

Dissent and Distress

***A Dissenting Report
on the 2004
Prime Minister's Task Force on Seasonal Work***

Submitted to

***The Right Honourable Paul Martin
Prime Minister of Canada***

December 13, 2004

By

***The Honourable Pierrette Ringuette
Senator for New Brunswick***

SÉNAT



SENATE

L'honorable Pierrette Ringuette

CANADA

The Honourable Pierrette Ringuette

Ottawa
K1A 0A4

December 13th, 2004

The Right Honourable Paul Martin
Prime Minister of Canada
80 Wellington Street
Ottawa, Ontario K1A 0A2

Dear Prime Minister:

2004 Prime Minister's Task Force on Seasonal Work

I respectfully submit the following 25 recommendations for your urgent consideration and action.

These recommendations convey a somewhat dissenting view from that of the official report of the Task Force on Seasonal Work. I believe these recommendations reflect more accurately the views of the witnesses we heard, and that they further represent a united appeal from Canadians across the country whose unpredictable work situation is not of their own choosing.

For the sake of the health of our rural communities and the seasonal industries that support them, and in the interest of Canada's social well being, I trust you will heed their distress and respond with the urgency that it warrants.

I close in expressing to you my sincere gratitude to you for renewing the mandate of the Task Force in March 2004, thereby demonstrating to Canadian Seasonal Workers and Employers that our Prime Minister is compassionate both at home and abroad.

Yours in service,

A handwritten signature in blue ink that reads "P. Ringuette".

Hon. Pierrette Ringuette
Senator (New Brunswick)

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The Prime Minister's Task Force on Seasonal Work was established in October 2003 and was originally mandated to

- Assess the challenges facing seasonal industries and workers, and the communities in which they live;
- Assess existing resources and gaps; and
- Provide advice (to the Prime Minister) on areas for possible future actions.

The change in leadership of the Government in November 2003 brought with it the need for a renewed mandate for the Task Force. When it finally came in March 2004, the mandate had been expanded to include a "detailed examination" of

- the specific needs of seasonal industries and workers in the area of skills development, life-long learning, and literacy;
- ways to promote greater economic diversity and stronger local economies, particularly in rural and remote communities across Canada;
- the support required to help seasonal work dependent communities to adapt to seize opportunities provided by the new knowledge-based global economy;
- ways of lowering barriers to regional and inter-provincial labour mobility;
- how to align income support programs such as Employment Insurance and Provincial Social Assistance Programs to improve income support, while also promoting full, year-round participation in the labour force;
- ways of addressing the challenges and opportunities offered by temporary foreign workers;
- the potential role for government in encouraging new approaches to community development, i.e. the 'social economy';
- an assessment of the opportunities and challenges specific to seasonal economies in promoting the safeguard of our natural environment.

INTRODUCTION

In the Task Force's hearings across the country, witnesses invariably said that, despite broad recognition of the dire circumstances faced by many seasonal workers in Canada, the Employment Insurance program still fails to meet the legitimate needs of too many seasonal workers.

Clearly there is awareness of the issue. Yet there continues to be little substantial action taken to redress the situation, and those actions that have been undertaken, in my view, fall short.

The Liberal Party of Canada

"A Liberal Government will support a comprehensive commitment to regional, rural and industrial development with \$2 Billion of new resources over the next 5 years...Canada's strong job performance over the past decade has enabled the government to reduce EI premiums steadily...Certain changes have had some unexpected consequences. A Liberal government will make the necessary changes in the EI rules to correct anomalies that have become apparent."

Liberal Party of Canada
June 2004 Election Platform

The Prime Minister

"This government places great importance on hearing from those lives that are directly impacted by our policies, including our seasonal workers."

"We are facing particularly challenging times in one of our economy's strongest sectors and I look forward to working in collaboration with Parliamentarians and all Canadians to find solutions."

Rt. Hon. Paul Martin, Prime Minister of Canada
News release announcing the renewed mandate of
the Prime Minister's Task Force on Seasonal Work

The Government of Canada

At the opening of Canada's 38th Parliament, the federal government again reiterated its commitment (albeit in the characteristically vague language of Throne Speeches) to an effective Employment Insurance program:

"The Government will continue to review the Employment Insurance program to ensure that it remains well-suited to the needs of Canada's workforce."

Rt. Hon. Adrienne Clarkson
Governor General of Canada
October 5th 2004, Speech from the Throne

The Official Opposition

On October 18th, 2004, during the debates in the House of Commons on the Address in Reply to the Speech from the Throne, the leaders of the Official Opposition and the Bloc Québécois received unanimous support in the House of Commons for an amendment to the Address in Reply:

*“That Your Excellency's advisors consider the advisability of the following:
1. An Order of reference to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities instructing the committee to recommend measures that would ensure that all future uses of the Employment Insurance program would only be for the benefit of workers and not for any other purpose.”*

Hon. Stephen Harper
Leader of the Opposition,
Conservative Party of Canada

Government of Québec

The following motion was adopted unanimously on April 27th, 2004:

“THAT the National Assembly of Québec formally ask the Government of Canada to review the Employment Insurance Act in order to eliminate the inequities currently found therein with regard to the particular situation experienced by the seasonal workers of Québec.”

Claude Bécharde
Québec Minister of Employment, Social Solidarity
and Family Welfare

It seems that everyone agrees on the need for better support of seasonal industries and workers through relaxed access and increased benefits under the Employment Insurance program.

But has the government responded adequately so far? Some government observers don't think so.

Recent public comments on the effects of Employment Insurance reforms, and their impact on recipients (which includes the majority of Seasonal Workers):

Auditor General's Report: EI Account has excess capacity

In her November 23rd, 2004 report to Parliament, Canada's Auditor General says:

*"[The Office of the Auditor General of Canada has] drawn Parliament's attention to the concerns about the size and the growth of the accumulated surplus in the Employment Insurance Account since [its] 1999 Report. The accumulated surplus has increased by \$2 billion, to reach \$46 billion in 2003–04. In our view, Parliament did not intend for the Account to accumulate a surplus beyond what could reasonably be spent for employment insurance purposes, given the existing benefit structure and allowing for an economic downturn. **In our opinion, the government has not observed the intent of the Employment Insurance Act.** In 2003, the government announced that it would conduct consultations on a new rate-setting process and would introduce legislation to implement a new process for 2005. In the 2004 Budget, the government noted that it was reviewing the results of the consultations and still planned to introduce legislation for 2005. However, the government has yet to address the concerns about the accumulated surplus in the Employment Insurance Account."*

Sheila Fraser, Auditor General for Canada
Report to Parliament, November 23rd, 2004

Campaign 2000: Better access to EI an important factor in fighting child poverty

Coincidentally on November 24th, Campaign 2000¹, a coalition of national, regional and local anti-child-poverty organizations released its 2004 Report Card on Child Poverty in Canada.

One of the main recommendations of the Report Card calls on the federal government to

"Provide better protection [for poor children and their families] through Employment Insurance",

and to

"Restore eligibility for EI".

¹ From www.Campaign2000.ca : Campaign 2000 is a cross-Canada public education movement to build Canadian awareness and support for the 1989 all-party House of Commons resolution to end child poverty in Canada by the year 2000. Campaign 2000 began in 1991 out of concern about the lack of government progress in addressing child poverty. Campaign 2000 is non-partisan in urging all Canadian elected officials to keep their promise to Canada's children.

