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—
Chair

The Honourable Hedy Fry

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•(1110)

[English]

The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)): Good morning, everyone.

We seem to be doomed to start our meetings late because somebody is leaving as we're coming in. Anyway, here we are.

I want to welcome our witnesses today: from the Canadian Labour Congress, Barbara Byers, executive vice-president; Ken Battle, from the Caledon Institute; and Danie Harvey and Micheline Dépatie, from the Conseil national des chômeurs et chômeuses. France Turcotte is not here, right?

[Translation]

Mrs. Danie Harvey (Representative, Conseil national des chômeurs et chômeuses): That is correct.

[English]

The Chair: Welcome.

Everyone will have ten minutes. Then we will have a question-and-answer forum where people may direct their questions to each individual, or they may just ask everyone to answer. There are seven minutes for questions in the first round and five minutes for questions in the second round.

I want to remind everyone that seven minutes includes the answer, so please make sure that once you get your answer you move into your next question; otherwise we won't get through everything we have to do.

We will begin with the Canadian Labour Congress and Ms. Byers.

Ms. Barbara Byers (Executive Vice-President, Canadian Labour Congress): Thank you very much, Madam Chair.

I want to thank you on behalf of the more than three million members of the Canadian Labour Congress, workers who work in every industry from coast to coast to coast.

I want to say as well that this is a very important issue. Employment insurance is critically important, and especially critically important to women.

It's especially important in tough times such as we face today. Laid-off workers obviously need adequate benefits to support themselves and their families while they search for a new job. Unemployment benefits are spent on necessities, they are an effective form of economic stimulus, and they help maintain hard-hit communities. People who are on employment insurance spend their dollars in their main streets. They don't sock them away in a

savings account, they don't take trips somewhere, they don't have huge investments. Their investment is back into their communities.

Compared with those when we have hit previous recessions, our EI program leaves far too many workers out in the cold, and that's especially true for women, for young workers, for low-wage, insecure workers.

In November 2008, just four in ten unemployed workers qualified for benefits. The maximum weekly benefit of \$447 today is more than 25% lower than in 1996, and the average benefit is now just \$335 a week. The program does even worse when we consider what it does with women, and I'm going to give you some statistics on that in just a minute.

There were cuts in the mid-1990s in who is eligible and in the amount of benefits that are paid, and things sharply declined. In particular, they reduced the supporting role of EI for women.

EI income support during periods of unemployment, maternity, parental leaves, periods of sickness, or periods of compassionate leave is obviously important in terms of stabilizing and supporting family incomes. It also supports the economic independence of women in their communities, since the benefits are based not on family income, with the exception of a small supplement for low-income families—which, by the way, hasn't been raised for a large number of years, which means fewer and fewer people are able to access it...

Key EI program rules exclude or unfairly penalize women, because they fail to take into proper account the different working patterns of women compared with men. While the great majority of adult women now engage in paid work, the hours they work exclude many from EI benefits, as do periods of time spent away from work caring for children or others.

A study done by Monica Townson and Kevin Hayes, conducted originally for Status of Women Canada, showed that only 32% of unemployed women qualified for regular EI benefits in recent years, compared with 40% of men who were unemployed. Now, 40% for men is also an awful number, but the fact is that women's statistics are even worse. More than 70% of women and 80% of men qualified for benefits before the cuts were imposed in the early 1990s. The gender gap in the proportion of unemployed women and men collecting regular benefits has closed a bit, but it was still two percentage points in November 2008.

The gap is much bigger when it comes to average benefits. In 2006-07, the most recent year for which we have statistics—and there will be new stats coming out, apparently, next month—the average benefit for women was \$298 a week, compared with \$360 for men. That's a \$62-per-week difference.

Women also qualified for shorter periods, on average. In 2005-06, 30% of women exhausted their regular benefits, compared with 26% of men.

Only about one-third of the total dollar amount of regular EI unemployment benefits is paid to women, even though women now participate in the paid workforce at almost the same rate as men.

Just to give you some other comparisons, parental benefits for men are on average \$382 a week; for women, \$331, a difference of \$51 a week.

For sickness benefits, it's \$343 for men and \$277 for women, a difference of \$66 a week.

For compassionate care, it's \$364 compared with \$318, a difference of \$44 per week.

• (1115)

A key difference of the qualifying is that a person has to have worked in the previous year and must have put in between 420 and 700 hours of work, depending on the local unemployment rate. Workers in most large urban areas now have to put in at least 700 hours, roughly the equivalent of 20 weeks of full-time work. Fewer unemployed women qualify than men, because many women take extended leaves from work to care for children or others.

After a two-year absence from the workplace from paid work, the entrance requirement jumps to 910 hours, or more than six months of full-time work. When they work, women are much more likely than men to be employed in part-time, casual, temporary jobs, as opposed to full-time, permanent, year-round jobs providing steady hours. Because they don't have the qualifying hours, only about half of part-time workers who lose their jobs actually qualify for unemployment benefits.

The EI program now provides up to 15 weeks of maternity benefits and 35 weeks of parental benefits, 90% of which are taken by women. Expansion of the maternity and parental leaves stands as a major gain for working women in recent years, especially the 2001 increase in parental benefits from 10 weeks to 35 weeks. However, to qualify, a woman must have worked 600 hours in the previous year. About three-quarters of all women giving birth do qualify, and about 60% claim a benefit. However, a full year of leave is much more likely to be taken by women who qualify for a reasonable benefit and whose employer supplements the EI benefit.

Quebec has recently begun its own EI maternity parental program, which offers much higher benefits and also covers self-employed workers for the first time. I'd also refer you to an article that was written in *Chatelaine* magazine about a year ago called "Modern Times: The Myth of Mat Leave", because it quite clearly lays out what the difficulty is here.

The government likes to argue that 80% of all currently employed workers would qualify for regular EI benefits if they were to lose

their jobs. However, this ignores the fact that job loss particularly affects those with unstable patterns of work, such as workers on reduced hours before a layoff as well as part-time, temporary, and contract workers. It also ignores the fact that many unemployed workers qualify for EI for a shorter period of time but quickly exhaust their benefits.

In the run-up to the budget, many voices, including those of editorial writers, business leaders, provincial premiers, and the labour movement, endorsed our call for major improvements to the EI system. However, the government has largely failed to listen. The budget did nothing at all about access to benefits. Many workers, especially women, still have to jump that 910-hour hurdle for new entrants: about six months of full-time work. Seven hundred hours are still needed in many regions, and the budget did not improve the level of weekly benefits.

The budget bill did add an extra five weeks of eligibility to all claims, taking the minimum eligibility period from 14 weeks to 19 weeks and raising the maximum in a few high unemployment areas, those with over 10% unemployment, to 50 weeks. However, this is a temporary measure, and it will exhaust in September of 2010. The extension will benefit some unemployed workers, the victims of the recession, but by just \$500 million per year in total. This is less than one-sixth of what will be spent on home renovation grants. These are grants, by the way, that unemployed workers won't be able to access, because on three hundred and some dollars a week, you're not going to be spending \$10,000 to get a grant back.

The minister says she doesn't want to pay unemployment benefits to workers to just sit around. Quite frankly, this is an insult to many workers, more than a quarter of a million in the last three months, who have lost their jobs through no fault of their own and are now desperately seeking new jobs and training opportunities. It ignores the fact that those who find training places will still need an income on which to live. As a social worker for 17 years, I can say that people who are on unemployment insurance, welfare, or other kinds of social benefits want to be able to contribute. They don't want to be on those benefits. They want a job with a decent level of income.

The Canadian Labour Congress has called for lower entrance requirements of 360 hours of work across the country so that more workers would qualify when they are laid off.

•(1120)

We've called for longer benefits of up to 50 weeks so that fewer unemployed workers will exhaust their claims; higher weekly benefits based on the best 12 weeks—not the most recent 12 weeks, but the best 12 weeks—of earnings before a layoff; and a replacement rate of 60% of insured earnings, which by the way doesn't even get us back to the 1970s levels.

