



JOBS WITH A FUTURE

Report of the Working Group on

Seasonal Work and Unemployment Insurance

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***Report to the Minister of Human Resources Development
from the Working Group on***

***SEASONAL WORK AND
UNEMPLOYMENT INSURANCE***

March 1995

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March 23, 1995

Dear Minister Axworthy:

The members of the Working Group on Seasonal Work and Unemployment Insurance are pleased to submit to you our report. We came to this task from widely disparate backgrounds and with very different points of view. The opportunity to meet with Canadians from coast to coast and to share their concerns and visions brought us together and shaped the consensus that emerged in our report.

We hope that the directions suggested in our report will be helpful to you as you get on with the challenging task of reforming Canada's social programs that you launched with the release of *Improving Social Security in Canada*.

Your department provided excellent support to us in carrying out our task within our short four month time frame. We are particularly grateful to Danielle Labonté who ably served as our Secretariat, Anne Sims who provided administrative support, and the staff in the central HRDC office who provided extensive background information. The staff of the regional HRDC offices also were full and enthusiastic participants in the process, helping us with local arrangements and frankly sharing their own views on the problems with UI and Employment Development Services.

We would also like to acknowledge Heather Robertson who worked with us in drafting our report and Gilles Theriault and Rick Williams of GTA Consultants Ltd. who served as organizers and facilitators for two conferences we held.

Thank you for giving us the opportunity to take a special part in the debate about the future of Canada's social programs. It is important that the voices of those involved in seasonal work be heard because they have much to say.



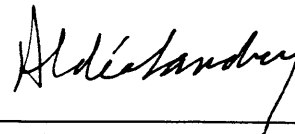
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TABLE OF CONTENTS

	page
HIGHLIGHTS.....	III
PREFACE.....	1
1. OVERVIEW	3
1.1 What we heard.....	3
1.2 Directions.....	6
2. THE SETTING	11
2.1 UI Reform	11
2.2 The nature of seasonal work.....	15
Seasonal jobs: Patterns in Canadian output	15
Seasonal employment and income	21
The industry dimension of seasonal unemployment	22
Seasonal patterns of UI claims by industry	23
The regional dimension of seasonal unemployment	26
3. WHAT WE HEARD.....	31
3.1 Seasonal Jobs	32
3.2 Seasonal work and UI	34
4. DIRECTIONS.....	42
4.1 Jobs come first.....	42
Economic development and seasonal work	42
Re-organizing work	48
Investing in people: training and basic education	51
Percent of seasonal claimants who have grade 11 education or less	54
4.2 Working Together.....	59
Defining objectives and responsibilities	59
Simplifying programs	60
Delegating	62
Multi-year planning and budgeting	63
Reviewing institutional arrangements	64

TABLE OF CONTENTS (continued)

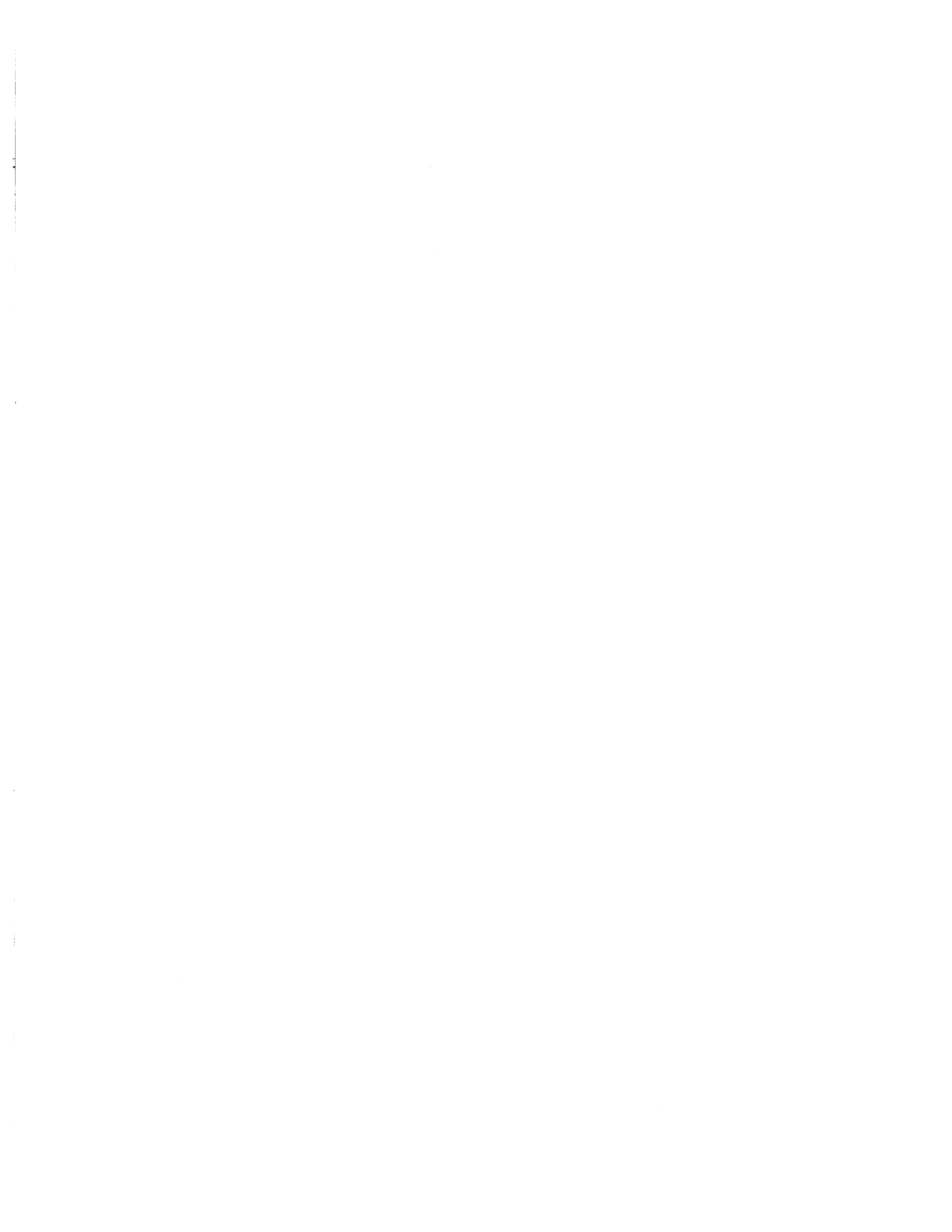
	page
4.3 Giving stakeholders a say	66
4.4 Making Unemployment Insurance work	68
Streamlining the UI program	68
Redirecting funds	75
UI Reform and women	78
UI Reform and young people	81
Disincentives to work	84
Curbing UI abuse	87
4.5 Getting there	90
5. BLUEPRINTS FOR SUCCESS	91
6. APPENDICES.....	99
I. Terms of references	101
II. People and groups we met in the consultations.....	103

HIGHLIGHTS

The **Working Group on Seasonal Work and Unemployment Insurance** was established in October, 1994 to assist the Minister of Human Resource Development in developing solutions to the concerns of those in seasonal jobs and industries, within the context of Unemployment Insurance Reform as laid out in the discussion paper *Improving Social Security in Canada*. The Working Group consulted widely with those in seasonal industries, their representatives and their communities, government officials, selected experts and HRDC local staff. It came to a better understanding of the nature of seasonal work.

Seasonal industries provide jobs with a future, especially when the industries build on their strengths, believe in their workers and take on the challenges of tomorrow's new economy. The Working Group defined directions to take in reforming UI as it affects seasonal work.

- **Jobs come first.** The elements of a job plan are multi-faceted and range from managing better our natural resources, building infrastructure, creating more value-added in resource-related industries and improving the cost and availability of capital.
- **Make training focused on jobs with a future.** Workers need basic education and learning skills; upgrading and recycling to enhance professional skills; and reorienting toward new careers in emerging and existing industries. Employers should be encouraged to take more responsibility for training.
- **Recognize that seasonal work has a future.** Taking advantage of our rich resource base, some seasonal jobs are able to pay high wages. Others may be the only jobs available. For all cases, seasonal work can be upgraded.
- **Dovetail economic and human resource development,** in a simplified structure involving labour and industry.
- **Emphasize sound program management:** identify key decision makers, extend the planning horizon, and build information and delivery systems to serve clients.
- **Give stakeholders a say in UI funding, design and spending** by representing labour and business in a restructured UI Commission.
- **Streamline UI in a way that is fair and targets those most in need.**
- **Recognize that seasonal employment needs to be covered by UI.**
- **Take into account the profound effect of UI changes on communities dependant on seasonal jobs.**
- **Spend existing UI development funds better before spending more.** Plan employment development in the broader context of sectoral and regional needs.
- **Identify the impacts on women and on child poverty from UI reform.**
- **Provide for young people alternate education and training instead of UI.**
- **Redesign UI so that every hour of work counts and it always pays more to work.**
- **Curb abuse.**
- **Plan the transition to a reformed UI.**



PREFACE

The Working Group on Seasonal Work and Unemployment Insurance was established in October 19, 1994 to assist the Minister of Human Resource Development in developing solutions to the concerns of those who do seasonal work and of seasonal industries, while at the same time achieving the objectives of Unemployment Insurance Reform as set out in the discussion paper *Improving Social Security in Canada*. This included an analysis of the concept of seasonality and an examination of who are the people engaged in seasonal work. It also included a review of the extent to which local economies are dependent on seasonal work and the degree to which people rely on UI for income supplementation. The terms of reference for the Working Group are reproduced in the appendix.

Seasonal work is a subject of special concern because those engaged in seasonal work have fewer alternatives than other workers and therefore are more dependent on UI. They cannot fish when ice is on the water or cut trees during the spring thaw when roads turn to mud. Oftentimes workers in seasonal industries live in remote areas of the country where the only work is seasonal and things freeze up in the winter.

In carrying out its assignment, the Working Group consulted widely with workers engaged in seasonal work and their union representatives, employers in seasonal industries and their associations, community groups in areas where seasonal industries are the main sources of employment, provincial government officials and selected experts, and HRDC local office staff. The main seasonal industries covered included the fishery, forestry, agriculture, mining, construction, and tourism. Industries not directly affected by the weather, such as the automotive industry, education services, and cultural industries were also included.

The Working Group conducted a review of studies that relate to seasonal work and Unemployment Insurance, including recent studies by regional and industry groups. The Working Group also reviewed the many submissions provided by those whom it consulted.

The Working Group met with or received input from over one thousand individuals and groups from coast to coast to gain a better understanding of their concerns. This provided us with a much better appreciation of the key role of seasonal industries in Canada's regional economies and of the importance of seasonal work in providing a living to large numbers of

Canadians. It also provided local examples of success stories in training and job creation.

By talking to people we opened up our own minds. The people we met were forthright and practical about UI reform and it was by thinking about what they had to say that our Working Group came together with a common view of our own. One lesson we can draw from our consultation exercise is that HRDC itself should talk more closely to people and listen to what they have to say.

Our view is that the foundation for UI reform must be jobs, and that the government's main role is to create the right climate for more and better jobs. Seasonal industries provide jobs with a future, especially when the industries build on their strengths, believe in their workers, and take on the challenges of tomorrow's new economy.

Unemployment Insurance is intended to provide income support for those who lose their jobs through no fault of their own and are either actively looking for new work or taking training. The most important thing reform can do with respect to UI is to preserve its integrity by fixing the design flaws that discourage people from working, and to stop abuse by the private and government sectors alike. If UI cuts are to be made, people must be given time to adjust and jobs must be available.

UI reform must not punish those who need the support, but instead create better opportunities. One of the starting blocks is human resource development. Better human resource development does not mean spending more money on UI Developmental Uses. It means taking a hard look at the outcomes of the programs now in place and winnowing out those that do not work. It means integrating human resource development with economic development. It means building a simpler system that puts the programs in the hands of those who can best deliver them. It means giving people the opportunity to take the training that best suits them and leads to jobs. It means giving young people their best chance for the jobs of the future.

Business and labour have an obligation to take part in human resource and economic development. Employers in seasonal industries must see their employees in terms of their long term potential and make every effort to keep them actively employed or building new skills. Employees must take it upon themselves to improve their own skills and work to their potential. Together they must devise plans to improve jobs and growth in their sectors. In accepting their responsibilities, they should be given a stronger voice in the way the UI fund, their fund, is to be governed.

1 OVERVIEW

1.1 What we heard

The value of seasonal work to the economy is not recognized.

At the outset it was driven home to the Working Group that there is no such thing as a seasonal worker but only seasonal work, that people who work in seasonal jobs may have no other work available to them in the off-season. The Group was struck by the concern voiced by many that the discussion paper failed to recognize the value of seasonal work to the economy, that seasonal work had become a dirty word and was being threatened by cutbacks in Unemployment Insurance. Another common theme was that workers should not be penalized just because they happen to work in seasonal industries where there is not sufficient work to go around. Most believe that the government needs to put a greater priority on promoting economic growth and generating jobs, especially in regions that rely solely on seasonal industries. They made it clear, however, that this does not mean using seasonal industries as the employers of last resort, a quick fix to economic development.

Workers will take reasonable work when available...

Everybody is agreed on the dignity and sense of self-worth attached to work. People want to work and will take any reasonable job that is available. Many are attracted to seasonal jobs in which the season is fairly long and the wages are good. Others take seasonal jobs because they are the only ones available, not because they want to collect UI benefits offered during the off-season.

...yet for many UI has come to be regarded as a substitute for earned income.

People want to work, yet the people we spoke to also perceive major cultural shifts within Canadian society which have begun to be reflected in attitudes towards work. Whereas wage income has long been accorded primary value over UI as a means of livelihood, for many UI has come to be regarded as an extension of the wage system and therefore an acceptable substitute for earned income. Dislocations in community and family relationships also appear to be having a negative impact on work attitudes and attitudes towards self-support, especially among youth.

Many see a need to remove work disincentives from UI.

Workers will understandably not work when it costs their families needed income. Thus there is a widespread perceived need to reform UI to remove work disincentives.

UI permeates the economy where wages are low and duration of employment is short.

The Unemployment Insurance program permeates the economy in regions where wages are low and the duration of employment is short, especially in rural areas throughout Canada. Regular dependence on UI for income supplementation has become a way of life. It is important that everyone get the required weeks of insurable employment during the time that work is available so that they can support their families in the off-season. Many industries are structured around the requirements of the UI program. Communities oftentimes share work so that everyone can qualify. Working hours are informally "banked" to enable workers to get UI. Provincial governments and even the federal government mount make-work programs to help people to qualify for UI and to keep them off the welfare rolls. Even more blatantly, social assistance recipients are given the required 12 (or more) weeks of work to get them off welfare and on to UI, a cycle that often only benefits provincial treasuries. The cycle of dependence on UI perpetuates itself when young people are induced to leave school by the spurious and short-term attraction of UI benefits. Dependence on UI is much less apparent in regions where wages are higher and the employment base is diversified.

Many are still adjusting to the cuts to UI made in the past few years.

Unemployment already imposes major stresses on people and their families. In the areas of the country most dependent on UI, workers in seasonal industries are still reeling from the series of UI cuts to benefits introduced over the last few years. Some were unable to qualify for benefits this year because of the increase in entrance requirements. An even bigger problem is that many will find their UI running out in the cold winter months due to the reduced duration of benefits (12 weeks of work plus 32 weeks of UI benefits leaves an 8 week period with no income). The question was often asked what good would it do to tighten up UI further only to force people on to social assistance with its notorious work disincentives.

People want to protect those with low incomes and their families from further cuts to UI.

While workers and employers in seasonal industries are resistant to further cutbacks in UI, many voiced their feeling that if cuts must be made, low-income families and individuals should be protected. Many felt that it was not fair that high-income earners were able to use UI as a regular supplement to their income. The definition of what would constitute a "high income" varied widely from one region to another. Many also felt that the impact of UI reform options on women in parenting roles and on child poverty had not been examined adequately and feared that women's financial autonomy within the family would be jeopardized.

Many do not mind paying the current level of UI premiums. Recent increases in premiums have been felt most strongly in labour intensive, high growth industries.

Employers and employees said they did not mind paying the premiums to support the UI program; they *did* mind paying premiums to support those who abused the system or used it repeatedly when they did not need to. However, national industry groups argued strongly that payroll taxes generally were too high and that they had to be lowered to promote employment growth. The increase in premiums has been felt most strongly by industries that are labour intensive; these are also the industries with the greatest employment growth.

There is widespread awareness of UI abuse.

There was a widespread awareness of UI abuses. Selling of "stamps" (Records of Employment) which entitle people to receive UI has become commonplace in many regions of the country and industries. "Tearing up cards," whereby people work for free to avoid reducing their Unemployment Insurance entitlements, is another familiar occurrence. Some employers claim they participate reluctantly only because they must have the workforce to meet seasonal needs, but it is also apparent that some unscrupulous employers welcome the opportunity to have an unpaid workforce. People expect the government to clean up the UI abuses through more stringent administrative practices and stepped-up enforcement so that all UI claimants are not tarred by the abusers' actions and the integrity of the UI system is protected. This will enable scarce UI funds to be used only as they were intended.

UI contributes to the growth in the underground economy.

We also heard the view that UI contributes to the growth of the underground economy. This gives rise to unfair competition for legitimate workers and undercuts government revenues needed to finance social programs.

UI reform is not a panacea for all the ills of the Canadian economy.

We were told that it is important to be realistic about what UI reform can and cannot do. What UI has done quite successfully is to provide workers with income replacement to offset jobs losses resulting from the trend toward downsizing and restructuring that has occurred in industry and government for more than a decade. UI reform cannot hope to replace the sound visionary planning that is essential to make the successful transition to the new global economy.

Good ideas for economic development have often been frustrated by government bureaucracy.

It is essential that every opportunity for economic development be taken, yet some communities told us of good ideas for economic development that had been frustrated by the difficulties of dealing with federal and provincial bureaucracies. At the local level, there is a strong perception that federal and provincial departments do not always work together cooperatively. This has led to a plethora of development groups and lack of comprehensive planning that often thwarts regional economic development.

Many people are skeptical of existing employment development services.

We also encountered much skepticism about the ability of the government to promote economic development or facilitate the adjustment to UI changes through increased spending on employment development services -- "What good is it to train fishermen to be carpenters if many carpenters are already unemployed or on welfare?" many in the building trades asked. Many spoke of "make-training" with the contempt formerly reserved for "make-work" projects. Some workers had gone through several rounds of training with little to show. Workers and employers were perplexed by the large number of programs and their complex and arbitrary qualifications with most programs only available to UI beneficiaries. Employers in seasonal industries were worried that the government might try to use training to lure away their best workers.

People do not want the UI account to be treated as "government money."

Many employer and employee groups emphasized that the UI account was not "government money" but was paid for by employee and employer premiums. Some felt that the government had no business using the money for training and other social benefits. Such programs, they argued, should be financed out of general revenues and the UI account should only be used for income support during periods of unemployment. Many said that employers and employees should have a say in how the fund is used.

1.2 Directions

The views of the Working Group emerged from the consultations.

Our views on the directions that Unemployment Insurance Reform should take to meet best the needs of those who work in seasonal industries have emerged naturally from the process of consultations. We approached the consultations with open minds and learned a lot about the hard lives faced by many Canadians in seasonal jobs and the critical role of Unemployment Insurance in providing needed income support to families during the cold winter months. Canadians understand the importance of seasonal work in many regions of the country and have good, common-sense solutions to the problems of those who work in seasonal industries.

Jobs are the first priority.

The government must provide the framework and the good economic management that will enable the private sector to create the needed jobs. If the jobs are not there, there is little workers can do. Workers do not create jobs; business and government do.

UI is an integral part of the Canadian safety net.

Unemployment Insurance is intended to provide adequate income support for those who lose their jobs through no fault of their own and are either actively looking for new work or taking training. It is financed by premiums from employees and employers and redistributes income to the unemployed. It is an integral part of the Canadian safety net and reflects the high value Canadians place on sharing across industries and regions.

People need time to adjust to UI cuts and jobs must be available.

We strongly believe that if cuts must be made to Unemployment Insurance, the government must keep in mind its essential role in Canadian economic and social policy. The government should also seriously consider the implications of cuts for workers in seasonal industries. UI reform cannot be done overnight. People must be given time to adjust and jobs must be available.

A two-tier system would be unfair and administratively complex.

We do not believe it would be fair to introduce a two-tiered system because it would stigmatize those involved in seasonal work and penalize the victims of unemployment for something that was beyond their control. It would be particularly harmful to cut back the benefits of low-income earners in seasonal work. But, income testing under a two-tiered system would have problems of its own. There would be enormous administrative hurdles to overcome prior to implementation and the much deplored red tape and complexity of the UI system would be increased. Income testing based on family income could reduce the financial independence of women. If we don't want high income earners to collect as much Unemployment Insurance, we should adjust the existing income tax clawback.

A better route is to amend the existing clawback.

A further increase in the entrance requirement or a decrease in the benefit duration might push people onto welfare.

The government has already introduced a series of cutbacks in Unemployment Insurance that has hit hard workers in seasonal jobs. Raising the entrance requirement further at this time could exacerbate this problem, although there is not yet any evidence that the increase in entrance requirements has significantly increased welfare case loads. More important perhaps, is last year's reductions in the duration of benefits to 32 weeks the impact of which will only become apparent in coming months. We fear that there will be a further increase in social assistance caseloads until seasonal jobs become available again later in the spring time. We are worried that some people may find social assistance with its supplementary medical, dental and other benefits an easier route than the hard work demanded in most seasonal jobs.

Low income earners must be protected from benefit rate cuts.

If the government decides to cut the benefit rate, it should cushion the impact on the most vulnerable, who include many low-income earners in seasonal work, by not reducing the rate for low-income earners.

Maximum insurable earnings should be frozen until they realign with wages.

The level of maximum insurable earnings (MIE) has been rising in the 4 to 6 per cent range in recent years due to the complicated formula based on an 8-year moving average of past wage changes. At the same time, many workers have been forced to accept wage freezes or even rollbacks. At \$815 per week in 1995, the MIE is much higher than average wages, particularly in high unemployment areas. The maximum benefit level of \$448 per week is more lucrative than paid employment in many areas, particularly if the alternative is minimum wage employment. This discourages work effort. We think that the maximum insurable earnings should be frozen for a few years to give wages a chance to catch up.

Disincentives built into the design of UI must be removed.

The government should remove the disincentives built into the existing UI regime. It makes absolutely no sense that workers can be worse off working than collecting UI and that employers cannot find workers when so many are unemployed. Everyone would benefit by eliminating these disincentives. The worker would get higher income and would pay less. It is one of those rare "win-win" situations for all concerned. Consequently, we urge the government to consider replacing the work requirement of the last 12 weeks for most seasonal workers in high unemployment regions with the best 12 weeks (or whatever the entrance requirement is in the particular region). If this resulted in even an extra two weeks of work, the time spent working would be increased by as much as one sixth. The government should also consider increasing the amount of income that a claimant can earn from 25 per cent of weekly benefits to 50 per cent. This would enable a claimant to earn more than a day's wages before being penalized. The requirement that an agricultural labourer must work more than 7 days for a single employer should also be eliminated in the interest of fairness.