The Campaign 2000 report further states:

“Labour market vulnerability is increasing primarily because of the high incidence of low paid jobs, the erosion of labour standards, decreasing access to collective bargaining, and the proliferation of jobs with limited or no benefits.

“Restructuring and downsizing in the nineties has meant that many good jobs have been replaced by non-standard employment, meaning work that is part-time, contract, seasonal, or self-employment. Non-standard employment has grown to 37% of all jobs in Canada, compared to just 25% in the mid-seventies.²

“Employment Insurance should be the first line of defense for unemployed parents. However, changes in Employment Insurance rules introduced in the 1990s mean that low-income workers who find themselves without jobs are not likely to receive benefits. Employment Insurance has also not kept up with a shifting labour market that has created many jobs that often do not fit qualifying rules. Workers in part-time, seasonal and temporary employment often do not qualify for any benefits, while others are only eligible for a short period of assistance.

“In 2001, only 39% of people who were unemployed were receiving Employment Insurance, down from 75% a decade ago. The increase in hours and weeks of work needed to qualify and corresponding reductions in benefits have had a particularly profound impact on women. Coverage for women has declined substantially, from 69% of unemployed women who received unemployment insurance benefits in 1990 to 33% in 2001.³”

Campaign 2000
2004 Report Card on Child Poverty in Canada

² Saunders, R. (2003). *Defining Vulnerability in the Labour Market*. Ottawa: Canadian Policy Research Networks.

³ Canadian Labour Congress, *Failing Unemployment Insurance Protection for Canada's Unemployed*, March 2003.

The belief that seasonal industries are confined to the far rural reaches of Canada is an ‘urban legend’ of sorts; quite to the contrary, *seasonal industries are present across the Canadian landscape.*

Our national economy not only evolved as a result of primary resource-based activities; it thrives today because of them. For the foreseeable future, resources will be a major contributor to our collective prosperity and high standard of living.

Seasonality in employment is largely a consequence of climate, geography and market demand; it is not a question of preference or design.

Naturally, many enterprises dealing in primary resources are located in remote wooded areas, on sparsely populated expanses, in isolated locales delving deep in the earth surface or far off shore gathering or drilling. True, the communities that have developed around these extraction and exploration operations are often quite remote, and rural in character.

But there are also a number of seasonal business activities located in urban centres, where sectors such as tourism, manufacturing, construction and retail are equally susceptible to volatile markets and business cycles.

In essence, *seasonal* is merely synonymous with *unstable* or *unpredictable*.

Yet as unreliable as seasonal business can be, so is it equally indispensable to the growth of the Canadian economy overall. Seasonal industries and the year-round manufacturers and service providers they supply are utterly interdependent.

What then explains the erroneous and disheartening perception that seasonal workers are somehow chronically unemployed by choice, and thus undeserving of living-wage benefits when their skills become temporarily unmarketable?

In the course of task force hearings across the country, seasonal workers invariably expressed a keen desire to work, contribute and be self-sufficient. Seasonal employers for their part consistently lamented their difficulty in retaining skilled and experienced employees who would return when activity in their enterprise would resume.

To coin a word from EI terminology, it turns out that people are not only “attachable” to business, they are also quite amenable to steady jobs and the ability to provide for their families.

To paraphrase an oft-cited Member of Parliament: ***It is not the worker who is seasonal; it is the nature of the occupation or the industry that is seasonal.***

INTRODUCTION

The importance of our seasonal economy is borne out by economic statistics: Table 1 below shows the latest figures on seasonal economic output; \$78 billion of our GDP and 17% of our Canadian Exports were generated by seasonal industries in 2003. This is by no means trivial.

Table 1

Seasonal Industries	Gross Domestic Product 2003		Canadian Exports 2003	
	\$ Millions	As a share of total	\$ Millions	As a share of total
Crop Production	11,078	1.1%	8,223	11.9%
Animal Production	3,901	0.4%	1,894	2.7%
Forestry	5,850	0.6%	583	0.8%
Fishing, hunting	921	0.1%	1,024	1.5%
Support Agriculture and Forestry	1,511	0.1%	63	0.1%
Residential Construction	19,876	2.0%	Not available	Not available
Non-residential Construction	10,671	1.1%	Not available	Not available
Engineering, repair	24,426	2.4%	Not available	Not available
SEASONAL INDUSTRIES TOTAL	78,234	7.7%	11,788	17%
ALL INDUSTRIES TOTAL	1,013,801	100%	69,331	100%

Source: Statistics Canada

In 2002, Canada's *agricultural and agri-food* sector (processing and retail) accounted for over 8% of total gross domestic product and employed roughly 2 million people, providing 1 in 8 jobs in Canada.

Fisheries, another quintessential seasonal sector, also has a considerable impact on Canada's balance of trade: "Canada's fishing and aquaculture industry demonstrated a strong, stable performance in international trade markets in 2003," said Fisheries and Oceans Minister Geoff Regan in March 2004. "Valued at \$4.5 billion, our fish and seafood exports also continued to provide a significant contribution to Canada's economic prosperity last year – both nationally and regionally."

Yet another pillar of the seasonal economy, *forestry*, fuels a series of manufacturing sector activities: sawmills, pulp and paper mills, plywood and panel board plants; planing mills and engineered wood products; manufactured paper and cardboard products, pre-fab homes, wood doors and windows.

INTRODUCTION

Much of our seasonal resource-based production is exported under international trade agreements, and most of these multilateral arrangements preclude any direct subsidy to the industries. WTO and NAFTA rules are clear: direct subsidization in most cases is frowned upon, if not completely contrary to the agreements.

It is here that the value of Employment Insurance as an economic stabilizer cannot be overstated. Though it is not a subsidy, EI helps seasonal employers retain at least part of the experienced labour force they desperately need in order to remain viable and profitable. One need only consider the softwood lumber issue. Without EI, skilled and equipped lumber harvesters would eventually be compelled to leave the trade altogether.

Overly restrictive EI rules also promote the underground economy. While the reforms of 1996 and 1997 were intended to generate savings to the program, it is worth noting that in 1999, the Auditor General reported that the underground economy was estimated at 4.5% of GDP, representing a loss of approximately \$7 billion of Federal tax.

This trend was borne out in the Task Force hearings: witnesses from seasonal sectors like agriculture and residential construction cited Employment Insurance, GST administration and Immigration requirements as inducements to resort to the underground economy. Left with little recourse other than to forego opportunities, many admitted paying cash for work and using random telephone directory listings to satisfy accounting requirements. *There must be a better way.*

Table 2

Seasonal Claims as a Percentage of Regular Claims by Province (2002/03)	
Province/Territory	Seasonal Claims as a % of regular claims
Newfoundland and Labrador	53.8
Prince Edward Island	56.9
Nova Scotia	43.2
New Brunswick	54.5
Quebec	36.7
Ontario	23.3
Manitoba	31.5
Saskatchewan	34.9
Alberta	18.4
British Columbia	25.7
Yukon	14.9
Northwest Territories	29.2
Nunavut	32.7
CANADA	33.0%
Source: HRSD 2003 Monitoring Report	

Table 2 demonstrates that Seasonal Workers are present across the country. Alberta and Yukon are the only provinces where the ratio of seasonal EI claims is under 20%.