All of these proposals would help women. Reducing the entrance requirement would be particularly important in terms of helping to close the EI gender gap, because, quite frankly, you can do whatever you want to the system and make it look good in some kinds of benefits, but if people can't get access and if they don't have access at a reasonable level, then they're not going to be able to use the EI system.

Thank you.

The Chair: Thank you.

Mr. Battle.

Mr. Battle brought some charts with him, but we cannot distribute them because they're not in both languages. We will translate them and send them out to you later on. But if any one of you wanted to pick one up and look at it, I think you should feel free, because I understand that's what we're going to have to follow in his discussion.

Mr. Ken Battle (President, Caledon Institute of Social Policy): Yes, thank you, Madam Chair.

I'm sorry about this. We were working on these late last night and I haven't had a chance to translate them all. But I can speak to the graphs and explain them, if that's okay with you, because there is a lot of interesting new information.

The Chair: Okay.

Mr. Ken Battle: Thanks for the invitation to appear. It's nice to see you again.

I'm going to read a short statement and then get into some of the analysis.

I can see already from Barbara's presentation that there's some overlap between us. I'm going to try to cut some of mine down.

Unemployment insurance has broken the social insurance contract that Canada's social policy pioneers cherished as a crucial element of a modern social security system. Virtually all employees pay EI premiums, but only some can draw upon the program's income benefits and related employment services, if they become unemployed. The flawed social insurance contract effectively discriminates against low-wage workers, most of them working in non-standard jobs. Women fare much worse than men.

Unemployment insurance should act as an automatic economic stabilizer in a modern economy such as Canada's. It must fulfill a dual role during an economic downturn such as we're presently in. It should provide income support by replacing lost wages for the growing ranks of the unemployed, and by injecting money into the economy it should help sustain businesses that rely upon consumer spending. Unfortunately, the measures in the 2009 budget will

actually worsen the imbalance in the current employment insurance system, by improving matters somewhat for the minority who manage to qualify for benefits while continuing to do nothing for the majority of unemployed women and men who will remain excluded from the program.

We cannot simply turn back the clock and restore the old unemployment insurance system. We have to look at more radical reforms that go beyond EI to include welfare and supports for the working poor. In short, we need a new architecture of benefits for working-age adults.

The story of EI might be familiar to you by now. It's a program that started in 1940. At that time, it covered about 40-some percent of the workforce. It was a fairly small program. Over the years it expanded until 1971, when Bryce Mackasey was the minister who brought in the modern unemployment insurance program, which covered virtually the entire workforce, with the exception of the self-employed.

What happened in the 1980s and 1990s was that there was growing criticism of the unemployment insurance program. That led in the 1990s to a series of restrictions and cuts in EI. I can't go into them now, but the last one, of course, was the 1996 change from "unemployment insurance" to "employment insurance", a truly Orwellian shift in words. We're now seeing the result of the constrictions that occurred back in the 1990s.

If you look at the coverage of the unemployed and the percentage of unemployed receiving regular EI benefits—I'm focusing on the regular unemployment benefits—we've seen a phenomenal decline in the benefits over the years. In 2008, we're down to 43%, so 43% of all unemployed Canadians qualify for regular EI benefits.

If we look at women versus men, of course a smaller percentage of women qualify for benefits, and the gap between the sexes has been increasing over the last six or seven years: there's a wider gap for coverage between men and women. In 2008, only 39.1% of unemployed women received benefits, as opposed to 44.5% of jobless men.

We've looked at a measure that constructs a ratio of the coverage of men to women, whereby "1" would be equality and anything lower... We can see that over time the gap between men and women has been increasing. More men than women receive unemployment insurance as well, although when we track them over time, looking at the effect of the business cycle, the shapes are about the same for men and women.

What we see, if we compare EI recipients with the number of unemployed, is a widening gap between those who get benefits and those who don't, and women are worst off.

•(1125)

We looked at coverage of employment insurance by major cities in Canada, and the picture is quite shocking. About 30% of unemployed are eligible for benefits in Canada's major cities. Just to give an example, in Calgary 20.8% of men qualify and 17.1% of women. If we look at Toronto, it's 24.8% of men and 23.7% of women. So in the large cities, where eight in ten Canadians live, the majority of the unemployed get no support from employment insurance. And again, the situation is worse for women than for men.

When we look at the differences by province, the variations are absolutely staggering. In Alberta, 23.4% of unemployed receive benefits; we are looking at virtually 100% in Newfoundland. In Ontario and the provinces west, an increasingly lower percentage of unemployed receive benefits.

Why is this? Barbara alluded to it: the variable entrance requirement. This is the feature of employment insurance that turns it into a three-dimensional chess game. Not only do the work requirements vary by 58 regional unemployment areas across Canada, but so does the duration of benefits.

You can have an example—just to give you the extreme example—where you have two unemployed Canadians with the same earnings. The one living in a region with a high unemployment rate will receive more benefits than the same person with the same earnings in a low unemployment region. In fact, you could have a situation where one person gets absolutely nothing from unemployment insurance and the other person qualifies for benefits.

The other problem with this unequal access to the income benefits, of course, is that the related training and employment services are also connected with EI, so that the problem of access is not just the income benefits; it is also some of the employment benefits that are related to it.

Why do we see this gap between men and women? The main reason has to do with the different labour market experience of women, and this is, I think, quite well known now: the growth of non-standard employment—self-employment, part-time employment, multiple job holders. These are people who rarely qualify for employment insurance, because they don't meet the rules, because their work experience tends to be fragmented and unstable.

We see a gender difference there as well. About 34% of Canadians overall work in non-standard jobs, but for women it is 40%, versus 29% for men. Women are much more vulnerable to unemployment and they tend to move in and out of the workforce, including time spent raising children and caring for other family members.

These gender differences also translate when we look at benefits, and Barbara mentioned that. The maximum benefit for EI is \$447 in 2009; in 1995 it was \$595, in inflation-adjusted terms: \$447 now, \$595 back ten years ago. So there is a real decline in the maximum benefits payable.

When we look at average benefits, in 2007 the average weekly benefit for women who got EI was \$298; for men \$360. For women, that would leave them \$4,544 below the poverty line; for men \$1,754 below the poverty line. So we're not looking at generous benefits by any means.

Concerning duration of benefits, women are more likely, if they receive EI, to get benefits for a short or medium term; men are more apt to get benefits over the long term.

In the percentage of EI beneficiaries who exhaust their benefits we also see a gender difference: 30.4% of women exhaust their EI, versus only 26% of men.

Moving on from EI, I want to talk a little about welfare and EI. Then, I promise, I'll stop.

•(1130)

What's been happening in Canada is that employment insurance, which is supposed to be the social program of first resort, is actually being overshadowed by welfare in a number of provinces. We have a lot more people who are getting support from welfare, people who are unemployed, than people who are getting EI. Of course, welfare is supposed to be the program of last resort, not first resort.

Expenditures in welfare and EI have almost come together, even though welfare is supposed to be a small program for those who don't qualify for EI or are unable to get work.

The question is, what do we do? How do we reform?

The Chair: I'll give you another minute.

Mr. Ken Battle: Okay.

Barbara mentioned the CLC's recommendations, and I was going to mention those. The difference between Caledon and the CLC and others is that although we agree with the improvements that CLC and other groups have recommended, over the long term we believe that's not enough. We have to create a new employment insurance program.

We would keep the current employment insurance, giving it a larger earnings replacement capacity, and we would add a new program, which would be an income-tested benefit—we're calling it a temporary income program—that would serve people who don't qualify for EI.

In other words, we would have now a two-part system. One part would be employment insurance, funded through premiums the way it is now, but it would be a stronger program. It would not have variable entrance requirements. There wouldn't be the perversion of the regional aspect to it. And there would be a new income-tested program, funded through general revenues—this again would be a federal one—that would help unemployed people who aren't able to qualify for an employment insurance program.

That's a fairly radical change. We're working on that. It's part of a larger architecture where we also replace welfare with new programs and get these programs working together both federally and provincially.

Thank you.

The Chair: Thank you very much.

Madame Harvey or Madame Dépatie, who would like to go first?