UI abuse must be cleaned up.

We also think that the government should take firm action to clean up the abuses of Unemployment Insurance. These unfairly taint legitimate claimants in the eyes of some and threaten to undermine the integrity of the system. It goes without saying that all claimants on UI should be actively seeking work. A very serious abuse by employers is the fraudulent selling of "stamps." To put an end to this, the government must step up its enforcement and initiate harsher penalties on employers. Large employers should not be exempt from enforcement just because of their importance in the community.

Young people must be given alternative education and training opportunities rather than UI.

Something has to be done to stop young people from leaving school to take advantage of the specious short-term benefits of Unemployment Insurance to the detriment of their future career prospects. Maybe young people should not be allowed to qualify for UI until they reach the age of 18. Perhaps between the ages of 18 and 25 claimants should be required to pursue educational upgrading or training to claim UI.

A more streamlined, flexible, interconnected model of human resource development is essential.

Human resource development must move away from the old model of a massive centrally controlled, bureaucratic machine working a complex set of disconnected levers. It must move toward a streamlined, flexible, integrated model that can be delivered from the field and geared to the people it is intended to help.

Employers and employees should have a greater voice in the governance of UI.

Employers and employees should be given a greater voice in the governance of the UI fund since it is financed out of their contributions. This could take the form of a Commission made up of representatives of labour, business, and government. The Commission could be given the responsibility for approving the key decisions on premiums, benefits and spending on Developmental Uses. This would help to ensure that the stakeholders got the best value-for-money out of UI spending.

An integrated and strategic approach to human resource and economic development planning is badly needed.

We strongly support efforts to increase the employability of those experiencing labour market difficulties. We are particularly strong advocates of educational upgrading and literacy training because basic educational skills are a prerequisite of most jobs as we enter the 21st century. However, we do have serious reservations about increasing the funding for UI Developmental Uses at the present time, particularly if it means making larger cuts to UI. In our view, there are reasons to doubt that all of the money currently allocated is being well spent. Many training dollars are being wasted training people for non-existent jobs. Employment Development Services are not as successful as they should be in improving labour market outcomes for clients. The differential access that different classes of clients have to training is not fair and does not make economic sense. An integrated and strategic approach to human resource and economic development planning is badly needed. We need to build on the successes at the grassroots level. We do not need more red tape and bureaucracy and wasted money.

Existing money on developmental uses should be justified before more is spent.

Only when the government is able to convince the employer and employee representatives on the proposed restructured Unemployment Insurance Commission that it is getting good value for its training dollar will it be the time to consider further increases in the funding for Developmental Uses out of the UI Fund.

Unemployment Insurance and Social Assistance must be rationalized.

The members of the Working Group were struck by the interactions between elements of Canada's social safety net, particularly between Unemployment Insurance and Social Assistance (SA) programs. Recipients are being moved back and forth between those programs because of financial management considerations within governments and not for reasons of program soundness: for example, provincial governments provide 'make work' projects to potential SA recipients just long enough for them to qualify for UI. Whereas UI requires a minimum work force attachment, SA ordinarily operates in the absence of such an attachment, which would suggest that UI is the preferred public policy instrument. There is a need to rationalize these interactions, preferably at the national level. Although there does not seem to be political or widespread popular support for the most obvious remedy -- a national income support program -- it would seem timely for this option to receive serious attention. Such a program is now unofficially in place, on a patchwork basis, and there is fear that social policy reform will eventually result in a "patch on a patch" rather than real reform.

One solution that continues to come up is a Guaranteed Annual Income. Two groups we spoke to, the Newfoundland Economic Recovery Commission and the New Brunswick Society of Acadians, gave specific proposals for GAI pilot projects. The GAI offers a radically different approach to income support. Some dismiss it as overly expensive, others as not sufficient. Now may not be its time, but it is an option that just won't go away.

UI reform must take into account the importance of seasonal work.

Seasonal industries and the people that work in them have overcome the challenges of the harsh Canadian climate and geography and have built on the base of our abundant natural resources of waters, forests and rocks a country that is one of the most prosperous in the world. Seasonal work currently provides jobs and livelihoods for over a million Canadians. Seasonal industries and the people that depend on them will continue to make major contributions to our regional economies even as we move into the new information economy. Unemployment Insurance reform must take into account the special circumstances, and the importance to our economy, of those employed in seasonal work. And, most important of all, the foundation for UI reform must be more and better jobs.

2 THE SETTING

2.1 UI reform

At its inception in 1942, Unemployment Insurance excluded coverage of those in seasonal work such as agriculture, forestry, fishing, and transportation, as well as government services, health care and teaching. As coverage became more universal over the years, those in seasonal work were included in the program. Initially, in 1955, they were limited to “seasonal” benefits. A separate program solely for fishing benefits was added in the late 1950s. By the early 1970s, there were no longer exclusions related to seasonality and all who met the qualifying conditions, with the exception of self-employed fishers who retained a separate program, were covered under regular benefits.

UI reform became a major issue in the mid-1980s. The 1985 *Macdonald Royal Commission* criticized the UI program as creating disincentives to work and subsidizing those who repeatedly used the program such as those in seasonal jobs. It suggested that the program be pared down to meet basic insurance principles, with more stringent eligibility criteria and lower benefit rates, and that experience rating be added to the program. Those who needed income support, it recommended, would be covered under a separate guaranteed annual income program.

The 1986 *Forget Commission of Inquiry on Unemployment Insurance* also focused on the disincentives to work that were built into UI; the Commission recommended that benefits be based on the average weekly insurable earnings in the 52 weeks prior to unemployment and that regional differentials in the program be abolished.

The dissenting report of the Forget Commission disagreed strongly with its main recommendations, in part because of the marked effect they would have had on those engaged in seasonal work: “What justification can there be for treating individual seasonal workers as if they have a choice, as if they actually choose to be unemployed in their off-season?”

In the same year, the *Newfoundland Royal Commission on Employment and Unemployment*, the House Commission, came out with similar recommendations to the Forget majority report.

In the past five years or so, there have been significant changes to UI that have, in effect, reduced total spending on benefits by about one quarter to one third the size of the total program. Bill C-21, introduced in 1989, changed the eligibility and duration criteria in a way that reduced benefit entitlements. The projected net annual savings of \$1.2 billion was reallocated primarily to an expanded Developmental Uses. In April, 1993, the benefit rate was cut from 60 per cent to 57 per cent, and those who quit work voluntarily were denied UI benefits under some circumstances. In 1994, under Bill C-17, the ten week minimum work requirement was raised to 12 weeks and the formula for determining the duration of benefits was changed, again in way that generally lowered benefit entitlement. The benefit rate was further cut to 55 per cent, and a new "dependency rate" of 60 per cent added for claimants with low incomes and with dependents.

In 1993, the government undertook a broad review of social programs including Unemployment Insurance. The 1994 discussion paper *Improving Social Security in Canada* laid out seven guiding principles.

1. Create a fair and equal opportunity for Canadians to use their talents well and experience the dignity of work.
2. Invest in people so they have the tools to adapt and change.
3. Target support to those in need and encourage people to take the responsibility to help themselves.
4. Prevent future problems by taking forward-looking approaches.
5. Put peoples' needs first by providing more flexible programming.
6. Dispense federal support fairly to all parts of the country.
7. Ensure the programs are affordable.

The Working Group on Seasonal Work and Unemployment Insurance was established to look at seasonal work within the context of UI reform -- specifically, the nature of seasonal work, the scope for creating more stable employment in seasonal industries, and the complementary strategies needed to ease implementation of reform.

The principles of UI reform laid out in the discussion paper have a special meaning when applied to those who do seasonal work.

1. Fair and equal opportunities are limited for many people in seasonal jobs because there is no work in the off-season and the communities in which they live often are not diversified enough to provide alternate employment.
2. Those in seasonal jobs have special training needs. They already have a job, albeit only for part of the year. Some have good prospects for more productive and stable employment within their sector, and might need training to improve their professional skills. Others may need new skills to work in other sectors. All are limited to training in the off-season.
3. Those who do seasonal work make up about 60 per cent of frequent claimants (those who make a claim three or more years in five) and so tend to have a greater dependence on UI than average. Thus any reform measures aimed at reducing UI dependency will have a greater impact on those in seasonal jobs. If UI reform adopts the principle of targeting support to those who really need it, it will have to continue to target many who have seasonal jobs.
4. Forward-looking approaches to more stable and productive employment in seasonal jobs have more to do with creating the environment for more and better jobs than changing UI parameters.
5. To put peoples' needs first in providing more flexible programming means, in the context of seasonal jobs, recognizing that many seasonal jobs are in isolated rural communities and that programming must mesh with the off-season.
6. Dispensing federal support fairly means, in the context of seasonal work, recognizing that there are also disparities in income and opportunities, and communities that rely on seasonal industries often lack the economic base to generate high levels of income and wealth.
7. Ensuring programs are affordable means, in the context of seasonal work, considering the costs of programs such as social assistance that would be the alternative if UI were not available.

Some of the key recommendations of the 1993 *Cashin Task Force on Incomes and Adjustment in the Atlantic Fishery* speak directly to the guiding principles of social security reform and could apply to all seasonal resource-based industries. Cashin saw the need for an

integrated and comprehensive strategy to incomes and adjustment in the most seasonal of industries, the Atlantic fishery. The important message in the Cashin Report is that no policy element relating to the fishery can work alone and all elements must work together:

- A renewed fishery must be both ecologically and commercially sustainable.
- There must be a balance between harvesting and processing capacities.
- A scientific and technical review of harvesting technology must be undertaken to assess their impacts on resource and enterprise viability.
- The future fishery should have year-round as well as seasonal plants.
- New economic opportunities for fishing must be explored.
- Social and economic adjustment in affected communities must accompany industry renewal.
- Fishermen's organizations, unions representing plant workers and processors' organizations should be full partners in the delivery of adjustment services.
- Training opportunities must be made available, both professional skills for those continuing in the fishery and skills for alternative employment and mobility assistance for those who do not.
- Basic literacy and numeracy are essential. Training should be community based, using existing community and sectoral institutions. Greater opportunities for post-secondary education must be given to those in small coastal communities.
- Professionalization through certification and registration is essential.
- Women's role in adjustment must be specifically recognized and planned.
- UI should be maintained and improved. The insurable week should be replaced with a more meaningful measure of fishing effort and disincentives to work should be removed.
- There should be an integrated registration and reporting system to consolidate information relating to Records of Employment, landings, income, and employment.

The special problems and issues relating to seasonal work are not likely to go away -- indeed some provinces, such as Prince Edward Island and Newfoundland, have noted that seasonality in their economy has actually increased in the last decade. Therefore the UI reform measures should have as an integral part, the goal of stable and productive employment in seasonal jobs.

2.2 The nature of seasonal work

Seasonal jobs: patterns in Canadian output

“There should be no misunderstanding: cutting wood in cold, wind-driven rain or knee deep in snow, or at least 40° below is not a skill possessed by everyone. Nor is everybody physically and mentally capable of living this style of life.”

**Communications,
Energy and
Paperworkers Union
of Canada**

Many Canadian industries show pronounced seasonality

Some jobs show *geographic seasonality*, seasonality due to factors unique to Canada's geography such as climate and resource availability. Resource sectors -- such as agriculture, forestry, fishing and some mining -- are examples of geographic seasonality. Others such as tourism, and some types of construction are limited by Canadian winters from operating year-round or at maximum output.

Other jobs show *seasonality* due to work patterns that are *created for convenience* of employers, workers, consumers or government, or reflect our customs and traditions and have very little to do with the weather. Some firms shut down every year to retool. Schools close for the summer months. Store sales plummet after the pre-Christmas peak in demand. Those who work in cultural industries, particularly those in smaller regional performance companies, often work during a limited season.

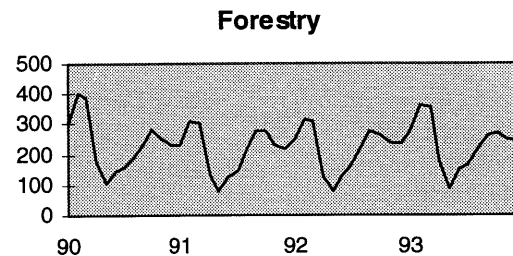
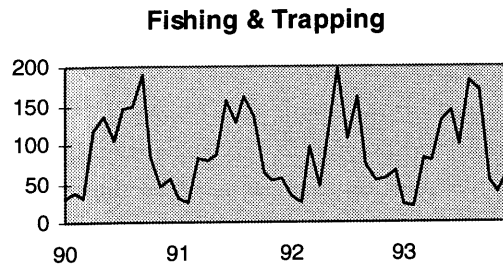
The largest swings in seasonality are in the resource sectors. Both fishing and forestry show fluctuations in GDP from peak to trough of 75 to 85 per cent.

More predictable and less pronounced are seasonal patterns seen in the construction and the accommodation and food sectors, where there is a distinct slowdown at the end of the year. Peak-to-trough variations in output are about 30 per cent.

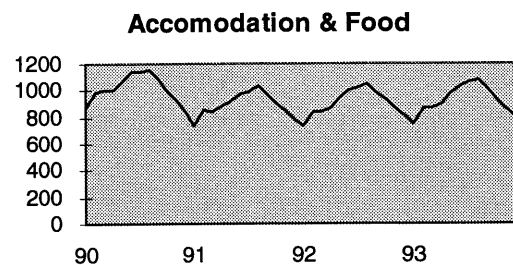
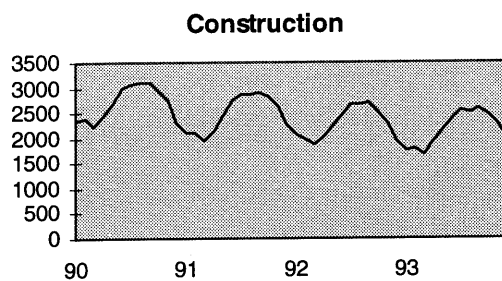
Manufacturing shows a large dip in December and a minor dip in July. Retail trade peaks with Christmas demand and troughs in January. Because the peak-to-trough in retail trade occurs in consecutive months, employment can be smoothed somewhat with overtime and part-time help. Education services show a predictable drop-off during school holidays at Christmas and a larger one in the summer. Government services show a slight increase in output in the summer months.

Seasonal patterns in GDP

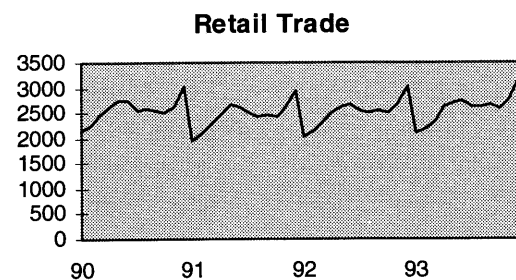
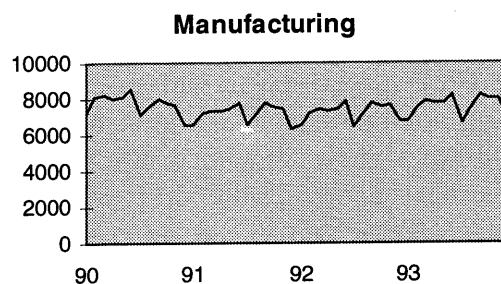
GDP at factor cost in 1986 dollars, monthly unadjusted, 1990 to 1993



Fishing & Trapping: GDP drops 86% peak to trough. Forestry: GDP drops 75% peak to trough.



Construction: GDP drops 32% peak to trough. Food: GDP drops 29% peak to trough.

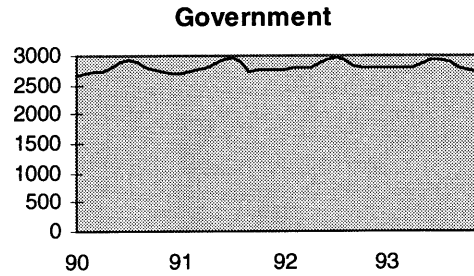
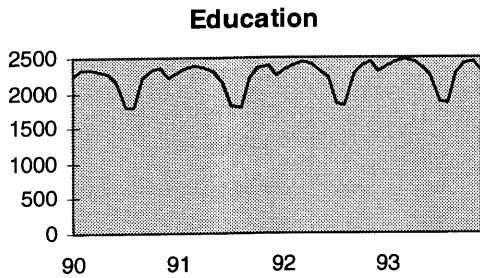


Manufacturing: GDP drops 20% peak to trough. Retail Trade: GDP drops 32% peak to trough.

Source: Statistics Canada Data.

Seasonal patterns in GDP (cont'd)

GDP at factor cost in 1986 dollars, monthly unadjusted, 1990 to 1993



*Education: GDP drops 25% peak to trough.
Source: Statistics Canada Data.*

Government: GDP drops 8% peak to trough.

Seasonal work is a linchpin in the Canadian economy

Seasonal jobs are dispersed throughout Canadian industry. Their contribution to the Canadian economy goes far beyond the activity that is confined directly to the seasonal jobs themselves.

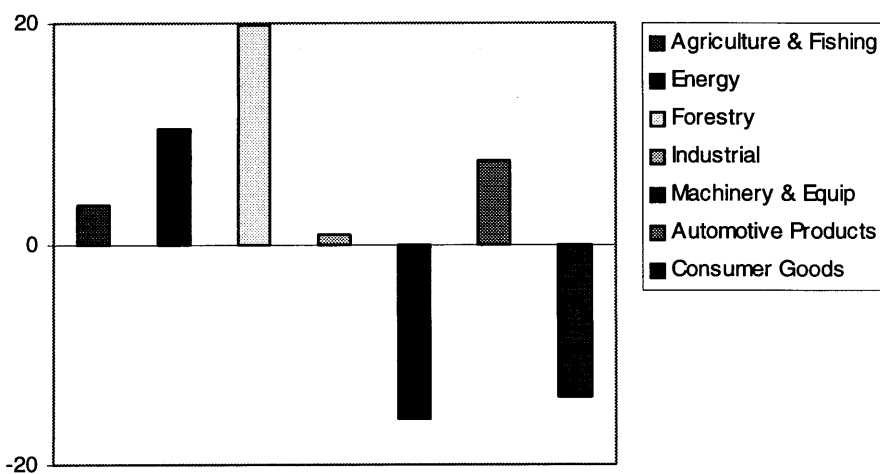
In the forestry sector, for example, the harvesting of trees leads to primary sector activities in sawmills, pulp and paper, and plywood and panel board plants. Secondary manufacturing includes planing mills, engineered wood products, manufacturing of paper and cardboard products, wood re-manufacturing, pre-fab homes, wood doors and windows. Thus the seasonal activity in forestry generates year-round activity in many other sectors.

The resource sector is a major contributor to Canada's balance of payments.

Net exports of resources -- agriculture and fishing, energy and especially forestry -- are the main contributors to Canada's merchandise trade balance.

Net exports by industry sector

\$ billions, 1993



Regional economies depend on seasonal work

Resource sector production is highly concentrated within regions of Canada. In 1993, Atlantic Canada contributed 6 per cent to Canada's GDP but over 40 per cent to fishing and trapping GDP, even with the collapse of the groundfish industry. There is also a concentration of logging and forestry in the Atlantic region. British Columbia is rich in resources, contributing over 40 per cent of GDP in both fishing and trapping and in logging and forestry. Alberta contributes the lion's share of GDP in mining, quarries and oil wells.

Regional contribution of resource industries to GDP

GDP in 1986 dollars, 1993

regional GDP as a per cent of Canada GDP

Region	Fishing and Trapping	Logging and Forestry	Mining, Quarry and Oil Wells	Total GDP
Atlantic	42%	11%	3%	6%
Quebec	6%	24%	5%	22%
Ontario	6%	15%	10%	40%
Prairies	2%	2%	11%	7%
Alberta	1%	4%	62%	13%
B.C.	44%	44%	8%	12%
Canada	100%	100%	100%	100%

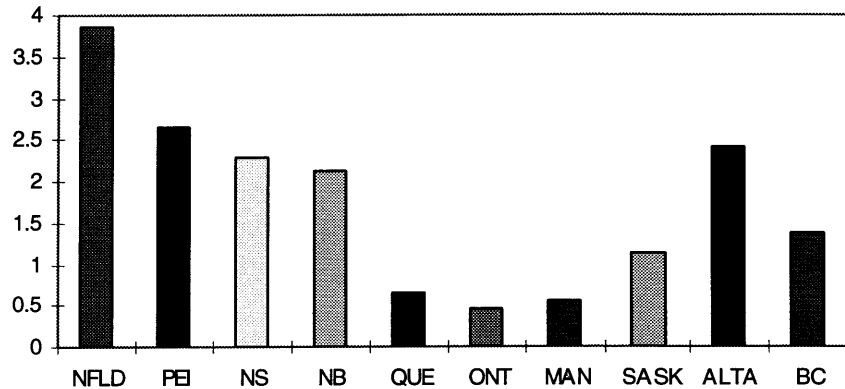
Source: Statistics Canada GDP

Fishing GDP is low compared to historical levels in the Atlantic because of the collapse of the groundfish industry

The survival of many of Canada's communities depends on the availability of seasonal work in the resource sector. In Newfoundland the concentration of resource employment is four times as high as the average concentration in Canada as a whole. In Prince Edward Island, Nova Scotia, New Brunswick and Alberta, resource sector employment is over twice as high as in the rest of Canada.

Intensity of resource sector employment by province

**Ratio of provincial to Canadian:
resource employment over total employment, July 1991**



Source: HRDC data. Resource employment is defined as employment in primary resources excluding agriculture. A ratio of 1 means the share of resource sector employment to total employment in a province is the same as in all of Canada

Seasonality varies dramatically within sectors and among regions.

Even within sectors, the degree of seasonality varies widely across the country. An Atlantic Canada Opportunities Agency (ACOA) study showed that the peak-to-trough variations in bi-monthly activity are over twice as large in Atlantic Canada as in the country as a whole. In the resource sector, peak-to-trough swings in activity are 2 1/2 times those in the rest of Canada. In manufacturing, the swings are four times as large in Atlantic Canada.

The high dependence on the resource sectors in some regions means that changes in the resource economy will reverberate through communities and regions. The Atlantic Provinces Economic Council (APEC) estimated that in Atlantic Canada almost one-half of manufacturing is related directly to resource processing, while in the rest of the country only one-quarter of manufacturing is related to resource processing. Thus manufacturing not only takes on a seasonal pattern, but is affected by structural changes occurring in the resource sector.