INTRODUCTION

Data from the most recent Monitoring and Assessment Report of the Canadian Employment Insurance Commission cites the following ‘savings’ attributable to EI reform.

Table 3

Savings Attributable to EI Reform (\$Millions)							
	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02 (Maturity)	Estimated Savings at Maturity
Reduced Income Benefits	42	655	799	942	1,008	1,008	1,560
Increased Sanctions – Fraud	1.6	2.4	5.3	16.2	24.4	37.0	245
Enhanced Services	0	37.6	182.2	146.6	143.5	148.7	120
Administrative Savings	2.1	25.3	25.3	25.3	25.4	32.0	100
TOTAL SAVINGS	45.7	720.3	1011.8	1130.1	1201.3	1225.7	2025.0
Reinvestment in Active Measures	175	380	600	700	800	800	N/A

Source: HRSD 2003 Monitoring and Assessment Report, page 66

The cumulative savings due to changes from the UI program to the EI program is over \$5.4Billion from 1996 to 2001/02.

Table 4

STATUS OF THE EMPLOYMENT ACCOUNT, 1993-2003 (in \$ millions)											
YEAR	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment rate %	11.4	10.4	9.4	9.6	9.1	8.3	7.6	6.8	7.2	7.7	7.71
COSTS:											
Benefits	17,972	15,463	13,505	12,806	12,014	11,697	11,629	11,078	13,288	14,329	14,809
Administration, etc	1,300	1,271	1,326	1,364	1,348	1,315	1,382	1,362	1,483	1,569	1,520
Interest costs	405	310	82	--	--	--	--	--	--	--	--
TOTAL COSTS	19,677	17,044	14,913	14,170	13,362	13,012	13,011	12,440	14,771	15,898	16,329
REVENUES:											
From Premiums	18,469	19,327	19,180	19,091	19,379	19,623	18,880	18,885	18,436	18,502	18,040
From Interest Credits	--	--	--	78	278	680	976	1,488	1,286	944	1,174
TOTAL REVENUES	18 469	19 327	19 180	19 169	19 657	20 303	19 856	20 373	19 722	19 446	18 469
SURPLUS (DEFICIT)											
ANNUAL	-1,208	2,283	4,267	4,999	6,295	7,291	6,844	7,933	4,951	3,548	2,886
CUMULATIVE	-5,884	-3,601	666	5,665	11,960	19,251	26,095	34,028	38,979	42,527	45,413

Source: HRDC: <http://www.hrsdc.gc.ca/en/ei/images/pr2004.pdf>

The 10-year data above shows that the program saved considerably in through the Unemployment to Employment Insurance reform; restricted access to benefits, coupled with the associated 2.3% decrease in the unemployment rate from 1993 to 1996-97, amounted to benefits savings of nearly \$6 Billion.

Notwithstanding the value of hindsight I believe it is fair to question the necessity of the drastic reforms brought to the Unemployment/Employment Insurance program, and why the restrictions to admissibility have not been reviewed sooner or relaxed more substantially.

Recommendation 1: Reduce Minimum Qualification Requirements

THAT the number of hours required to qualify for Employment Insurance benefits

- *for people who have previously claimed benefits (regular claimants) be decreased from 420 hours to 400 hours*
- *for people who are re-entering the work force after an absence of two years (re-entrants) be decreased from 910 hours to 600 hours*
- *for people who are in the work force for the first time (new entrants) be decreased from 910 hours to 700 hours*

Recommendation 2: Reduce Wait Times for Regular EI Benefits

THAT Human Resources and Skills Development Canada reduce processing time for benefits claims by improving the efficiency of the systems and procedures used, and by increasing staffing levels if necessary.

Recommendation 3: Eliminate Wait Time for Compassion Care and Sickness

THAT the Employment Insurance Act be amended to eliminate the two-week waiting period for claimants of Sickness or Compassionate Care benefits.

Recommendation 4: Calculate Benefits on 12/52

THAT the calculation of Employment Insurance benefits be based on the best 12 weeks of earnings in the last 52 weeks.

Recommendation 5: Increase Maximum EI Benefits

THAT the maximum Employment Insurance benefits payable in a claim be increased from 55% to 60% of gross earnings in the best 12 weeks insured.

Recommendation 6: Extend the Benefits Period

THAT the maximum Employment Insurance benefits period be extended permanently by 5 weeks in regions where the rate of unemployment is 10% or more *without increasing qualification requirements*.

Recommendation 7: Reduce Clawback on Income Earned While Receiving Benefits

THAT the Employment Insurance Act be amended to allow claimants to earn the higher of \$ 100 or 50% of their weekly benefits before they become subject to clawback.

Recommendation 8: Freeze Premium Rates

THAT Employment Insurance premiums be maintained with *no decrease from the November 2004 premium rates*:

- \$ 1.98 per \$100 insurable earnings payable by employees, up to an annual maximum of \$ 722.20.
- \$ 2.77 per \$100 insurable earnings payable by employers, up to an annual maximum of \$ 1,080.30.

Recommendation 9: Apprenticeships for Seasonal Industries

THAT Human Resources and Skills Development Canada consult with Provincial and Territorial counterparts to include Apprenticeships that are specific to Seasonal Industries as recognized initiatives eligible for support under Labour Market Development Agreements.

Recommendation 10: Emphasize Training

THAT the Government of Canada initiate discussions with the Provinces and Territories that have already signed Labour Market Development Agreements, *to renew only the training portion* of those Agreements (except in Québec where Emploi Québec is reported by workers and employers to have successfully implemented all aspects of the Agreement)

Recommendation 11: Be Consistent

THAT the Government of Canada pursue Labour Market Development Agreements consistently in all the Provinces and Territories, including Ontario.

Recommendation 12: Be Accountable

THAT the Government of Canada make public and transparent reporting of expenditures by participating Provinces and Territories a firm requirement of Labour Market Development Agreements.

Recommendation 13: Close Distances to Training

THAT in reviewing the Labour Market Development Agreement with Nunavut, HRSDC identify and remove obstacles to training that arise from geographical distances.

Recommendation 14: Make Work Travel Tax Deductible

THAT the Government of Canada support seasonal workforce mobility by allowing tax deductions for job-related travel to a place of seasonal employment located more than 200 km from a worker's primary residence, up to four times per calendar year.

Recommendation 15: Canadians First

THAT Human Resources and Skills Development Canada establish a central referral service to help Canadian workers make themselves known to seasonal employers who must often resort to administratively onerous and costly recruitment of temporary foreign workers.

Recommendation 16: Help Communities Help Themselves

THAT Human Resources and Skills Development Canada provide financial support to those communities where seasonal employment is prevalent, and who wish to adopt the Emploi Québec model of labour market planning and training cooperatives.

Recommendation 17: Make More Skills Portable

THAT the Red Seal Secretariat of HRSDC continue its important work in promoting apprenticeship and trades; that it support the expansion of the Interprovincial Standards “Red Seal” Program by hosting an annual National Forum with a view to expanding the list of “Red Seal” trades beyond the 45 currently recognized, to include activities that are specific to Seasonal Industries

Recommendation 18: Attracting Skilled Labour to Canada

THAT the Government of Canada review Citizenship and Immigration policies to facilitate the entry of otherwise qualified foreign applicants who are certified tradespersons bearing recognized credentials.