[*Translation*]

Mrs. Danie Harvey: I will begin.

Good morning everyone. My name is Danie Harvey and I am with the Conseil national des chômeurs et chômeuses. On behalf of the organization, I thank you for having invited us.

Our organization comprises several groups of unemployed, some of which have 30 years' experience in the defence of the rights of the unemployed. For several years now, we have been on the front lines of several public awareness campaigns aimed at not only denouncing the misappropriation of the employment insurance fund but also, and especially, at demanding a better employment insurance system. We therefore wish, through the lens of our demands, to share with you changes that could be brought to the employment insurance system in order that women might, in our view, benefit from an effective system.

The labour market is undergoing major economic changes that are having a negative impact on the reality of women. Non traditional jobs are more numerous and various economic sectors are being affected. Some 40.2 percent of working women occupy part-time, temporary, on-call or occasional jobs or else are self-employed or work at home. In cases of job loss, 59 percent of women do not have access to employment insurance because they have not accumulated a sufficient number of hours to be eligible. They therefore must hold down several jobs simultaneously in order to make ends meet, manage difficult schedules and, in some cases — in that of seasonal occupations, for example —, over a very short timeframe, of approximately 14 work weeks, these women will have to work seven days a week.

I come from the Charlevoix region, which is characterized by a seasonal economy. I often see women holding down three or four jobs, working seven days a week for 14 weeks minimum, and sometimes even maximum. If the eligibility criteria were reduced, this would facilitate employment insurance eligibility because, I repeat, 59 percent of women are unable to access these benefits. The number of hours must be reduced and there should be a standard uniform requirement of 350 hours no matter where one lives, given the striking contradictions that, in our view, exist at present. Two employees in one and the same workplace, for example, could find themselves with different access rights to unemployment insurance depending on their place of residence. This is something that we often see in our work. We wonder at the existence of such absolutely arbitrary differences between regions. Is the loss of one's job not of the same import for everyone, no matter what your civic address is?

We all know that women account for more than 60 percent of low-income workers. We also know that they account for 46 percent of all salaried workers. Given this reality, should we not be questioning the relevance of maintaining the waiting period? What is its purpose, if only to deepen poverty even further? Some women must combine several jobs and when they manage to put a little bit of money aside, the waiting period eats up all of the hard-won savings put away during the period of employment, given that they must continue to

pay rent and buy groceries. The elimination of the waiting period has become a self-evident need as it is a useless and absurd administrative delay that deprives of an income people who are already seriously impoverished by the loss of their job.

Further, the employment insurance benefit rate of 55 percent is too low and has disastrous economic consequences. When a person has worked at minimum wage, his or her employment insurance benefits amount to \$4.68 an hour, which is not even enough to buy a pound of butter. We all know full well that such is the lot of many women, who on top of everything else may also be single parents.

According to Statistics Canada, a single woman must work close to 51 hours a week in order to reach the low income cut-off. For a single parent woman with two children, this means 78 hours of work a week in order to escape from poverty. How can one make ends meet when, before receiving the first benefit cheque, more than a whole month may go by?

In the case of seasonal summer work, it must be stated that the loss of one's job often coincides with the beginning of the school year. Ladies, we sincerely believe that the employment insurance system must be changed and improved so as to better respond to the needs of workers. Access must be eased, unlocked, as an editorial writer from *La Presse* stated, with the establishment of a single eligibility criterion. The benefit rate must be increased by basing it on the 12 best weeks. The waiting period must, further, be abolished. Such measures would be responsible and would assist those workers, male and female, who lose their job.

•(1135)

Before concluding, I would also like to share with you another situation that must be brought to light, that of informal care givers. These are women who, often, must leave their job in order to care for a child, an aged parent or a relative who is ill. The act provides that these women may receive employment insurance benefits, but they are refused access because they are not available for work. I work with several community groups of women suffering from cancer or other serious illnesses, and there is a situation that is often reported to me. To give you an example that is typical in my region of Charlevoix, I would tell you that people must do 600 hours of work in order to be eligible for employment insurance benefits. It is the same everywhere, but in our area, seasonal work can provide 450 to 525 hours tops.

How can one be eligible for employment insurance sickness benefits without the 600 required hours? If you are suffering from cancer, you are fighting for your life, and you require more than 15 weeks to recover. I mention cancer, but it could be a case of serious depression, which takes just as much time to recover from. There are things to be done in the area of sickness benefits in order to help women more.

There is in society broad consensus for demanding such improvements from the government, especially in times of crisis and economic difficulties like those we are living today.

Thank you.

•(1140)

[English]

The Vice-Chair (Mrs. Patricia Davidson (Sarnia—Lambton, CPC)): Okay. Thank you very much.

There are still almost four minutes left. Did you wish to speak to that, Madame Dépatie?

[Translation]

Mrs. Micheline Dépatie (Representative, Conseil national des chômeurs et chômeuses): My name is Micheline Dépatie, and I am from Saint-Hyacinthe, in Quebec. I am single.

I have been in the labour market since the age of 15. Among other things, I worked 39 hours a week for 25 years in a grocery store. We went through a labour dispute following a management demand that we be available seven days and seven evenings, without any guaranteed number of hours. This is what retail and grocery superstore workers are enduring at present. This prevents them from holding down two jobs.

After the labour dispute, the grocery store closed. But at 50 years of age, it was not an easy thing for me to find another job. Because of all this stress, I was diagnosed with fibromyalgia and diabetes, which limited me to working a maximum of 25 hours a week. I am nevertheless intent upon working in order to retain my morale and my pride. I do not want to be dependent upon the State.

Today, I have a job at the cafeteria of l'Institut de technologie agroalimentaire de Saint-Hyacinthe. This job allows me to work only five hours a day. It is a seasonal job, but my hours fit those of the students and I am off during the summer. When I started this job, I worked 25 hours a week, but because of today's economic climate, I have been cut 15 to 9 hours per week, with an hourly wage of \$8.64.

I filled in my employment insurance application form in December. For this year, I am entitled to 21 weeks at \$144. At present, with 9 or 15 hours, I will not be able to accumulate the 600 or 700 hours required to be eligible for employment insurance. This situation is hard on my morale and stressful. I have had to leave my dwelling, become an informal care giver and move in with my mother in order to take care of her and save money.

I would like to see the number of hours as well as the waiting period reduced. It is not easy, when one finds oneself jobless, to have to wait five weeks before receiving a small cheque for \$144. You do what you can to accumulate the required number of hours but you cannot afford to fall ill nor stray one iota off course. With every pay cheque, you count your hours to verify your eligibility. I would like to see you reduce the number of hours required to be eligible for employment insurance, as well as the number of weeks one has to wait.

Thank you.

[English]

The Vice-Chair (Mrs. Patricia Davidson): Okay. Thank you very much to all of our presenters.

We'll now go to the first round of questioning of seven minutes.

Madame Zarac, please.

[Translation]

Mrs. Lise Zarac (LaSalle—Émard, Lib.): Welcome to all of our witnesses. Thank you very much for being here.

Everyone agrees: the current employment insurance program does not fit the needs. Proof of this is the fact that 43 percent of the unemployed are unable to benefit from it. This must be frustrating for those who have paid into it. It is as if you paid for home insurance, there was a fire and you were unable to collect anything. On top of that, as you have stated, this money goes back into the economy; it is an economic stimulant. I find this very unfortunate.

My first question is for Mr. Battle. You outlined a new way of looking at things. A previous witness told us that it would be really interesting to separate employment insurance from maternity leave. You stated that 90 percent of parental leave benefits are used by women. I see a correlation here.

Are women using these benefits because they are the ones who care for their families? Do you believe that these two things should be separated?

•(1145)

[English]

Mr. Ken Battle: Yes, I'm glad you asked that. I didn't have much time to get into this.

There's a massive project that we've been working on for the last couple of years looking at what we've called architecture, as you said. One of the problems, when we talk about unemployment insurance, a major program of support, is that we then have welfare, and they don't connect at all, and yet these are two massive, expensive programs that are supposed to be helping Canadians who are unemployed.