Seasonal variations in industry activity

Canada and the Atlantic Region

average bi-monthly seasonal variation, peak to trough, 1975 to 1993

Sector	Canada per cent	Atlantic per cent	Atlantic/Canada ratio
Agriculture	25%	50%	2.0
Other primary	25%	65%	2.5
Manufacturing	8%	35%	4.4
Construction	40%	70%	1.8
Transportation./Utilities	7%	14%	2.0
Services	5%	10%	2.0
Finance/Insurance/Real Estate	5%	10%	2.0
Commercial Business & Real Estate	3%	6%	2.0
Public Administration	15%	22%	1.5
Total	9%	22%	2.4

Source: ACOA, *Atlantic Canada: Facing the Challenge of Change*, September 1994

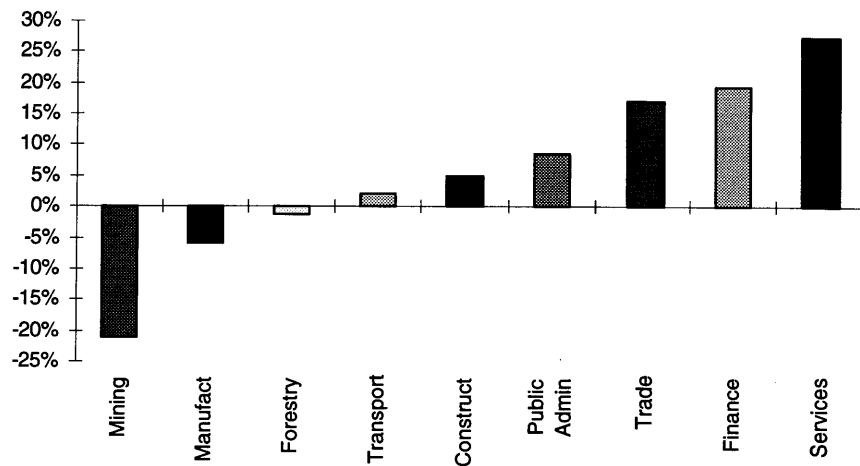
Seasonal industries are in transition

Seasonal industries are undergoing structural change. Growth in employment in the more seasonal industries has been consistently weaker than in other sectors. Growth in employment in trade, finance and services, where employment is more year-round, and skills are more knowledge-based, has been the strongest in the past decade.

The entire economy is now in transition. Computers, telecommunications, computer-based manufacturing, are rapidly changing production processes and the jobs that go with them. The trend toward globalization and more open trade and investment policies have opened new markets and made our existing markets more competitive. The less skilled and more labour-intensive jobs are being redirected to low-wage developing countries.

Where does this leave seasonal industries, many of which are resource-based? The message we took from the consultations is that we must continue to realize our comparative advantage in resource-based industries, while at the same time taking advantage of new high-tech production processes and world markets in order to gain market share.

**Per cent change in employment, 1983 - 1993
by industry sector**



Source: Statistics Canada Annual Estimates of Employment, Earnings and Hours, 72-002

Seasonal employment and income

There is underemployment in many seasonal industries

Employers can sometimes organize their employment patterns to compensate for seasonal fluctuations in output. Rather than laying off workers, employers can assign them to other jobs during the off-season, or take the opportunity to upgrade their employees' skills.

This does not seem to be happening in Canada to any large extent. Even industries with fairly modest seasonality have high temporary layoff rates and large seasonal swings in the number of UI claimants.

One reason is that there are often more people working in seasonal industries than there is full-time work available, even during the season - a pattern seen in sectors as varied as construction, fish processing and government services. In these industries, underemployment means that "employment season" can be even shorter than the "production" season. There are striking differences in the length of season and earnings potential, even within regions and sectors, depending on resource endowments, technology, and labour intensity.

The industry dimension of seasonal unemployment

The monthly pattern of UI claims mirrors the seasonality in output

Industries with a seasonal pattern in GDP typically show a more pronounced, mirror-image pattern of seasonality in UI claims.

Some sectors such as manufacturing and retail trade also show a cyclical pattern overlaid on the seasonal pattern. In these sectors, claims increased during the 1991-92 when the business cycle was in a serious downswing, as well during the winter months.

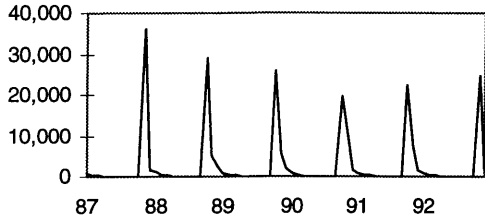
The construction and education sectors show a steady rise in the number of claimants during the seasonal peaks between 1987 and 1993, indicating that there is an upward trend in claimants in these sectors.

Even on aggregate, a clear seasonal pattern emerges. Total claims show a major peak every year in December and a minor peak every year in July.

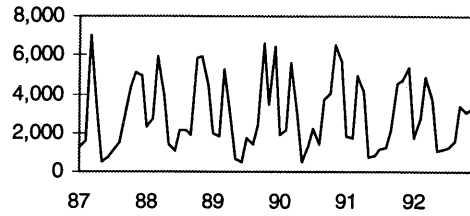
Seasonal patterns of UI claims by industry

number of claims by industry, monthly, 1987 to 1992

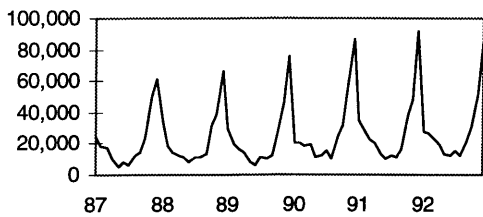
Summer Fishing Benefits



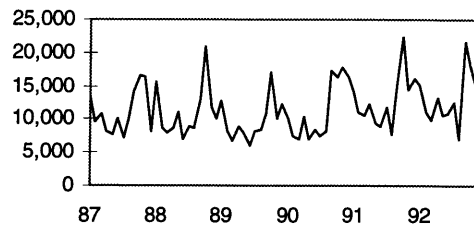
Forestry



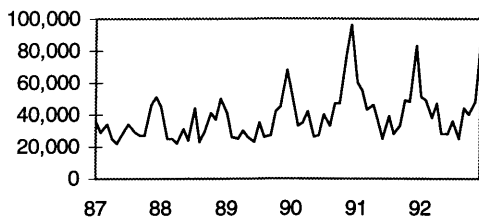
Construction



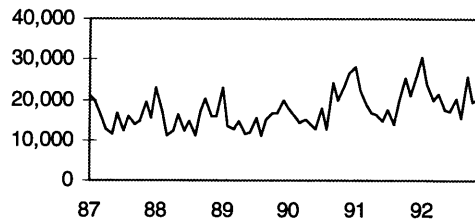
Food & Accomodation



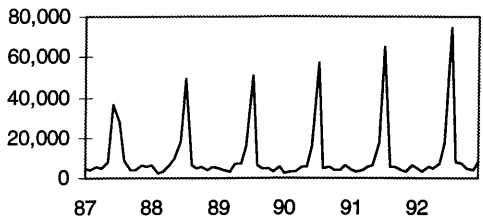
Manufacturing



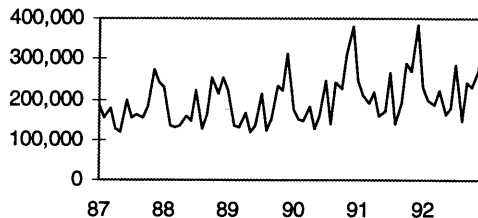
Retail Trade



Education



Total



The resource sector has a high concentration of seasonal UI claimants.

The 1989 survey of seasonal claimants conducted by HRDC shows that the largest share of claimants who identify themselves as laid off from seasonal jobs are in the primary resource sector -- fishing and trapping, agriculture, forestry and mining and minerals.

Other sectors where over half the claimants identify themselves as seasonal are in educational services, government and non-business services, and construction.

Transportation, food and accommodation and the "other services" sectors all have just under one-half of claimants identifying themselves as involved in seasonal work.

Construction and manufacturing have the most seasonal UI claimants

The largest *number* of claimants who consider themselves in seasonal work are found in the construction and manufacturing sectors.

UI Claims by industry

1989, as a percent of total claims

Industry	Claims	
	Seasonal Claims per cent of total	All Claims per cent of total
Primary / Resource	3.4	5.0
Manufacturing	5.9	19.6
Construction	7.6	14.2
Transportation / Communication /Utilities.	2.5	5.3
Trade	3.2	15.2
Financial Services/ Insurance / Real Estate	0.6	4.2
Business Services	1.2	4.5
Govt. and Non-business Services	3.8	7.6
Education	3.9	6.9
Health Services	0.6	3.8
Food and Accommodation Services	2.4	6.2
Other Services	3.1	7.5
Total	38.2%	100.0%

Source: HRDC survey and administrative data

Seasonal claimants receive lower benefits than other claimants

A large proportion of seasonal claimants -- over 60 per cent -- have received UI benefits at least three times in the past five years. However, the widespread notion that those in seasonal jobs work only the minimum amount required in order to receive the maximum benefits possible is simply not true. The average number of insured weeks for seasonal claimants is 29 and the average duration of benefits is 23 weeks. Average yearly benefits received by seasonal workers are somewhat less than for those in non-seasonal work.

People we met in our consultations wanted to reinforce this point: the occurrence of claimants who work the minimum required in order to receive the maximum benefits is rare -- only 2 per cent of all claimants Canada-wide and 6 per cent in the Atlantic.

Profile of seasonal and non-seasonal claimants

1989

	Seasonal	Non-seasonal	All Claimants
Average duration of benefits	23	25	24
Average benefit rate	\$239	\$228	\$233
Average benefits received	\$4,970	\$5,240	\$5,140
Average insured weeks	29	38	35

Source: HRDC Administrative Data

Seasonal industries have, on average, a similar duration of insured employment. According to the 1989 HRDC survey, average insured weeks for seasonal claimants by industry sector ranged from over 30 in educational services and in transportation and communications, to 25 to 30 for the primary, manufacturing, construction and government service sectors.

However, insured weeks of seasonal claimants differed widely among provinces. They were as low as 19 in Newfoundland, and higher than 30 in all provinces west of Ontario. It is the high concentration of seasonal industries in certain geographic regions that shortens the average duration of employment.

The regional dimension of seasonal unemployment

Communities with seasonal industries have high unemployment rates

The wide variation in regional unemployment rates show that the more rural and northern communities, where seasonality is most pronounced, have the highest unemployment rates. People in these communities are competing with the other unemployed for scarce jobs.

Range of unemployment rates by province

**regional unemployment rates,
seasonally adjusted three month average August 1994**

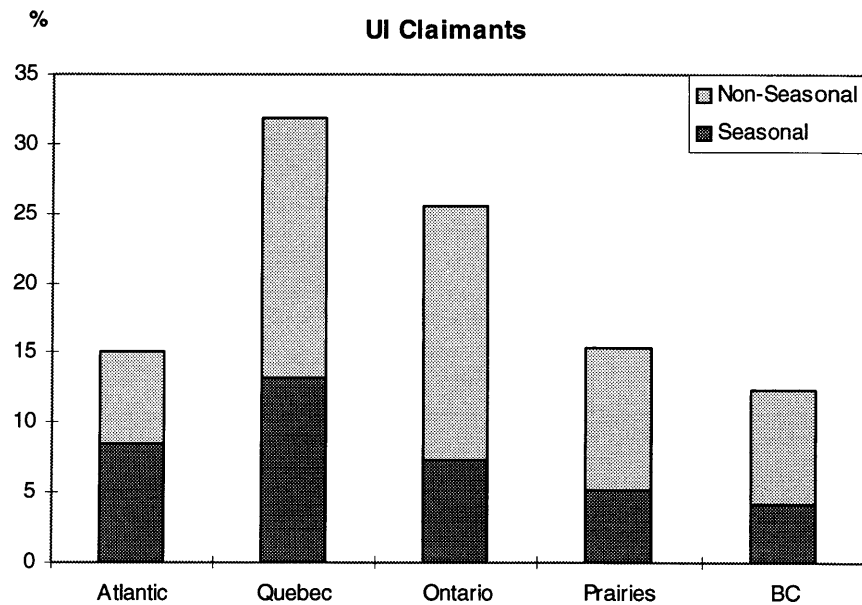
Province	Range of unemployment rates
Newfoundland	14.5% (St. John's) - 27.1% (Corner Brook)
PEI	17.2%
Nova Scotia	9.5% (Halifax) - 23.2% (Eastern Nova Scotia)
New Brunswick	10.0% (Fredericton)-15.4% (Restigouche)
Quebec	8.8% (Quebec CentreSouth)-20.3% (North. Quebec)
Ontario	7.3% (Kitchener)-14.6% (Northern Ontario)
Manitoba	6.7% (South. Manitoba)-24.1% (North. Manitoba)
Saskatchewan	6.6% (Southern Sask.)-13.0% (Northern Sask.)
Alberta	8.7% (Southern Alberta)-10.6% (Edmonton)
B.C.	8.2% (Victoria)-12.9% (Northern B.C.)
Yukon/NWT	25.0%

UI is part of the economic base in communities that rely on seasonal work

Seasonal claimants make up the greatest share of total claimants -- over one-half -- in the Atlantic region. In British Columbia, the Prairies and Quebec, seasonal claimants are just under one-third of all claimants.

The combination of seasonal, resource-based work and the lack of other jobs make seasonality a prevalent concern in rural communities. These communities, many of them in the Atlantic provinces and in Quebec, depend more heavily on UI than urban areas; they really have no options but UI when seasons are short. In a bad year, when the resource is depleted, or the weather uncooperative, UI becomes the primary source of income. In isolated communities -- places like Durrell, Newfoundland, the Gaspé Peninsula, and Cap Lumière in Kent County, New Brunswick, all of which we visited -- UI is part of the economic base, and it is there that people voiced the greatest fears of further UI cuts.

Seasonal and non-seasonal claimants by region
1989, as a percent of all claimants

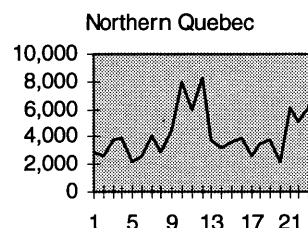
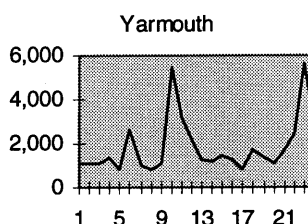
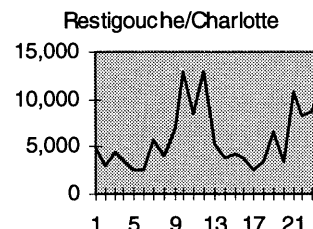
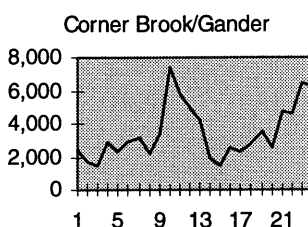


Source: HRDC Survey and Administrative Data.

The seasonal pattern in UI claims is apparent in entire communities. For example, the UI regions of Cornerbrook, Restigouche/Charlotte, Yarmouth and Northern Quebec all show a surge of UI claims in the winter months that is three to four times that in the summer.

The rural dimension of seasonal work creates certain problems of its own. The infrastructure often is not there in rural communities -- things as basic as bus service -- to make access to employment and training opportunities possible. And, with increasing government cutbacks, these same communities that have in the past relied on government transfers are all the more vulnerable.

Communities with highly seasonal patterns in UI claims number of claims over 24 months, 1992-1993



Most frequent claimants have very low incomes, especially in the Atlantic HRDC has conducted a number of studies on “frequent claimants,” those who have made at least three claims in the past five years. The profile of frequent claimants is of interest in the context of seasonal work because about 60 per cent of claimants in seasonal industries fall into this category.

In 1991 the average annual benefits per frequent claimant fell within a fairly narrow range of just under \$5,000 in Manitoba and Saskatchewan to just under \$7,000 in Newfoundland and Prince Edward Island.

Noteworthy is the high proportion of frequent claimants with very low incomes, especially in Atlantic Canada. The pattern is all the more apparent in earnings: over 70 per cent of frequent claimants in all four Atlantic provinces had earnings less than \$15,000 in 1991. Because the distribution of income is so skewed to the low end for frequent claimants in the Atlantic region, cutbacks to UI benefits would have relatively large impacts on their total income. Conversely, options that cut back benefits for high income earners would have relatively less impact.

**Provincial Profile of those who make frequent use of UI
1991**

	Claimants with income less than \$15,000 per cent of total	Claimants with earnings less than \$15,000 per cent of total	Average annual benefits per claimant
Newfoundland	42%	76%	\$6,900
PEI	47%	84%	\$6,900
Nova Scotia	43%	71%	\$5,600
New Brunswick	41%	74%	\$6,000
Quebec	31%	59%	\$5,800
Ontario	28%	48%	\$5,100
Manitoba	36%	60%	\$4,800
Saskatchewan	34%	58%	\$4,800
Alberta	29%	46%	\$5,300
British Columbia	29%	49%	\$5,500

Source: HRDC data.

Frequent claimants are those who have made a claim three times in the past five years.

Understanding the nature of seasonal work

Recognize that seasonal work is an integral part of today's and tomorrow's economy.

Canada was built on a rich resource base and it is in our interest to continue to pursue our comparative advantage in the resource sectors. Sometimes our vision is blurred by the rhetoric of the "new, high-tech, information-based" economy, and we presuppose that these are the only jobs worth developing. Canada needs to continue to be a world leader in the environmentally sound development of our forestry and reinforce our competitive position in other resource-based sectors. This means taking advantage of new technologies, new markets and new products. In regions where seasonal industries are the major employers we should not only be thinking of new high tech industries but also high tech *applications* to resource based, seasonal industries. Good resource management and high tech applications are in fact complementary. With this approach, the role of resource industries as major contributors to output and employment could well expand. We need industrial leadership as well as government leadership to make this happen.

Adding value to resource jobs while improving workers' skills will make better and longer duration jobs. Sectoral organizations such as in construction and tourism are already in the process of developing their own economic and human resource plans.

Accommodate seasonal employment in the UI program.

Policy makers miss the mark when they lump together all those who have received UI more than a few times as "frequent claimants," to be relegated to a second tier of UI. The reality is that the economy needs people to do seasonal work -- not just for what they produce, but for the year-round jobs they generate downstream -- and people who do this work should continue to have access to UI. There should be more focus on limiting UI in cases where interruptions in work are arranged by employers or employees only to subsidize downtime or holidays.

Take into account the profound effect of UI changes on communities that depend on seasonal jobs.

Resource based jobs are often in isolated rural communities. It is crucial to recognize how fragile communities are when they have only seasonal work to rely on. People get by on the cash from seasonal jobs, government programs and community cooperation. A seemingly minor policy change can mean a serious change in circumstance for whole communities. Simply tightening UI in these communities gravely underestimates their vulnerability and oversimplifies the nature of the problem, and its solution.

Examine governments' roles in generating seasonal jobs.

Governments should take a hard look at some of their own education and government services jobs, in their use of short-term positions, and temporary job creation projects. They should set an example by extending their own seasons and limiting unnecessary use of UI in their sectors.

3 WHAT WE HEARD

The people we met in our consultations portrayed Human Resources Development policies as a multitude of partial, short-term fixes that do not add up to an integrated, long term solution. Ironically, while people need the government to survive, the government often stands in the way of their success.

Quite often government program structures and delivery arrangements seem to be changed without consideration of the difficulties experienced by those gearing up to capitalize on such programs, or their reliance on long-standing relationships for help in working the system. After considerable organizational effort, project sponsors may find that a program is about to be discontinued, or is later discontinued after they have been operational for only one or two years.

The system is too complicated to figure out where the best help can be found. The help that is provided is short-lived. Policies (and governments) compete with each other rather than reinforce objectives.

Policy tracks seem to lead to dead ends. There are no jobs because there is not enough investment in job-creating industries. Governments are seen as standing in the way of new investment, yet businesses often wait to see what governments have to offer their sector rather than going ahead with their own plans. Unemployment Insurance is often a “better deal” than working when the jobs are of low pay and short duration, yet the very existence of UI makes employers pay even less for work of even shorter duration. Without education and training, people do not have the skills to work productively, yet training without jobs seems to go nowhere.

People are also saying that UI is not the origin of the vast majority of our problems, it is the lack of jobs. The way out of the problem is more, and better, jobs, and any job or skills training offered should be specific to job opportunities.

People are listening very carefully to what governments say. Many told us that the words governments choose often reveal their real policy agendas. Does “frequent users” not suggest the so-named are exploiting the system? Does “UI dependency” not suggest moral decay, perhaps addiction? Does “cross-subsidization” not suggest that some groups are taking more than their fair share?

“This disrespect is showing in some attitudes toward UI reform. I detect it in reported background papers by your staffs... The kind of attitude I refer to, put simply, is that where people in remote parts of the country receive UI for part of most or all years, there must be something unsatisfactorily unambitious in them and they should be led to stop relying on some UI help and be trained to work full-time at something else where they will be more productive and wealthy.”
GE Curry, Newcastle, NB

People told us that these terms reveal the moral judgments that bureaucrats are making about other Canadians. They want bureaucrats to stop and think about what they are really saying.

3.1 Seasonal jobs

One pulp and paper firm in western Newfoundland recently negotiated a contract where 12 weeks of work (the minimum requirement for UI eligibility) were guaranteed if workers accepted a freeze in wages.

**“Employers are quite happy to lock the doors in September.”
Participant from Gaspé, Quebec**

Blueprint for success: An office furniture manufacturing company in Alberta has a training program in which employees work for four days and train for the fifth; five per cent of staff are on training at all times. They say the return on investment is huge--their turnover rate has fallen to 2.5 per cent from 15 per cent five years ago.

Seasonal employers do not invest enough in their workers or their capital
This country needs people who do seasonal work, yet employees are often treated as pools of casual labour instead of long term assets. Wage bargaining is often reduced to guaranteeing UI eligibility, rather than securing long-term productive jobs. Where wages are low, the planning horizon seems to be especially short. Some employees think in terms of how they can “earn” enough stamps to get through the winter and some employers organize their production to meet the demand for “stamps.”

Many employers in the Atlantic provinces told us the UI subsidy is essential to maintaining a workforce in the short run.

The focus on “getting through the season” makes the planning horizon too short for investment decisions as well. We heard that investment is less likely to occur when the equipment can be used only in the season. Capacity is left idle in the off-season, but without new investment, capacity is often overworked during the seasonal peak periods.

We heard from many that the resource sector is the foundation of the Canadian economy, but we did not always hear where the resource sector would take Canada in the next decade. We asked employers where they thought their industry would be in the year 2000 and were often disappointed by their lack of vision.

We did not hear many words like international, or markets, or technology; we heard more words like red tape, subsidy, and regulations.

Yet, we also met some visionaries. They were prepared to buckle down and develop long term sectoral strategies. They were also prepared to think about the future, to reinvest resource revenues back into the resource.

Governments stand in the way of enterprise

We heard how new ideas to expand work in seasonal industries were frustrated by the compartmentalizing and layering of economic development institutions and of bureaucracies.

In one case, a group trying to get a salmon river enhancement project underway had to meet with at least four different groups of bureaucrats -- just within one department -- to gain approval for the project. Time was wasted, red tape piled up and the group was left with the impression that the millions of government dollars going into river enhancement were simply to support the bureaucracy. It is interesting to note that shortly after this example of government inefficiency was called to our attention, the group received approval for the project.

