rethinking Canada's social policy in the new age of work."

The assumptions underpinning the unemployment support system must be revisited to reflect the changing nature of work. Changes can and must be made now to mitigate the shortcomings of the system and to make Canada's workforce ready for the economy of the 21st century.

THREE BIG PROBLEMS WITH CANADA'S UNEMPLOYMENT SUPPORT SYSTEM

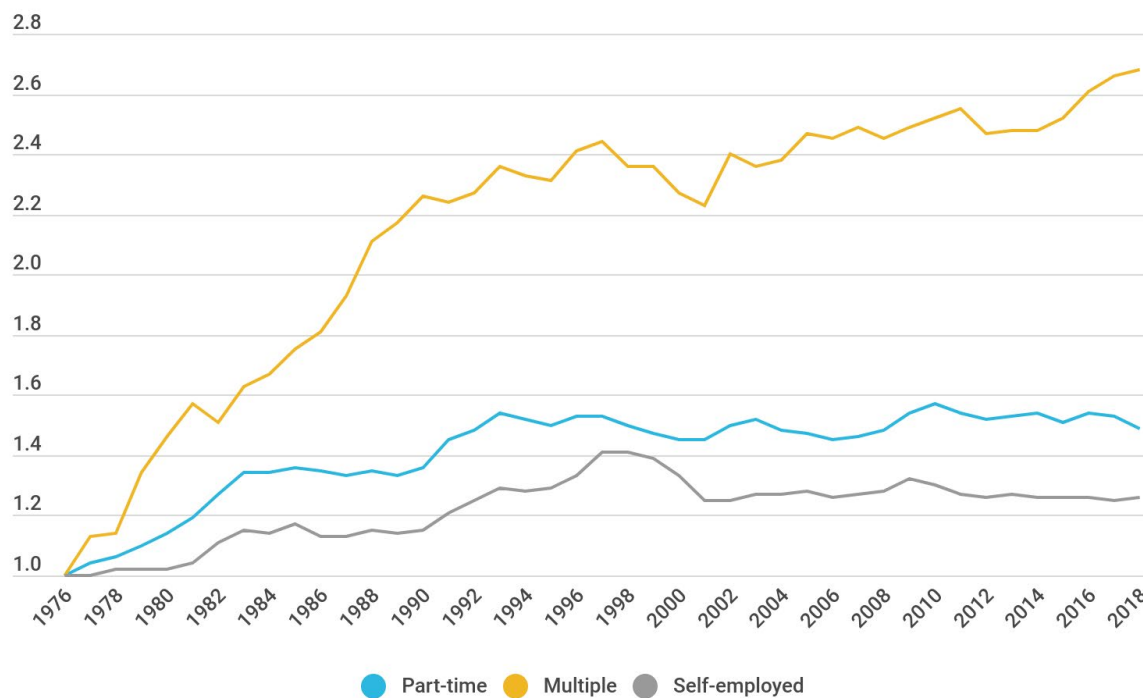
The EI program and broad array of skills training programs that comprise most of Canada's unemployment support system are artifacts of the era in which they were conceived. They are based on a 1950s notion of work, which assumed long-term, full-time employment in a single job. Today's reality of more flexible, contingent and precarious forms of work challenges those assumptions. The Labour Force Survey captures the dramatic changes in Canada's labour market since the EI architecture was designed.

For example, since 1976:

- The number of multiple job-holders has increased by **168%**
- The number of part-time job-holders has increased by **49%**
- Self-employment has increased by **26%**

Figure 1 illustrates these changes using 1976 as a base year.

FIGURE 1
Percentage Change in Various Forms of Employment, 1976-2018



Source: Statistics Canada, Labour Force Survey, Tables 14-10-0018-01, 14-10-0027-01 and 14-10-0049-01

Even if traditional employment relationships do persist well into the future, they are certain to be accompanied by a growing contingent of non-traditional workers. The current system does not address the needs of these people.

As the nature of work continues to change, three big problems with Canada's unemployment support system will increasingly come into focus:

- 1. The system leaves many behind;**
- 2. EI unfairly disqualifies many on a regional basis for no principled reason; and**
- 3. EI's problems ripple through the skills training system.**

To ensure that Canada's workers are properly supported in the future, these problems must be addressed through bold and fundamental changes to the unemployment support system.

1. THE SYSTEM LEAVES MANY BEHIND

The purpose of EI is to serve as a temporary earnings-replacement program for individuals who have lost stable employment through no fault of their own. It differs from many other aspects of Canada's social safety net, in that it is contributory and insurance-based, meaning it is not universally available.

To qualify for EI regular benefits,¹⁴ a claimant must have met three core eligibility requirements:

- The claimant has paid EI premiums within the previous 52 weeks;
- The claimant has a valid job separation (i.e. did not quit or was not fired for just cause); and
- The claimant has worked a minimum number of insurable hours within their qualifying period—defined as either the previous 52 weeks or since establishing their last claim, whichever is shorter—based on the regional unemployment rate.¹⁵

¹⁴ The EI system provides for several different types of benefits (see Text Box: Summary of EI Benefits Types). This report focuses exclusively on EI regular benefits.

¹⁵ Employment and Social Development Canada. "Employment Insurance Monitoring and Assessment Report 2016/2017."

