

Today's 'job churn' is a symptom of Canada's stagnant economy, says U of T expert

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Canada's stagnant growth is taking a toll on the job market.

After the Bank of Canada downgraded the country's economic outlook, Finance Minister Bill Morneau told a Liberal Party meeting that temporary, short-term work is the new normal, especially for young people.

"How do we train and retrain people as they move from job to job to job? Because it's going to happen. We have to accept that," Morneau said during a question-and-answer session at the meeting last week. The comments almost immediately received backlash from many young Canadians who believe the government isn't doing enough to support them.

Professor Rafael Gomez, director of the University of Toronto's Centre for Industrial Relations and Human Resources in the Faculty of Arts & Science, says the trend toward precarious work is nothing new.

He spoke with *U of T News* about how the economy affects the labour market, and what the federal and provincial governments can do to support vulnerable workers.

Has there really been a dramatic shift in Canada's labour force?

You have to be careful because what people perceive and what the data we have show – sometimes they're different things. And the Labour Force Survey picks up some of this but not all. But if you just look at the number of people in the standard employment relationship, it has not budged in 18 to 20 years. If you look at the late '90s and compare it to today, it's about the same proportion of workers who have full-time, permanent jobs in the labour market.

Where is this sense of insecurity coming from? What has increased is the proportion of young people in non-standard jobs, which is everything else but a full-time permanent job. If you break that down a little bit more – and the Labour Force Survey does this a little bit – 70 per cent of people say it's a voluntary choice. That means 30 per cent of a 25 per cent pie is what we could consider to be in the precarious or more vulnerable state.

What's behind the increase?

The problem, I think, is that there isn't a very dynamic and fast-growing economy, which underpins growth in the labour market. When we're in a stagnant, low-growth environment, it's hard if you lose a job to get another one. If you're a new labour market entrant of any kind – that would mean you're an immigrant, someone who's lost a job or someone who's coming out of school looking for a job – it's difficult to get your foot in the door because there isn't natural growth. New positions don't open up.

Has this happened before in Canada?

The recession of the early '80s was far worse on young people. It scarred an entire generation. There's labour economic analysis that's been done of cohorts who enter the labour market in particularly bad economic circumstances. You can see the profile of people who enter the labour market during a deep downturn – and those folks tend to have lower earnings throughout their career.

In terms of their attitude and expectations about work and mobility, they're much diminished.

We're not really experiencing a recession. It's a period of more stagnant and low growth, which is different.

What can the federal government do to support precarious workers?

One of the things the government can do is encourage the ability for the labour market to regulate itself by making it easier for workers to join trade unions and to make sectorial arrangements. There are a few sectors in Canada that provide coverage for an entire group of workers. For example, cultural industries have sectorial agreements, meaning that if you work in film or television in Canada no matter where and on which work site – even if the job is temporary – you’re still captured by the same rights a unionized worker would have in a GM plant.

These sectorial agreements, not necessarily tied to a workplace, are effective mechanisms. We’ve seen it in the data we’ve analyzed. They bring the wage up, and they ensure benefits are paid.

Was Morneau’s speech sending the wrong message to employers?

You have low growth, not generating new jobs – that’s the reality of the labour market today. That part was true. It should’ve been buttressed with “but we need to ensure people are not being exploited and taken advantage of because they need to get their foot in the door.” This is something the government should be watching for and not allowing to happen.

What is the Ontario government doing to tackle the “job churn”?

Ninety per cent of workers are covered by provincial labour laws, labour standards and employment laws so the real action is at the provincial level. The Ontario government is undertaking a major review of its labour laws, which pertain to union management relations, and employment standards, which are for everyone else who is not covered by an agreement. The province is exploring different ways and models, especially to help vulnerable workers.