We also heard how the compartmentalization of various aspects of industry development could stop a project cold. One government department might cut back spending or eliminate a program and stop a project already approved by another department. We heard of a decision of one government department to shut down a hatchery at the same time as a community-based watershed improvement and fish restocking program that required fingerlings from the same hatchery was being carried out through another source of funding.

“Seasonal work doesn’t mean low skills.” Dan McCarthy, Laborers’ International

Seasonal industries are treated as “employers of last resort”

People in the resource sectors told us that their jobs can be good jobs, important jobs. Yet there is a stigma attached to seasonal work -- so much so, that many industries with a definite seasonal pattern did not want to be grouped with the “other seasonal workers.”

The stigma is apparent in the way seasonal industries are treated by governments, as employers of last resort. First of all, there is a view that anybody can do seasonal work: there is a lack of respect for the professional status of those who work in seasonal industries. Second, because seasonal work is often short-term, wages can be leveraged with UI, and so moving people into seasonal industries can increase regional incomes. We heard this from the construction, forestry, fishing, and parks and recreation sectors.

“Will the Atlantic forestry go the way of the Atlantic fishery?” Newfoundland resident

The attempt to spread resource jobs more thinly can have pernicious effects. When resources are limited, higher levels of employment will lead to lower wages. The combination of lower wages and shorter work periods increases reliance on programs such as UI; people look more to UI for income and employers feel a lesser commitment to pay a fair wage or invest in their workforce. The more people rely on the resource sectors, the faster the resources are depleted.

Governments have a poor record of job creation

Too often the government-created jobs are short term make-work projects. We were told the about poor planning and the bad timing of the "Emergency Relief Funds": by the time the decisions are made to provide the funding, there is a scramble to find any kind of work for people to do so they can qualify. Nevertheless, we often heard that the government *should* create the right climate for job creation.

3.2 Seasonal work and UI

A Durrell lighthouse keeper told us his work has been cut to 12 weeks a year because the government rotates 28 people through what used to be 7 jobs. This will not continue for long, however, as the government has plans to automate the lighthouse and eliminate all the jobs.

Job sharing is a way to maximize UI in the community

Communities that rely on a single resource for their income often feel the need to spread the available jobs as far as they can go. There were many stories of employers going through two, three or four "shifts" in a season by laying off workers once they qualified for UI and then hiring another shift.

People in small communities did not see the harm in this: for them it is a simple means of survival. Some argued that they had heard the federal government was encouraging the idea of job sharing as a way to increase employment and so could not understand why it would be frowned upon in their communities.

All governments are widely regarded as major contributors to seasonal unemployment as a result of their hiring practices, including the use of term employees in what are evidently full-time positions. This has established a pattern of job-sharing which has been widely emulated by other employers as a means of resolving family income problems deriving from local work shortages.

In light of job-sharing practices by all levels of government over the past 10 to 15 years, the profile of seasonal work has been exaggerated in some sectors. Numerous people have then wondered why government is now proceeding as if workers themselves have created this job sharing pattern. In fact, workers now feel pressured to share what work is available in their communities rather than to continue working after satisfying the minimum eligibility requirements.

It is difficult to stop employers from rotating jobs through industries so as to maximize UI, since there is nothing illegal about this practice. It is, however, counterproductive and employers both in the private sector and in government should be urged not to do it. It allows firms to pay less

than the going wage and it creates even greater instability and uncertainty in employment in seasonal industries.

One CEC officer in Quebec told us about the novel occupations of “winter barman” and “summer barman,” devised to combine extended holidays with access to UI.

Work has become organized around UI

Under the current UI regulations, some of those in seasonal jobs find it less to their advantage to take work than to remain on UI. Our discussions indicated that the problems with disincentives varied widely across the country. In the east, where wages are often near minimum levels, the stories of disincentives abound. In the west, where wages in the resource sector are considerably higher, disincentives were much less frequently mentioned.

The UI regulations and the high level of maximum insurable earnings relative to wages were cited by many as creating disincentives.

Atlantic restaurant owners told us that the quest for “maximum stamps” even interferes with fish sales. If the value of the catch does not accord with the insurable week, fish may be withheld from the market, with an impact on the quality of the final product.

WEEKLY INSURABLE EARNINGS

Seasonal work often does not fit into neat units of insurable weeks. Often seasons have peaks and shoulders, and the work is considerably more intensive mid-season and less in the early and late parts of the season.

Under the UI regulations, a minimum of 15 hours or \$163 in earnings in 1995 is required for a person to be insurable. However, if a person works more than 15 hours but less than full time, weekly insurable earnings can be very low. With the prospect of a “small stamp” reducing one’s off-season income, it may not be worthwhile to come to work at all.

Once a person has the 12 “big stamps” necessary to be eligible for UI in a high unemployment region, any further work at less than the maximum per week will lower the average weekly benefit rate, which is based on up to the past 20 weeks of insurable work. This design feature discourages people from working past the minimum 12 week requirement for less than the value of the stamps already earned.

As the example below shows, a worker’s total benefits can fall if, after becoming eligible with the maximum weekly insurable earnings, (s)he accepts additional work at less than the maximum weekly insurable earnings. Compare Case 1, in which 12 weeks are worked at \$815 and Case 2 in which an additional week is worked at \$407.50. In Case 2, the average weekly benefit rate is lower and so the total benefits received fall from \$14,336 to \$13,792, or by \$544, which is more than the additional week of work pays. The example also shows that when a worker compresses earnings into a shorter time frame, (Case 1 versus Case 3 or Case 4), total benefits will rise considerably: the formula for calculating total benefits, especially in high unemployment areas, counts high average weekly earnings more than a longer duration of employment.

Example: insurable earnings and disincentives to work

Weekly insurable earnings	Total earnings	Average weekly benefit	Insurable weeks	Benefit duration 16 per cent unemployment rate	Total benefits
Case 1: 12 weeks at \$815	\$9,780	\$448	12	32	\$14,336
Case 2: 12 weeks at \$815 1 week at \$408	\$10,188	\$431	13	32	\$13,792
Case 3: 10 weeks at \$815 4 weeks at \$408	\$9,780	\$384	14	33	\$12,672
Case 4: 5 weeks at \$815 14 weeks at \$408	\$9,780	\$283	19	35	\$9,905

Source: *Unemployment Insurance: Regular Benefits*

The formula for calculating weekly insurable earnings is often the least suited to seasonal industries. Seasonal industries such as construction and fish processing can generate high earnings for short periods of time. Thus workers can achieve their maximum potential benefits after working only the minimum required weeks. However, in the shoulders of the season, when work becomes less intense, weekly earnings are potentially lower and it does not pay to work. Many employers told us that for this reason it was difficult to keep people on once they were eligible for UI.

INTERRUPTION IN EARNINGS

To be eligible for UI people need an “interruption of earnings,” which means that they must not have worked for seven consecutive days. Some will not come into work during this time because they do not want to defer UI eligibility for less income than they would otherwise be eligible to receive.

FARM WORKERS

To be eligible for UI, farm workers must work at least seven days for the same employer. If employed by several different employers, farm workers need to work at least 7 days for each one. This means that farm workers receive less coverage than other participants of the UI program, and employers may be tempted to lay them off before the seven days to avoid paying premiums. The rule also encourages intermediate “job brokers” to employ farm workers, putting an unnecessary organizational layer between employer and employee and creating the opportunity for abuse of the program.

THE 25 PER CENT ALLOWABLE EARNINGS RULE

During the off-season when people are collecting UI, they can earn in a week up to 25 per cent of maximum weekly benefits, or \$112 in 1995, provided the claimant is earning the maximum. Earnings above this level are deducted dollar-for-dollar from their UI cheque. The tax-back can kick in even if a claimant accepts one day's work. All benefits are deducted if a claimant works full time during the week. This design feature is a clear disincentive for those in seasonal work to take work in the off-season.

We were told that the original intention of the 25 per cent rule was to allow people to work one day without losing benefits: when the benefit rate was 80 per cent, one day's work would be one-fifth of insurable earnings, or 25 per cent of 80 per cent of insurable earnings. Now, when benefit rate is 55 per cent of insurable earnings, the tax-back would need to be set at about 40 per cent of weekly benefits to allow one day's work at the same wage as when previously employed without losing benefits.

In one example we were given, an unemployed person receives \$420 a week and is allowed \$105 a week (25 per cent of \$420) in earnings before earnings are deducted dollar for dollar. Suppose (s)he can get a job paying \$169 a day, and if working for five days will make \$845. On the first day (s)he can make a little more than on UI, but on the second and third day will work for nothing because UI premiums are deducted dollar for dollar. Thus accepting part-time work will not pay: indeed, it might cost more to work than to receive UI when transportation and childcare expenses are taken into account.

Example: the 25 per cent rule as a disincentive to work

Days worked	Earned income	Amount of UI deducted	Net UI	Total income
0	0	0	\$420	\$420
1	\$169	\$64	\$356	\$525
2	\$338	\$233	\$187	\$525
3	\$507	\$402	\$18	\$525
4	\$676	\$420	0	\$676
5	\$845	\$420	0	\$845

The Unemployment insurance system should be restored to its original role as a simple and effective pooled risk insurance program which provides temporary income support to employees who lose their jobs through no fault of their own, or for income maintenance while taking bona fide training. Canadian Federation of Labour

Governments treat UI as the “program of last resort”

At a time when federal, provincial and local governments are reducing program spending, UI is becoming the “program of last resort” -- the program that governments can still count on to provide income support to people, communities and regions in need, without having the spending show up as higher government deficits.

The irony is that because the UI program is funded by employers and employees, governments have become the “free riders.” They can create a “UI multiplier” for their own program spending by creating jobs of limited duration (with limited funds) and have UI make up the rest of the year’s income. A common example is when provincial and local governments employ people whose seasonal work has been cut short, just long enough to qualify for UI and to stay off social assistance.

We were told that the workplace reductions that have occurred at lower levels of government simply put more pressure on UI and on employers to engineer lay-offs in a way that gives their employees the maximum UI benefits.

UI rules and regulations are too complex

People told us they never get the same answer twice when they have a question for their local CEC office. In one example, the question of how to report a day or two of work while on claim was answered differently each time it was asked. Many companies do not bother to approach HRDC to enroll in training programs because, as one Alberta company told us, “The paperwork is beyond belief.”

People who are receiving benefits try not to “rock the boat” by changing their UI status in any way. They fear taking work or going on training courses while on UI because it may interfere with the flow of benefits and cause checks to come late.

Stories of abuse came from all sectors, all regions

In all parts of the country we heard stories of UI abuse. People found the abuse of the UI program so insidious because it calls into question the legitimacy of the program for those who really need it.

There is a market for Records of Employment; the going rate is fairly consistent in different parts of the country -- \$2,000 for the ROE, plus UI premiums and CPP contributions.

FRAUD

Fraud occurs by means of buying or falsifying Records of Employment (ROE) to claim work that was never done. We heard how employers sell records of employment, sometimes to people too old to work, or who live thousands of miles away from where the work is reported to have been done. (In one case, two 80 year old people qualified for UI on the basis of the rather grueling and implausible job of berry picking.) The out-of-province dealings in ROE's are especially hard to track down.

Some people tear up their records of employment to avoid being credited with low stamps.

At times there is little correspondence between the information on the Records of Employment and what is reported on a company's payroll. We heard of one case where the ROE's showed wage payments that were twice the actual revenues for an entire operation -- over 200 people were reported working for 7 months, whereas the usual flow of workers for that operation would be one-tenth as many people for less than a month!

Some operations have relatives working for each other, and once they have maximum earnings they continue working but say they are not being paid. Or, relatives are put on the payroll who are not working at all.

"CREATIVE REPORTING"

Creative reporting, often fraudulent, occurs when people organize their business affairs in a way to maximize their access to UI. We heard of businesses created so that people who are really self-employed could enter into the required employer-employee relationship to become eligible for UI. Some people work for an employer just long enough to get UI, then revert to sub-contracting and hire their own crew.

Some businesses allow the banking of hours to maximize employee insurable earnings. Banking occurs when reported earnings are compressed or rearranged in a way that maximizes weekly insurable earnings or ensures eligibility for UI.

Part of the difficulty in stopping creative reporting is that Revenue Canada, which is responsible for establishing the insurability of earnings, does not always work in tandem with UI officers. We heard a case of an Alberta farmer who "laid off" his wife so she could collect UI and was then able to establish for Revenue Canada that she had insurable earnings by writing her a cheque on their joint bank account. In another case, three brothers made themselves equal shareholders on a farm and all drew UI in the winter. We also heard some cases of people mis-using the special rules under fishermen's UI that allow the skipper to claim 20 per cent of the maximum entitlement even if the catch is worth much less. Some

people make five minimal sales to separate buyers, obtaining the credit each time, and achieve the maximum insurable earnings with a catch that is worth only a fraction. We also heard of people who were not really fishers buying fish from one plant and selling to another to obtain ROEs.

NOT MEETING WORK SEARCH CONDITIONS FOR RECEIVING UI.

This criticism is cited more for those who work in sectors where there is planned seasonality, rather than in seasonal resource industries, which are often in areas of the country where there is little or no work in the off-season anyway. There was a general feeling from the people we spoke to that HRDC is not enforcing the "looking for work" condition of eligibility and that people should have to report to their local CEC in person. There was also the view that people do not participate enough in job search activities such as Job Clubs in order to find work.

Construction workers in Chicoutimi, Quebec paid for a study on solutions to stop black market activities. They recommended a stiff fine for the first infraction and revoking licenses for the second. Governments found the recommendations too harsh.

In some instances, however, HRDC case workers appear to have responded excessively to general criticisms of this nature. Workers have reported unreasonable pressures to take inappropriate employment, or to engage in managed job search inquiries even when employers make it clear they are not hiring. In one case a waitress who had earned \$9.50 an hour during seasonal employment was referred by HRD to a local employer for a job paying \$4.75, the province's minimum wage, when there were other unemployed waitresses making closer to the minimum who were available to take the job. The referral seemed to the first waitress to be a way of removing those who receive high benefits from the UI account.

Not reporting all work done and money earned while on UI

There were widespread accounts of people not declaring earnings once they qualified for UI so as to keep receiving benefits and to avoid paying income taxes working in the underground economy.

It was pointed out to us that abuses will be curbed through fair rules, good programs and vigilant enforcement; abuses will increase if UI rules are too stringent, if they create disincentives to work, or if enforcement is cut back.

A fishing boat skipper in Cape Breton and a potato farmer in PEI both stated independently that they have never had trouble hiring workers, regardless of UI. Their common secret of success: "Treat them half-decent, and pay them half-decent."

CEC staff hold seminars for teachers and other school staff during school time, to teach them how to complete their application forms for UI and to avoid overcrowding at CEC offices during holidays and the early summer.

REFUSING WORK WHILE ON UI

Employers, especially in parts of the country where average wages are low, told of their inability to hire workers once their UI payments begin, and some stated that UI was their biggest competition for workers. Others saw it differently, stating that the real problem was the absence of provision for a fair wage policy, and the expectation that workers should do any kind of work for minimum wages.

UI is used counter-productively to subsidize downtime and holidays.

UI was not created so that employers or employees can organize their down time or their time off around benefits -- in effect, using UI to subsidize what are really holidays. This practice does occur, however. A case in point occurs in the education sector, where claims during the summer months have been increasing steadily for the past several years.

In part, the increase in claimants in the education sectors has occurred because more support staff are put on short term contracts to save on school board budgets that have been cut back by provincial governments. In part, the increase is because in some provinces more teachers are being given ten-month contracts, (although they are paid for twelve) to qualify for UI in the summer. School boards told us about teachers who will not sign contracts until the fall so that they can collect UI during the summer.

Another case in point is the way in which the Supplementary Unemployment Benefit (SUB) Plans are sometimes used. The SUB plans allow employers to top up UI benefits so that workers can receive a higher percentage of earnings when they are laid off than what would be provided by UI. The SUBs are intended to give workers extra income when they are laid off during seasonal fluctuations in demand or retooling. In some cases, the SUB Plans have been used to provide paid holidays to workers at low cost to employers.

4 DIRECTIONS

4.1 Jobs come first

Economic development and seasonal work

“Where is the job plan?”

Participant from Richibucto, N.B.

Jobs first

The most important contribution that the government can make is to encourage economic growth and job creation. Although the discussion paper postulated that the way to get and keep a job in the workplace is to acquire up-to-date skills, this is only part of the solution. It downplays the problem that many already have the skills but simply cannot find a job.

We have a variety of suggestions on how jobs and economic development could be better engineered for those in seasonal work and seasonal regions.

Blueprint for success: Some B.C. forestry unions have negotiated for their laid off workers to have first crack at new work created through B.C.’s forest renewal program.

Conserving and replenishing our resources

The first step to preserve existing jobs in the resource sector is to ensure that resources are sustainable. Conserving and replenishing natural resources and the environment are a natural complement to resource-based work, and actually can extend the season for those in the resource sector. Silviculture and reforestation are good examples.

Building infrastructure

What is lacking in many areas dependent on seasonal work is the infrastructure to make diversification possible, for example:

- core infrastructure such as transportation, telecommunications, basic services such as water, electricity and waste disposal;
- access to research institutions with corporate/government and university liaisons and the means to develop and market research ideas;

- access to education and training institutions, both the buildings and the hardware and software to reach rural communities;
- access to financial institutions to bridge financing requirements at a reasonable cost for start-up companies and companies in need of restructuring, rationalizing or expanding.

Too often in the past, the infrastructure provided to rural communities has been inappropriate -- either unnecessary, or built to support industries that are declining. Bits and pieces are often scattered among communities without the necessary hook-ups to make them work.

Infrastructure should support the type of industry for which the community has a comparative advantage. It should also be part of a network that maximizes its effectiveness.

Lowering the cost and increasing the availability of capital

To grow, diversify, and compete internationally industries need access to capital at reasonable cost. Yet as the government itself has stated in *Prosperity through Competitiveness, 1991*, "Both Canada and the U.S. have experienced relatively high costs of funds compared to major competitors such as Germany and Japan, and this has been a source of competitive disadvantage." Government monetary and fiscal policy need to be managed in a way that keeps borrowing costs in line with our world competitors. Financial institutions need to become partners in the "new economy", develop greater expertise in recognizing promising investments and then have the foresight to back them.

“There is a general unanimity that a value-added strategy is worth pursuing.

Advantages include:

- higher margins
- less cyclical variation
- greater customer loyalty
- quality and service take precedence over price
- higher growth than commodities.

- Critical characteristics include:
 - market usually regional, not global
 - requires different management philosophy
 - marketing takes priority
 - customizing production to each customer
 - quality control and continual improvement are essential.”

Canada's Forest Industry: a Strategy for Growth, 1994
 Value-added and market development group

Government-subsidized technology (“harvesters”) actually shortened the season for Atlantic foresters because the same number of people continued to work, but for a shorter time.

Creating new markets and new products to diversify resource-based regions

If regions relying on resource-based seasonal industries do not diversify, their residents will be forced to move elsewhere.

There were some encouraging examples of development projects that moved beyond resource “harvesting” to the manufacturing of more value-added products. A case in point is the Cap Lumière fish processing plant in New Brunswick, a state-of-the art facility built with ACOA assistance. It is an example of a fish processing operation that is intent on diversifying products and increasing value-added with new products for export markets such as canned gourmet seafood soups. The plant intends to lengthen the season for employees and generate income for the community.

Another success story we heard was in the recent development of pharmaceutical and biotechnological products from the ocean such as using dogfish cartilage in the treatment of cancer. The Professional Council of Fish Harvesters has recognized potential global markets and recently secured patents for a number of products. A research centre has been established.

A condition for participation in development projects should be the development of a coordinated worker-employer plan that combines industry development with human resource development.

Finding the right balance between the sustainable harvest, the best technology and the number of people who can earn a living in resource industries.

This is the guiding principle of the 1993 Cashin *Report on Incomes and Adjustment in the Atlantic Fishery* and supported by many groups involved in the fishery.

When a new technology is adopted, the necessary adjustments to the levels of employment must be made; otherwise the work is spread more thinly and everybody earns less.

Assisting those who cannot earn a living to find work elsewhere

Those who cannot remain in viable seasonal industries need assistance to find other jobs.

“To realize our development potential in spite of limited financial resources, we must concentrate in areas where we have, or can develop, a competitive advantage.”
Challenge for Change, Newfoundland Government

Exploring complementary activities that would diversify local economies

A submission from Cape Breton County put the problem well: “limited government dollars spread through all sectors means that everyone gets a very small piece of the pie leaving no one truly satisfied; and secondly, perhaps most importantly, it prevents the targeting of logical sectors with true growth potential.”

People in Atlantic Canada see their obvious comparative advantage in the marine environment -- shipbuilding, ship maintenance, fishing gear, marine communications and instrumentation, ocean research.

The focus in rural communities might be on information technology in which distance is not an inhibiting factor. The “new economy” skills relating to computers, information management and telecommunications could apply very well to rural areas. The training itself could be delivered through distance learning.

New Brunswick has already made great strides in this area. They have exploited their comparative advantage of a lower-wage, bilingual workforce and their world-class telecommunications infrastructure to develop call centres, and networks, even in regions where their population base is spread thinly.

Improving the fundamentals of job search services

Rather than come up with another new set of initiatives, HRDC should improve the fundamentals of job search assistance currently provided by CEC offices. The importance of timely labour market information for those in seasonal industries cannot be overstated, given that those unemployed in the off-season are looking for jobs of fairly short duration that closely match their existing skills.

More help should be made available to people to use the existing CEC office computers to search for available jobs. Counseling should be improved and a continuum of service provided for those looking for jobs. Services such as Job Finding Clubs are not expensive, often effective, and convey the message that the UI recipient’s goal is to find a job. There is also a greater need for dedicated caseworkers that are assigned specifically to individual clients and provide needed follow up services.

A registry of skilled workers and an inventory of their skills should be developed so as to provide better labour market information for those looking for jobs and those looking for workers. This is especially important for those in seasonal occupations, who have less to gain from going out to search for jobs “on spec.”

Finally, HRDC should improve its role in collecting labour market data to monitor and to conduct research in the changing nature of work in the economy.

Atlantic construction workers still report how workers were brought in from other countries during Toronto's construction boom in the late 1980s, while they sat idle because they were unable to afford the cost of temporary relocation to Toronto or temporary accommodation.

Providing temporary mobility assistance

Temporary mobility assistance for those who do seasonal work would help to overcome barriers to off-season employment. Often those in seasonal work cannot make the investment to relocate for a temporary job or the prospect of a job-- consider that it costs \$300 just to get a car from Newfoundland to the mainland on the ferry. Temporary mobility assistance also unstops labour market bottlenecks that may develop in industries such as construction, and keeps the national pool of labour from over-expanding during booms.

Rather than sending people out to other regions on "spec," exploratory interviews could be conducted in CEC offices. CEC offices could provide the technology for "tele-interviews" with prospective employers before mobility assistance was offered. Job finding trips could also be funded.