As you said, our proposal would be that instead of a single unemployment insurance program like what we have now, there would be two programs. The current employment insurance program would be more of a social insurance program, because as you said, the social insurance contract between Canadians who have contributed and the government has broken down.

It is absolutely shocking that you have a major program that is now covering 43% of the unemployed. It's unbelievable. People are getting shortchanged; they are not getting their money's worth. We would have unemployment insurance—a stronger unemployment insurance. The current earnings replacement rate is 55%, which is very low; we would like to see it up to 70% or 75%. It used to be 66%, back in the 1970s. That EI program would not have a regional component, which I think is a perverse feature of the current system and very unfair in its treatment of Canadians.

The problem is that you're still going to have people who are moving in and out of the workforce or who can only find short-term or part-time work, or who only want that kind of work, and who are never really going to fit under a social insurance program like unemployment insurance. Our thinking here is to create a different kind of program that will help them, so that between the two programs we would be covering all of the unemployed Canadians.

One option for parental maternity benefits would be to move them out of employment insurance into this new program we're talking about, the temporary income program, so that people could get benefits that way. As you know, Quebec has moved into a similar kind of reform, which I think is good.

It's also possible that we could attach other so-called special benefits to this new program. The new program would not be based on premiums the way unemployment insurance is. It would just be based on general revenue, like other programs such as old age pensions.

I'll have to stop there, but we've also envisaged changes to welfare whereby this new federal temporary income program would relieve the provinces of a lot of their welfare caseload and enable the provinces to focus more on employment preparation. We have a kind of architecture that takes different pieces. But you're absolutely right.

My concern is that even if we make the entrance requirement uniform—concerning which I agree with the CCLC—and make the duration and the calculation of benefits better, we're still going to have a large number of unemployed Canadians who will simply not fit into that kind of program. That's our thinking.

Mrs. Lise Zarac: Madam Chair, do I still have time?

The Vice-Chair (Mrs. Patricia Davidson): Yes, you do. You have a minute and a half.

[*Translation*]

Mrs. Lise Zarac: I will ask my second question. Approximately half of the money collected is devoted to training. However, most women do not participate in the training program. In my view, training is a good thing, because it allows women to find better jobs and learn new technologies.

Do you find that 50 percent is too much? Could this money be used to improve the criteria?

•(1150)

[*English*]

Ms. Barbara Byers: One of the difficulties is that when you take a look at some of the traditional training—apprenticeship, for example—96% of apprenticeship dollars go to men. Again, there's a whole other discussion about women in the trades. We keep bumping back into the question of access, whether it's 350 hours or 360 hours, because you can't get the training if you don't get the access. You're exactly back where you were, no matter what you do. You can say that we're going to improve the training and going to improve opportunities for women, but if they can't get access, you'll just keep coming back to it.

I want to add that when the government changed from weeks' accumulation to hours' accumulation, the labour movement supported it, because we thought part-time workers should be able to pay into it and should be able to access it.

The Vice-Chair (Mrs. Patricia Davidson): I'll have to ask you to wrap up, please.

Ms. Barbara Byers: Okay. But just on that, we didn't anticipate that the governments were going to make the access by hours so high that people paying into it can't get it.

My last example is that there was a woman who worked at a Canada Safeway in Regina, Saskatchewan, a number of years ago, who said she had had two children, one under the week system and one under the hours system. She didn't realize the change. She said we had a prime minister who said the government had no business in the bedrooms of the nation. Well, guess what? The government is back in the bedrooms of the nation, because it makes a difference in when she can have her children.

The Vice-Chair (Mrs. Patricia Davidson): Thank you.

We'll move now to Madame Demers, please, for seven minutes.

[*Translation*]

Ms. Nicole Demers (Laval, BQ): Thank you, Madam Chair.

Mr. Battle, Ladies, thank you for having accepted to meet with us in order to help us better understand the employment insurance problem.

Last week, we heard representatives from Statistics Canada. There is quite a spread between the data they provided to us and these numbers. I am having difficulty understanding why. For example, the percentage of persons who would be eligible for employment insurance was 48 percent for women, whereas you have talked to us about 32 percent. In the case of men, the proportion was 53 percent. The combined total for those unemployed who be eligible for employment insurance was approximately 57 percent. The numbers we were given also indicated that most women who work part time, 78.4 percent, do so wilfully, for reasons other than financial. This percentage was of 75.4 for men.

It is my belief that Statistics Canada is recognized worldwide as being one of the most competent authorities in the area of statistics. I have been listening to you and Ms. Dépatie, and saying to myself that the picture you are painting here is very different. How is it that there are so many disparities? Could you explain that to me?

[*English*]

Ms. Barbara Byers: Having worked for a long time in a variety of areas, I'd say it's a question of what is voluntary. I may voluntarily work part-time if I can't find child care. That's my choice: I choose to work part-time because I don't have the other options.

In fact, the studies we've done and that have been done by other independent agencies show quite clearly that if the supports are there for women of all ages to work full-time, they will choose that option; I think it's about 66% of women who will do that.

If you can't find the jobs or you can't find the schedules to work around, or... As the sister here has said, we have women holding down two and three part-time jobs. Are those women voluntarily working two and three part-time jobs? No, they're trying to get one full-time income out of a variety of part-time jobs. Part-time work means full-time poverty.

[Translation]

Ms. Nicole Demers: I presume that the statistics are established based upon questionnaires, surveys. Might it be possible that the questionnaires are not explicit enough in order to provide a picture that truly reflects reality?

Ms. Dépatie, you say that you lost your job at the age of 50. Do you believe that a program better targeted to older women having lost their job would have helped you? I can understand full well what it means to lose one's job and to not want to be dependent upon the State. As a matter of fact, I congratulate you for wanting to continue working despite your difficult circumstances.

Do you believe that the Program for Older Worker Adjustment, or POWA, would have helped you make the transition between what you had and something else?

• (1155)

Mrs. Micheline Dépatie: Probably. When I received the medical papers, I applied for a program which I think was tied to employment insurance. The purpose of this program was to help people with an illness find a new job. Things dragged on because the people in charge had to wait to get their grants, and this and that. In the end, I was unable to wait any longer: I did not have a single cent left to live on. I had to find a job. I found one that suited me given the state of my health. In 1999, I was earning \$16 an hour. I do not think one chooses to work part time for \$8 an hour. I do not have a husband to support me. I had to say goodbye to a lot of things in order to have a better quality of life and to continue working.

Ms. Nicole Demers: I congratulate you, Ms. Dépatie.

Mr. Battle, Madam Byers, would you have anything to add?

Mrs. Micheline Dépatie: Thank you.

[English]

Mr. Ken Battle: Could I just make a point, sort of urging the committee to do something?

In preparing for today, I was looking for some statistical information. The major source of information on employment insurance is the annual assessment report that EI puts out, or the commission puts out. If you look at that and go through it, it's almost unbelievable how little information there is breaking it down by gender. There is almost nothing about the differences between men and women, the kinds of statistics we're talking about today.

I looked at CANSIM, which is StatsCan's database where you buy information. By the way, we have to pay for this information. I'm a small non-profit organization. It actually cost me about \$400 to prepare for today's presentation to you, because you have to buy this information from StatsCan, even though we're taxpayers and everything. It's another thing I just wanted to flag to you.

One of the pieces of information I wanted to look at was the value of average benefits over time, just to see if they are going up, going

down, or whatever, and then convert them to constant dollars. There is no breakdown by gender. There's just an overall figure. It's 2009, and we still have government information that is absolutely inadequate. It's unbelievable. I don't know how they get away with it.

Ms. Barbara Byers: Could I just add this? I think all the people here have been saying that, with stats, they don't drill down to get that. And there's also another layer. We have to be really clear about women of colour, aboriginal women, women with disabilities. There's a further drilling down to be done on that.

But it's a little bit like when they talk about what the unemployment rate is. If you're employed for eight hours or four hours or whatever, you're considered employed, not that you could live on it. You look at the stats about what the unemployment rate is, but we really know that the unemployment rate is a lot higher. So it's the same thing that happens with gender: there's not a drilling down and it doesn't get to what some of the other things are, as I say—for example, if you've got child care.