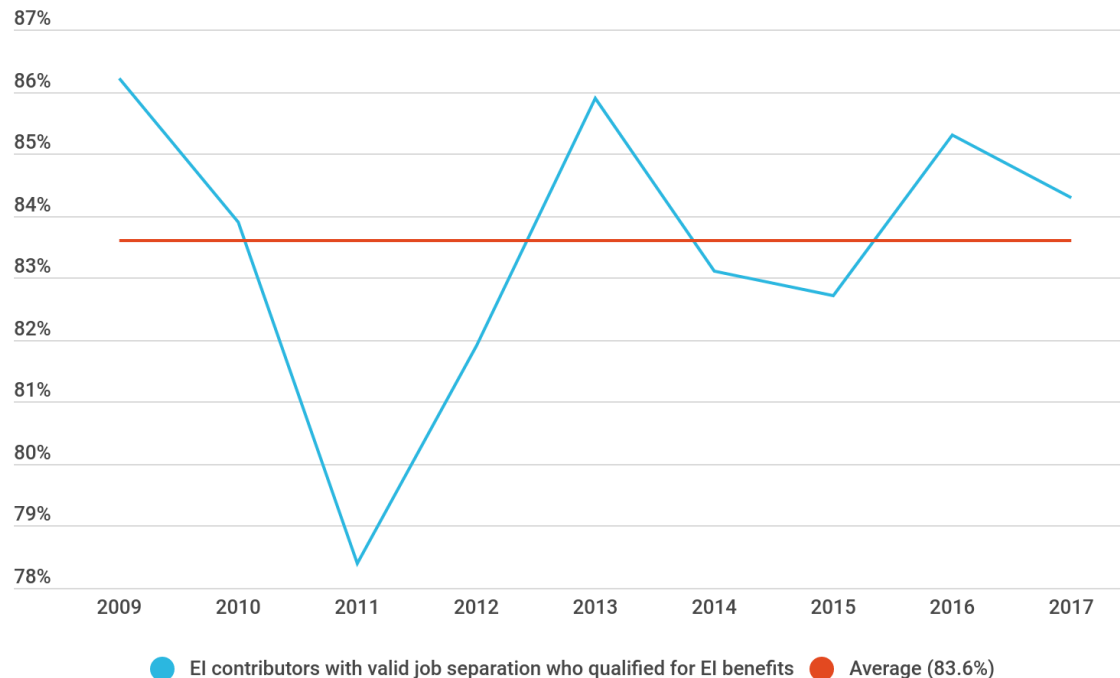
Summary of EI Benefit Types

Benefit Type	Circumstance	Insurable Employment entrance requirement	Maximum entitlement
Regular	Unemployed with a valid reason for separation and searching for suitable employment (or retraining in certain cases)	420 to 700 hours, depending on the Variable Entrance Requirement	14 to 45 weeks, depending on insurable employment
Fishing	Self-employed fishers without available work	Value of a catch between \$2,500 and \$4,200, depending on the Variable Entrance Requirement	26 weeks per season (summer or winter)
Work sharing	Firm avoiding layoffs during a slowdown in business activity for reasons beyond the firm's control with a recovery plan and a work-sharing agreement in place	420 to 700 hours, depending on the Variable Entrance Requirement and must be a year-round employee	6 to 26 weeks, with the possibility of an extension by 12 weeks if warranted
SPECIAL BENEFITS			
Maternity	Unavailable to work because of pregnancy or has recently given birth	600 hours	15 weeks
Parental	Caring for a newborn or a newly adopted child	600 hours	35 weeks
Sickness	Unavailable to work because of illness, injury or quarantine	600 hours	15 weeks
Compassionate care	Providing care or support to a family member with a serious medical condition and a significant risk of death	600 hours	26 weeks
Parents of critically ill children	Providing care or support for the claimant's critically ill or injured child	600 hours	35 weeks

Notwithstanding some significant interregional differences, discussed in the following section, EI coverage rates are reasonably high for the target population. Between 2009 and 2017, an average of 83.6% of EI contributors with valid job separation qualified for EI benefits (see Figure 2).

FIGURE 2

Unemployed EI Contributors with Valid Job Separation Who Qualified for EI Benefits, 2009 to 2017



Source: Employment Insurance Coverage Survey

From a policy perspective, there are a number of understandable rationales for setting eligibility in the manner that EI does, since “it is not the objective of the program to cover the unemployed who have little or no previous attachment to the labour market, who are not contributing to EI, or who quit their jobs without just cause.”¹⁶

Because the design of the program has its roots in insurance principles, it is reasonable to disqualify those who have not paid sufficient premiums, have not worked enough hours or have voluntarily left a job. Excluding the self-employed from receiving benefits also makes sense because there would be significant moral hazard involved in allowing a self-employed person to determine what constitutes a valid job separation.

As Dr. Donna E. Wood has aptly put it, “the essentials of the [EI] program are good, but too many workers are falling through the cracks, either because they do not qualify for benefits in the first place or they exhaust them too quickly.”¹⁷ Even though EI regular benefits are generally available to a large segment of the program’s target population, a growing segment of the population is being left behind. While the share

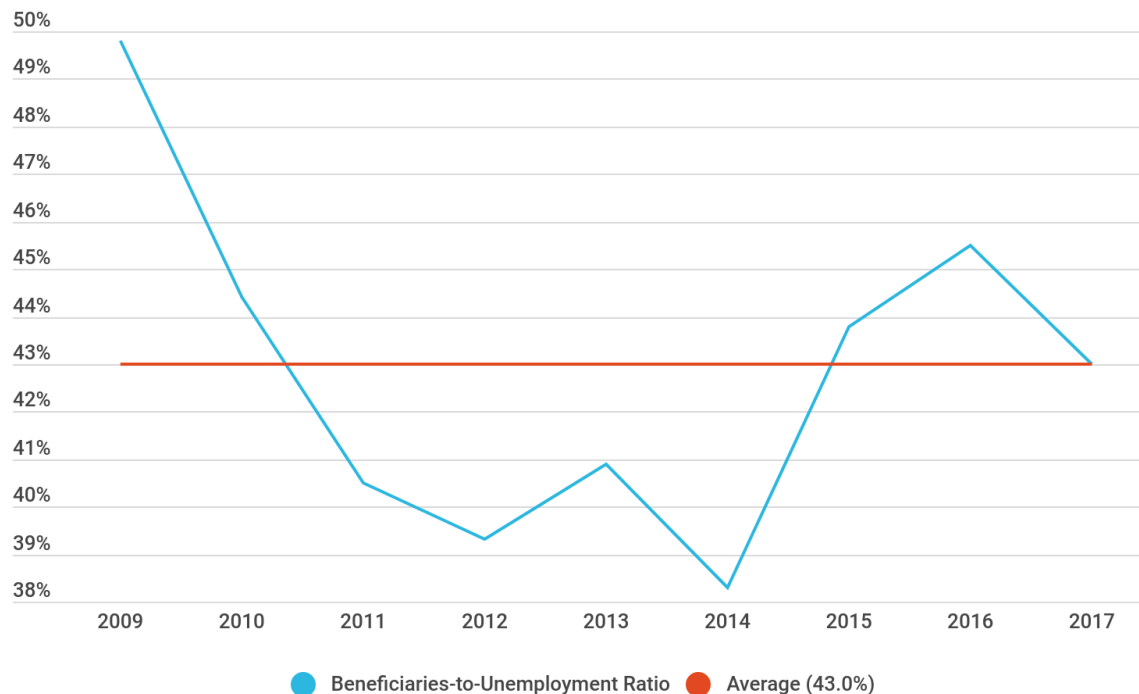
¹⁶ Gray, D. and Busby, C. 2016. “Unequal Access: Making Sense of EI Eligibility Rules and How to Improve Them.” C.D. Howe Institute.

¹⁷ Wood, D.E. 2019. “Employment Insurance: Next Steps on the Road to Renewal.” Atkinson Foundation.

of unemployed workers receiving EI payments was more than 80% in the late 1980s,¹⁸ that share has averaged 43% for nearly a decade (see Figure 3).

FIGURE 3 Beneficiaries-to-Unemployment Ratio

Percentage of unemployed workers who receive EI payments, 2009-2017:



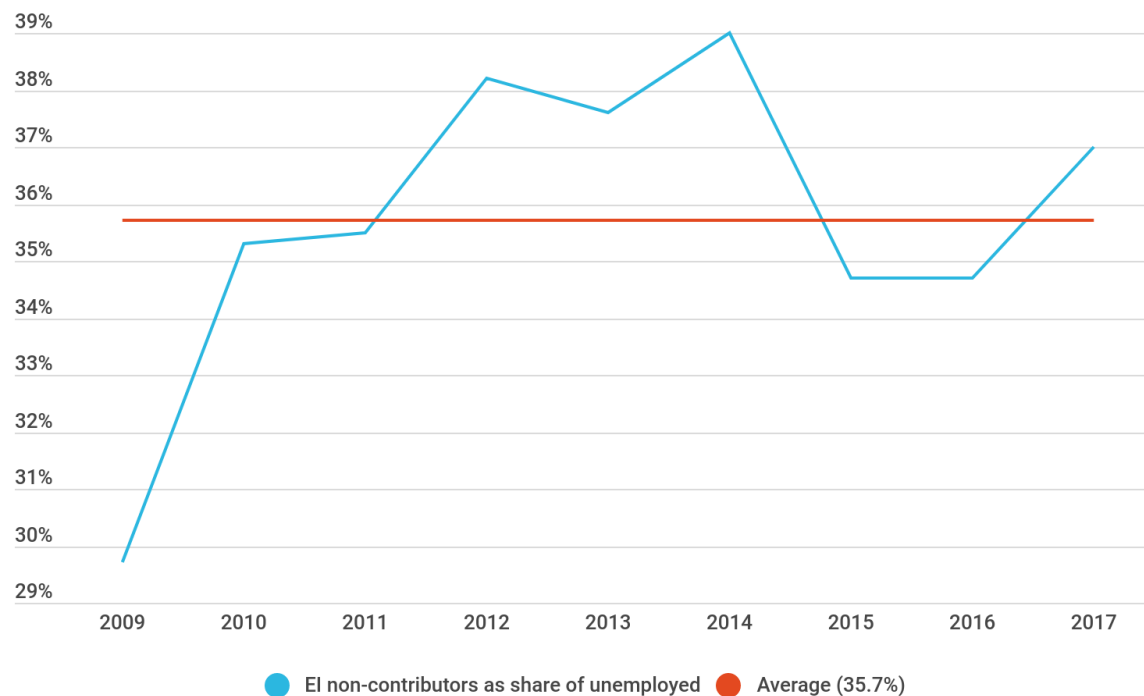
Source: Employment Insurance Coverage Survey

This decline in EI coverage rates is largely due to EI non-contributors forming a larger share of the unemployed population.¹⁹ While the share of non-contributors represented 25% of the unemployed population in 1989, that share jumped to 35.7% between 2009 and 2017 (see Figure 4).