Recognizing the special needs of those in the cultural industries

Those in the cultural industries -- visual artists, writers, filmmakers, and performing artists such as dancers, orchestra musicians and actors -- need special consideration under UI reform. Many in cultural industries receive regular UI benefits; many others are self-employed and are not covered at all under UI. Many covered under UI are frequent claimants and so would be affected by the imposition of a two-tiered system.

Their contribution to a distinctive Canadian culture is critical. Yet, they are often poorly paid and have had to adjust to cutbacks in funding for cultural institutions. Their training needs are unique: many are highly trained in their artistic fields and during the off-season it is their responsibility to improve their skills. Yet, for many, such as dancers, their careers are transitory. The sectoral councils now in existence for the various artistic groups should play an active role in determining the training and development needs of Canadian artists, both in their current and future careers.

DIRECTIONS:

Develop a job plan.

Jobs come first.

We take the government at its word when it says the objectives for reform are *jobs, support for the most vulnerable and affordability*. The most effective way to meet all three objectives is to begin by meeting the first one. Governments and industry must make the commitment to create more jobs. Jobs help the most vulnerable. Jobs reduce the necessity of social programs and so make them more affordable.

We cannot afford to let ourselves become solely preoccupied with technical changes to UI. Reform is not simply changing a UI parameter. It means a transformation to an economic climate and work culture where market forces lead to full employment and adequate incomes. In the context of seasonal work, how do you make every hour of work count? How can our natural resources be used to maximize the value added for the economy? What skills do people need to do this? We found across the country rich veins of knowledge that need to be tapped so that a critical mass of entrepreneurship and worker skills are developed.

The elements of a job plan are multi-faceted:

Manage and replenish natural resources. Build the infrastructure that will support activities in which communities have a comparative advantage. Create new markets and new products to diversify resource-based regions. Find the right balance between the sustainable harvest, the environment, the best technology and the number of people who can earn a living in the resource industries. Assist those who cannot earn a living to find work elsewhere. Explore complementary activities that would diversify local economies.

An economic development strategy should be built upon partnerships with industry groups and local communities. Community economic development should be done in a way that fosters entrepreneurship and creates jobs that benefit the community as whole, that improve the environment, build infrastructure, and enhance community services.

Resource-related industries must create more value-added.

Having control over resource rents is not simply an opportunity to make a quick buck but an obligation to create long-term sustainable development. Resource industries should be responsible for long term investment in their workers. New markets and new products need to be created. There should be a vision to expand industries complementary to the resource sector: machinery and equipment needed in the harvesting and manufacture of resources, for example.

The cost and availability of capital are a key to growth and jobs.

Government monetary and fiscal policies need to be managed in a way that keeps borrowing costs in line with our world competitors. Financial institutions need to become partners in the "new economy," develop greater expertise in recognizing promising investments and then have the foresight to back them.

Re-organizing work

Work can be reorganized to provide more stable employment, but the precursor to this is to ensure that the number of jobs match the number of people. The ability of those in seasonal occupations to find alternate employment in their off-season depends in large part on the seasonal variations of unemployment in their region. In regions that show a surge in claims in the winter months when resource activity wanes, the jobs are not there, and it is simply not realistic to talk about people finding alternative work in the off-season. Training related to work opportunities might be feasible, however. Similarly, the off season represents a unique window of opportunity for workers to enhance their literacy and basic education skills.

Extending the season

Perhaps the best way to extend the season for employees is to have employers view them as permanent workers with long term potential. In this way, they will take a year-round approach to employment and human resource planning. This means engaging employers to look at the bigger picture, possibly by initiating action on industrial coordinating councils so as to find ways to extend the season by diversifying products and increasing value-added.

The application of new technologies is also promising in some areas. One forestry company was able to extend the season by using equipment with metre-wide wheels that do not bog down in muskeg.

Smoothing seasonal peak demands

Smoothing seasonal peak demands can be done in regions where there is a large enough population to make up a diversified labour pool. There may not be much mileage in using profit-making job brokers to place workers, and, indeed, this practice was a factor in the misuse of UI in the agriculture sector. CEC offices or non-profit employment service offices would likely be in the best position to act as central dispatchers when short term bottlenecks develop.

Blueprint for success:
a pulp and paper
association has
convinced its company
to have stevedores
retrained to plant trees
so they can work
11 months of the year.

Exploring “partnership” options, whereby workers move between firms with different seasonal requirements in order to cover the full year better

There might be some potential for partnerships in local governments. Municipal governments spoke of using school board employees for the maintenance of parks and city facilities in the summer. Or, teachers could provide training instead of receiving UI.

In the private sector, there seems to be some promise of having workers move *within* firms and among operations with different seasonal requirements, rather than among firms.

Blueprint for success:
In Sydney, Nova
Scotia, the maritime
transport sector hires
school bus drivers at
the height of the
season when
personnel
requirements increase
fourfold.

For example, there is some potential for twinning summer and winter tourism operations, such as golf courses and ski hills.

However, in many communities reliant on resource industries, the seasonal pattern is the same for most jobs and the partnership options simply are not available. A more diversified industry base is needed to make these possible.

DIRECTIONS:**Reorganize work patterns.****Seasonal jobs should be treated as permanent jobs.**

Because seasonal jobs are not year-round, the people who work in them are often treated as casual transient labour, even though they return to the jobs year after year. A key aspect to making the work patterns of those who do seasonal work more stable is to treat the core jobs as permanent and to take a year-round perspective to planning work and training.

Expand the duration and quality of seasonal jobs.

Seasons often are shortest in industries whose sole activity is harvesting the resource for sale in its rawest form. Seasons often are extended and smoothed when there is added value in production, and when new and diversified product lines are developed from the resource. For example, over the years construction has become more able to continue in winter. Employers and resource harvesters should be encouraged to work with government and labour to expand progressively the work season, by controlling better the landings at fish plants, changing the nature of the product, creating new products, or finding new markets. The forestry sector is a model of what might be achieved through a tri-partite arrangement.

Training that relates to work opportunities can be conducted in down time. Training can extend the season by giving employees the flexibility to change the nature of their work during different parts of the year. Tourism sectoral councils are making strides in this area.

Accommodate seasonal peaks with labour pools.

Seasonal industries should stabilize and extend their seasons as much as possible, but even when they do there still may be seasonal peaks in production. During seasonal peaks, workers may be needed in addition to the core of permanent workers. In some cases, additional workers can join "pools" so they, too, can increase the length of their season by meeting the peak demands of different employers. The pools can also provide upgrading when there is no work available. Two successful examples are the Agricultural Employment Services in Saskatchewan and the Union des Producteurs Agricoles in Quebec.

Bundle complementary seasonal activities into one full-year job.

There is some potential for partnerships in local governments such as combining summer recreational jobs with custodial jobs in school boards during the school year. However, as long as there are not enough jobs to go around, there will still be pressure to spread these jobs as far as possible.

Investing in people: training and basic education

“The biggest beneficiaries of training are those who put it on.” Nova Scotia participant.

There are two issues relating to employment development for people working in seasonal industries. Do people have the skills to do seasonal jobs? Would some workers in seasonal industries be better off if they were trained to do other jobs? Plans for the human resource development of people in seasonal occupations go hand in hand with an understanding of the future job prospects in seasonal industries.

The most discouraging accounts we heard in our consultations relate to training, or “make training” as it was often referred to.

“Unfortunately everybody is protecting his own area and not looking at the big picture.”

Creating a vision for training

An important message we took away from the discussions was that the problem with training is not lack of funding -- indeed, the view is that too much money is being thrown at training. The problem is a lack of vision.

We heard many complaints about training and counseling services undertaken under the Atlantic Groundfish Strategy (TAGS) -- it has been far too slow off the mark, delivering the wrong programs to the wrong people, displacing workers, and contributing to the underground economy.

It is in part the classic problem of too much bureaucracy -- a cumbersome centrist machine, compartmentalization of services, too many rules and regulations, and a huge bank of uncoordinated trainers including community colleges that have an institutional stake in filling seats in the programs they are equipped to offer, the ones that are easy to prepare and maximize their own revenues.

There needs to be an outward-looking plan in which training is linked to jobs. Training must not be backward-looking at jobs in declining industries but forward-looking at the jobs of the future. Ongoing interaction with employers is a crucial element to mapping out meaningful training strategies and locating opportunities.

“Training a truck driver from scratch costs \$10,000. Upgrading a company worker costs half as much. Why not put training funds to better use by upgrading those already employed while training those who are unemployed for entry jobs? The cost savings of such an integrated approach would be considerable and more would benefit from the training.”
United Paving representative, Saskatchewan

“Why are 500 carpenters being trained in Newfoundland under TAGS when existing carpenters are already struggling to find work?”
The Newfoundland Building Trades Council.

Making training expenditures accountable before resources are increased

The government should take a hard look at its employment development services and the way the funds are now being allocated. Training assessments must be done before resources are increased. To make training more accountable, industry and community groups should be consulted to ensure there is a demand for certain training and the resources available to provide it. Systems should be set up to evaluate and compare programs and instructors based on clearly defined outcomes.

When training is done through UI Developmental Uses, governments are viewed as less accountable for how the money is spent, because the money is not subject to the same budgetary discipline as funds from the Consolidated Revenue Fund (CRF), the government's general revenue. In 1994-95 \$1.9 billion was spent on UI Developmental Uses, four times what was spent five years earlier. During the same time, funds available from the CRF have only gone from \$1.56 billion to \$1.68 billion. The UI Act states that up to 15 per cent of annual UI expenditures can be spent on UIDU, but must be spent on UI recipients only, regardless of the needs of others. Funds from the Consolidated Revenue Fund, on the other hand, can be targeted more broadly, for sectoral initiatives or industry-government partnerships, for example. The two funds cannot act as substitutes, and so when CRF training funds run out, training needs cannot be met out of the UIDU. This has created two classes of clients and generated much frustration.

Reflecting the needs of communities

In small communities, training often displaces those already employed in an industry, especially those who do seasonal jobs. When the training offered is not part of a jobs strategy, it will simply increase the labour supply in sectors where there may already be a large pool of unemployed workers. Such displacement is most severe in small communities.

Training programs must reflect the capacity of the communities to absorb the trained people into their economy. If there are opportunities to work elsewhere and mobility assistance is needed, it should be provided.

The Regional Industrial Training Centre for Construction in Nova Scotia deplores the fact that training is funded to redirect people into construction when there already is a surplus of labour.

Blueprint for success: Manitoba's Lifelong Learning Centre Inc. provides a boost to those who have lost hope of finding work, by providing an intensive course in workplace and job search skills that improve long term employment prospects.

Establishing priorities

Training should not be for short-term job creation but for the skills needed for long-term employment. Short-term crisis management, whereby those who want training are "bumped" by those who are slated as "high priority", should be avoided.

The hierarchy in training currently depends on the category of client. Those who are unemployed and in receipt of UI have a better chance of getting a spot, even if they do not want it, than those who are working and want to upgrade their skills, because there is little "proactive" money set aside. Yet people can lose their UI if they attempt to develop their own skills, not under the auspices of the UI Developmental Uses. And, people who have exhausted UI cannot qualify for training, even though they may have been waiting for an opening while receiving UI.

The CEC offices must be given the leeway to establish priorities and plan ahead, the flexibility to direct resources to non-UI claimants, and the resources and information to identify employers' needs. Unfortunately, with last year's elimination of programs paid for out of the CRF for workplace-based training and other demand side measures, the interaction with employers has diminished.

Priorities must be set for the provision of training. Those most in need for training should be given access and the training they are offered should be based on a long term plan for improving their employability. Training should be provided before labour market problems become entrenched. Otherwise, more costly and less effective support becomes necessary.

Providing basic education

While we detected much skepticism about the value of many existing training programs, there was widespread agreement on the value of basic education and upgrading to develop peoples' basic ability to learn. The capacity of the labour force to absorb the new information technology presumes basic skills in understanding and processing written information. Governments should continue to provide basic educational upgrading.

There continue to be relatively high levels of functional illiteracy in Canada, with fewer than 50 per cent of Canadians being comfortable working with written materials. At the same time, funding for basic literacy programs has been on a yearly and half-yearly basis which does not provide security for either learners or teacher. And, there are far too few opportunities provided: in PEI, for example, there is one adult upgrading program available for every 1,500 adults who could benefit.

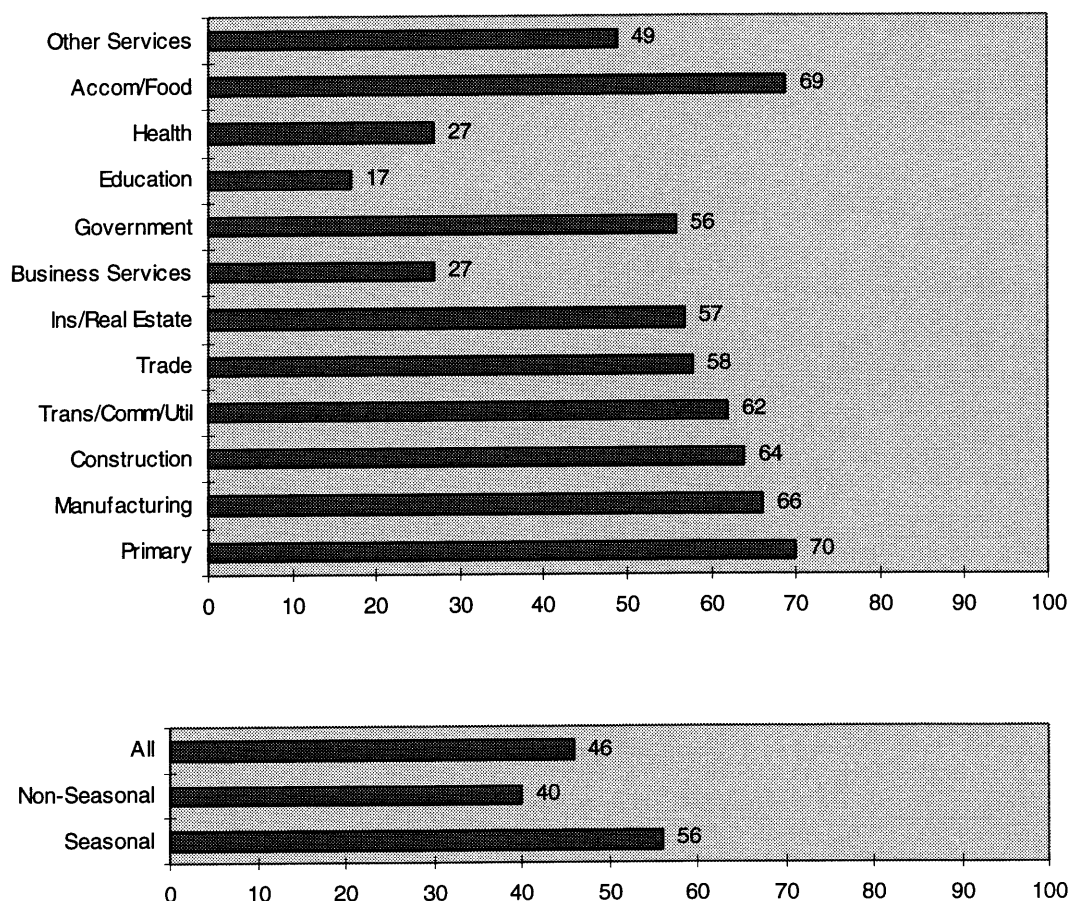
Newcomers to Canada and people with disabilities have particular literacy problems.

The HRDC survey data show that education levels of seasonal claimants are well below those of non-seasonal claimants. Almost 60 per cent of seasonal claimants achieved grade eleven education or less, compared to 40 per cent of non-seasonal claimants. In the accommodation and food, and the primary/resource sectors, about 70 per cent of those in seasonal work had grade 11 or less. The situation in seasonal manufacturing and construction was almost as bad.

Many of those in seasonal work live in remote regions, where self-paced distance education is often the most appropriate tool for learning. It was encouraging for instance to hear that Newfoundland and Labrador are working with highly developed technologies and materials for high school and university distance education courses.

Percent of seasonal claimants who have grade 11 education or less

by industry, 1989



Training and certifying trades in seasonal jobs

Rather than treating seasonal industries as dumping grounds for the unemployed in other sectors, emphasis should be placed on national standards and certification for professional tradespeople in seasonal industries.

Blueprints for success:
The Sydney Mines Learning Centre of the Northside Victoria District School Board, Nova Scotia, identifies youth at risk of leaving school and works with them on an individual basis. They place strong emphasis on computer upgrading, and on "shift work learning," providing a learning environment 24 hours a day to accommodate different work schedules.

Construction is a leader in this regard, but still has some way to go. National Certification through the Red Seal program would increase the mobility of unemployed construction workers, which is so important in an industry where there can be skills shortages in one region and unemployment in another.

Giving young people priority

Often young people are turned away from post-secondary education courses because UI sponsored training fills capacity. The average age in Atlantic colleges is about 26 years, largely as a result of the large number of spaces accorded to UI recipients, and for every student accepted, two are turned away. The training provided in schools is often on outdated equipment and without practical work experience.

It takes a full generation to see the effects of focusing on better training and education for young people. We must start now.

"I need five workers trained for heavy machinery and the workers are willing to do it on their own time but I cannot find trainers who will work on Saturday or Sunday."

Contractor from Gaspé, Quebec

Making training schedules, locations and programs more flexible

People must be given the opportunity to train in the off season, yet spaces often are not available. Training programs must be offered year-round rather than being forced into the procrustean time constraints of the typical school year. UI regulations must be flexible enough to allow people to continue training without having to jump through unnecessary hoops to requalify.

Some colleges have responded to the need for flexibility and have opened year round, twenty-four hours a day. Many school boards are looking at alternative school calendars; some dovetail the school year with the harvesting season in silviculture and agriculture. Some colleges expressed the desire to work more closely with local industry to provide more relevant curriculum development and training programs on plant sites.

Programs must be designed with adults in mind. There is too much focus on a classroom format (sometimes an intimidating reminder of earlier

classroom failures). Often people are more comfortable with self-directed training through tele-learning and computer-assisted instruction.

Information on training options must be complete and clear. The options should complement services such as childcare and transportation. Women should not be steered into stereotypical "women's jobs" or discouraged from training altogether.

Finally, there must be greater access to training in rural communities. In high unemployment rural areas, there is often not the population base to establish training facilities, yet the payoff to training in these communities can be high.

Blueprints for success:
a company from Grande Prairie is doing training in Newfoundland to get people to come out to work in oil fields where there is a labour shortage.

Cross-training workers to meet the requirement of different seasons

In our terms of reference, we were asked to find examples of successful cross-training, where companies take turns training their employees in a common facility. Many companies explained to us that if they did this they might risk losing good employees to their competitors. The companies that do cross-train often specialize in research and development, where training facilities often are expensive, and there are economics of scale in pooling training facilities. Some companies have taken the initiative to find and train unemployed workers from other sectors or regions, for permanent employment in their own company. Innovative training practices come about when innovative employers set them up.

Blueprints for success:
In Manitoba, three competitors in the aerospace industry have shared in cross-training and youth internship programs, with cooperation from federal and provincial governments.

Supporting industry strategies for the development of worker skills and career progression during the off-season

Governments should take the lead in providing education for young people and Adult Basic Education.

Industry, including both employers and employees, should take on more responsibility for training. A training tax or training credits that could be applied against UI premiums would be a possible way to encourage employers to take greater responsibilities. These may not be effective incentives, however, because trips, staff meetings, regular supervision and many other existing activities could easily be translated into training credits. The only concrete result of a training levy might be more unnecessary paper work.

At the very least there should be a *quid pro quo* when it comes to training and UI, so that employers are required to take on responsibilities for some aspects of training in the off-season.

DIRECTIONS:

Invest in people.

Make training jobs-focused.

The oft-cited question "Training for what?" simply means, why are we training? Training by itself does not create jobs, but a well educated and trained workforce can compete successfully for jobs in an international economy. Training should be jobs-focused, and thus forward-looking and outward-looking. Long term goals should be set to anticipate future labour market conditions and problems. Programs and their instructors should be evaluated rigorously and the results compared to clearly defined outcomes.

Respond to workers' needs with three levels of training.

- At the very foundation is basic education and learning. This includes high school, literacy and numeracy skills as well as basic professional skills. The level of functional illiteracy in this country is alarming -- in 1988 the Canadian Business Task Force on Literacy estimated that illiteracy costs the Canadian economy about \$10 billion a year -- and must be remedied for all workers lacking in these skills, with special emphasis on preventive measures for the young.

Education and learning is the responsibility of individuals and governments.

- Skills related to upgrading and recycling enhance the professional skills of those within a seasonal industry.

This is primarily the responsibility of employers and employees.

- Skills that reorient people towards new careers create opportunities for employment in sectors outside the seasonal industries.

This is primarily the responsibility of individuals and of governments.

Assign training funds strategically.

Workers' needs must come first. Those who need basic education and training must be given every opportunity to meet these needs before they are assigned to other training. Those who want to build their professional skills within a seasonal industry should not be induced to waste their time taking a series of unrelated short-term training courses that do not build meaningful professional skills of any sort. Emphasis should be placed on professional certification in seasonal industries.

Those who need reorientation in skills in jobs outside the seasonal industry need to be part of a strategy that finds the training opportunities that best suit the trainee and takes into consideration the capacity of communities to absorb new employees. Opportunities to work elsewhere and mobility assistance should be explored if it is to the trainee's advantage.

Invest in people (cont'd)

Make training more flexible.

The limitation on Developmental Uses for UI claimants has created inequities and sometimes made it impossible to provide training where it is most needed. There should be more flexibility in allowing those not on UI to have access to training as part of a long term human resource strategy.

Persuade employers to acknowledge their responsibilities.

Employers should regard their workers in terms of their long term potential, rather than in terms of what they can get from them in a single season. Down-time provides opportunities for improving workers' long term potential. There should be a *quid pro quo* when it comes to training and UI -- especially for those employers who insist they need UI to maintain their workforce. Employers who have a lot of down time might be required to contribute to indirect training costs, such as providing their plant and equipment for training sites, daycare space, and transportation.

Pool resources to provide training.

There were some promising examples of employers who pool resources to provide training, either through their sectoral councils or through organizations such as the tourism councils and the Regional Industrial Training Centres in Nova Scotia.

Involve sectoral councils and communities.

Local CEC offices are often not in the best position to ascertain what are the best human resource development programs for the unemployed. There should be more involvement of sectoral councils to develop training and to upgrade the professional status of those in seasonal industries. There should be more community involvement in developing training programs for occasional workers and those whose best prospects lie outside the seasonal industries.

Encourage people to see time in the off-season as an opportunity for training.

People should be given opportunities to improve their jobs skills in the off-season and be encouraged to take them. Training does not necessarily have to be a condition of receiving UI. If the training is appropriate and of good quality, and if training schedules, locations and programs are flexible, then most people are more than willing to take it.