It makes a difference, by the way, whether women have pay equity, because if we don't have pay equity—guess what—our benefits are going to be lower even in higher-paid jobs.

[Translation]

Ms. Nicole Demers: Do I still have time left, Madam Chair?

[English]

The Chair: No, that's it.

[Translation]

Ms. Nicole Demers: Thank you, Madam Chair.

[English]

The Chair: Mrs. O'Neill-Gordon.

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Thank you, Madam Chair.

I want to thank the witnesses for joining us this morning.

My question is for Ken Battle. As we know, across our country the unemployment situation varies widely. I understand, as you had mentioned earlier, that there is a system known as the variable entrance requirement, VER, which serves to provide flexibility to respond automatically to changes in local labour markets, with entrance requirements easing and duration of benefits increasing as the labour employment rises.

Can you please explain how this system works? I understand that in Oshawa and Windsor the system has had a positive effect on EI accessibility, so how does that work in that situation?

•(1200)

Mr. Ken Battle: Well, as I understand it, you know, it's pretty much as you stated. There are a couple of problems with the variable interest requirement, I think. One I mentioned, and I'll repeat, but one I didn't. Unemployment insurance—it must be obvious to the members of the committee—is a very complicated program. I have been working in this area for 30-odd years, and unemployment insurance and welfare are the two toughest programs to understand, actually, because they're similar in the sense that they're unbelievably complicated and they're not transparent. It's very difficult to really understand what's going on.

The variable entrance requirement makes the unemployment insurance program incomprehensible to Canadians, I think. For one thing, I don't think Canadians realize that the amount of money they'll get, or whether they'll even get a benefit, depends upon where they live. I mean, an unemployed person is an unemployed person, whether they live in a low-unemployment area or a high-unemployment area, as far as I'm concerned. I don't know how you can tell. You know, the premiums aren't based on unemployment regions. We don't have variable premiums that we pay to support it; we all pay the common premium, of course. But what you get at the end of it depends upon where you live.

It's unconscionable to me that we could have a program that discriminates in such a manner.

If you have a person who is unemployed and who lives in a low-unemployment area, that doesn't necessarily mean it's easier for them to find a job than an unemployed person who is in a high-unemployment area. It just doesn't compute for me. So that's the problem I have.

And not only does it affect your access to EI, but it affects the duration of benefits, because that also varies by the unemployment area. So, again, you've got two people, and let's say they both manage to get unemployment insurance, but depending upon the unemployment rate in the area they live in, they're going to get it for a shorter period or a longer period of time. I mean, I don't know how you say sorry, you get it for only 20 weeks, and you get it for 30 weeks, because you live in a different unemployment area.

Not only does it befuddle our understanding of the program, but I think it's just unfair. I don't see how we can. I mean, there are two great unfairnesses: one, most unemployed people don't get into the program; and, two, if they do get into it, what they get depends upon the unemployment rate in their area. I can't accept either of those.

Mrs. Tilly O'Neill-Gordon: In your publication, "Towards a New Architecture for Canada's Adult Benefits", you propose to reform the EI system partially through integrating regional preferences into the temporary income. Can you explain how this would work, given that the unemployment situation is different for different regions?

Mr. Ken Battle: Ideally, I would think that no unemployment insurance program, either the EI we have or the second one we're proposing, should take into account unemployment rates. I mean, I don't think it's fair and I don't see the justification for it. However, we live in a world of politics—those of us who work in public policy—and unemployment insurance is one of the most controversial and politically dangerous programs there are to try to reform.

So the reality is that if you say we're going to create a new system that has no regional differences in the unemployment rate, you're going to have losers and winners. I mean, you're going to have people who are going to get lower benefits than they did under the old system. That's always the problem where you have an irrational old system and a rational proposal. In moving to the rational proposal, you're going to have people who get less under the new one than under the previous one.

The reason we put that in, as we said, is this. If, for political reasons, the government insisted that it retain some aspect of regional unemployment—it could be simpler, too, as there needn't be so many regions—then we could build that into this temporary income program. You could build that in, if you wanted. Or you could vary it by province. One of the interesting things about the working income tax benefit—which is one of the great new things that's happened, actually, under the current government—is that the design of that program, even though it's a federal program, can be varied by the provinces. It's a really good feature of flexibility and the kind of federalism we need to work—you know, levels of government.

So with the kind of proposal we're making, you could have a situation where the feds and the provinces work together to vary the rules according one province to another, even though it's a federal program, and that could take into account, if you want, unemployment rates.

I mean, I don't like the idea, but the politics of this are that when you make a change, you always have problems with.... I hate to use the term "losers", in policy analysis we sort of talk about that. There are people who are not going to get as much as before.

•(1205)

Ms. Barbara Byers: Can I add something? The reality is if you're unemployed you have to show you're out looking for work. Presumably if you're in a low unemployment area you have a better chance of finding some other options, depending on your circumstances.

You keep coming back to this. There's no need to have some of these divisions there, because there are other pressures on people as well.

The Chair: Thank you very much.

Ms. Mathysen.

Ms. Irene Mathysen (London—Fanshawe, NDP): Thank you, Madam Chair.

Thank you, all of you, for being here and sharing your expertise.

Ms. Byers, I know we're talking about employment insurance, but you made mention of pay equity and its impact on the ability of a woman to qualify for employment insurance benefits.

We have the new equitable compensation act. I'm wondering, first of all, if you could expand on what you were saying. I had a sense that there was more to cover in terms of pay equity and its impact on EI. Could you provide a response on the new equitable compensation act, please?

Ms. Barbara Byers: I want to talk about pay equity generally as it applies here. Obviously women in the federal public sector fought for a long time for pay equity. That has benefited other women as well, by the way. It started to raise wages in other places. The reality is that there are many of us sitting around this room who have been fighting for fair compensation for women for a long, long time.

During the 1980s, we made a little advance; now we've slipped back. On average we're at about 70.5 cents on the dollar for women. In terms of women generally across Canada, it's 64 cents on the dollar if you're a woman of colour, 46 cents on the dollar if you're an aboriginal woman, and women with disabilities are at about the national average but they have a 75% unemployment rate. I mean, that all fits in.

If you're a unionized worker, which many in the public sector are, it's about 93 cents on the dollar. Quite clearly, this is a prevention of women from advancing their wages in terms of the unionized sector, which will also bring the others up.

It affects unemployment insurance. Even when you look at full-time, full-year women workers, if we're earning less on average than male workers, when we're unemployed our EI benefits are going to be less as well.

It's a full circle of women who struggle to get pay equity. When they're unemployed, because they don't have pay equity, they don't have equity even in the EI system, because it's based on how much you've contributed. We've gone full circle there.

What's happened in terms of pay equity is absolutely unconscionable. It's not pay equity, it's pay inequality in the federal service. It hits women at every age and every stage of their life. It doesn't matter if you're an unemployed woman, a young woman, a woman who is in the middle of her career, or an older woman. If you've earned less throughout your life, you're going to have less of a pension. The only thing you have more of is a chance to live in poverty. That's what you have more of a chance to do.

• (1210)

Ms. Irene Mathysen: Thank you.

There's been a significant job loss in the manufacturing sector. I live with it in my riding every day. In fact, in London, applications for employment insurance have gone up by 75%.

Do you have any information about the impact in terms of men and women? Obviously manufacturing jobs pay significantly better than minimum-wage jobs. Are women disproportionately affected by the loss of manufacturing jobs? Do you have information on that?

Ms. Barbara Byers: Yes, we do, and we are constantly updating this with the tragic statistics that there are, unfortunately.

Oftentimes, when we talk about the manufacturing crisis, people still see a man's face. Quite clearly, there are hundreds of thousands of men who have lost their jobs in the manufacturing sector. But the reality is that although women occupy, I think, around 30% of the

jobs in manufacturing, in terms of the percentage of job loss.... Again, figures are complicated. There are more men than women employed in manufacturing, but in terms of the percentage of people who've lost their jobs in manufacturing, it's 9% of women compared to 7% of men.