¹⁸ Gray, D. and Busby, C. "Unequal Access: Making Sense of EI Eligibility Rules and How to Improve Them."

¹⁹ While structural changes in the labour market were a major reason for the decline in EI coverage rates since the 1980s, restrictive changes to the EI system introduced in the 1990s—mainly no longer allowing workers who quit or are dismissed to qualify for benefits—also accounted for half of the decline. For a full discussion, see Gray, D. and Busby, C. "Unequal Access: Making Sense of EI Eligibility Rules and How to Improve Them."

FIGURE 4
EI Non-contributors as Share of Unemployed, 2009 to 2017



Source: Employment Insurance Coverage Survey

This increase of EI non-contributors as a share of the unemployed is largely attributable to structural changes in the labour market such as long spells of unemployment; more part-time, temporary and self-employed workers; increasing precarity and tenuous attachment to the labour force; and an increase in non-standard employment relationships. These changes mean workers will spend more time trying to move in and out of new jobs, will have less bargaining power in being retained, and will be more susceptible to job loss during times of economic pressure.

How might the future of work come into play?

Qualifying for EI benefits is particularly challenging for self-employed workers, recent immigrants, young people, contract workers and others with tenuous attachments to traditional employment. Trends towards non-standard forms of work in the labour market raise the question of what is likely to happen going forward and who will be most significantly impacted.

Research indicates that young people and those with lower incomes tend to be over-represented in the gig economy,²⁰ while recent immigrants may be attracted to the flexibility and potential for higher wages that

²⁰ Bajwa, U. et al. 2018. "Towards an understanding of workers' experiences in the global gig economy." Global Migration & Health Initiative. https://www.giomhi.org/uploads/7/4/4/8/74483301/workers_in_the_global_gig_economy.pdf

the gig economy promises, without recognizing that there is virtually no room for career advancement in the platform-based world of work.²¹ TaskRabbit, Uber, Handy and Skip the Dishes are examples of companies that have created virtual platforms to connect workers and short-term jobs.

If the gig economy is indeed growing at a “phenomenal rate that shows no signs of slowing down”²² it raises questions about how workers seeking to gain a foothold in the labour market may find themselves with few opportunities for full-time positions with benefits and opportunities for upward mobility. Rather, they may only have options where bargaining power and advancement opportunities are severely constrained.²³

In a world with more temporary, freelance, contract and contingent positions, the risks of not accruing enough hours of work to qualify for EI could increase, particularly for workers without unique skills that set them apart from others willing to take on the same gig for equal or less pay. Furthermore, those with difficulty attaching to the labour market now in Canada may not have much more success in a future world of work where global labour platforms enable the provision of services to Canadian firms by workers who live anywhere in the world and whose wage expectations are significantly lower.

How to adapt the unemployment support system to the future of work: broader temporary income supports

EI is not designed to support workers in non-standard employment relationships. Canada also has no system of temporary income support for individuals who do not qualify for EI but do not meet the rigid means tests for social assistance.²⁴ However, altering EI to address the needs of these workers would undermine the insurance principles upon which the program is built.

To address this gap, Canada’s unemployment support system should be supplemented with an intermediary program in parallel to EI. A Temporary Unemployment Assistance (TUA) program would provide time-limited and flexible income support to unemployed individuals in non-traditional employment relationships who are currently ineligible for benefits from the EI system. The program would act as a bridge for the increasing number of unemployed who are stuck between having no chance of qualifying for EI and are forced to liquidate most, if not all, of their assets to qualify for social assistance. This addition would also help build a more comprehensive system that provides income support for all Canadians who face income shocks. In the longer term, a TUA program would “improve the fairness of the system as a whole, facilitate

²¹ Markham, L. 20 June 2018. “The Immigrants Fueling the Gig Economy.” The Atlantic.
<https://www.theatlantic.com/technology/archive/2018/06/the-immigrants-fueling-the-gig-economy/561107/>

²² Randstad Canada. 2017. “Workforce 2025: The future of the world of work.” <http://content.randstad.ca/hubfs/workforce2025/Workforce-2025-Randstad-Part1.pdf>

²³ BMO Wealth Management. July 2018. “The gig economy.”
https://www.bmo.com/assets/pdfs/wealth/bmo_gig_economy_report_en.pdf

²⁴ Mowat Centre. 2011. “Making It Work: Final Recommendations of the Mowat Centre Employment Insurance Task Force.”

labour market participation among potentially vulnerable groups, and prevent some workers from falling into destitution.”²⁵

2. EI Unfairly Disqualifies Many on a Regional Basis

The local unemployment rate across the 64 EI economic regions is a key criterion for determining EI eligibility, as well as the level and duration of EI regular benefits.

To qualify for EI regular benefits, a claimant must have accumulated a certain number of hours of insurable employment during the qualifying period. The number of hours of insurable employment required varies depending on the regional unemployment rate in the claimant’s place of residence. The required number of hours ranges between 420 and 700 and is lowest in the regions with the highest unemployment rates (see Figure 5).

Once a claimant has qualified for EI regular benefits, the amount of weekly benefits is also a factor of the regional unemployment rate. A claimant’s total insurable earnings is calculated as a function of his or her best weeks—the weeks that the claimant earned the most money. In regions with the highest rates of unemployment, the claimant’s 14 best weeks are used to determine insurable earnings. In regions with the lowest rates of unemployment, however, the claimant’s best 22 weeks are used, which can drag down average earnings (Figure 6).

Key design features of a Temporary Unemployment Assistance program

In 2011, the Mowat Centre’s EI Task Force recommended the implementation of such a program in the form of a TUA program. The key design features of the proposed TUA included:

1. Payable to recipients as a flat weekly benefit available to individuals for a set number of months within an eligibility period of a set number of years;
2. Forgivable “jobseeker’s loan” with repayment contingent upon income reported through the tax system;
3. If a full entitlement is used, it only be renewed after the eligibility period passes;
4. Eligibility for the benefit could also be renewed sooner through repayment;
5. Would also provide some security for the employed who have experienced some income loss or suffer significant reductions in hours but are still not eligible for EI benefits;
6. Would exclude full-time students or social assistance recipients;
7. Only those who regain significant employment in the year that they access benefits would have to repay in part;
8. Only those who gain high-paying employment would repay in full.

²⁵ Ibid.