Recommendation 19: Seasonal Industry R&D

THAT the Government of Canada call on the Canada Foundation for Innovation to consider allocating one tenth of its financial support to Research and Innovation in Seasonal Industries.

Recommendation 20: Seasonal Industry Marketing

THAT the Government of Canada supplement current development efforts by regional economic development agencies, by reviving the Rural Development Program to provide Seasonal-Industry specific marketing programs.

Recommendation 21: Cutting Red Tape

THAT Federal, Provincial and Territorial governments, where feasible, harmonize pertinent regulations and simplify reporting mechanisms to alleviate the administrative burden on Seasonal Industries.

SUMMARY OF RECOMMENDATIONS

Recommendation 22: Government as Leader in Seasonal Employment

THAT the Government of Canada, Federal Crown Corporations and Federal Agencies take a leadership role as seasonal employers by providing their employees a minimum of 4 months uninterrupted employment in each term of service.

Recommendation 23: Stigma Stings

THAT the Employment Insurance Act be immediately reviewed to identify and remove policies that are detrimental to, or that otherwise devalue, the vital contribution of Seasonal Work to Canada's economic performance.

Recommendation 24: Be Truly Inclusive

Recommendation 24 A – (FIRST NATIONS):

THAT the Government of Canada collaborate with Provincial and Territorial counterparts to enforce and monitor the participation of First Nations and Métis persons in projects where their inclusion is cited as justification to gain access to resources.

Recommendation 24 B – (OLDER WORKERS):

THAT the Government of Canada financially supports a new permanent HRSDC employment program that would match older workers with community non-profit organization requesting additional human resources and that participants in this program would qualify as regular claimants.

Recommendation 25: Encouraging Others to Lead

THAT the Federal Department of Natural Resources engage Provincial and Territorial counterparts to identify and adopt Forest Management Best Practices.

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

Recommendation 1: Reduce Minimum Qualification Requirements

THAT the number of hours required to qualify for Employment Insurance benefits

- *for people who have previously claimed benefits (regular claimants) be decreased from 420 hours to 400 hours*
- *for people who re-enter the work force after an absence of two years (re-entrants) be decreased from 910 hours to 600 hours*
- *for people who are in the work force for the first time (new entrants) be decreased from 910 hours to 700 hours*

A study published in December 2001 by the Evaluation and Data Development unit of HRSD titled "An evaluation Overview of Seasonal Employment" reported that seasonal workers earning less than \$12,000 were adversely affected by EI reforms and that these seasonal workers were less likely to qualify for benefits after EI reforms of 1996/97.

The main findings include:

- About 9.0 percent of all individuals experiencing a job separation are seasonal workers who earned less than \$12,000 in the previous year. This includes ***more than half*** (58.4%) of all seasonal workers.
- While approximately 82% of all seasonal workers are eligible for EI benefits, only 76% of seasonal workers earning less than \$12,000 qualify.
- The likelihood of qualifying for EI benefits decreased by 18.6% for seasonal workers earning less than \$12,000 with the transition to an hours-based system.

Seasonal employees have stressed to us they are unable to access provincial welfare programs when they run out of EI benefits because many provincial programs disqualify applicants who have as little as \$1,000 in personal assets.

Consider seasonal workers living in rural areas with no public transit. Their car - the very means by which they can pursue gainful employment - often becomes the asset by which they are disqualified from social support payments if their EI benefits are exhausted before they are able to find more work. This quickly becomes a vicious circle that can leave the poorest of our seasonal workers in dire circumstances at the worst time of year. Many seasonal businesses wind down operations in late fall, which means seasonal workers are often left with their highest utility bills when their income is lowest.

Prior to 1996-97, under the UI program, new entrants and re-entrants needed 20 weeks (approximately 700 hours) of work to qualify for benefits.

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

Under the new EI program, that same group of workers needs 910 hours of work to qualify, representing about 26 weeks.

At the time of the reforms, the main arguments from the department of Human Resources Development Canada to change the system from weeks to hours, was to enable workers in part-time jobs to gain access to EI benefits. The admissibility data gathered since that time has not substantiated those initial claims.

The Monitoring and Assessment Report of the Canada Employment Insurance Commission for 2003 refers to three (3) different simulation methods for evaluating accessibility.

First, the Survey of Labour and Income Dynamics (SLID): *“Women tend to have lower access to EI in comparison to men...Accessibility was the same for men and women working full-time (96%) and was lower for part-time workers with men at 41% and women at 57%...An analysis of accessibility for employed youth indicated that 65% would have been eligible to receive EI had they lost their job in December 2001.”*

Second, the proportion of unemployed individuals, previously in paid employment, that are potentially eligible for EI *“The level of access for unemployed men (85%) was slightly higher than for women (82%) while access was 95% for individuals who had previously worked full time in comparison to 59% for part time and 79% for seasonal”*

Finally, the broadest measure of accessibility to EI is the Benefit/Unemployment (B/U) ratio, which examines the proportion of all unemployed individuals that are in receipt of EI benefits. *“In 2002/03 the B/U ratio declined slightly from 47.0% to 45.4%, which is attributable to an increase in the proportion of the unemployed that have been out of the work force for an extended period of time.”*

The analysis suggests that accessibility to EI benefits is about 95% for full-time workers. But the level of access to EI for part-time workers (59%) and seasonal workers (79%) is considerably lower. Interesting to note is that in 2002/03, part-time employment constituted 18.8% of all employment.

In 2000, accessibility for claimants to Parental, Maternity and Sickness Benefits was reduced from 700 to 600 hours. The rules governing re-entrant parents were subsequently modified effective October 2000, to make Re-entrant Parents subject the same hour requirements as other claimants for regular benefits

**I LOWERING BARRIERS TO ACCESS AND
INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS**

Recommendation 2: Reduce Wait Times for Benefits

THAT Human Resources and Skills Development Canada reduce processing time for benefits claims by improving the efficiency of the systems and procedures used, and by increasing staffing levels if necessary.

Numerous witnesses to the Task Force gave evidence of delays of up to 2 month before receiving a first benefits check following their initial application for Employment Insurance.

HRSDC data indicates that 65% of first benefit checks are paid within 28 days. With an outlying 35%, this would be in keeping with the anecdotal evidence.

**I LOWERING BARRIERS TO ACCESS AND
INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS**

Recommendation 3: Eliminate Wait Time for Compassionate Care and Sickness Benefits

THAT the Employment Insurance Act be amended to eliminate the two-week waiting period for claimants of Sickness or Compassionate Care benefits.

Workers are not impervious to unfortunate and unforeseeable events involving sickness.

The Task Force received overwhelmingly positive feedback from witnesses with regards to the existence of Parental Benefits, the Sickness Benefits and the Compassionate Benefits. It is generally felt that such benefits reflect progressive Canadian social values well.

In the first four (4) months of 2004, only 100 claimants received Compassionate Care Benefits.

Table 5: Sickness Benefits claimed and benefits paid out.