Some people are worried that if they are identified as lacking in literacy skills they will be penalized by losing their current jobs or being demoted, and so do not seek help. They must be convinced that literacy training can only help them.

4.2 Working together

For years there have been complaints about government departments not knowing what programs were put forward in other departments, and of interdepartmental battles that paralyzed decision making.

The simple plea from employers and employees in all parts of the country is “can you people please *talk* to each other?” Those in federal and provincial departments who design and implement programs relating to human resources, economic, and natural resource planning must set common goals, reconcile split jurisdictions, and make an effort to understand how their respective departments interact. Budget cutbacks are today’s reality, but they must be undertaken with an understanding of their downstream effects on other departments and programs.

Complaints about the lack of communication among government departments have been made for years, and can no longer be ignored.

Defining objectives and responsibilities

The question was raised a number of times as to the best distribution of responsibilities among the federal government, provincial governments, communities and industry sectors to make sure that common objectives are achieved. One way would be that the federal government be involved in delivering all income support programs and the provinces deliver economic development and active programming in human resources development. This approach would address the problem of governments off-loading and up-loading costs on each other.

The federal government in June 1994 offered a new approach for Labour Force Development Agencies, whereby new partnerships between federal and provincial governments were created to manage labour force development programs.

The goals of this approach are laudable: eliminating waste, improving service to clients; and making programs more efficient. Provinces would have authority over various HRDC training programs, and be able to set up a network of “single window” offices to provide integrated services for both levels of government. At this time, only Saskatchewan has signed an agreement. An important ingredient that needs to be added is the participation of the key stakeholders in human resources development and in UI in general: the employers and employees.

In the Saguenay region there are over five dozen different agencies concerned with regional development.

Integration is also required in economic planning initiatives undertaken at the federal, provincial, sectoral and community levels through economic development agencies and CECs.

Programs also need to be integrated with resource management plans to ensure that the resource base is sustainable and those who work in resource sectors can earn adequate incomes. The sectoral industry councils have a major role to play.

Simplifying programs

HRDC alone has 28 or so programs related to employment development. Programs must be simplified so that people can make informed choices among them and have access to the ones of their choice. The way around this is to simplify from the perspective of the client, not the bureaucrat.

The goal of individualized, flexible programming might be achieved by the proposed new partnerships offered by the federal government and the delivery of programs through a "single window". It must be borne in mind, however, that a "single window" is only half a good idea; the other half is program consolidation with clearly defined responsibilities.

DIRECTIONS: Dovetail economic and human resource development.

Design an integrated structure of economic and human resource policies.

Key players need to come together in a structure that integrates policies and programs among governments, sectoral councils and community development groups. Coordinating mechanisms among and between industrial, economic, and regional development agencies and the departments of the three levels of government must be simplified. Administrators should recognize that the term "coordination" implies a transfer of authority to the coordinating body.

Assign responsibilities accordingly.

Responsibilities should be assigned according to who in government, sectoral, and regional institutions can best manage and/or deliver programs. Clearly this means that not every department or organization should have a stronger role, or any role at all. HRDC is not best suited to put into place economic development programs, and programs that are specifically designed to do economic development should be devolved elsewhere. There do not have to be dozens of agencies in one region delivering individual economic development programs. The vision is one of governments and organizations coordinated in a way that provides a seamless interface.

Industry and labour have a key role to play.

The UI program can be a tool to encourage partnerships between business, labour, and government. A prerequisite is to put the governance of UI more in the hands of business and labour than is now the case. Industry must also take the lead through the sectoral councils in defining human resource needs and designing the programs to satisfy them.

Communities must take charge.

Communities must take charge and lead by example, to identify employment opportunities and build infrastructure and community services. A "best practices" network is needed to share good ideas at the sectoral and community level. How did some communities develop an entrepreneurial base? How did some sectors develop a skilled workforce?

Create institutional arrangements that enhance productive and stable employment.

Institutional arrangements should be examined and impediments to productive and stable employment removed. National certification of trades need to be established to allow Canadians every opportunity to work where they want. The Red Seal program, especially in the building trades, is a good example of a successful effort towards establishing national standards and certification.

Delegating

Decisions are too far removed from the front line staff and there are inadequate protocols for decision-making when a mix of programs is involved. Management should be organized so that once a proposal enters the system the official at the first point of entry should be responsible for shepherding it through the system. Similarly, caseworkers should be dedicated to a client and provide ongoing guidance and continuity of services.

The importance of having provinces and local governments involved in delivering active measures primarily relates to cost, the improved efficiency that comes from removing unnecessary duplication, and effectiveness insofar as the needs of client are better met. The federal government simply does not have the resources to assess the needs for active measures at the community and sectoral level.

The trade-off is between keeping to national standards while targeting individual needs.

“We have to stop assuming that somebody has to take charge of people; we have to change this attitude and make people responsible for themselves.” New Brunswick participant.

New Brunswick offers some answers to the question of delegating responsibility. In *A New Social Assistance Policy Blueprint*, the government has adopted the philosophy that accountability and empowerment begin with the people themselves, then their families, then communities -- that it is built from the ground up. *N.B. Job Corps* offers a regular income of about \$12,000 for volunteer participants aged 50 and over to work in the public, non-profit and private sectors in jobs such as silviculture, beach improvement, nature trail development, library automation and environmental projects. They can also earn additional income without penalty. *N.B. Works* offers a continuum of services to social assistance recipients from pre-employment orientation, to training, to work experience. Its purpose is to make social assistance recipients into a better trained workforce, and to encourage people to change their attitudes toward employment and unemployment, thus saving on long term social assistance costs.

Success in the delivery of local programs seems to rest with the talents and energies of individuals. For example, Community Futures seem to work extremely well in communities where there is a strong commitment and representation from community leaders.

In Mackay, Newfoundland a development association created in 1969 has provided municipal and economic development to 9 communities. It is run with the help of two volunteers. With an annual budget under \$50,000 they generate economic activities worth close to \$900,000.

The *Community Development Boards* we met with in B.C. work by following a series of logical steps to match job opportunities with local market demand:

- Conduct local surveys to establish consumption patterns and market demand in local areas.
- Determine upcoming job needs on a monthly basis in local areas and train only the number to meet those needs.
- Follow through on the progress of trainees.
- Develop niche opportunities.
- Define long term industry opportunities and the barriers, such as lack of infrastructure, that must be overcome.

The *Regional Industrial Training Committees (RITC)* in Nova Scotia offer a balance and coordination between community and sectoral development. The committees work on human resource development planning, integrated through 8 sectoral committees and 18 geographic ones. They focus on training that is jobs-oriented, and based on life-long skills development. Evaluation of their programs is based on results, not on how much is spent on them. They are exploring the possibility of the geographic RITCs coming up with a community development plan and then going to industry RITCs for its implementation.

Multi-year planning and budgeting

Programs funding often is determined by an annual budgeting process in central offices. Yet, individual clients often need to have access to programs over several years. If funding is redirected from year to year, people can be cut off from programs they have already started, leaving them back at ground zero.

Reviewing institutional arrangements

In seasonal work it is often the institutional arrangements that interact with UI rules to create disincentives to work. Some examples where improvements should be made:

- Agreements among governments to establish national occupational standards and certification in seasonal industries to facilitate mobility.
- Review of contractual arrangements entered into by school boards that encourage the use of UI during school holidays.
- Review of provincial labour codes to determine what can be done about high turnover in seasonal industries as the result of seasonal “job sharing.”

DIRECTIONS:

Emphasize sound program management.

Identify key decision makers.

Responsibilities should be delegated in a way that crucial decision makers can be identified and are accountable for their decisions in the public sector.

Extend the planning horizon.

A longer term perspective needs to be taken in programming. A myriad of *ad hoc* programs must not be announced and subsequently be scrapped at short notice. Funds must not be allocated and reallocated arbitrarily.

Budget planning needs to be looked at more carefully. The year-end spending "bubble" that accompanies annual budgets must be eliminated. So must the cancellation of individuals' long term training and development courses because of annual budget fluctuations. In some cases an annual budget with incentives to spend more efficiently is appropriate; in other cases, long term planning with yearly updates needs to be put into effect.

Provide the resources necessary to deliver programs.

In many government departments, cuts or freezes to person-years have preceded the streamlining of government operations, making it difficult for employees to carry out their assigned responsibilities, and increasing administrative delays. The trend toward downsizing government should not mean that crucial program elements are cut back or eliminated in a way that hobbles entire programs.

Create information systems that serve the client.

New information systems must be developed to make the delivery and monitoring of programs more efficient. Technology must be used to free up services, not to make more paperwork. More efficient information systems can give officers more time to work more closely with clients.

4.3 Giving stakeholders a say

The governance of UI is an issue because employers and employees see *governments* using the UI program to relieve budgetary constraints and pressures, without being held accountable for how the funds are spent. Many ask: why should government be so concerned with cutting UI benefits since it is employers and employees who contribute to the fund and the fund is now in surplus? Is the government “playing games with the fund,” using the surplus as a “slush fund” for government programs rather than for cutting premiums? Why has spending on UI Developmental Uses increased, while similar programs previously funded from the Consolidated Revenue Fund disappeared?

As the Canadian Labour Market and Productivity Centre has pointed out, between 1975 and 1990 the government contributions to the UI account have been eliminated with the exception of temporarily financing the UI deficit, a shift of about \$10 billion a year more in costs onto the fund in 1994, or one-half of current program costs.

Even as the government has withdrawn from funding, the UI fund continues to pay for what many call “social programs,” which, depending on whom you talk to, include special benefits, Developmental Uses, or regional benefits. It also pays for some HRDC administration that is not directly related to the UI account.

The mismatch of governance and funding means that the responsibility for UI does not rest with those who pay for it. Employers and employees should be given greater say in how the fund is managed through a more representative Commission.

DIRECTIONS: Give stakeholders a say in UI funding, design and spending.

Give employees and employers more say in UI funding, design and spending.

Governance is an issue because people see the government as piling too much onto the fund and not taking responsibility for its management.

The UI fund is generated by employer and employee contributions. Contributors should have substantial and meaningful representation in determining UI funding, design and spending.

Represent labour and business in a restructured UI Commission.

A restructured UI Commission made up of representatives of labour and business as well as government could set the overall policy for the management of the fund. Both sectoral and regional representation would be necessary to ensure all the key stakeholders are represented.

There would be scope for defining how the fund should be used and what contributions should be. A restructured UI commission would also give labour and business the responsibility to prevent unnecessary overuse and abuse of the fund.

Make UI Developmental Uses consistent with overall labour force strategies.

A restructured UI Commission would also oversee the broad strategy for UI Developmental Uses. This would provide a direct link between objectives for Developmental Uses and longer term labour force strategies undertaken at the sectoral level.

4.4 Making Unemployment Insurance work

The basic premise behind the government's proposed UI reform is that the fund should be streamlined and that the savings be redirected toward giving people more assistance to attain long-term employment.

Seasonal industries need to become more competitive in a an increasingly complex and global market. At the same time, the government must fully understand the challenge that seasonal resource and other industries such as tourism face, and not add to their difficulties by making ill-conceived changes to UI.

Streamlining the UI program

**"The auto industry has invested heavily in Canada, has created jobs, is a leading factor in the economic recovery and more than pays its way under the UI Act."
*Automotive industry presentation***

"Cross subsidization" as a finger-pointing exercise

The discussion paper and the UI technical paper *From Unemployment Insurance to Employment Insurance* referred many times to industry and regional "cross-subsidization" of UI benefits. Yet being a net recipient of the fund is not the same as "milking" the system. Indeed, the focus on who pays the most to the fund has, ironically, encouraged some to argue that as long as they are net contributors to the fund, and because they are major industry players, it does not really matter whether they use the fund for the purposes it was originally intended.

Lauding the "good" industries (the net contributors) such as commerce, health and government, and damning the "bad" industries could jeopardize important jobs. Seasonal work must be seen as more than just a drain on the UI fund.

**The "worst offenders" are the four industries on which the country was built and which make a tremendous contribution to the balance of payments.
Earle McCurdy, FFAW**

Some make the case that the analysis of industry and regional "cross-subsidization" that underlies the proposed UI reform options is flawed. First, seasonal workers are often only a subset of those employed in a sector: not to include downstream operations that provide year-round employment misrepresents the industry. Second, before-tax UI contributions-less-benefits neither represent the net benefits people receive, nor the *economic* contribution of the industry.

Thus it would be too simplistic to try to streamline the UI program by cutting back on the benefits of the sub-groups that benefit most from the fund.

Lowering of benefit rates and shortening benefit duration

The UI technical paper prepared by HRDC estimates that lowering the benefit rate to 50 per cent and 55 per cent from the current 55 per cent and 60 per cent would cut UI funds by \$1.5 billion, and lower average benefits by about 10 per cent (the target for UI cutbacks specified by the Minister of Finance in the February budget). The benefit cut would be distributed evenly across regions. If the benefit rate were lowered to 50 per cent but the rate for low income UI recipients stayed at 60 per cent, savings to the fund would be almost as large -- 9 per cent, but there would be somewhat less of an impact on the Atlantic provinces.

Cutting benefit rates would do the most harm to those with low incomes, many of whom do seasonal work. Even when the estimated percentage decline in UI benefits is about the same across regions, the relative impact on total incomes is greater in provinces with low earnings and high dependence on UI.

People are now still adjusting to the changes to UI in 1994 under Bill C-17. Under C-17, the 10 week minimum work requirement was raised to 12, the formula for determining benefit duration changed so as to lower benefit entitlement for many, and the benefit rate was cut from 57 to 55 per cent. The shortening of the benefit duration is going to result in hardship this spring when people exhaust their UI benefits and there are no job options yet available. This is especially true for those in seasonal occupations in the Atlantic.

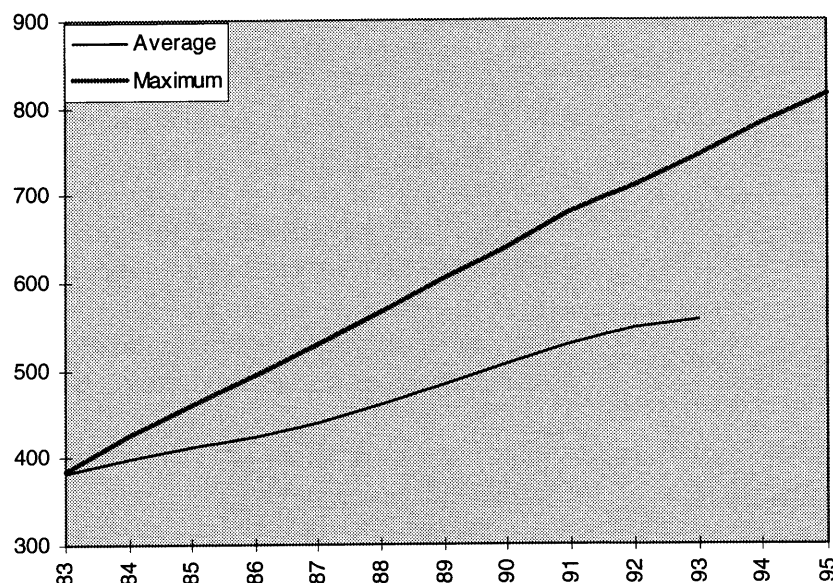
**Unemployment is not something that Canadians strive for; unemployment is a hardship that puts immeasurable stress on individuals, their families and their communities. To assume anything else is to grossly underestimate the legitimacy and motivation of millions of Canadians who, at any point in time, may find themselves without work.
G.A.Stoney, Co-Chair, FSAC and President, IWA-Canada.**

There are some lessons to be learned from recent changes to UI. Unanticipated, across-the-board cuts can create hardship. Additional across-the-board cuts could create even additional hardship, and furthermore could arrest the momentum for change to the UI program that has been building in the country. They could also bring about refinements to the irregular practices that workers have developed to avert hardship each time the UI program has been tightened, thus thwarting the very purposes of reform. The social acceptability of such practices is evident from employer compliance and general community approval.

Freezing maximum insurable earnings

The level of maximum insurable earnings is too high, which adds a regressive element to UI benefit rate cuts, exacerbates disincentives from UI, and increases the pay-off from UI abuse.

Average weekly earnings and maximum insurable earnings 1983 to 1993, dollars



In 1983, the maximum weekly insurable earnings and the average weekly insurable earnings were about the same but through the 1980s, and early 1990s, maximum insurable earnings increased much faster than average weekly wages.

The recent increase in maximum insurable earnings to \$815 in 1995, combined with lowering benefit rates adds a regressive element to the UI changes. Those making less than the maximum are the ones taking the hit in terms of lower benefits; many near the maximum seem to be able to manipulate the system to get to the new maximum; those previously above the maximum now have more earnings that count as insurable.

When maximum insurable earnings get out of step with average wages the UI program is more likely to distort decisions on the part of employers and workers to demand and supply labour.

The maximum should be frozen to allow wages to catch up. In addition, the formula could be revised so that past inflationary wage gains do not work their way into the MIE measure.

Increasing entrance requirements

Estimates of the impact of a higher entrance requirement show that the Atlantic provinces would bear a significantly larger share of the reduction in benefits than other regions.

The prospect of a higher entrance requirement would have the greatest impact in the rural regions where the only work available is in the seasonal resource sectors. Raising the entrance requirement could push people to welfare, a trap that is hard to escape. People can lose their homes if they go on welfare, or almost as bad, their cars. People in isolated communities often have to go far afield to find work, for weeks at a time. Without a car, there is no prospect for work at all.

**“Would you consider eliminating fire insurance just to save money ? Granted, you might have more money in your pocket for a short while, but would you have stopped the fires?”
Lars Osberg, Labour Economist**

Experience rating

Experience rating would be difficult to put into place, and would be very costly for industries restricted to a short season. To make experience rating work properly, UI would likely have to be privatized, and the benefit structure changed to conform to insurance principles. For example, the Business Coalition on UI said they would agree to some form of experience rating if the qualifying and benefit periods were changed to be 26 weeks each.

Consider a fish plant that only operates 12 weeks and has workers collecting UI for the remaining 32 weeks of the year. If the employer were paying the worker \$6 an hour, the weekly wage would be \$240, the total season's wage bill \$2,880 and UI premiums only \$86. This employee would likely receive the 60 per cent benefit rate, or $.6 \times \$240 = \144 a week, or \$4,608 over 32 weeks. If full experience rating were in effect, the employer would have to pay almost the full \$4,608 in premiums to cover the cost in benefits to this employer, far more than the employer paid in wages. To impose such a burden on a fish plant would almost certainly cause it to go out of business.

It would also be difficult to come up with a calculation that fairly rated “experience,” given that there are so many factors affecting employment. In the United States, where partial experience rating is an element of the UI system, employers are constantly maneuvering to avoid lay-offs by leasing employees and provoking firings and quits.

**“How will a second tier create jobs?”
PEI Chamber of Commerce Groups**

The proposed two-tiered system

The “new employment insurance program” described in the discussion paper is a two-tiered system that separates occasional claimants, who would continue to have the same access to UI as they now do, and “frequent claimants -- people who experience recurring unemployment and reliance on UI,” (who) “would receive lower benefits, combined with more active assistance in finding a job. Income support could be conditional on their willingness to participate in programs that make them more employable.”

(Improving Social Security in Canada, 1994, p.44)

"I am not sure whether a program which differentiates frequent claimants from infrequent ones, and which charges more or pays less for frequent claimants, would solve the problems of the seasonal worker in seasonal industries. I think a better long term solution might be to provide the information and the training which would encourage a variety of year-round employment tasks for workers performing seasonal activities."
Frank Dottori,
Tembec, Inc.

Yet would "adjustment" under the two-tiered system really make people more employable? Or, as many in the regional HRD offices told us, would it simply make an already complicated system even worse?

Frequent claimants of UI are not necessarily those "caught in a cycle of dependence" characterized by regular but relatively short duration employment. The concept of *frequent use* referred to in the discussion paper could, if it were used at all, be replaced with a measure of reliance based on the intensity of use: for example, the number of weeks of UI benefits, or the total value of claims, in the past five years. Regardless of how reliance on UI is defined however, frequent claimants risk becoming stigmatized -- as one member of parliament put it -- as "frequent offenders."

Finally, there may be a faulty logic in compartmentalizing the risk of unemployment by setting up separate tiers for frequent claimants and for employers who lay off employees frequently. Why design one UI system for those who never use it, and another that penalizes those who do?

Income testing options

To the extent that UI plays a role of income support, it should be targeted to those who really need it. Estimates by HRDC show that income testing for frequent claimants has a relatively small downside impact on claimants in the Atlantic region where incomes are the lowest. The difficulty with income testing is coming up with a practical measure of after-tax income that reflects fairly the living conditions across Canada.

Family income testing might compromise the independence of family members. In households where income is not shared fairly or in abusive families, an income testing option based on family income would erode the independence of women. Family income testing would also require complicated rules for non-traditional families. The system might be too difficult to administer and it might discourage work or create new opportunities for abuse.

The UI program already has a tax-back on allowable earnings for individuals over a threshold which is defined to be the maximum insurable earnings for the year, times a factor of 1.5, or \$60,840 in 1995. The repayment is 30 per cent of any UI benefits that increase net income over this amount. Before new kinds of income testing are piled onto the existing system, making it even more complicated, the tax-back should be adjusted to reflect average wage levels rather than the over-inflated level of maximum insurable earnings.

"The Government of Canada should not be involved with any measure that might discourage people from getting married or that provides a too irresistible temptation for people not to tell the truth about their relationships for financial gain."
International Longshoremen's Association

Another option would be to introduce a lower tax-back threshold with a high recovery rate for the third and subsequent consecutive year in which claims were made.

Changing benefit rates for frequent claimants

Estimates from the technical paper, *From Unemployment Insurance to Employment Insurance*, show that benefit rates for frequent claimants would have to be cut to 40 per cent to match the 10 per cent decline in UI funds that are the result of adopting HRDC's preferred family income testing model. This would hurt low income seasonal claimants who are most in need of UI benefits It should not be considered.

DIRECTIONS: Streamline UI in a way that is fair and targets those most in need.**The basic principles of reform go far beyond the question of "who pays the most."**

Casting the exercise of UI reform in terms of "who pays the most and who gets the most" can quickly disintegrate into a finger pointing exercise that loses sight of the basic principles and objectives of reform. If UI reform is to be taken seriously, it must go far beyond the weak excuse of blaming those who are often victims of the system, and create a climate where the system helps people and encourages jobs and growth.

Take into account the impact of recent changes to UI on low-income seasonal workers.

Many are still adjusting to the changes in C-17, and to introduce more cuts indiscriminately would be misguided. Many people in rural areas were fearful of further increases in entrance requirements and saw little chance of meeting them in their communities -- the result, which nobody wants, and benefits no one, is welfare. How could the national interest be served by pushing people into a system where work is not a condition of eligibility at all and where the disincentives to work are overwhelming?

Do not pursue the proposed two-tiered system.