FIGURE 5
Number of Hours of Insurable Employment Required to Qualify for Regular Benefits

Regional rate of unemployment	Required number of hours of employment in the last 52 weeks
6% or less	700
6.1% to 7%	665
7.1% to 8%	630
8.1% to 9%	595
9.1% to 10%	560
10.1% to 11%	525
11.1% to 12%	490
12.1% to 13%	455
13.1% or more	420

Source: http://srv129.services.gc.ca/eiregions/eng/rates_cur.aspx

FIGURE 6
Number of Variable Best Weeks Calculation Rates

Regional rate of unemployment	Number of best weeks
6% or less	22
6.1% to 7%	21
7.1% to 8%	20
8.1% to 9%	19
9.1% to 10%	18
10.1% to 11%	17
11.1% to 12%	16
12.1% to 13%	15
13.1% or more	14

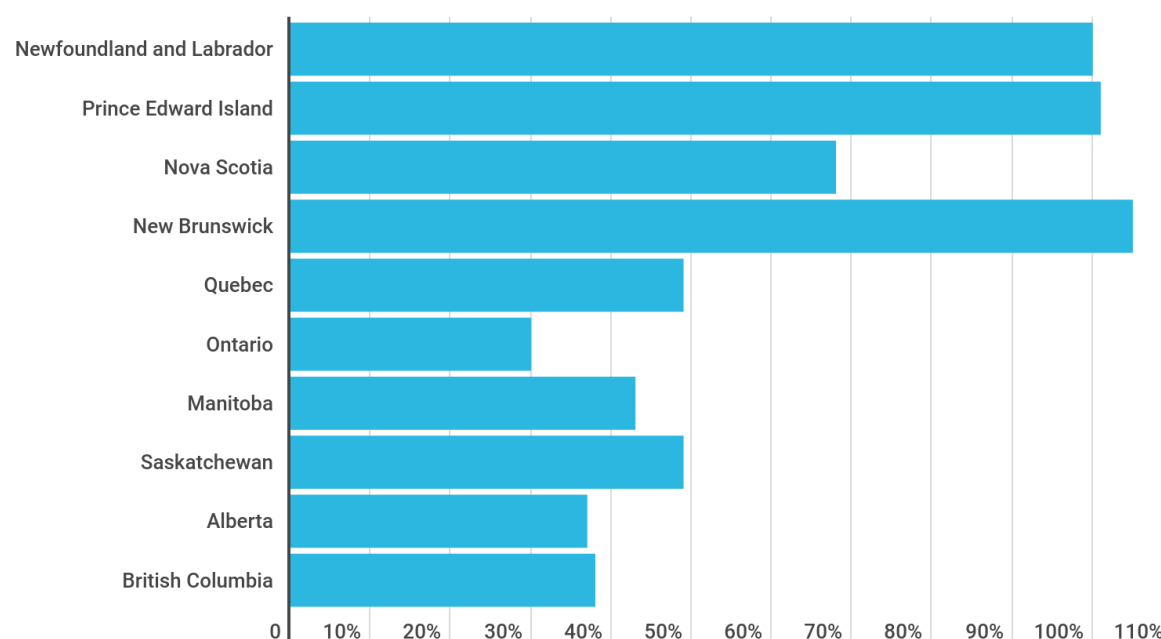
Source: <https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/regular-benefits/duration.html>

The number of weeks of benefits that a claimant is eligible for is also based on the number of hours of insurable employment and the regional rate of unemployment. For example, in a region with a greater than 16% unemployment rate, a claimant with 420 hours of insurable employment would be eligible for 32 weeks of benefits. In a region with less than 6% unemployment, however, a claimant would require four times more hours of insurable employment (1,680) to be eligible for the same 32 weeks of benefits. Furthermore, a claimant in a region with a greater than 16% unemployment rate will qualify for a maximum 45 weeks of benefits if he or she has 1,330 hours of insurable employment. A claimant in a region with less than 6% unemployment would only be entitled to a maximum of 36 weeks of coverage, and only if he or she has

more than 1,820 hours of insurable employment. In short, workers in regions with lower unemployment rates need to work more hours to qualify for lower benefits levels at shorter benefit durations. Conversely, individuals living in regions with higher unemployment rates can qualify for EI benefits faster and receive higher weekly benefits for longer periods of time.

Relying so heavily on the local unemployment rate as an allocation mechanism leads to rather dubious outcomes from an interregional fairness perspective. Combined with the effects of the unemployment support system leaving many behind, as discussed above, the differential regional entry requirements lead to vastly different EI coverage rates across Canada. For example, while the Atlantic provinces experienced particularly high coverage rates in 2017—more than 100% in some cases—Ontario saw as little as 30% of its unemployed population receive EI regular benefits (Figure 7).

FIGURE 7
Percentage of the Unemployed Receiving EI Regular Benefits by Province, 2017



Source: CANSIM Tables 14-10-0287-01 and 14-10-0011-01

Note: The data expressed above can over-and under-count the percentage of the unemployed receiving support. Some EI beneficiaries are not counted as unemployed (e.g. those working while receiving EI). As a result, more than 100 percent of the unemployed can appear to be receiving benefits. Additionally, those counted as unemployed and not receiving EI may receive other benefits such as social assistance. Still, this figure provides a powerful comparison of the operation of EI across provinces.

These interregional differences do not only manifest themselves in differential coverage rates. Even with identical work histories, workers who live in certain regions receive a larger benefits cheque than workers who live in other regions.²⁶ Typically, regional differentiation in weekly benefits applies to the unemployed

²⁶ Ibid.

who worked for a short period prior to being laid off, or who had inconsistent weekly earnings. In most regions, “EI recipients who worked for a short period prior to being laid off have their weekly benefits decreased. The reduction in benefits for workers with a short work period prior to layoff depends on the local unemployment rate: lower local unemployment rates lead to a lower benefit.”²⁷

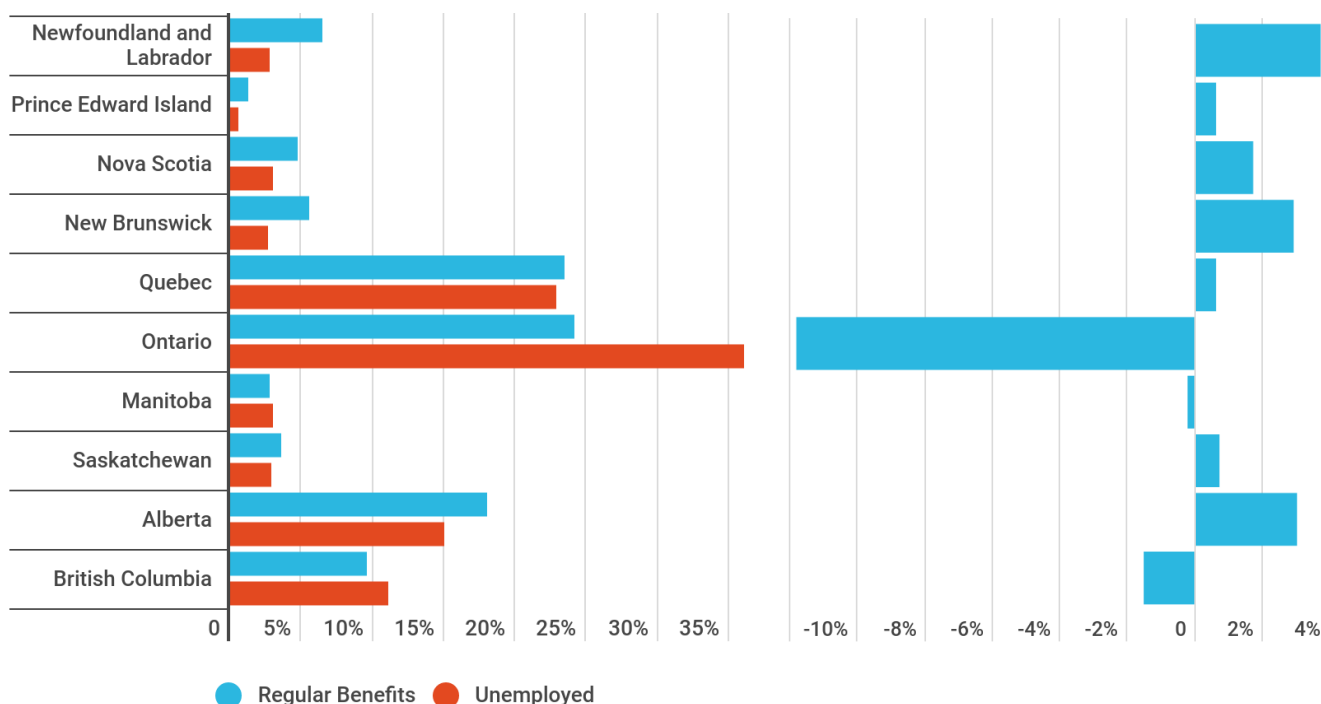
The net result of stricter eligibility criteria in certain regions, combined with shorter benefit durations and lower benefit levels also result in substantial differences in amounts of EI regular benefits paid by province. These differences can also be clearly demonstrated in terms of the difference between the share of total EI regular benefits paid by province, and the share of the unemployed population.