	SICKNESS BENEFITS (Persons)		SICKNESS BENEFITS (Dollars)	
	2002	2003	2002	2003
Newfoundland and Labrador	14,240	15,540	21,978,550	23,150,230
Prince Edward Island	4,760	5,570	7,272,110	8,181,170
Nova Scotia	26,760	29,320	44,089,320	46,260,620
New Brunswick	28,050	30,820	36,480,090	39,251,500
Québec	178,910	190,780	415,608,130	433,823,980
Ontario	176,560	184,560	800,570,010	820,155,260
Manitoba	21,090	22,370	62,849,380	63,718,290
Saskatchewan	12,930	14,050	50,532,600	51,124,770
Alberta	52,430	53,810	182,028,080	199,037,450
British Columbia	86,310	93,800	223,889,220	231,745,660
Yukon	570	710	2,095,520	2,059,200
Northwest Territories	510	630	3,371,170	3,761,060
Nunavut	170	220	1,448,190	1,594,780
CANADA	603,250	642,150	1,853,015,920	1,924,757,240
Library of Parliament				

The Employment Insurance program disbursed over \$2.7 billion in Parental and Sickness Benefits claims in 2003.

I find it impossible to disagree with witnesses who told us that the two (2) week waiting period for Sickness and Compassionate Benefits should be removed from the Employment Insurance Act.

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

Recommendation 4: Calculate Benefits on 12/52

THAT the calculation of Employment Insurance benefits be based on the best 12 weeks of earnings in the last 52 weeks.

This issue was cited across the country

Both employers and employees expressed unequivocally that of all the measures of the Employment Insurance Act, that a disadvantageous basis for calculating benefits is the strongest disincentive to labour force attachment.

Many Seasonal Workers said that the current divisor of 14 best weeks out of 26 is a major obstacle to labour planning and to meeting demand for labour in cyclical, Seasonal Industries.

Weeks of low earnings (less than \$ 225), commonly known as “small weeks”, are excluded from the calculation of the rate of weekly benefits only when the claimant has accumulated a number of regular (higher) earnings weeks equal to or greater than the applicable divisor. Otherwise, small weeks are included in the calculation of the rate of weekly benefits in order to equalize the applicable divisor.

Many seasonal jobs in industries such as fishing, construction, agriculture and forestry are also cyclical. The Federal Government controls restrictions on regional fishing periods, allowable species and weight quotas. Likewise, provincial governments have jurisdiction over the period, zones and methods used to harvest trees. Both these industries have to deal with not only the seasonality of their operations but also with the particular business cycles to which they are subject.

Both groups of employers have experienced situations where employees are reluctant to work in certain periods, or where employees agree to work for the health of the employer but refuse to accept pay, because the resulting “small week” would be detrimental to their benefits calculation or be clawed back.

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

Recommendation 5: Increase Maximum EI Benefits

THAT the maximum Employment Insurance benefits payable in a claim be increased from 55% to 60% of gross earnings in the best 12 weeks insured.

Across the country, witnesses testified that seasonal employees have continued to experience financial hardships since the EI program lowered maximum benefits from 60% to 55% of gross earnings. With the reforms of 1996/97, the maximum weekly benefit rate decreased from \$465 to \$413.

For instance, in 2002/03 national average weekly benefit was \$308, and only 31% of all claimants were receiving the Maximum Weekly Benefit Rate. Payments to beneficiaries of Manitoba, Québec and the Atlantic Provinces were well below the national average.

Table 6

Average weekly Benefit by Province (2002/03)	
Newfoundland and Labrador	\$298
Prince Edward Island	\$292
Nova Scotia	\$287
New Brunswick	\$289
Québec	\$299
Ontario	\$322
Manitoba	\$292
Saskatchewan	\$300
Alberta	\$325
British Columbia	\$317
Yukon	\$334
Northwest Territories	#368
Nunavut	\$350
CANADA	\$308
Source: HRSDC, CEIC 2003 Monitoring and Assessment Report, page 12	

Table 7

All Claims receiving Family Supplement for (2002/03)				
Province/Territory	New Claims w/Supplement	% of all Claims w/ Supplement	Average Weekly Top-up (\$)	Average Weekly Benefit (\$)
NL	8,610	9.0	39	251
PE	2,750	10.9	41	255
NS	9,990	11.1	42	242
NB	9,740	10.6	41	259
QC	55,170	9.5	42	260
ON	47,860	9.2	42	260
MB	7,580	13.3	48	262
SK	5,750	12.9	48	257
AB	13,710	9.8	44	255
BC	21,150	9.9	43	269
YT	160	15.0	44	264
NT	180	7.1	42	278
NU	240	7.8	38	298
Source: HRSDC, CEIC 2003 Monitoring and Assessment Report, Annex 2.12				

It is instructive to note that only 31% of all claimants receive the maximum weekly benefit rate.

**I LOWERING BARRIERS TO ACCESS AND
INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS**

Recommendation 6: Extend the Benefits Period

THAT the maximum Employment Insurance benefits period be extended permanently by 5 weeks in regions where the rate of unemployment is 10% or more *without increasing qualification requirements*.

Most of us agreed in 1995 that the Unemployment Insurance system had become too costly and that perhaps a responsible solution, considering the financial state of the program, would be to reduce the benefits paid out by the Fund.

Almost ten years later, witnesses to the Task Force are nearly unanimous in denouncing the rationalizations as having gone too far. If the 10/42 formula in place prior to the reforms was too generous and too costly, the current 15/25 is considered too austere, leaving many seasonal workers nearly 3 months without any income, often in Winter.

This 3-month period is called the “gap” or “black hole.”

“Les Sans Chemises” (literal translation: The Shirtless), a coalition of Quebec seasonal workers, presented the following data to the Task Force; if it is true that “numbers don’t lie”, these numbers paints a grim reality.

Table 8

# of Weeks Payable by Unemployment Rate – Claimants Regions					
# Hours worked	Equivalent # of Weeks	10% - 11% Unemployment	13% - 14% Unemployment	Total # of weeks with income	Black Hole / no income
490	14	No benefits	27	41	11
525	15	-	27	42	10
525	15	21	-	36	16
595	17	-	28	45	7
595	17	22	-	39	13

“Les Sans Chemises” recommended to the Task Force that *all entry levels be at 350 hours, with a minimum of 35 weeks of benefits at 60% of gross earnings*.

Last Spring the Prime Minister, based on the preliminary report of the Task Force, acknowledged the gravity of the problem, and HRSDC announced a Pilot Project to increase the maximum period of benefits by 5 weeks for claimants living in zones of more than 10% of unemployment.

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

At the time this initiative was announced, HRSDC projected between 100,000 to 120,000 claimants would benefit about \$1,000 more from this initiative. Members of the Task Force were later unofficially told that the number of claimants who actually benefited from this Pilot Project was in reality around 25,000.

We cannot comment on the result of this Pilot Project since HRSDC to date has not released the requested information.

Regular EI claimants can receive between 14 and 45 weeks in income support depending on the economic region where they reside. The 1996/97 reform reduced the maximum number of weeks from 50 to 45. With time, users of the system – employees and employers – have come to question the adequacy of EI benefits.

In 1997/98, 31.2% of claimants drew benefits as long as they could and exhausted their benefit period; by 2001/02, this number had declined to 30.8%.

A straightforward calculation of 30.8% out of a total of 2,748,520 yields 846,544 claimants across all economic regions who exhausted their EI benefits period in 2001/02. A study conducted by HRSDC on the recourse to social assistance by EI clients indicates a decline from 6.2% in 1995/96, to 2.4% in 2000/01 and back up to 3.8% in 2001/02.