So what we're looking at is, disproportionately, women losing their jobs, and again, it's the old "last hired, first fired". So we're losing our jobs disproportionately, and we have to put the face of women on the manufacturing crisis because there are lots of women, yes, who work in the auto industry. I know of two young women, one in her 20s and one in her 30s, and both have lost their jobs. There are many more like them, but there are lots of other women in lots of other manufacturing who have as well.

When you think about job losses, you may not be thinking about the Hershey plant, but that's a manufacturing job, and those were good jobs that were lost to women.

Again, what we're finding is women losing jobs, and what's there to replace them are part-time, low wage, no benefits, casual jobs. And—guess what—when those jobs are gone, they won't be able to access EI because they don't qualify because they don't have enough hours.

The Chair: Thank you, Ms. Mathysen. The time is up. Oh, actually you have a minute. Perhaps you could get your question in and somebody can cut their answer down.

Ms. Irene Mathysen: It sounds like the downward spiral that Madame Dépatie was describing.

The minister of human resources said she doesn't want to pay EI benefits to workers just to sit around. It sounds to me as if, despite your best efforts, you were in a downward spiral. You want to work. How do you feel about being categorized as someone who just wants to sit around? What is your feeling on that?

[Translation]

Mrs. Micheline Dépatie: There may be some people who chose to just sit around, but that is not my case. That is not what most women choose. I did not choose to stay at home; I had no choice. I became an informal care giver because of the monetary aspect, but I do not believe that people choose to stay at home and sit around. With my medical papers, I could have sat around at home and received money from the State. I believe that I receive less right now than I would have had I been on welfare, but because of my pride and for my psychological health, I chose to work, but only the number of hours that I am able to work full out. I prefer to work 25 hours and give 150 percent than to spend 40 hours at my employer's and to only work 20 hours in real terms and not be able to give my all. I have my pride, it is dear to me, and I wish to work as long as I am able, but while also taking care of my health and my well-being. I cannot do it any other way.

• (1215)

[English]

The Chair: Merci, Madame Dépatie.

Before we go into the second round, I thought maybe people might want to take a break, if we could suspend proceedings for about a minute. Everybody can go and grab something to eat and bring it back with them.

Perhaps if the witnesses are hungry they could help themselves as well.

• _____ (Pause) _____

•

• (1220)

The Chair: We are about to begin again.

We will begin the second round. It's five minutes, Madam Sgro.

Hon. Judy Sgro (York West, Lib.): Thank you very much.

To all our witnesses, thank you very much for coming out. In particular, thanks to Ms. Dépatie, who chose to come out today and share her story. I think her story is not unusual. I hear stories like that all the time in my riding, of people having to deal with these challenges.

What do you see in store for yourself in the next ten years, from an employment perspective? I realize your desire is for independence and that you want to work. I believe everybody wants to work, because that is what gives them satisfaction in life. Under the current support systems that are there, what do you see the oncoming years will be like for you?

[Translation]

Mrs. Micheline Dépatie: I hope that the help provided women will improve, precisely because I wish to work as long as possible. Given my condition, I must make choices, but I want to continue working. We need more normal avenues than a reduction in the number of hours or of the waiting period if we want to have a life. It is all fine and dandy to say goodbye to certain things and to cut everywhere, but there comes a time when there is nothing left to cut.

It is wrong to say that we choose to work part time. If I had the choice, I would certainly return to working full time, and today I

would have a fat salary and I would be living the good life, which I no longer have the means to do. It is but a small proportion of people who choose to work part time. I do not believe that single parent women who are having trouble making ends meet and who are holding down two or three jobs when they are able to are making this choice.

• (1225)

Mrs. Danie Harvey: It is not an easy choice.

Mrs. Micheline Dépatie: Exactly.

[English]

Hon. Judy Sgro: From a woman's perspective, many women are working part-time because they have to fit everything around the family. That is just a reality. You work around the schedules of your children, around the schedule of your husband, around the schedule of everybody else. In order to make that work, you work on a part-time basis. Subsequently, the part-time work and full-time poverty is very accurate for women. It's a big part of the reason women are in the situation they're in.

To Ms. Byers and Mr. Battle, we very much appreciate your comments and your desire to see changes. I can only imagine that when they made the changes to the EI system earlier, the region-by-region benefits.... If you live in Toronto, you are much more apt to be able to find a job much faster than if you're in Thunder Bay. It is a very dangerous area to change. We know that. Many people have paid a price for changes on the EI issue, in a variety of ways, politically.

In trying to find a system that's fair, in particular for women.... Listening to you folks today, it makes me think we have a maternity and EI situation for women when they're on maternity benefits, but maybe we need to have a separate system for women, recognizing all the issues women have to face.

We can say we're equal. We can talk all we want. The reality is that women face a whole lot of other obstacles to being able to be in full-time employment. If we're talking about change and reforming the EI system, should we be isolating women? I say women because we're talking about women in particular, but should we try to reform the system to recognize more specifically the challenges women are facing?

Ms. Barbara Byers: I don't think we need to separate the system and have an EI system for women and an EI system for men. What we have to do is modernize the EI system so it recognizes the kinds of work various people do—to make sure people have access—whether it's part-time work, casual, temporary, whatever.

If we made those kinds of changes.... We've been advocating this for a long time at the Canadian Labour Congress, that we need to modernize UI. We have to recognize the kinds of work people do.

Again, we have to get back to the whole question of the three things that have to be done. There's access, which we all come back to. There's benefit levels: you have to have a benefit level that's adequate while somebody is looking for other work. And there's the duration of benefits. Then there are a number of other things.

The Chair: Ms. Byers, excuse me. I'm not going to cut you off, but if we could cut our answers shorter.... I understand Ms. Sgro wanted Mr. Battle to answer that, and you are well over seven minutes already.

Please, finish your sentences.

Ms. Barbara Byers: All I'm saying is I don't think you need to split it. What you need to do is recognize that they are gender biases built into that system. Get rid of the gender biases, and then quite frankly the fairness will become much more evident.

The Chair: Mr. Battle.

Mr. Ken Battle: Just quickly, I think we have to have two programs, but not one for women and one for men. I don't think we can change EI enough to take into account the changes in labour, the growth of non-standard employment. That's why we're proposing another kind of a program that could help people who are new entrants to the workforce, or part-time, self-employed, or whatever, who will never do very well in a real social insurance system. At the same time, we want a stronger social insurance program than we have now.

That's part of the thinking behind our proposal, to have a program that could meet the new realities of the labour market.

The Chair: Thank you very much.

Madam Davidson.

• (1230)

Mrs. Patricia Davidson: Thank you, Madam Chair.

Thanks very much to all of our presenters today. I think we've heard some really interesting ideas.

I have a couple of comments and then a couple of questions. I'll talk and then open it up for answers.

One of the things that's been said here several times today is that most people don't choose to be unemployed and sit around. I think we all agree with that. We all represent people in our ridings, who we know struggle to find jobs and keep employed.

Ms. Dépatie, I really commend you for coming here and telling us your story. As has been said, unfortunately it's not a one-off. There are many stories similar to it. I congratulate you on your strength and the way you have handled the issues, as well.

It's also been said that the EI system is based on how much is contributed. I think, Ms. Byers, you are the one who said that. If that's not right, then what should it be based on, and how would you fund the system? That's one question.

Second, when I was doing my research I know the Canadian Labour Congress put forth several recommendations for reform. One was increasing the period for benefits to 50 weeks, which is something we have recommended. Investing part of the surplus on better training and labour adjustment programs is something we also recommended. I wonder if you could comment on why you would support those measures and how those two in particular will help Canadians.

The other thing I want to point out is the discrepancy in the stats that we have to deal with. We talked about women working part-

time. The stats we got at our last meeting said that 78.4% were voluntary part-time women, and men were less, 75.4%. I find it really difficult to make complete sense of the situation when we're dealing with different stats all the time. These are Stats Canada figures.

I make those comments, and I'll open it up for answers, please.