In 2016-17, the share of regular benefits exceeded the share of the unemployed population in all but Ontario, Manitoba and British Columbia (see Figure 8). The difference between Ontario’s share of regular benefits received and its share of unemployment was particularly stark, at a difference of nearly 12 percentage points—36.1% of unemployed versus 24.2% of regular benefits (see Figure 9).

FIGURES 8 AND 9

Share of EI Regular Benefits and Share of Unemployed by Province, 2016-17:

Percentage Point Difference Between Those Two Measures:



Sources: Employment Insurance Monitoring and Assessment Report, 2016-17 and CANSIM Table 14-10-0018-01

²⁷ Ibid.

There are multi-layered problems with this heavy reliance on the local unemployment rate as an allocation mechanism.

The first is a basic failing of horizontal equity; that is, treating like cases alike. For example, two people who work together and have identical work histories who are laid off from the same business at the same time can be treated differently if they live in neighbouring EI regions with different unemployment rates. These two workers might face different EI eligibility requirements whereby one might receive benefits while the other does not, even if their prospects for re-employment are roughly identical.²⁸

Second, there is mounting evidence that the local unemployment rate is far too blunt of an instrument to be relied upon so heavily as an allocation mechanism. It does not provide sufficient information to inform who should qualify for EI or for how long.

The local unemployment rate tells us little about the local need for EI benefits or a claimant's job prospects—it is “only one factor affecting how hard it is to find a new job, and likely not the most important factor.”²⁹ Many other factors, such as the seasonally adjusted change in employment, the job vacancy rate and the rate of employee turnover, would be more successful in gauging employment prospects than the unemployment rate alone.³⁰ Take, for example, the distribution of EI regular benefits claims. Claims for EI regular benefits regularly come from across the spectrum of local unemployment rates (Figure 10). The local unemployment rate similarly does little to predict year-over-year changes in the number of claims with large annual increases and decreases often coming from all parts of the spectrum of local unemployment rates (Figure 11).

²⁸ Ibid.

²⁹ Mendelson, M., Battle, K. and Torjman, S. 2009. “Canada's Shrunken Safety Net: Employment Insurance in the Great Recession.” Ottawa: Caledon Institute of Social Policy. <http://www.caledoninst.org/Publications/PDF/773ENG.pdf>.

³⁰ Bishop, G. and Burleton, D. 2009. “Is Canada's Employment Insurance Program Adequate?” TD Economics. <https://www.td.com/document/PDF/economics/special/td-economics-special-gb0409-ei.pdf>.

FIGURE 10

Distribution of Employment Insurance Regular Claims by Regional Unemployment Rate, Canada 2012-13 to 2016-17

Unemployment Rate	Employment Insurance Regular Claims				
	2012-13	2013-14	2014-15	2015-16	2016-17
0.1% to 6.0%	199,610	187,910	273,380	218,020	171,350
6.1% to 7.0%	159,140	196,410	158,060	363,660	363,170
7.1% to 8.0%	177,020	259,710	329,870	279,030	299,000
8.1% to 9.0%	441,350	327,910	236,460	216,290	169,290
9.1% to 10.0%	100,260	45,870	78,450	75,660	65,480
10.1% or higher	279,430	308,000	266,390	278,430	252,840
Canada	1,356,810	1,325,810	1,342,610	1,431,090	1,321,130

FIGURE 11

Year-Over-Year Change in Employment Insurance Regular Claims by Regional Unemployment Rate, Canada 2012-13 to 2016-17

Unemployment Rate	Year-Over-Year Change			
	2013-14	2014-15	2015-16	2016-17
0.1% to 6.0%	-5.9%	45.5%	-20.3%	-21.4%
6.1% to 7.0%	23.4%	-19.5%	130.1%	-0.1%
7.1% to 8.0%	46.7%	27.0%	-15.4%	7.2%
8.1% to 9.0%	-25.7%	-27.9%	-8.5%	-21.7%
9.1% to 10.0%	-54.2%	71.0%	-3.6%	-13.5%
10.1% to 11.0%	10.2%	-13.5%	4.5%	-9.2%

Furthermore, the local employment rate tells us little about optimal benefit duration. Higher unemployment rates do not necessarily translate into longer durations of unemployment. In 2017, Ontario and Quebec had some of the lowest provincial annual unemployment rates in Canada at 6% and 6.1% respectively (CANSIM Table 14-10-0018-01). However, they had some of the longest average durations of unemployment in the country at 19.3 and 20 weeks (CANSIM Table 14-10-0057-01). On the other hand, Newfoundland and Prince Edward Island—which had markedly high unemployment rates at 14.8% and 9.8% respectively—had shorter

average durations of unemployment at 18.5 and 16.1 weeks. The actual duration of EI regular benefit period exceeds the average duration of unemployment in every province but Quebec and Ontario (see Figure 12).

FIGURE 12

Provincial Unemployment Rates Versus Average Duration of Unemployment, 2017

Province	Unemployment Rate (%)	Average Duration of Unemployment (Weeks)	Average Actual Duration of EI Regular Benefits (Weeks)*
Newfoundland and Labrador	14.8	18.5	31.8
Prince Edward Island	9.8	16.1	23.1
Nova Scotia	8.4	17.4	23.1
New Brunswick	8.1	17.6	23.4
Quebec	6.1	20.0	18.0
Ontario	6.0	19.3	18.6
Manitoba	5.4	15.8	19.1
Saskatchewan	6.3	18.9	24.5
Alberta	7.8	23.1	24.5
British Columbia	5.1	17.8	20.0

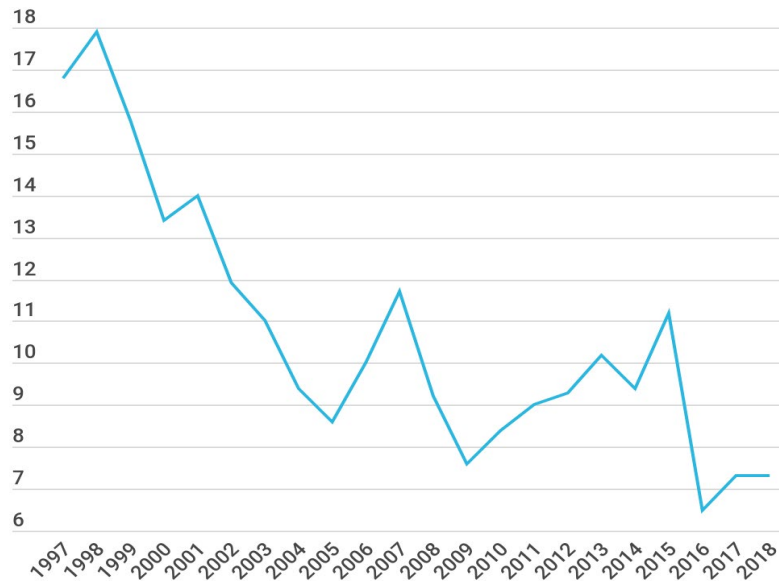
Sources: CANSIM Tables 14-10-0018-01 and 14-10-0057-01, 2016/2017 Employment Insurance Monitoring and Assessment Report

*Data for Average Actual Duration of EI Regular Benefits is for 2016-17.