HRSDC observed that part of the decline could be attributable to changes in eligibility for provincial and territorial social assistance programs. Accordingly taking the 3.8% of the claimants who exhausted their EI benefits in 2001/02; there are some 32,169 claimants/families who qualified for social assistance.

In a nutshell, for 2001/02, out of 846,544 EI benefit period exhausters, only 32,169 or 3.8% qualified for social assistance.

One can also look at this issue from the perspective of the proportion of maximum benefits used by claimants in the following table. The proportion of maximum benefits used has remained relatively stable.

Table 9

Proportion of EI Entitlements Used by Regular Claimants				
97/98	98/99	99/00	00/01	01/02
64.8%	64.8%	65.6%	65.1%	65.8%

Source: HRSDC/CEIC 2003 Monitoring and Assessment Report

The percentage of entitlements used was highest in Newfoundland and Labrador (74.8%), Prince Edward Island (74.9%), New Brunswick (69.3%) and Nova Scotia (68.8%), reflecting higher unemployment rates and fewer job opportunities in these provinces. The percentage of entitlement used was lowest in Ontario. The average entitlement for Ontario increased in 2001/02 from 60.8% to 63.9% as a result of a slowdown in the economy.

**I LOWERING BARRIERS TO ACCESS AND
INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS**

Recommendation 7: Reduce Clawback on Income Earned While Receiving Benefits

THAT the Employment Insurance Act be amended to allow claimants to earn the higher of \$ 100 or 50% of their weekly benefits before they become subject to clawback.

The effect of the low cap on allowed earnings is similar to that of “small weeks”.

Witnesses cited this as the second most significant disincentive to work under the current Employment Insurance legislation. Many witnesses pointed out that employees are either refusing to work, not getting paid for work performed or “banking hours” with their employers.

Employers from all seasonal industries, not just those who have been investigated, attest to the practice of banking of hours. Currently a claimant can earn \$50 or 25% of their weekly benefit; whichever is higher, without clawback. Afterwards, the clawback is dollar for dollar.

Table 10

Scenarios of Clawback while on EI				
	25% or \$50 max	25% or \$50 max	50% or \$100 max	50% or \$100 max
Benefit	\$308	\$308	\$308	\$308 (-56)
Work Income	--	\$77 (max)	\$154 (max)	\$210
Total Income	\$308	\$385	\$462	\$462
LESS:				
20% Inc. Tax	(\$61.60)	(\$77)	(\$92.40)	(\$92.40)
10% work expenses	--	(\$7)	(\$14.40)	(\$21.00)
Disposable Income	\$246.40	\$301	\$354.20	\$348.60
Note: \$308 is national average benefit on EI				

I LOWERING BARRIERS TO ACCESS AND INCREASING BENEFITS FOR EMPLOYMENT INSURANCE RECIPIENTS

Recommendation 8: Freeze Premium Rates

THAT Employment Insurance premiums be maintained with *no decrease from the November 2004 premium rates*:

- \$ 1.98 per \$100 insurable earnings payable by employees, up to an annual maximum of \$ 722.20.
- \$ 2.77 per \$100 insurable earnings payable by employers, up to an annual maximum of \$ 1,080.30.

EI rates are an important issue for stakeholders. Political parties point to an ever-reducing rate of employment insurance as a panacea for economic stimulation and job creation. I do not believe this to be the case.

Premiums went from 3.07% in 1994 to 2.1% in 2003. They alone cannot possibly explain the job market growth Canada has experienced. Deficit reduction and elimination, as a part of sound and responsible economic policy, have done more to explain employment generation than the mere reduction of insurance rates.

For example, the surplus in the EI Account for 2003 was estimated at \$ 2.88 Billion, or roughly 16% of total premium revenue for the year.

Assuming that the estimated cumulative surplus in the Account is \$ 45 Billion;

if an insurance rate of

- 3.07% generated \$ 19 Billion revenue to the Account in 1994, and a rate of
- 2.1 % generated \$ 18 Billion revenue to the Account in 2003,

does this necessarily imply that cutting the rate further than the 35% of the last 10 years will inevitably lead to commensurate job growth? Intuitively, we know it will not.

In fact, the unemployment rate has been relatively stable in recent years, going from 7.6% in 1999 to 7.71% in 2003.

Maintaining the insurance rate at its current level would allow the Account to still record reasonable (if more modest) surpluses - *while restoring some benefit provisions to ratepayers* - is perhaps an idea whose time has come.

At the very least it warrants a trial.

II LABOUR MARKET DEVELOPMENT AGREEMENTS (LMDA): IMPROVING PERFORMANCE

Recommendation 9: Apprenticeships for Seasonal Industries

THAT Human Resources and Skills Development Canada consult with Provincial and Territorial counterparts to include Apprenticeships that are specific to Seasonal Industries as recognized initiatives eligible for support under Labour Market Development Agreements.

A recurring theme throughout the Task Force's hearings was the challenge of developing skilled seasonal workers. Lack of coordination between the Federal and Provincial/Territorial governments in terms of training and mobility creates significant barriers, inadvertent or otherwise, to the successful use and retention of skilled workers by seasonal employers.

Many witnesses cited the unwillingness or incapacity of HRSDC to adapt training initiatives to accommodate people who are willing to learn and eager to participate in the workforce.

Employers in seasonal or cyclical industries also complained of a lack of skilled workers. They testified that talented people are often encouraged to migrate and to seek full time yearly employment in less specialized fields.

This situation, if left unresolved, will continue to hinder the progress of seasonal workers and employers in sectors such as agriculture and construction, thus preventing them from making their best contribution to Canada's economy.

// LABOUR MARKET DEVELOPMENT AGREEMENTS (LMDA): IMPROVING PERFORMANCE

Recommendation 10: Emphasize Training

THAT the Government of Canada initiate discussions with the Provinces and Territories that have already signed Labour Market Development Agreements, *to renew only the training portion* of those Agreements (except in Québec where Emploi Québec is reported by workers and employers to have successfully implemented all aspects of the Agreement)

Recommendation 11: Be Consistent

THAT the Government of Canada pursue Labour Market Development Agreements consistently in all the Provinces and Territories, including Ontario.

Recommendation 12: Be Accountable

THAT the Government of Canada make public and transparent reporting of expenditures by participating Provinces and Territories a firm requirement of Labour Market Development Agreements.

In keeping with commitments from the 1996 Speech from the Throne, the Government of Canada withdrew from labour market training and created new partnerships with the provinces and territories in the form of Labour Market Development Agreements (LMDAs), which are either co-managed or outright transfers.

Witnesses expressed dissatisfaction with the services provided within the framework of the Agreements. Most witnesses were also concerned about the management and distribution of these funds.

The exceptionally positive comments came from Québec, where both employers and workers praised the successful implementation of the LMDA.

Although the intent was for the Government of Canada to withdraw from training, the LMDA's provide invaluable support to unemployed EI clients in gaining work experience, improving job skills or starting new businesses.

LMDAs have been signed with all of the provinces/territories except Ontario.