There is little support in large part because the way in which frequent claimants are defined is not a fair reflection of reliance on UI and tends to stigmatize claimants. *Income testing options* under the two-tiered system are potentially complicated, given that there already are other income tax-backs in effect through the tax system and the graduated UI benefit rate. *Family income testing* would likely make women more vulnerable. *Lowering benefit rates* to "frequent claimants" would be viewed as too harsh a measure for low income earners, who constitute a large portion of frequent claimants. The most vulnerable are the low income workers in seasonal jobs and their families. They must not be hurt.

Consider adjusting the existing tax-back for high income earners.

Before putting in place a whole new income testing scheme to target better UI to those who really need it, consider adjusting the one already in place. The tax-back threshold, which is now part of the income tax system, could be lowered to be closer to the existing level of maximum insurable earnings and the rate increased from 30 per cent.

Take great care in adjusting UI program parameters.

Any increase in the *entrance requirement* would need to be gradual and monitored closely to make sure that it did not impose an impossible hurdle to certain sectors or regions. *Shortening duration* could have the effect of pushing people onto welfare, and the goal of reducing program costs could backfire. If the *benefit rate is to be lowered*, low income earners should be cushioned, possibly by retaining the 60 per cent benefit rate for them. Another way to cut back UI without hurting low-income earners would be to freeze or lower *maximum insurable earnings*.

Experience rating is impractical given the current design of UI.

There was some support for experience rating, but most recognized the administrative difficulties in determining individual premium levels. For many, it is a question of fairness: experience rating will hit hardest the companies that have no control over their seasonality.

Redirecting funds

UI reform and communities dependent on seasonal industries

UI reform should provide a stable long term framework for job creation with UI as one element. At issue is the appropriate kind of human resource and economic development for communities dependent on seasonal work. These communities were established originally because they were close to the resource and their viability depends not only on the resource providing adequate incomes but on the development of a broader economic base.

In Canada today there is a serious imbalance in the economic base among regions. UI reform alone cannot fix this, and a plan is needed for developing those parts of the country that have a weak economic base and the potential for economic growth. This plan goes beyond streamlining UI and freeing up funds for Developmental Uses.

What adjustment programs would be suitable for those in seasonal occupations?

What does active programming mean for those who do seasonal work? As discussed earlier, the problem is not primarily one of labour supply -- the unwillingness or lack of skills to work -- but of labour demand -- that seasonal jobs are of short duration and other opportunities are not available. More employment services would not necessarily increase the duration of employment or employment income: thus the need for a balance of job creation and human resource development.

Studies by the Atlantic Provinces Economic Council show the days of "going down the road" are over, that people are six times better off acquiring new skills than simply moving to a new location. The important implication of this finding is that the solution lies in improving peoples' skills and at the same time creating opportunities so they can fully utilize these skills, rather than just moving people around.

The challenge to governments of creating a better system of employment development programs and services is daunting. All government departments need to put on the table the programs relating to business development and private sector job creation that have proven to be workable in the past few decades. Program funds should not be redirected into a raft of new "experiments." Existing programs under UI need to be justified before more are added.

**"If social security requires the streamlining of programs, then it must be decided what programs suit the people best, not what people suit the programs best."
PEI Literacy Alliance**

The question of premium reductions

Between 1989 and 1995 UI premium rates have gone up from \$1.95 per cent to \$3.00 per \$100 of insurable earnings. During this time also, Maximum Weekly Insurable Earnings increased from \$605 to \$815. Employers and employees would have more than doubled their maximum annual premium payments during the last five years, to \$1,271 for employees and \$1,780 for employers.

There are two views regarding premium reductions. Workers and employers in many communities across the country said they did not mind paying the premiums to support the UI program but they *did* mind paying premiums to support those who abused the system or used it repeatedly when they did not need to.

Some industry groups such as the Business Coalition on UI Reform told us that high payroll taxes, UI premiums included, are a drag on employment growth. They cited the OECD *Jobs Study* as evidence that countries with high payroll taxes end up with the weakest employment growth.

Improving the links between UI and Social Assistance

Some people told us that the Government of Canada should accept responsibility for all income support programs for Canadians, since it has control over the economic and fiscal instruments which influence employment, economic development and social need. Incremental costs to Canada could be offset by adjustment to fiscal transfer payments. Perhaps it is time for Canada and the provinces to study ways to integrate income support programs in Canada, taking into account the essential interactions between UI and Social Assistance in the current economic environment, and the difficulty of reforming one without the other.

DIRECTIONS:

Redirect UI funds to best advantage.

Redirected UI savings are only one part of a job creation plan.

The equation that underlies the proposed UI reform relates savings in UI to investment in employment development services. The appropriate use of employment development funds is in improving the employability of workers and those capable of working. Using funds for economic development purposes is not. HRDC should not join the ranks of those already delivering economic development programs.

The funds earmarked for employment development should be only one part of a broader plan for job creation and economic development. If jobs and economic development are really the objectives of UI reform, then the appropriate funding should continue to be made available through other sources to meet these goals. Economic development should focus on regions with a weak economic base and the potential for economic growth.

Spend existing employment development funds better, before spending more.

There is widespread skepticism that the existing UI development funds are now being spent effectively. Between 1989-90 and 1994-95 the UI Developmental Uses program funds more than quadrupled, from \$424 million to \$1.9 billion. Before UI savings are redirected to more UI development funding, the government should be required to demonstrate clearly that existing funds are being spent specifically on employment development, that the programs are the right ones to deliver employment development, and that HRDC regional staff are able to deliver them. effectively

Employment development goes beyond helping UI beneficiaries.

Employment development needs to be planned in the broader context of sectoral and regional needs, and not narrowly focused on those receiving UI benefits. Adjustment programs need to be suitable for those who do seasonal work and be targeted carefully to those who can benefit from them. Those needing adjustment assistance have a responsibility to help themselves, but the assistance has to be there when needed.

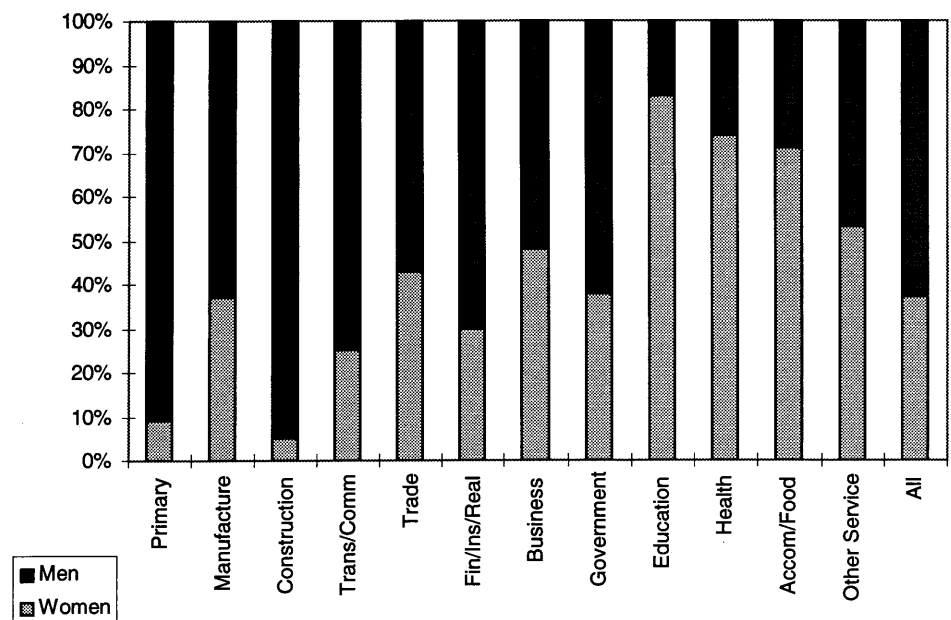
More representative governance of the fund would help to redirect funds.

The question remains as to how much of the savings from UI streamlining should now go towards UI premium cuts. Many did not mind paying the current premiums to support the UI program; some national industry groups suggested premiums should be cut. More representative governance of the UI fund would allow the issue of premium cuts to be addressed from the perspective of employers and employees.

UI reform and women

There is a wide gender variation among sectors for seasonal claimants. In the seasonal primary and construction jobs there are very few women. The highest share of seasonal work is found in education and in accommodation and food sectors. There are also a large number of women doing seasonal work in the manufacturing sectors, although a higher share of seasonal work in manufacturing is done by men.

Gender of seasonal claimants by industry as a percent of total, 1989



There was little gender analysis in the UI discussion paper, and no recognition that this is an important issue given that women in parenting roles could be more adversely affected than male workers by the reform options.

“The two-tiered system would penalize many women who are in precarious employment, contract work and seasonal jobs.”
Women’s Reference Group, Newfoundland

Blueprint for success: Acces travail femmes du Saguenay targets women who have little schooling and work experience and are motivated to work year-round. Many are single parents. The group follows the progress of their clientele and has observed significant improvements in their economic status.

More women than men live in poverty, and when women live in poverty, so do their children. Women who work in seasonal jobs often have lower wages and more part-time and contract work. Their jobs are often the first to go when lay-offs occur. Thus the two-tiered system would have a disproportionately large impact on their income and the well-being of their children.

Women often cannot take full advantage of training opportunities because of family responsibilities and difficulty in traveling from their homes to training sites. Programs may be available to assist them with childcare and transportation, but the information on these programs is often confusing and inconsistent. Women in Labrador City suggested to their women’s groups that a daycare program be incorporated into training centres.

Counseling for training for women must look beyond the stereotypical low-wage jobs -- jobs that are now disappearing from the economy.

DIRECTIONS: Address women's concerns in UI reform.**More work needs to be done to identify impacts on women of UI reform.**

The clear message we received is that more work needs to be done by HRDC to determine precisely what UI reform means for women, families, and children of working families.

UI reform should treat women as individuals and respect their hard-won economic autonomy.

It is often not to women's advantage to group their incomes with those of the rest of the family for the purposes of income testing or program eligibility.

Changes to UI should recognize women's distinct position in the labour market.

Women's wages are often lower, and their jobs less secure. Women often are less mobile than men and because of their ties to their children and their home, they often are unable to travel so as to take advantage of job or training opportunities.

Employment development must focus on women's needs and aspirations.

Training and apprenticeship programs need to go far beyond the traditional women's roles and at the same time take into account women's experiences and needs for services such as daycare and community-based training.

DIRECTIONS: Address child poverty in a reformed UI.**Addressing women's concerns will help to address the problem of child poverty.**

We were asked to consider UI reform in the context of the discussion paper, which emphasizes the need to reduce child poverty in Canada. This is inevitably tied to the real situation of women in the labour force, and the incidence of women on welfare assistance.

More and better jobs address child poverty.

As the discussion paper pointed out, "the best way to fight child poverty is for parents of poor families to have a job," recognizing that "many low-income parents need support in making the transition to the world of work."

This simply reinforces our point that jobs must be front and centre in a UI reform plan.

Reform measures that hurt low-income families will also hurt their children.

Children from low income families are less likely to stay in school and so are limited in their potential for future employment to support their own families: child poverty begets more child poverty.

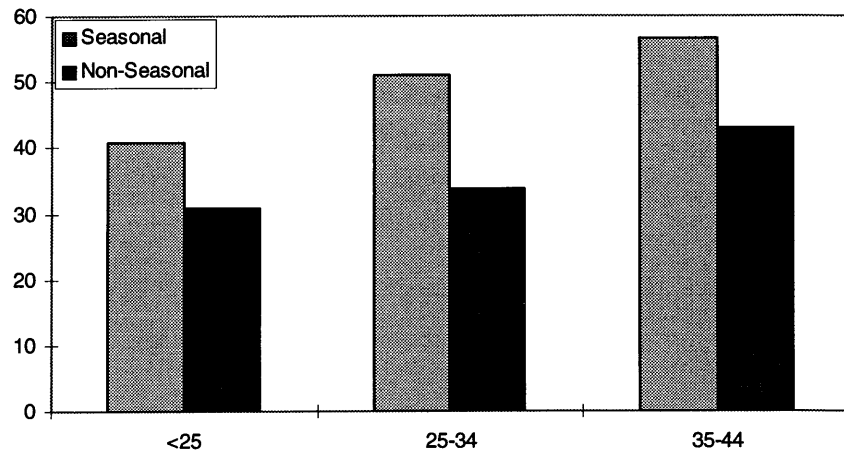
Some of the lowest income families work in seasonal industries. Thus proposals to streamline UI should consider the risk of reducing family incomes further and of pushing more workers and their children onto welfare. Proposals for human resources development should consider the affordability of indirect training costs (transportation and childcare) for low income earners.

UI reform and young people

In its Leaving School study, Statistics Canada reported that about 18 per cent of 20-year old Canadians had not completed high school. The rates are even higher in the eastern provinces, ranging from 20 per cent in New Brunswick to 25 per cent in Prince Edward Island. Data on UI claimants is more pronounced: of the young people who work in seasonal industries and claim UI, 40 per cent achieved grade 11 or less, about 10 per cent more than young non-seasonal claimants. The future does not hold much promise for these young claimants

Educational attainment by age

seasonal and non-seasonal claimants who achieved grade 11 or less, 1989



Source: HRDC administrative data

“There has been a wasted generation.”
Moncton participant

The UI equation works against young people. It makes training and education seem like a bad investment, compared to UI, especially in households with low incomes. Seasonal work seems especially tempting -- you can work part of the year, collect UI for the rest, live at home with plenty of pocket money and not have to waste time sitting in a classroom. In Atlantic Canada, the proportion of 19 to 24 year olds that claim UI in a given year is over 50 per cent. The St. John’s office told us that one half of 18 year olds have already been on UI. This must change.

One way would be to require that young people under 25 be required to attend school or training before becoming eligible for UI a second time and that those under 18 should not be insurable, but have better access to education programs instead.

There are some encouraging signs in the development of programs for youth, such as the *Youth Internship Program*, which combine in-class and on the job training, and *Youth Service Canada*. In PEI, the *Ready to Learn* project provides literacy training, life skills, academic upgrading and skill training for young people aged 18 to 26 on UI or social assistance and who have not been successful in traditional educational systems.

Blueprints for success:
The community of Preston, Nova Scotia has invested in a system of computers in a supervised setting to assist young people in learning new skills.

Communities are in transition, and the best hope for young people is still to give them portable skills. However, the youngest, most enterprising people who do obtain academic and job skills cannot find jobs in their communities, and so leave for opportunities elsewhere. In Newfoundland, 80 per cent of graduates from Memorial University leave the province. The upshot is that regions that lack diversity often lose their most promising workers whom they need the most to make industry happen.

Creating a culture of learning takes many years, but once a critical mass has been achieved, the cycle can reverse itself.

DIRECTIONS: Give young people a chance to work in tomorrow's good jobs

Consider special UI rules for young people.

Poverty, family dysfunction and abuse, lack of academic achievement, lack of alternative streams in the school system, and the direct awareness of the extent of unemployment or under-employment among high school and college graduates are all factors in decisions to leave school. At age sixteen, youth are often anxious to take the first job that puts money in their pockets, some are already parents with family responsibilities.

Some suggested to us that special rules be put in place for young people so that they must be at least 18 to become insurable, or if 18 to 25, be required to attend school or training before becoming eligible for UI a second time. These ideas should be considered seriously with a full understanding of the reasons why young people leave school and with the objective of ensuring that their first work experiences are meaningful and instill in them the culture of work.

Provide alternative education and training systems.

Requiring youth to attend training as a pre-condition for UI means that appropriate training and stations must be made available. It also means that the funds necessary to take training must be provided.

Since many young people already have left school because they did not perceive it to be relevant for them, alternate education opportunities should be offered. Learning Centres such as the one in Sydney Mines, Nova Scotia target those at risk of leaving school and create individual, technology-based programs to help them succeed in completing their education.

Induce employers to take responsibility for training their young employees.

Responsibilities should be placed on employers to provide training when they offer insurable work to young people.

Disincentives to work

Redefining insurable earnings

Several creative ideas for improving the design of fishing benefits were put forward by the *Cashin Report on Incomes and Adjustment in the Atlantic Fishery*. For this reason we did not focus specifically on design issues relating to fishing benefits. Cashin's proposals for redesigning fishing benefits have similar features to the directions we are presenting here.

One possibility would be to accumulate hours of work, or earnings, over the benefit period and count them towards total benefits rather than restricting them to the benefit week. The rationale would be to encourage work in the tail ends of the season when people are discouraged from working because to do so would lower their average benefit rate.

Coverage could begin with the first hour worked, making every hour of work count, even if it were part-time. Or, hours could be accumulated after a minimum number of insurable weeks were worked; these minimum weeks would determine the maximum weekly benefits that could be received, and the hours accumulated after this could be grouped into additional "insurable-weeks."

Redefining insurable earnings would have to be done carefully so as not to increase unintentionally the coverage of those already not covered or to increase unduly program costs.

A more practical option though might be to base insurable earnings on the best twelve weeks of work or whatever number of weeks is required to qualify in the region. Under a system based on the "best 12 weeks," the benefit rate would be determined by the average of the highest 12 weeks of insurable earnings rather than, as is now done, by the average of the past 20 weeks (or less if fewer weeks are worked) of insurable earnings. In this way, a "small stamp" would not count against people who want to work.

The number of weeks to qualify would stay the same -- 12 in areas it is now 12, and more in areas where it is now more.

Some issues relating to design of a "best 12 weeks" system are: how to credit insurable weeks when earnings are low, and how to determine the duration of benefits. These and other technical design questions can be best addressed by HRDC officials.

Freezing or reducing the maximum insurable earnings would also reduce disincentives.

Increasing the 25 per cent rule

To encourage work in the off-season, the cut-off for earning income while receiving UI, now 25 per cent of weekly benefits, could be increased to a higher rate, say, 50 per cent, and the rule, whereby people who work full time in a week (over 35 hours) lose all their weekly benefits regardless of how little they make, could be eliminated. At no time should it be more rewarding to collect UI than to work.

Eliminating the seven day rule for farm work eligibility

The rule for farm workers could be made more fair by conforming with the rule for regular benefits: that is, a minimum of 15 hours or a minimum level of earnings must be achieved in a week before earnings are insurable.

DIRECTIONS:**Redesign UI to reward work effort.****Redefine UI rules that make every hour of work count.**

Disincentives that are built into the design of UI slow down job creation. Insurable earnings should be redefined on the basis of the best 12 weeks in the highest unemployment areas where seasonal unemployment is most pronounced. In areas with higher entrance requirements the number of best weeks would be modified accordingly.

The seven day eligibility rule for farm work should be replaced with the same eligibility requirements as regular benefits. In this way, farm workers who put in a week's work are insurable the same way as other insured workers.

Set UI parameters so that it always pays more to work.

UI parameters could be realigned better with wages. Maximum insurable earnings (MIE) are \$815 per week in 1995, far higher than wages in many sectors and regions making it more rewarding to collect UI than to work in some circumstances. The MIE should be frozen until it comes more closely back into line with average wages.

The "25 per cent of benefits" threshold on earning income while receiving UI could be increased to 50 per cent so that people are not penalized for taking on part-time work in the off-season.

Encourage employers to take more responsibility for increasing work duration.

If employers were encouraged to take responsibility for providing their plant sites and facilities for off-season training of their employees, they would take a harder look at the number of employees they were cycling through their plants. Owners who know their plant will be open anyway may not be so quick to shut down in the shoulders of the season when it is less profitable to operate.

The CEC offices should monitor employers who hire for only short duration and do not take responsibility for employment development, and have them justify why they cannot do more. Exemplary employers should be publicly lauded. We should work with the winners.

Curbing UI abuse

In B.C., where there is a very aggressive program of enforcement, there is a \$14 return on investment for each \$1 invested in control measures, compared to the national average of about \$10.

**“People feel that reform must not be put on the backs of “the little people” as was the case in 1992. Reform must take aim at employers who abuse the system.”
Union
Representative, Lac
St.-Jean**

The UI regulations already provide penalties for those who are caught misusing the program. Benefits can be suspended for those who do not make a reasonable effort to find a job. They can be stopped for those who limit their search to one job, salary, hours of work or location. Refusal to take suitable work can bring a disqualification of 7 to 12 weeks of benefits and a reduction in the benefit rate from 55 or 60 to 50 per cent of insurable earnings.

Failure to attend an interview with a CEC officer or a training course can result in a disqualification of 1 to 6 weeks of benefits. The government investigates suspected overpayments, imposes penalties, and in rare cases, prosecutes abusers.

Why, then, do people continue to report widespread abuse of UI? The problem is that the rules are not enforced properly. Job search requirements are not adequately monitored, and it is often difficult to track people who are offered jobs and subsequently turn them down. One office told us it had been given a directive not to waste time checking whether teachers applying for UI in June had signed contracts the previous September because the time was better spent processing new claims.

Most of the situations of misuse or abuse of UI required a measure of collusion between employers and employees, (or, in the case of fishing benefits, between fish buyers and fishers). The program changes in the past five years appear to have covered many areas of abuse, leaving remedies for effective enforcement, including under the Criminal Code of Canada where fraud is involved. However, it appears that in light of staff reductions and constraints, emphasis has been placed on claims processing over enforcement. It is claims processing that shows up in the offices' performance statistics, and so post-verification is often sacrificed.

CEC offices often do not have the backup in the rest of the system when the decision to terminate UI benefits or fine employers is made. Their decisions are often overturned in the appeal process. This is apparently a common occurrence when language is a barrier. In some cases, claimants admitted to staff that they had no intention of looking for work, and when their claims were not processed, they went to arbitration, provided fake dates of when they purportedly looked for work, and won their case. A combination of clearer guidelines provided before UI eligibility is granted, and an appeal process consistent with UI guidelines would be in order.

Another area where CEC offices lack support is when they pursue complaints about fraudulent employers who have some clout in communities because of the number of people working for them. One employer of 500 had clearly violated UI regulations by falsely reporting layoffs, yet the office did not have the support to pursue an investigation. If this attitude is taken, then the perception will persist that it is only the "little guy" who is prosecuted for UI abuse.

**"Outmoded information systems have made it very difficult for front line staff to manage the implementation and monitoring of client action plans; it has also been difficult to capture timely information on program effectiveness which would enable adjustment to be made."
HRDC,
Employment
Development Services,
Supplementary paper**

Information and reporting systems

Information systems are considered by HRDC to be obsolete, yet it is the information system that is crucial to a reformed UI. There are three reasons for this. First, an information system is crucial to track labour market developments and to match the skills requirements of employers with the job aspirations of employees. Second, an information system is needed to allow programs to be tailored to individuals' needs and to empower them to take control of their job search and training requirements. Third, it is crucial to curb abuse of the system. Each part of this system -- the labour market information, the individual process of finding long term unemployment and the control of abuse -- are pieces in an integrated information system that is badly needed to reform UI.

Better tracking of ROEs is crucial, as well as better coordination between records kept by Revenue Canada and by HRDC through an information network. Often the ROE is simply a tool to qualify for UI and does not have to match the reality of what is going on in the workplace.

Also, a redesign of government application forms could go a long way to reducing program administrative costs.