The gap between provinces' average duration of unemployment has also been in a state of steady decline. Over the last 20 years, the gap between the provinces with the highest and lowest average duration of unemployment has closed considerably, from a high of 17.9 weeks difference in 1998 to a difference of only 7.3 weeks in 2018 (see Figure 13). Overall, the width of the entire band is also tightening, with the average difference from the national average shrinking from 3.5 weeks in 1997 to 0.25 weeks in 2018 (Figure 14). This story of convergence suggests that basing the duration of benefits on the unemployment rate is no longer justified.

FIGURE 13

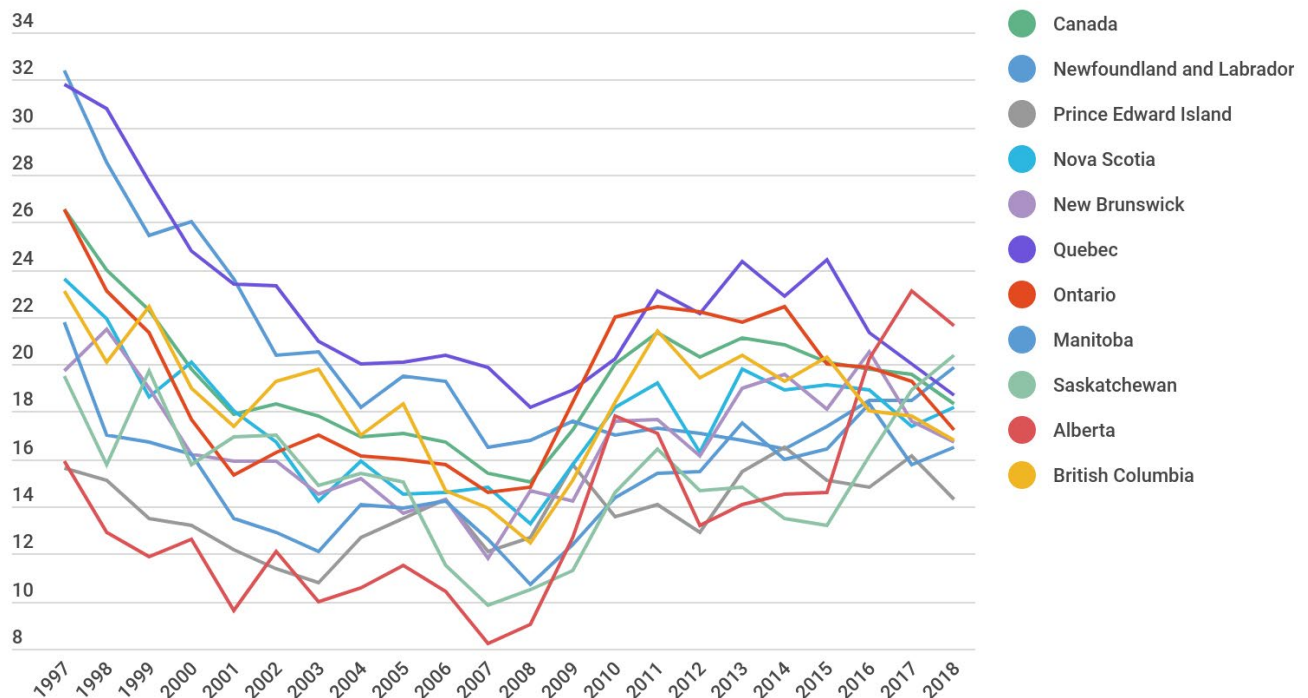
Disparity Between Highest and Lowest Average Duration of Unemployment by Province (weeks)



Source: CANSIM Table 14-10-0057-01

FIGURE 14

Average Duration of Unemployment by Province (weeks)



Source: CANSIM Table 14-10-0057-01

How might the future of work come into play?

A key question going forward is how the regional basis for EI qualification will be impacted by changes in the nature of work. There are three key issues in relation to the spatial dimension of work.



First, the globalization of work, particularly in certain service occupations—whether computer programming, consulting, legal work or graphic design, to name but a few—is likely to lead to a flattening of wages. This will benefit workers in the developing world but could limit or suppress the earning potential of some workers in advanced economies. The outsourcing of telemarketing jobs might be only a signal of spatial changes to come in other professions, like highly trained engineers and lawyers bidding for contracts with their counterparts from around the world.³¹ The unbundling of full-time jobs into their constituent task components (gigs), already seen on platforms such as Mechanical Turk, Upwork and Freelancer, could render workers' locations irrelevant when it comes to measuring their ability to secure gainful employment. Consequently, the regional entrance requirements for EI will increasingly be less relevant in a globalized labour market.

Second, workers trying to qualify for EI in urban areas like Toronto and Vancouver face challenges that are largely based on the types of work which proliferate in these cities—that is, more part-time, precarious forms of employment. As more people move to large urban areas in search of opportunities, these challenges are likely to accelerate. Many of the opportunities that new arrivals to Canada would traditionally be able to secure, such as in the restaurant or retail sectors, are potentially going to be automated out of existence—for example, through advancements in self-checkout technology or stores modelled on Amazon Go—or at the very least commodified through platforms, leading to a growth of less-secure, well-paying positions.

Third, the risks of disruption to specific sectors or more broadly throughout the economy mean it will be impossible to predict and plan for where the economy and workers will be in two, three or four years, let alone a decade later. Readjusting the terms of a program like EI to plan for the future needs of workers and the economy then becomes exponentially more difficult, as precise issues around regional economic variations, hour requirements and the like are increasingly challenging to forecast.

How to adapt the unemployment support system to the future of work: a single entrance requirement, benefit duration and level

The reliance on the local unemployment rate—an extremely narrow measurement of a claimant's employment prospects—distributes benefits in an inequitable manner and is not supported by sufficient justification or a defensible policy rationale. Going forward, these adverse effects will only be exacerbated as

³¹ Beerepoot, N. and Lambregts, B. 2017. "Reining in the global freelance labor force: how global digital labor platforms change from facilitators into arbitrators" in H. Galperin and A. Alarcon (eds.), *The Future of Work in the Global South*. International Development Research Centre, 12-14. <https://fowigs.net/wp-content/uploads/2017/12/FutureOfWorkintheGlobalSouth.pdf>

the relationship between the local unemployment rate and an individual's employability breaks down even further.

As demonstrated, under this system workers with identical histories can be entitled to vastly different benefits, or none at all. The local employment rate is a poor indicator of need, employment prospects and duration of unemployment.