II LABOUR MARKET DEVELOPMENT AGREEMENTS (LMDA): IMPROVING PERFORMANCE

Overview of Labour Market Development Agreements Federal/Provincial/Territorial

Table 11

Province / Territory	Type of Agreement	Signed	Implemented	Allocation (\$000's)*		
				2003/2004	2002/2003	2001/2002
Newfoundland and Labrador	Co-management	March 24, 1997	March 24, 1997	130,200	129,371	127,531
Prince Edward Island	Co-management	April 26, 1997	April 26, 1997	25,962	25,640	25,138
Nova Scotia	Co-management (Strategic Partnership)	November 1, 1997	November 1, 1997	81,227	80,774	80,205
New Brunswick	Transfer	December 13, 1996	April 1, 1997	92,086	91,235	90,425
Quebec	Transfer	April 1, 1997	April 1, 1998	598,108	597,316	595,741
Ontario	No agreement concluded	N/A	N/A	524,29	526,154	531,255
Manitoba	Transfer	April 17, 1997	November 27, 1997	48,349	48,958	49,521
Saskatchewan	Transfer	February 6, 1998	January 1, 1999	38,990	38,931	38,857
Alberta	Transfer	December 6, 1996	November 1, 1997	110,655	112,102	112,819
British Columbia	Co-management	April 25, 1997	April 25, 1997	289,978	289,458	288,999
Northwest Territories	Transfer	February 27, 1998	October 1, 1998	3,607	3,652	3,448
Yukon	Co-management	January 24, 1998	January 24, 1998	4,092	4,080	4,051
Nunavut	Co-management	May 11, 1999	April 1, 2000	2,517	2,329	2,091
Canada				1,950,000	1,950,000	1,950,081
N/A = not applicable -- * This chart does not include funds that are transferred to cover administration costs.						
Source: Library of Parliament						

With respect to the above information, since the Government of Canada has no signed LMDA with Ontario, what do the \$ 531,255,000 allocations to Ontario represent?

Under ***co-management*** agreements, HRSDC and the respective province/territory share responsibility for the design and management of labour market development programs and services. Under the ***transfer*** agreements, the Government of Canada provides an annual contribution towards the administration costs incurred by the province or territory. Under the schemes of these agreements, transfer provinces/territories are not obligated to inform HRSDC of the allocation of these transfers. For example, in 2002-2003, the Province of New Brunswick (Department of Training and Employment Development) received 91 235 000\$ in transfers under the Canada/New Brunswick Agreement on Labour Market Development (LMDA). Excluding funds that were transferred to cover administration costs, the Province of New-Brunswick was accountable for 52 584 264\$⁴ of a total of 91 235 000\$.

⁴ Cited in the New Brunswick Public Accounts of 2003 as: Various grants and contributions (under 15 000\$) 12,008,437\$ at: <http://www.gnb.ca/0087/PubAcct/PA03v2.pdf> Bursaries, scholarships and post-graduate grants: 40,575,827\$ -- Total 52, 584,264\$ out of 91,235,000\$

***II LABOUR MARKET DEVELOPMENT AGREEMENTS (LMDA):
IMPROVING PERFORMANCE***

Recommendation 13: Close Distances to Training

THAT in reviewing the Labour Market Development Agreement with Nunavut, HRSDC identify and remove obstacles to training that arise from geographical distances.

Witnesses in Nunavut stated that their Labour Market Development Agreement is too rigid and does not allow them to pursue training opportunities that meet their needs.

Recommendation 14: Make Work Travel Tax Deductible

THAT the Government of Canada support seasonal workforce mobility by allowing tax deductions for job-related travel to a place of seasonal employment located more than 200 km from a worker's primary residence, up to four times per calendar year.

The communities of Oliver, British-Columbia and Woodstock, New Brunswick have endeavoured to find housing for an influx of needed seasonal employees in their areas.

Moreover the Task Force heard from construction industry representatives and trades people in Atlantic Canada and in Ontario that the high cost of traveling and housing from one's residence to a construction site is a disincentive to provide labour. Travel and housing costs are deductible expenses for businesses under the *Income Tax Act*, but not for workers. ***I am of the view that travel deductions should be considered for seasonal workers.***

Recommendation 15: Canadians First

THAT Human Resources and Skills Development Canada establish a central referral service to help Canadian workers make themselves known to seasonal employers who must often resort to the administratively onerous and costly recruitment of temporary foreign workers.

The Task Force heard too often that seasonal jobs go unfilled due to a lack of workers. The establishment of a Labour Market Registry as a coordination service for both employers and those seeking employment is required. In the late 1980's, the Federal Government abolished the national labour market registry along with the Farmers Human Resources Offices.

Each year, Canadian employers hire thousands of foreign workers to help address agricultural labour shortages. HRSDC and Citizenship and Immigration Canada (CIC) in cooperation with the provincial governments support the seasonal economy with agreements that allow foreign workers into Canada. The Seasonal Agricultural Worker Program (SAWP) allows the organized entry of foreign workers to fill agricultural labourer positions in Canada. SAWP was developed by HRSDC and CIC in cooperation with agricultural producers and a number of foreign countries including Mexico and several Commonwealth Caribbean countries.

SAWP currently operates in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island and responds to some of the needs of specific agricultural commodity sectors. Since HRSDC does not nationally coordinate available ***domestic*** workers by maintaining a national registry, employers and employees are not locally, regionally or nationally aware of each other.

In the process of establishing yearly immigration levels for SAWP, a labour market opinion must be rendered by HRSDC to CIC in order to re-evaluate the need for foreign workers in this specific category.

In submitting its opinion on labour market, I believe HRSDC does not properly consider domestic workers since it does not coordinate a register of temporary agricultural job opportunities and workers who are available and willing to fill these positions.

Under the auspices of this temporary agriculture foreign worker program, employers must pay return transportation from the workers' country of origin; this cost alone could make domestic workers a competitive, if not more attractive, alternative.

Recommendation 16: Help Communities Help Themselves

THAT Human Resources and Skills Development Canada provide financial support to those communities where seasonal employment is prevalent, and who wish to adopt the Emploi Québec model of labour market planning and training cooperatives.

It was in the regions that I witnessed one of the more positive applications of LMDA's.

Thanks to funding obtained through their Labour Market Development Agreement, the Gaspé region established Community Labour Cooperatives where employers and employees come together to plan and coordinate local labour markets.

In fact, their efforts go beyond planning to include localized training initiatives. The project is financed entirely by Emploi Québec and is adapted to local needs.

This is a great example of maximizing local human resources, and is a model I believe merits consideration by other areas of the country.

Recommendation 17: Make More Skills Portable

THAT the Red Seal Secretariat of HRSDC continue its important work in promoting apprenticeship and trades; that it support the expansion of the Interprovincial Standards “Red Seal” Program by hosting an annual National Forum with a view to expanding the list of “Red Seal” trades beyond the 45 currently recognized, to include activities that are specific to Seasonal Industries

Currently, only 45 out of approximately 200 skilled trades in Canada are part of the Red Seal program, which allows for the recognition of skilled trades training across Canada.

Notwithstanding the internal requirements of the program, I believe the model of the Red Seal program should be expanded as much as possible, so that more people and industries may benefit from a recognizable standards-based accreditation.

Recommendation 18: Attracting Skilled Labour to Canada

THAT the Government of Canada review Citizenship and Immigration policies to facilitate the entry of otherwise qualified foreign applicants who are certified tradespersons bearing recognized credentials.