Ms. Barbara Byers: Okay. And I know from the chair that I need to be quick.

First off, I want to go back to a discrepancy in the stats. It's exactly what we talked about earlier, that we are not drilling down to find out why that's voluntary.

Now, I may voluntarily choose to work part-time because I don't have the child care to be able to do it. So if I've got a partner, it's a matter of working part-time because I know I can work that around my spouse's work schedule. And oftentimes it's the woman who's making that choice, because she doesn't make as much.

On the basis of contribution, we're saying that there are other societal elements that fit into this. The question of pay equity or pay inequity fits into this very clearly. But also it fits into it in terms of how women contribute if they're not working in full-time, full-year jobs.

So, yes, there are going to be discrepancies in terms of the level of income, but those are exacerbated by the kinds of jobs we don't always voluntarily choose to take, because we're into part-time jobs and we'd like to have a full-time job.

In terms of the increase to 50 weeks, we absolutely think that is important. We would say it should be increased generally, so people have that right across the country, because as Mr. Battle has pointed out, when you're unemployed, you're unemployed. There are other things that come into play there, as I said. But the reality is, if you can't get access, then you can't get the 50 weeks.

And the same thing goes for the training. Now, we believe in training. But I would also say that what people haven't talked about in this room is that there was a \$55-billion surplus of money that people paid into unemployment insurance that they couldn't get benefits from, that they paid into, and they still can't get it.

The Chair: Mr. Battle...?

Mr. Ken Battle: Just on the different stats kind of thing, this is a complicated thing too. But just simply, the numbers we're talking about, in terms of coverage, are very simple. It's the number of people receiving regular employment insurance benefits divided by the number of unemployed.

What the government does is this. Its counter-argument is that the denominator, which is the number of unemployed, is too broad. For example, you're including self-employed. Well, the self-employed aren't part of the program. Or you're including somebody who is new to the labour force, and they're not included.

So basically what happens is that StatsCan and the EI Commission come up with a definition with a narrower denominator. They're saying, well, not everybody who's unemployed deserves benefits, so we're going to throw them up. So that makes a difference.

What we're saying is that we believe people who are unemployed should receive unemployment insurance. It's not certain kinds of people who are unemployed; it's everybody who's unemployed.

And there are pros and cons to all these definitions. As Barb was saying, there are nine definitions of what unemployed is. But I think it is important to take a broader look at things.

Just one quick thing on what you get, compared to what you put in, in terms of premiums. That's not the way it works. For Canada and Quebec pension plans, your benefits are related to your contributions. With EI, the amount of benefits is based upon your insurable earnings, which is 55%, which is extremely low internationally. So it's not really how much premium you put in. We all put in, actually, the same premium. It's just that the benefits you get are based upon your insurable earnings.

One of the things that happened—I didn't have to chance to mention it—was that the government froze the level of maximum insurable earnings for about ten years. That meant that the maximum benefits you could get declined every year, in terms of the amount of inflation. And that's why benefits, all benefits, are lower than they were before, because the maximum is lower. It's what I call “policy by stealth”. I mean, people don't understand, but when you don't index a benefit, then its value declines over time.

Again, another problem with a program that is so complicated—

• (1235)

The Chair: I'm sorry, we went way over on that one.

Mr. Guimond.

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Thank you, Madam Chair.

I am pleased to be replacing my colleague, the member for Laurentides—Labelle, on this committee. I would like to take advantage of this opportunity to express to you my best wishes for Sunday, International Women's Day. Once women will have achieved full equality, we will no longer need to celebrate that day, because it will be International Women's Day every day of the year.

My question is for Ms. Harvey. I know that she is a specialist, as all of you are. In the Charlevoix region, she participated in the launching of the Mouvement Action-Chômage de Charlevoix and in the activities of the Comité des Sans-Chemise. She has been an activist on behalf of the unemployed for several years now.

Ms. Harvey, you know that in regions such as the one I represent, contrary to urban areas, people live with the reality of seasonal work.

Most of the seasonal jobs are held by women, be it in the restaurant, the hotel or the tourism industries. Given that the employment insurance system is inequitable in our view—and you too are of this opinion—it is mostly women you suffer from this problem. I would like you to answer my question based on reality. In what ways are women more affected in those regions where there is a higher concentration of seasonal work?

I would also like to underscore a subtlety of the French language: one must not talk about seasonal workers. We are talking about people who occupy jobs in seasonal industries. It is not the unemployed who should be wearing the label “seasonal worker”; it is the industries that are seasonal.

• (1240)

Mrs. Danie Harvey: Indeed, it is worth mentioning that, Mr. Guimond. In the Charlevoix region, the industry is seasonal. The work is seasonal because of our industry. Your typical seasonal worker in the Charlevoix region is a woman employed by the hotel or restaurant industry. I see women filing through the office as early as September. As soon as tourism starts to drop off, these women inquire as to whether or not they are entitled to employment insurance benefits. Often times, these women are not entitled to benefits because they have not accumulated enough hours. They are not included in the statistics.

We were talking about statistics a little earlier. Those people who have not accumulated a sufficient number of hours to be eligible for benefits do not even fill in an application form. Are they included in the statistics? We no longer see those people and we therefore must be careful. Earlier, we talked a lot about statistics. This too is important data. In the Charlevoix region, we have the good fortune at present of having pilot projects which are of great assistance to new entrants or reentrants, to the people coming back, who apply for benefits every year. In my view, these pilot projects should bring about permanent measures. They demonstrate the importance of improving the employment insurance system. If there were no room for improvement, why did the federal government launch these pilot projects? I believe there are signs of uneasiness. These pilot projects are a good example of that.

In the Charlevoix region, the women who work are for the most part employed in seasonal industries. When I see them in my office, I congratulate them and tell them that they are making miracles with very little. There is the lot of many single parents. I talked earlier about women who are ill, who have been diagnosed with breast cancer and who have children to care for. What do we do? I am a single parent with cancer and I must fight for my life, for the livelihood I need to raise my child. These are realities that we see everyday in our work.

Today, things are looking up; we are trying to bring change. However, we must remember that there are people at the bottom who are fighting for their dignity, who are fighting to earn their living. In the Charlevoix region, it is a glaring reality, it is the daily lot of many people.

Mr. Michel Guimond: Everyone recognizes...

[*English*]

The Chair: Monsieur Guimond, I'm sorry, the time is up.

Madam Mathysen.

Ms. Irene Mathysen: Thank you, Madam Chair.

Ms. Byers, I have a quick question.

The Chair: There is a lot of information. People are dying to ask questions. If we could be shorter with our questions and our answers, we could get far more into our timelines.

Thank you.

Ms. Irene Mathysen: Federal budget 2009 proposes that consultations take place to develop a plan so that self-employed Canadians can access EI and parental benefits. Should that be modelled after the Quebec parental insurance program? How does the Quebec plan differ from what the federal government is proposing? And third, how do we ensure access to maternity benefits for not only self-employed women, but part-time women and women who are contractual workers?

Ms. Barbara Byers: Many of us are dealing with what was announced during the last election. So we would say we need to model the self-employed.... And by the way, we supported benefits for the self-employed for many years. But we would model it more along the Quebec model, because what we heard during the election, as well, was that basically people were going to be able to pay in for six months ahead of the maternity benefits. And then what? They don't have to pay again.

You can't have a system where people can come in and out, and therefore use the money that has been paid in by a lot of other women, by the way, who can't get it because the numbers are too high. There's no reason for somebody who is pregnant to start paying before the six months starts. Why would they pay into the system? And it also has to cover everybody. Like Quebec, we have to say everybody is in. Or if the government at one point were to make noises about having a separate fund for the self-employed, well, it's not sustainable. There's not enough money to do it that way, with people coming in and out. You have to do the Quebec system.

In terms of access to maternity and parental leaves, I keep going back to 360 hours. If you take it down to 360 hours, you'll find a lot more women will access maternity and parental leaves.

• (1245)

Ms. Irene Mathysen: Thank you.