To address these shortcomings, the reliance on the local unemployment rate as an allocation mechanism should be abandoned. The two main candidates for replacing it would be to either use a more complex measure of individual employability, or to adopt a simpler and more transparent one.

In addition to using more robust metrics mentioned above (seasonally adjusted change in employment, job vacancy rate and the rate of employee turnover), getting a true measurement of an individual's re-employability would require collecting far more information, such as individual skill sets and local job vacancies requiring those skills. The implementation and administration of such a system would be cumbersome and would likely require significant individual case management. The alternative would be to take a simpler, more transparent approach.

“While the unemployment rate may be a flawed measure for determining the duration of unemployment benefits, no perfect alternative is available. Even with substantial information about recipients, it would be impossible to design a good measure to support a principled and fair distribution of benefits. Absent reliable evidence, governments should treat people equally.”

**Making It Work: Final Recommendations of the Mowat Centre
Employment Insurance Task Force**

There is much to recommend in getting rid of the local unemployment rate as an allocation mechanism and replacing it with a single, national EI entrance requirement, benefit duration range and weekly benefit formula. A single, national approach would address the unfairness of the current system and would not unduly penalize claimants for living in regions with lower unemployment. Such a system would also be more transparent, simpler and easier to understand for clients, would make the tenuous relationship between the local unemployment rate and employability irrelevant, and could be implemented using existing administrative infrastructure.

3. EI'S PROBLEMS RIPPLE THROUGH THE SKILLS TRAINING SYSTEM

Key elements of Canada's unemployment support system are the labour market skills and training programs intended to help un- and underemployed workers improve their skills and find jobs. These programs are "critical to ensuring that Canadians do not get locked into self-sustaining cycles of long-term unemployment."³²

How might the future of work come into play?

There is a growing consensus internationally that training workers more effectively will be vital to insulating economies from the shocks of a technologically disruptive future. The recent G-20 summit in Buenos Aires ended with a communiqué from world leaders emphasizing the importance of skills training and life-long learning for workers.³³ These programs are instrumental in helping workers secure and smooth transitions between different types of work opportunities, continually build experience, and build up to better employment through non-linear pathways, including unbundled forms of work.

However, Canada invests less than many advanced economies in active-labour market programs and skills-training, and EI-eligible workers are often ineligible for public sector skills-training supports.^{34 35} Yet those ineligible workers are often the ones who need the most support because they have the most tenuous attachment to the labour market. In a future world of work where more workers are expected to bounce more frequently between jobs and gigs, providing them with meaningful supports and opportunities is a pronounced imperative.

Skills training systems are leaving many behind

Skills training programs are a joint federal-provincial responsibility. Since the mid-1990s, provinces have played the primary role in planning and administering training programs while the federal government funds much of this programming through a number of transfer agreements.

There are strong programmatic ties between the skills training system and EI. Unfortunately, this means that many of the problems endemic to EI also trickle into the skills training system.

³² Morden, M. 2016. "Back to Work: Modernizing Canada's labour market partnership." Mowat Centre.

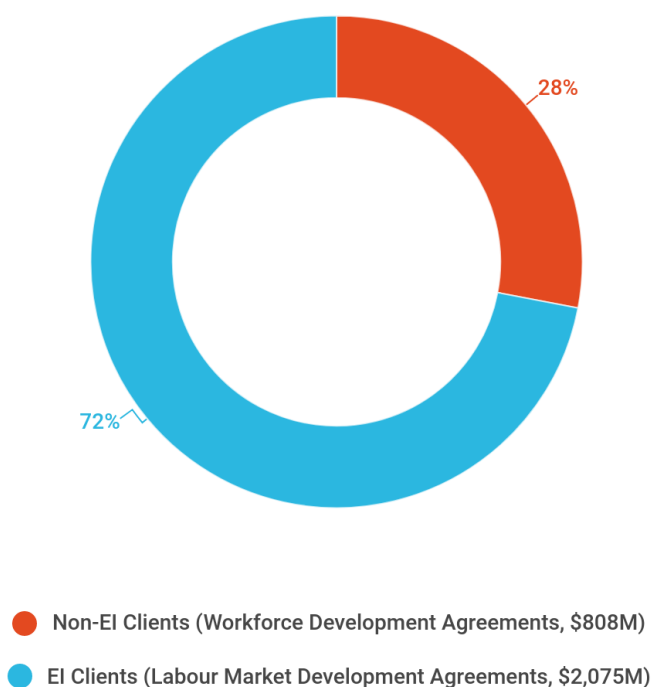
³³ G20 Argentina 2018. "Buenos Aires Update: Moving forward the G20 Action Plan on the 2030 Agenda for Sustainable Development." <http://www.g20.utoronto.ca/2018/2018-buenos-aires-update.html>

³⁴ Johal, S. 5 December 2018. "Countries must protect workers from technological disruptions. Here's how." The Washington Post. <https://www.washingtonpost.com/opinions/2018/12/05/countries-must-protect-workers-technological-disruptions-heres-how/>

³⁵ Johal, S. 27 November 2018. "GM's closing is a warning shot: Canada's not ready for the age of disruption." The Globe and Mail. <https://www.theglobeandmail.com/opinion/article-gms-closing-is-a-warning-shot-canadas-not-ready-for-the-age-of/>

The largest transfers, Labour Market Development Agreements (LMDAs), are funded from EI premiums. Historically, access to skills training programs funded through LMDAs has been restricted to individuals who are active EI claimants or were recently eligible for EI. This has led to an entrenched inequity between insured and non-insured unemployed Canadians with respect to access to skills training programs, as 72% of federal funding for training programs is tied to EI eligibility (see Figure 15).

FIGURE 15
Split Between LMDA and WDA Funding, 2017-18



Source: Public Accounts of Canada, 2017-18
Note: Does not include pan-Canadian program delivered by the federal government.

Recently, eligibility for LMDA-funded training was expanded to those who had paid EI premiums on \$2,000 in insurable earnings in at least five of the last 10 years.³⁶ While conceptually this should dramatically expand eligibility for these programs, it would still leave out vulnerable unemployed people with limited ties to the EI program, such as the self-employed, those on long-term disability, recent immigrants and gig workers. These unemployed Canadians often have the weakest attachments to the labour force and require the most support. There is no persuasive policy logic for designing a public employment service which is most generous to those with ties to the EI program.

Furthermore, workers outside of traditional workplaces are penalized a second time since they are limited in access to the at-work training, skills upgrades and career planning services that some employers provide.³⁷ The

federal government has not provided any persuasive rationale as to why such a substantial proportion of skills training programs should be serviced through EI.

The arbitrary split between EI and non-EI clients, and the various transfers meant to support these disparate populations, has also led to disintegrated programs. The fragmented nature of the transfers system and the

³⁶ Wood, D.E. 2018. "Implementation of the New LMDA and WDA Agreements: Some Insight from British Columbia." <https://donnaewood.wordpress.com/2018/12/03/implementation-of-the-new-lmda-and-wda-agreements-some-insight-from-british-columbia/>

³⁷ Morden, M. "Back to Work."

rigid reporting requirements associated with them limit the flexibility of provinces to experiment with the balance in program design.