Statistics Canada projects that our country will soon become heavily reliant on immigration to meet our need for skilled workers.

This looming shortage is mostly attributable to the fact that Canada's workforce is aging; by 2011, nearly 20% of baby boomers - those born between 1946 and 1964 - will be 61 years of age or older and getting ever closer to retirement. What distinguishes Canada from other developed countries according to StatsCan is the relatively large size of the Canadian baby boom cohort, which creates the potential for an abrupt mass exit of skilled workers and trades people from the labour market.

The hope is that immigration policies, training coordination and labour mobility will align in time to address and hopefully avoid this important labour shortage.

I believe that special allowances under our current points system for immigrants with recognized skills or accredited trade training should be considered.

Recommendation 19: Seasonal Industry R&D

THAT the Government of Canada call on the Canada Foundation for Innovation to consider allocating one tenth of its financial support to Research and Innovation in Seasonal Industries.

Recommendation 20: Seasonal Industry Marketing

THAT the Government of Canada supplement current development efforts by regional economic development agencies, by reviving the Rural Development Program to provide Seasonal-Industry specific marketing programs.

Recommendation 21: Cutting Red Tape

THAT Federal, Provincial and Territorial governments harmonize pertinent regulations and simplify reporting mechanisms to alleviate the administrative burden on Seasonal Industries.

Seasonal industries are subject to uncommonly high production costs; seasonal shutdowns, idle equipment, stopping and re-starting production, transportation, higher human resources turnover and the resulting training cost all contribute to a heavy cost structure.

This is especially true in the agriculture sector. This important seasonal industry must not only deal with unpredictable weather and climate, it is also faced with ever-changing and increasing regulatory requirements and bureaucratic formalities.

Farm operators have testified that the time and work needed to satisfy all the necessary federal and provincial filing requirement is at times overwhelming.

Other seasonal employers have said that the current EI Program criteria coupled with the phenomena of aging seasonal workers and the migration of youth to urban centres, are creating much uncertainty in their operations.

They are therefore extremely reluctant to fund market research or expand current operations with capital investment, given the uncertainty of the labour pool.

Recommendation 22: Government as Leader in Seasonal Employment

THAT the Government of Canada, Federal Crown Corporations and Federal Agencies take a leadership role as seasonal employers by providing their employees a minimum of 4 months uninterrupted employment in each term of service.

The following table indicates who the seasonal employers are and where they operate.

Table 12

% Seasonal by Province		% Seasonal by Industry	
NL	31.0	Agriculture	59.0
PE	42.4	Primary	45.2
NS	25.7	Manufacturing	11.6
NB	31.1	Construction	29.1
QC	17.0	Transportation	21.6
ON	11.4	Communications	4.8
MB	15.8	Utilities	18.3
SK	17.1	Trade	7.4
AB	13.0	Finance Insurance and Real Estate	3.7
BC	12.2	Education	9.5
YT	N/A	Business Services	13.5
NT	N/A	Government Services	14.8
NU	N/A	Public Administration	16.6

Source: HRDC 2001. *An Evaluation Overview of Seasonal Employment*

That primary activities top the list of seasonal employers is quite intuitive. One would expect weather-dependent industries to be seasonal: agriculture, resources extraction and construction are all prone to slow-downs in harsh climate. It is instructive to note however that seasonal workers carry out 15% of government service work. From tax filing to census taking, these Canadians help government do its job for the taxpayers of Canada.

When the Task Force travelled through Atlantic Canada and Québec in April 2004, witnesses informed (and stunned this panel member) of a directive from Treasury Board Secretariat to government seasonal employees, informing them that the length of their seasonal job would be reduced from four (4) months to three (3) months. This effectively eliminated many workers' ability to qualify for Employment Insurance benefits, and reduced others' benefits period substantially.

Notwithstanding the overwhelming size and insular nature of federal government departments, I find it hard to reconcile the promotion of full-time work as an ideal, with our own government operations that are so heavily dependent on seasonal workers.

Recommendation 23: Stigma Stings

THAT the Employment Insurance Act be immediately reviewed to identify and remove policies that are detrimental to, or otherwise devalue, the vital contribution of Seasonal Work to Canada's economic performance.

Seasonal employers and employees have long suffered the social stigma of indolence. The very people who rely on seasonal workers for their own full-time jobs often hold these seasonal workers in contempt.

Witnesses have said that government and economic development agencies often treat seasonal industries as employers of last resort having only low-quality jobs to offer.

Seasonal employers have also expressed frustration at being perceived as an undesirable component of the labour market, making them less attractive to skilled workers and tradespersons. Employers also claimed hypocrisy on the part of governments that gladly claim the jobs generated by seasonal industries as a result of government policy or intervention, but then do little to alleviate irritants.

Recommendation 24: True Inclusiveness

Recommendation 24 A: True Inclusiveness - First Nations

THAT the Government of Canada collaborate with Provincial and Territorial counterparts to enforce and monitor the participation of First Nations and Métis persons in projects where their inclusion is cited as justification to gain access to resources.

In testifying to the Task Force when it went through the western provinces, First Nations and Métis Communities expressed a keen desire to work and participate in their local and regional economic growth.

But they said that even when a private company presents corporate policies promoting aboriginal participation in order to gain access to provincial lands and resources, there is no enforcement mechanism to ensure that these companies' policies toward aboriginal peoples are implemented.

They also expressed deep frustration in knowing that good jobs for which they are qualified often went to foreign workers while they are left to rely on social assistance. They mentioned repeatedly that the word "consult" was overused and lacked meaning in regards to government and corporate policy, and that this prevents them from fully participating in local and regional economic development.

Recommendation 24 B: True Inclusiveness - Older workers

THAT the Government of Canada financially support a new permanent HRSDC employment program that would match older workers with community non-profit organization requesting additional human resources and that participants in this program would qualify as regular claimants.

Globalization and increased competition from developing countries results in manufacturing plant downsizing and “offshoring” of jobs. The fortunate displaced older worker can afford early retirement. Others with limited or overly specific skill sets are left to their devices to find employment that will bridge them to retirement. In many cases, retraining through federal and provincial programs is not advantageous. These older displaced workers often come to feel they are permanently unemployable.

I applaud the Government of Canada and HRSDC for the progressive initiatives that have been put in place for parental and compassionate EI benefits. These measures have been well received and have proven to be effective; I believe the time has come to support the social economy in a similar way.

In communities across Canada, retirees are volunteering with non-profit organizations. Though the monetary value of the work they do is difficult to quantify, it is easy to suppose that without their participation, services would either have to be reduced *or additional financing would be required*.

As the bulk of our population ages, there will be an increasing need for human resources to maintain current and new services supplied by the non-profit community sector.

Older workers could be called upon to fill this additional need in paid capacities, thus allowing them to maintain their dignity and self-sufficiency in the process.

Recommendation 25: Encouraging Others to Lead

THAT the Federal Department of Natural Resources engage Provincial and Territorial counterparts to identify and adopt Best Practices in Forest Management.

Seasonal activity in forestry generates year-round activity in many other sectors. Both employers and employees working in the harvesting of trees claimed that mismanagement, lack of planning and the failure to reforest Crown Lands are all factors that imperil the future of their industry.