Mr. Battle, Richard Shillington was here last week, I believe, and he had the same complaint you have in regard to access to data. He had to pay money. And we asked StatsCan about that. StatsCan was very candid that their budget had been reduced in the mid-nineties and they were compelled to recover costs by fee-for-service.

In terms of those statistics you couldn't find or you have difficulty finding, if data on women were collected during this recession—because it probably is going to be more difficult for women who are part-time and experiencing low income—would those be helpful statistics to have? Secondly, would data on aboriginal, disabled, and immigrant women also be something that would help you in terms of your advocacy?

Mr. Ken Battle: I'll make my answer really quick. Yes, absolutely, I agree with everything you just said.

Ms. Irene Mathysen: So we need to—

Mr. Ken Battle: I'm not an obsessive researcher—data, data, data—but when you don't know the average benefits of EI over time for men versus women.... We're talking about absolutely basic things, and, as Barbara was saying, about being able to drill down. There are limitations, but it would be nice. It's not only a matter of women versus men, but people of colour versus non-colour, and so on. That would certainly help.

God knows there are enough bureaucrats, with computers and stuff, who could improve.... I don't want to be Machiavellian about it, but I don't think the lack of data is just a cost issue or just happened that way.

Ms. Irene Mathysen: You think it serves another purpose.

Mr. Ken Battle: Yes.

Ms. Irene Mathysen: A rather useful purpose.

The Chair: Ms. Mathysen, you have 30 seconds left.

Ms. Irene Mathysen: You talked about policy by stealth in regard to the shrinking of EI benefits, and Ms. Byers did too. Was it purely cost-saving? It costs more to raise kids and have a home now than it did in 1996. Is it just purely cost-saving on the part of the government?

Mr. Ken Battle: Yes, it was.

There is an argument. The maximum weekly insurable earnings should be around the average earnings, same as for the Canada and Quebec Pension Plan. The level had actually gone over the average earnings—it got higher—so the government said it was going to freeze it until it comes back down to average earnings and then index it to the increase in wages, which they did a couple of years ago. But it was ten years. Even with low inflation, it's 2% or 3% or 4% a year. So that's the reason for the decline.

But yes, there was a cost. We mentioned at the beginning that a lot of the reforms to EI over the years, in the 1990s and so on, were driven by cost. Absolutely.

The Chair: Sorry, the time is up, Mrs. Mathysen.

Ms. McLeod.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Madam Chair.

I would also like to thank the speakers for coming and presenting. There's been some very interesting information.

Certainly in this case, Ms. Mathysen and I absolutely agree around data. Data informs decisions. In this computer age, it should be relatively simple. If nothing else comes out of this, to have fair and reasonable indicators on which to make decisions is not a bad outcome in terms of going forward.

I have to say a few things. I was a voluntary part-time mother. I would hate to say that I wanted a full-time job, because I didn't. But we need data to tell us that information clearly and truly.

There's another comment I really can't let go by, because I've had so much positive feedback. With respect to people with stable incomes taking advantage of the home renovation tax credit—because that was a comment, and again, I can't let it go by—the builders are coming into my office and saying this has kept them going in their slowest month. They don't want to be laying off workers and they're doing lots of things. So I would be very careful about following that initiative through and not being immediately dismissive of that in terms of it being a very positive benefit for many, many people.

I guess I should get to my question; otherwise the chair will be after me.

• (1250)

The Chair: You're doing well.

Mrs. Cathy McLeod: I can appreciate the issues around people who pay in, but I really struggle with where we go with the self-employed. This is not about maternity benefits; this is about our unemployed denominator. I know the Canadian Federation of Independent Business doesn't want to be paying into this kind of system. They clearly said—was it Corinne Pohlmann?—they would rather be using that money in other ways.

With respect to self-employed people who clearly are indicating they don't want to participate in the system, I struggle with including them in our statistics and including that whole piece around self-employed.

I'd appreciate comments in that area.

Ms. Barbara Byers: I'm not saying that the home renovation tax credit isn't going to be useful in some sectors. I'm saying that what could be done in terms of increasing to 50 weeks is less than one-sixth of what's going to be spent on the home renovation grants. So the unemployed are paying for other sorts of programs.

I was going to say earlier that the unemployed paid for the deficit to come down. We have documentation from Paul Martin, when he was the finance minister, to the City of Prince Albert saying they had to use the money from UI to pay down the deficit. Well, as someone said earlier, that's not what you paid in for.

In terms of CFIB, I guess you'd have to know whether they're speaking on behalf of their members. The reality is that you have to have a system where people pay into it as a group. If you said why should I pay into UI if I'm not going to have children or those sorts of things—that individual choice—you take out the equality. If they don't want to pay into it, then CFIB had better deal with their members about whether they think it's useful. It's either all in or not.

The Chair: Mr. Battle.

Mr. Ken Battle: I agree with that. You can't have a voluntary social insurance program. We have insurance for that: regular insurance, not social insurance. That makes it a very tough problem politically for any government that wants to add the self-employed. As you're saying, the self-employed who don't want it would be angry. It's a tough one politically.

My guess is that more self-employed people would be interested in that kind of thing. The number of self-employed has increased a lot. But I wouldn't hold my breath on that one.

Mrs. Cathy McLeod: Perhaps you would agree that the change we created in terms of the EI—protecting it and keeping it at arm's length from the general coffers—is a good decision, and the opening up of the training to all people, EI or not, is a good decision.

Mr. Ken Battle: The second one is extremely important. We see this in other kinds of social programs, too. You want to de-link services from income. It's very important, so they're delivered separately and we don't get into these kinds of inequities where you only get a service if you qualify for a certain income program like EI. That causes real unfairness with working poor people, for example.

Ms. Barbara Byers: We would disagree, though, that the money that's in there is not enough. There's \$55 billion, so \$53 billion is still owed into the Canada Employment Insurance Financing Board.

The Chair: We have five minutes left, and I don't think we can do another round. Perhaps the chair could ask a question.

Could somebody tell me if anyone has ever used a charter challenge against the regional disparities or the regional discrimination, as Mr. Battle called it, of EI? Has anyone ever done that?

If you don't have that answer, the other question is on the issue of the unemployed, and I think Ms. McLeod and others touched on it. There are businesses that make a fairly large amount of money that fit into the self-employed category, the small and medium business groups. But there are also women whose only way to work with a lack of child care is to work at home and be self-employed. We know these women are making \$19,000, \$20,000 a year. If, for some reason, they can no longer work, they have no source of income whatsoever and they are forced to go on welfare. As Madame Dépatie said, welfare is not something that most people would like to have. They'd like to work.

With regard to bringing the self-employed into this, which I think is a good idea, the argument has always been that people would just collect it as self-employed, and because they don't lay themselves off, they can't say, well, there's a layoff and I've lost my job. There would be abuse of that system. Can you answer that question?

• (1255)

Ms. Barbara Byers: You can't finance the system if you're going to have those sorts of situations. As Mr. Battle has already said, you can't have a voluntary social insurance system.

The Chair: How would you guard against that? I'm just saying that has been an argument for people. How would you guard against abuses?

Ms. Barbara Byers: It's the same thing as we've talked about with workers generally. Those people who are self-employed are no more inclined to abuse the system than anybody here sitting in this room. Mr. Battle may know the more recent statistics, but when I was doing social work the statistics were at about 3%, in any kind of a social system, for what might be considered abuse, whether it was EI, health care, or somebody coming in late to work, whatever it may be. So the same thing applies with the self-employed.

Mr. Ken Battle: It does raise certain issues that don't apply to employees, and therefore I think the government would have to do due diligence in how it designed and implemented that kind of program. Those things could be done. I don't think it's impossible.

The Chair: I would like to thank everybody for coming.

[*Translation*]

Thank you very much, Ms. Harvey and Ms. Dépatie.

[*English*]

I wanted to thank you very much. I know that some of you put in a lot of time and effort and—

Mr. Ken Battle: Money

The Chair: —as Mr. Battle said, a fairly large amount of money to get your data in. So I want to thank you very much for coming and for spending this length of time with us.

Now I need a motion to adjourn.

Ms. Davidson so moves.

Thank you all. The meeting is adjourned.

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