Not only does this distinction limit the parameters of program design, but it also adds needless complexity to a system that is already difficult to navigate. A recent OECD study of labour policy in Canada argues that the “EI/non-EI segmentation of programmes from the accounting and monitoring point of view illustrates how the Canadian institutional setting might be seen as system-oriented rather than client-oriented.”³⁸ For example, a recently unemployed worker may be required to visit a federal Service Canada office to access EI as well as multiple private employment services providers for job search help or to arrange training. In the midst of major and traumatic life events such as bouts of unemployment, “these are logistical challenges unemployed workers do not need.”³⁹

How to adapt the unemployment support system to the future of work: divorce skills training and EI systems

A single federal labour market transfer not tied to EI eligibility, which gives provinces greater flexibility in the clients they are allowed to serve, would go a long way to addressing these issues. Programs could be amended to serve a greater proportion of non-EI-eligible clientele while simultaneously creating the leeway for provinces to pursue greater integration across currently disparate programs, where appropriate.

Models such as Denmark’s “flexicurity” approach and Singapore’s SkillsFuture platform illustrate the kinds of nimble, responsive approaches to skills training that will be increasingly relevant in the 21st century economy.^{40,41} The Canada Training Benefit, announced in the 2019 budget, appears to make some progress in this direction by introducing a \$250-per-year credit for Canadians earning between \$10,000 and \$150,000 a year, up to a lifetime maximum of \$5,000. The credit will be accompanied by up to four weeks of income support through the EI program within a given four-year period. Yet, the design of this initiative still leaves questions in terms of eligibility for those who can’t accumulate enough income or hours of insurable employment, and the amount of training dollars may still be insufficient even for those who do qualify.

Integrating provincial, federal and service delivery approaches to focus on the client, with a greater emphasis on quick acceptance into programs and measurement of outcomes, will be key starting points for redesigning Canada’s training systems to be responsive and relevant. Encouraging employers to train

³⁸ Organization for Economic Co-operation and Development. 2015. “Back to Work: Canada: Improving the Re-employment Prospects of Displaced Workers.” OECD Publishing. Retrieved online from: https://www.oecd-ilibrary.org/employment/back-to-workcanada_9789264233454-en.

³⁹ Morden, M. “Back to Work.”

⁴⁰ Johal, S. “Countries must protect workers from technological disruption. Here’s how.”

⁴¹ <https://fowigs.net/getting-ahead-of-the-future-of-work-focus-on-the-systems-not-the-skills>

workers more effectively should also be a focus going forward, given declining rates of employer-sponsored training in recent decades.

Tying vital skills training programs to EI leads to vastly different access across Canada

Another lamentable trait that the skills training system has inherited from the EI system is uneven and inequitable distribution of funding across Canada. The LMDA and, to a lesser extent, the Workforce Development Agreements (WDA), allocate funds disproportionately between provinces, systematically underserving Ontario and the Prairie provinces (see Figure 16). Much of the inequity in this allocation is a holdover from a 1996 distribution formula. Since then, the federal government has only made the most modest of incremental attempts to address these issues around the margins.

FIGURE 16

Allocation of Labour Market Transfers by Province, 2017-18

(\$ millions), (\$ per capita)

Province	LMDA (\$ millions)	LMDA (\$ per capita)	WDA (\$ millions)	WDA (\$ per capita)	Total (\$ millions)	Total (\$ per capita)
Newfoundland and Labrador	130.3	246.31	13.3	25.20	143.6	271.51
Prince Edward Island	25.6	168.44	5.9	38.75	31.5	207.20
Nova Scotia	82.6	86.59	23.3	24.45	105.9	111.04
New Brunswick	94.5	124.38	19.5	25.63	114.0	150.00
Quebec	608.8	72.52	185.4	22.08	794.1	94.61
Ontario	615.1	43.33	296.6	20.90	911.6	64.23
Manitoba	46.4	34.68	29.4	22.00	75.8	56.68
Saskatchewan	38.4	32.98	28.6	24.54	66.9	57.51
Alberta	131.6	30.71	91.1	21.25	222.7	51.96
British Columbia	291.9	60.60	105.5	21.91	397.5	82.51
Territories	9.9	81.98	9.4	77.62	19.3	159.60
Canada	2,075.0	56.53	808.0	22.01	2,883.0	78.54

Sources: 2016/2017 Employment Insurance Monitoring and Assessment Report and Public Accounts of Canada, 2017-18

This leads to vast differences in the availability of federal training funds from province to province without any rationale.

Allocation of funding that more closely matches a province's share of the unemployed population would be more principled. Unfortunately, there is also a considerable allocation gap between provinces on this measure. Federal training transfers (LMDAs and WDAs combined) per unemployed person varied from a high of \$3,937 in Prince Edward Island to a low of \$1,144 in Alberta (see Figure 17).

FIGURE 17
Current Labour Market Transfers Per Unemployed by Province, 2017-18

Province	Training Transfers Per Unemployed (\$)
Prince Edward Island	3,937.28
Newfoundland and Labrador	3,700.45
New Brunswick	3,675.82
British Columbia	2,968.45
Quebec	2,914.24
Nova Scotia	2,583.35
Provincial Average	2,297.18
Manitoba	2,061.05
Ontario	2,017.78
Saskatchewan	1,761.62
Alberta	1,143.78

To get to an equal allocation would require either a significant diversion of funding away from provinces above the provincial average, or an injection of over \$2 billion more in federal funding annually (a 70% increase over current funding levels) to ensure no province is worse off and existing provincial programs are not adversely affected. A fair allocation of funding for federal skills training then is likely going to be a long-term project.

**How to adapt the unemployment support system to the future of work:
a fairer allocation of funding to increase access to skills training across Canada**

As a first step, the federal government should commit to allocating a considerable portion of new incremental skills training funding toward closing this gap—and as quickly as possible.

The relative allocations of skills training funding between provinces change very little from year to year. As such, they are also almost completely unresponsive to changes in provincial labour market conditions. For example, in light of the near doubling of the unemployment rate that Alberta experienced between 2014 and 2016, it is not readily apparent that Newfoundland needed five times the skills training funding per capita than Alberta did.

To remedy this, a share of new, incremental skills training funding should also be set aside to serve as a pool of funds to create a responsive element of funding. For example, a province that experienced a certain level of increase in unemployment in a given year would be eligible for that pool of funding. Otherwise, it would go unused and could be rolled over into future years.

SUMMARY OF RECOMMENDATIONS

1. Supplement Canada's unemployment support system with an intermediary program designed to provide time-limited and flexible income support to unemployed individuals in non-traditional employment relationships.
2. Replace the regionally determined EI benefits system with a single, national entrance requirement, benefit duration range and weekly benefit formula.
3. Divorce eligibility for skills training programs from EI eligibility and create a single labour market development transfer to allow provinces the flexibility to design and administer more integrated programming.
4. Gradually work toward ensuring labour market transfers are fairly allocated and contain an element that is responsive to large swings in provincial unemployment rates.

CONCLUSION

The nature of Canada's workforce is changing. Stable, long-term jobs are at risk of being replaced by non-traditional arrangements involving temporary, part-time and contingent forms of work. The recent rise of technologically driven labour platforms that further deconstruct jobs into their constituent tasks and particular gigs is further calling into question the nature of employment relationships. Canada's unemployment support system was, quite simply, never designed to support people in these types of jobs. Nor have reforms to the system in recent years adequately addressed these emerging gaps.

More unemployed Canadians are being excluded from benefits based either on their type of work arrangement or the lottery of where they happen to live. But neither of these factors is indicative of the ease with which they will secure re-employment. These unemployed workers need robust, effective income support and training programs to help them manage through periods of job loss and to upgrade their skills. However, determining eligibility for who gets these types of supports must not be based on assumptions about the nature of work from 50 years ago.

The EI program must be updated to reflect the present-day realities of work as well as the impending changes that the future of work promises to deliver. This will go a long way to ensuring Canada's workforce is resilient and competitive in the dynamic 21st century global economy.

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