An integrated registration and reporting system like the one described in the *Cashin Report* would be helpful in monitoring labour market developments and ensuring the proper use of UI. In the case of fishing benefits, this type of system is essential to ensure that only "real" fishermen are receiving fishing benefits.

DIRECTIONS: Curb abuse.

Make UI rules fair and reasonable.

Abuse often begins with people trying to get around poorly designed, unfair, or overly restrictive regulations. Abuse persists and becomes entrenched when rules are not enforced and people are able to flaunt them, giving the impression that "everybody is getting away with it". The underground economy is a good example. We heard that training policies that displace existing workers, and UI rules that discourage work effort both contribute to the underground economy; the underground economy persists because it is so hard to track and because enforcement is poor. Thus curbing UI abuse begins with rules that apply fairly to everyone and with criteria that can be reasonably met.

Enforce the "availability for work" rule.

When people receive UI it is on the understanding that they are available for work. This requirement should be taken far more seriously. Enforcement of the job search requirements must be stepped up where there is a reasonable chance of finding work.

Job search requirements should be established in a way that people are not simply going through the motions and creating a nuisance for employers who wish to consider only applicants who are serious about taking a job. Job Clubs are a useful vehicle for meaningful job search.

Stop the fraudulent use Records of Employment.

Irregular and illegal practices in the issuance of Records of Employment by employers must be broken. Serious offenders should be hit hard. Penalties to employers should be heavy because violating UI rules is a serious offense and cheats Canadians who have paid for the fund.

Give CEC officers the resources to track and catch abusers.

CEC officers should be given the green light to track and catch abusers, even if they are 'important' employers in a community. Officers should be supported by comprehensive and timely information and reporting systems that ensure a proper accounting of the system.

Review the appeal process.

The appeal process should be more consistent with UI rules so that CEC officers are supported in their decisions to identify and penalize abusers. Appeal boards should be more accountable for their decisions; perhaps regular published reports of their decisions could be required.

Expose publicly the counterproductive uses of UI.

Administrative rules that allow frequent layoffs and the rotation of people through jobs to continue should be brought to light. Employers who persist in this practice could be denied access to developmental funds and other government services.

4.5 Getting there

DIRECTIONS:

Plan the transition to a reformed UI.

Have a clear understanding of where we are now.

The economy is now undergoing transition, in part because of structural economic changes and in part because of recent policy changes. Before UI reform occurs, the track we are currently on, and the implications of following this track, must be well understood. A clear example is the recent changes to UI in Bill C-17, which increased entrance requirements and the duration of benefits.

Create the environment for more and better jobs.

This is the first priority for reform. An economic development strategy should give priority to the special problems relating to seasonal industries and communities where they are located. We have spoken of arrangements to encourage resource-based (seasonal) operations to expand and diversify so as to lengthen their season, and of the importance of maintaining skilled workers for these industries.

Address the practical "people" questions first.

So often policy changes are reduced to summary statistics -- the impact on the budget, who pays more, who pays less. We must never lose sight of the people these policies affect. How will people get by? How will their communities be affected?

Make the plan for reform known to everyone.

Let people know what the plan is, so that they can make their own plans. People need to know that the process is going somewhere, and that the government is not simply making changes for changes' sake, but building on existing institutions.

Identify the partners who will be responsible for the various aspects of the plan.

For example, responsibilities for governance of the fund and regional economic development and human resource development should be assigned as a first step.

Synchronize the elements of reform.

Transition to a reformed UI could take a good five years. Streamlining UI is certain to have short term negative impacts, whereas jobs and economic development are likely to bear fruit only over the longer term. Thus the sequence of program changes is important. Changes to UI should be done in gradual stages so that people can adjust as new jobs are created. Changes that create the least hardship should be done first, such as cushioning the impact of UI on low income earners and limiting UI for young people. The situation for low income workers must not be allowed to worsen, even in the short run.

Build in the capacity to respond quickly to problems.

Policy changes come with problems -- bottlenecks in funding, unanticipated hardships, administrative difficulties. Timely information must be readily available to monitor problems and mechanisms put in place to respond quickly to fix them.

5 BLUEPRINTS FOR SUCCESS

Across the country we were given simple rules for success in designing and delivering successful jobs programs. The blueprints presented here represent only a fraction of the good ideas we heard across the country, but are representative of the thinking of forward-looking businesses, unions, workers, governments and agencies.

1. The Self-Employment Assistance Program, Canada-wide

The Self-Employment Assistance Program was praised by many. Even though the program is only appropriate for some people (and often not for those in seasonal work), it has features that are a blueprint for success:

- Design programs to meet changing labour market conditions.
- Encourage self-motivation.
- Bridge the (often small) gap between short term capital requirements and long term profitability and employment.

2. SEED Winnipeg, Manitoba

A similar blueprint can be seen in SEED Winnipeg, co-sponsored by the Mennonite Central Committee. SEED provides small loans through two participating credit unions and helps in business planning, marketing, training and legal services for economically disadvantaged people -- especially inner-city residents and visible minorities, the disabled and ex-offenders who are on UI or social assistance. The blueprint is:

- Clearly define a client base and target programs specifically to them.
- Encourage people to make a plan for their future.
- Provide practical back-up services that will promote long term success.
- Draw in people with talent.

3. Regional Industrial Training Centres, Nova Scotia

The RITCs in Nova Scotia have other elements of a workable blueprint:

- Develop working partnerships between government and the private sector, with interfaces at the regional level.
- Identify training needs in existing industries and in growth sectors.
- Encourage training in the off-season.
- Provide flexible locations, on-site or in communities where appropriate.
- Combine on-the-job practice with course work.
- “Train the trainer” to disseminate training information.
- Focus on certification.

4. The Sydney Mines Learning Centre of the Northside-Victoria District School Board, Nova Scotia

The Sydney Mines Learning Centre has developed a path-breaking *Centre of Integrated Educational Innovation*. The blueprint:

- Identify young people at risk and prevent them from becoming one of the long term unemployed.
- Develop individualized self-paced structured programs that can be adjusted if they are not working.
- Meld technical and traditional educational approaches that emphasize practice and skills.
- Develop comprehensive programs that focus on life skills as well as workplace skills.
- Build networks into the community, government, the helping professions, and industry.
- Work toward a nation-wide infrastructure.

5. Miramichi Woodlands Human Resources and Training Committee, New Brunswick

The training committee has set a vision for five years from now:

1. All forest workers and supervisors on company and contractor operations on MPPI crown license will be recognized as trained certified professionals, who have successfully completed formal training programs and testing using qualified instructors.
2. All supervisors and workers will be comfortable in reading and writing in the language of their choice.
3. A five year human resources and training plan will be in place and reviewed annually, always looking five years ahead.
4. Worker displacement and retraining needs will be forecast and planned for in an orderly fashion.

Their blueprint for success:

- Involve the labour force.
- Plan ahead, with the basic question in mind: "What kind of woods people will be required in the year 2000?"
- Identify and work with partners in related industries, training and education fora, government departments and sectoral and community groups.

6. Women Interested in Successful Employment, Newfoundland

Newfoundland's Women Interested in Successful Employment (WISE) is a bridging program that works on all aspects of labour market problems facing women, from low self-esteem to communication, need for computer skills and academic training, career options, job search and work placement. The blueprint:

- Design programs to bridge the employment gap from personal and professional skills at one end to placement in a job at the other.
- Encourage women to overcome barriers to employment.

7. Saskatchewan Agricultural Employment Services

This is a non-profit group involved in finding employment opportunities for people working during seasonal peaks in the agriculture sector. Their blueprint:

- Mesh work and training according to the seasons.
- Identify skills that the workers need to improve their long-term employability and find training programs for them in their downtime.
- Work directly with CEC offices to set up training opportunities.

8. Community Development Boards, British Columbia

The Community Development Boards we met with in British Columbia add another blueprint:

- Identify local opportunities in niche markets and match people and training to them.

9. Saguenay Forestry Businesses, Quebec

A group of forestry enterprises in Saguenay decided to create a fund that aims at creating enterprises of the future. Seed money for the fund comes from contributions of 2 to 3 per cent of their profits. Bit by bit, they are building an enterprise that will create approximately 125 employees. Their blueprint:

- Work together to form a critical mass of entrepreneurship.

10. Effective Adult Skills Training (EAST), The Canadian Labour Congress

This literacy program enables workers to provide literacy training to their co-workers. The CLC pays related expenses and salary for the instructor training program. Instructors are then responsible to train their co-workers in a 37 week, four hour per week course.

Their blueprint:

- Employers and union work together to pay for the program and materials and training time.
- People work with their peers and in a familiar setting to accomplish their goals.

11. B.C. Forest Renewal Program

In B.C. industry, workers and government came together to launch a forest renewal program that puts into effect the work processes necessary to conduct intensive forest management. Their goal is to give loggers and silviculture workers access to work opportunities that add to their season. Their blueprint:

- Do the long and hard work necessary to build a sector strategy.
- Reinvest resource revenues back into the resource.
- Work towards sustainability of the resource.

12. The Mennonite Central Committee, Alberta

We were told by the Mennonite Central Committee, “ In Canada in 1994, 1.5 million Canadians wanted to work...while an enormous amount of socially useful, economically productive, environmentally responsible work remains undone.” Their blueprint:

- Help the unemployed find productive, environmentally sound jobs that benefit society as a whole.

13. The National Sectoral Council for Culture, Ottawa

The National Sectoral Council for Culture has representatives from all major artistic disciplines. The council is involved in addressing the human resources development needs of those in the cultural industry. In many ways, those who work in cultural industries have the skills needed in the “new economy” : often self-employed, they must be, in the words of the Council, “flexible, multi-skilled, creative and adaptable.” Lifelong learning has a special meaning to artists, since they are always in the process of developing their talents, and their career as artists may be short-lived.

The blueprint for the council:

- View new technologies as the creative wave of the future.
- Address the unique human resource development needs of the industry with creative, forward-looking solutions.

DIRECTIONS: Simple Rules for Success

The examples we were given can be distilled into some simple rules for success.

- Design programs for people, not the convenience of governments.
- Encourage self-motivation.
- Simplify; streamline.
- Close information gaps.
- Bridge the (often small) gap between short term capital requirements and long term profitability, productivity and jobs.
- Adopt long-term, principles-based planning and budgeting at the federal level.
- Deliver flexible programming at the community and sectoral level.
- Give employers and employees a say in their human resources development.
- Harness the talents of people with vision.
- Keep institutions flexible and accessible.
- Evaluate programs with results in mind.
- Invest in young people.

The rules testify to the common sense of Canadians.

6 APPENDICES

i Terms of reference

ii People and groups we met in the consultations

i Terms of reference

1. To explore fully the facts on seasonality, in particular:

- who the seasonal workers are
- relative use of UI by seasonal and non-seasonal workers, employers and industries.

Considerable data are available from analysis done to date by officials of HRDC. The Working Group will review these data, suggest other relevant research questions, and determine whether the issues are correctly understood.

2. To work with interested parties to identify the factors which determine the “season” for seasonal work and the scope for adjusting the organization of work to create more stable employment. For example:

- cross-training of workers to meet the requirements of different seasons
- strategies for smoothing seasonal peak demands
- “partnering options whereby workers move between firms with different seasonal requirements in order to better cover the full year
- using the off-season to support industry strategies for the development of worker skills and career progression
- new incentive structures to encourage work at the tail end of seasons during the off-season.

3. To explore with these parties complementary strategies to ease implementation of reform. For example:

- targeted use of the Employment Developments Services to assist adjustment
- speed of implementation
- the treatment of earnings and entitlements during claims
- the role of experience rating -- should more emphasis be placed on reducing cross subsidies through lower benefits or through increases to premiums?
- the role of varying benefit levels based on program usage.

4. To report finding to the Minister of Human Resources Development and to contribute to the public debate on UI reform for example, making known its advice to the Standing Committee on Human Resources Development and to provinces.

5. Members will work with interested parties representing both seasonal and non-seasonal interests, including provincial governments:

- Industry representatives of both employers and workers, ensuring that a cross-section of experiences with UI are included. In particular:
 - └ industries which are highly seasonal such as tourism, forestry, the fishery and construction;
 - └ sectors with significant pockets of seasonal employment such as government, retail trade and educational services;
 - └ non-seasonal industries which make use of the UI system such as the auto makers
- industries which are largely non-seasonal and make relatively little use of UI such as manufacturing and insurance/financial services
- national, and where appropriate provincial, business and labour associations.

ii People and groups we met in the consultations

Prince Edward Island

Charlottetown

Aboriginal Women's Association of PEI
Best Western McLauchlan's Motel
Business Development Centre of Eastern PEI
Canadian Manufacturers Association - PEI Division
Coalition on Social Security Reform
Community Futures Committee of Eastern PEI
Greater Charlottetown Area Chamber of Commerce
Greater Summerside Area Chamber of Commerce
HRDC: Regional office
. CECs: Montague, Summerside, Charlottetown
Lennox Island Band Council
PEI Agricultural Commodity Groups
PEI Construction Association
PEI Federation of Agriculture
PEI Federation of Labour
PEI Fishermen's Association
PEI Forest Industry Association
PEI Homebuilders' Association
PEI Labour Council
PEI Road Builders' Association
PEI Seafood Processors' Association
PEI Shellfish Association
PEI Tourism Industry Association
Representatives of two Seasonal Worker focus groups

New Brunswick

Bathurst

Association des enseignants et enseignantes du Nouveau-Brunswick
Chaleur coalition for the preservation of social programs
. Association des bûcherons
. Axion femmes
. Bathurst District and Labour Council
. Building Trades Union
. Canadian Union of Public Employees
. Cercle des dames d'Acadie de Bathurst
. Commission des religieux-es du diocèse de Bathurst
. Conseil Alpha Chaleur
. Développement et paix
. Diocèse catholique romain de Bathurst
. Nipisiguit Family Services
. Public Service Alliance of Canada
. United Brotherhood of Carpenters and Joiners of America, Local 1386
. United Steelworkers of America, Local 5384, 7805
Comité ad hoc du Nouveau-Brunswick sur la réforme de la sécurité sociale
Mouvement co-opératif acadien
Société des Acadiens et Acadiennes du Nouveau-Brunswick

Caraquet

Association des crabiers
Association des pêcheurs du nord (Miscou)
Chaleur Coalition for the Preservation of Social Programs
Coalition de la péninsule contre les réformes de l'assurance-chômage
. Conseil du travail de la Péninsule acadienne
. Eglise diocésaine de Bathurst
. Comité des 12 pour la justice sociale
. Association des bûcherons d'Acadie-Bathurst
. Comité de défense de la famille mono-parentales vivant de l'aide au revenu
Forestry Workers

Fredericton

AGFOR Inc.
Canadian Bankers Association
Canadian Union of Public Employees
Communication, Energy and Paperworkers Union
Government of New Brunswick officials
HRDC Officials
International Longshoremen Association
N.B. Federation of Labour
United Steelworkers of America

Moncton

Canadian Manufacturing Association
Comité de justice et loi du diocèse de Moncton
Conseil économique du Nouveau-Brunswick
Co-op Atlantic
HRDC Officials
. Regional Office
. CEC Moncton
. CEC Shediac
. CEC Moncton
. CEC Richibucto
Institut de Recherche sur le Développement Régional
N.B. Fishpackers Association
. Connors Bros Ltd.
. Pasturel Seafood
. Westmorland Fisheries
Southeast Committee for Jobs and Against UI Cutbacks

Richibucto

Forest Marketing Board
Gallant's Clearing and Logging
J. & S. Lumber Co. Ltd.
Pêcherie Cap Lumière
Pêcheurs
Southeast Committee for Jobs and Against UI Cutbacks
Southeast Forest Products Marketing Board
Travailleuses d'usine
Westmorland Fisheries

Shediac

Union des Pêcheurs des Maritimes

Newfoundland

St. John's

Fisheries Association of Newfoundland and Labrador (FANL)
Hospitality Newfoundland and Labrador
HRDC Officials
 . CEC St. John's Metro
Newfoundland and Labrador Building Construction Trades Council
Newfoundland and Labrador Federation of Labour
Provincial Government officials
Tourism and Construction workers

Durrell

Alexander Bay Terra Nova Development Association
Clarke's Head Indian Band Council
Cross-section of Seasonal Workers
Employees of seasonal operated activities in Tourism, Fishing and Construction
Employers representing Construction, Hospitality and Fishing Sectors
Gambo Indian Bay Development Association
Gander Area Community Futures Committee
Gander Area Development Corporation
HRDC Officials
 . CEC Gander
Representatives of Business/Community Development
Twillingate New World Island Development Association

Stephenville Area (MacKay, Robinson's)

Individuals from surrounding area
Representatives from Rural Development Association
HRDC Officials
 . CEC Stephenville

Nova Scotia

Halifax

Atlantic Canada Opportunities Agency
Agriculture and Agri-Food Canada
Agriculture Employment Services
Canadian Coast Guard & Ports and Harbours Administration
Colchester Regional Development Agency
Crafter's Haven
Dartmouth Chamber of Commerce
Department of Fisheries and Oceans
Department of Public Works
Environment Canada
Federal Business Development Bank
Government Services Canada
Harvesting Adjustment Board
Holiday Inn

HRDC Officials

- . Regional Office
- . CEC Bridgewater
- . CEC Halifax
- . CEC Truro

Industry Canada

- Nova Scotia Community Services
- Nova Scotia Department of Education
- Nova Scotia Economic Renewal and Tourism
- Nova Scotia Federation of Labour
- Nova Scotia Fisheries
- Nova Scotia Labour Force Development Board Members
- Nova Scotia School Boards Association
- Owner of a lumber company in Tatamagouche
- Prince George Hotel
- Regional Industrial Training Committees
 - . Tourism
 - . Construction
 - . Forestry
- Seafood Producers' Association of Nova Scotia
- Truro District Chamber of Commerce
- Voluntary planning consultants

Sydney

- ACOA
- Breton Business Centre
- Canadian Auto Workers, Local 1162
- Canadian Labour Congress
- Canadian Union of Public Employees
- Cape Breton Business College
- Cape Breton Cattlemen's Association
- Cape Breton District School Board
- Cape Breton Island Building Trade Council
- Cape Breton Regional Hospital
- Cape Breton Regional Municipality
- Cape Breton Tourism Association
- Cheticamp Development Commission
- Celtic Island Forestry
- ECBC Test Farm
- Eyking Farms
- Fisheries Sub-Committee of the Northside Community Futures Committee
- Forest Insight Limited
- Glace Bay Downtown Development Committee
- Greenhouse Producers Association
- Highland Fisheries
- HRDC Officials
- Industrial Cape Breton Board of Trade
- JK Marine Services
- Marine Atlantic (North Sydney)
- Maritime Fisheries Union, Local 1162
- Municipal Ready Mix Limited
- Northside Learning Centre
- Provincial Agriculture Representative

Redpoint Exports Limited
Rendell's Farm
Richmond Fisheries
Richmond IAS Committee
Sydco Fuels Limited
University College of Cape Breton

Québec

Gaspé/Grande Rivière

Comité action chômage
Commissaire industriel Port-Daniel Percé
Confédération des syndicats nationaux
Conseil d'administration de développement des collectivités
Conseil d'aide aux entreprises
Conseil régional de développement des collectivités
HRDC Officials
. Regional Office
. CECs:Chandler, Grande Rivière
Représentant du secteur hôtelier
Maire de Grande-Rivière
Mairesse de Percé
Municipalité-régionale du comté Pabok
Président du syndicat local 455 Gaspésia au lieu de Gaspésie
Regroupement des Association des pêcheurs côtiers

Chicoutimi

Accès travail femmes du Saguenay
CEGEP St. Félicien
Chambre de commerce de Chicoutimi
Chambre de commerce de Ville de la Baie
Chambre de commerce Jonquière
Comité des chômeurs d'Alcan
Conférence des chambres de commerce du Saguenay
Coop Forestière de Laterrière
Coop Forestière de Petit Paris
CRCF C.S. de Dolbeau
Fédération des syndicats du secteur d'aluminium (FSSA)
Fédération du commerce-CSN Alma
FTQ Construction
FTQ Métallos
HRDC Officials
. Regional Office
. CEC Alma
. CEC Chicoutimi
. CEC Jonquière
La Bivoie Inc.
La fraternité interprovinciale des ouvriers électriciens
MRC Lac St. Jean est
Service Relance Saguenay/Lac St.Jean
Société en commandite de création d'entreprises
Société Développement Roberval
Syndicat des métallos
Travailleur/euse potentielles du Saguenay-Lac St.Jean

St. George de Beauce

Abattoir Poulin
 Acrylica/MAAX
 Autobus des Érables
 Autobus Landry
 Bureau de tourisme et des congrès
 Caisse Populaire de St. Georges
 CEGEP Beauce-Appalaches
 Centre hospitalier régional de Beauce
 Centre hospitalier de Beauceville
 Chambre de commerce de St-Georges
 Chemise Lapointe
 Commission scolaire de la Chaudière-Etchemin
 Commission scolaire de la Beauce-Abénakis
 CSD
 CSN
 Culinar
 Dumas Canada
 Groupe Canam Manac
 Groupement forestier et agricole de Beauce-Sud
 Groupement forestier du Sud-Dorchester
 Groupement forestier et agricole de la vallée de la Chaudière
 Groupe Pomerleau
 Groupe Procycle Inc.
 Groupe R.G.R.
 HRDC Officials
 . CEC Ville-St-Georges
 Syndicat de gestion agricole de Beauce-Nord
 Syndicat de l'enseignement de la Chaudière
 Syndication producteurs de bois de la Beauce
 Union des producteurs agricoles de Beauce
 Ville de Saint-Georges

Montreal

Action des femmes d'affaires du Québec
 Action main-d'oeuvre Montréal Inc. (SEMO)
 Association des banquiers Canadiens
 Association des collèges privés
 Association des courtiers d'assurance de la province de Québec
 Association des détaillants en alimentation du Québec
 Association des employeurs maritimes
 Association des entrepreneurs en construction du Québec
 Association des femmes d'affaires du Québec au lieu de Action
 Association des hôteliers du Québec
 Association des intervenants en foresterie des Hautes-Laurentides
 Association du Québec de l'industrie du nautisme
 Association forestière Québécoise Inc.
 Centrale de l'enseignement du Québec
 Centrale des syndicats Démocratique (CSD)
 Chambre de commerce du Québec
 Confédération des syndicaux Nationaux (CSN)
 Conférence des coopératives du Québec
 Conseil du patronat du Québec
 Fédération des CEGEP
 Fédération des travailleurs du Québec (FTQ)
 Forest sector advisory Council

FTQ Construction
Guilde de marine marchande du Canada
HRDC Officials
. Bureau régional
. Réseau Ile de Montréal
. CEC du Réseau Ile de Montréal
Syndicat des techniciens du cinéma et vidéo du Québec
Union des producteurs agricoles (UPA)

Ontario

Ottawa

Alliance des pêcheurs professionnels du Québec
Building and Construction Trades Department (AFL/CIO)
Canadian Association of Professional Dancers
Canadian Construction Association
Canadian Council for Culture
Canadian Council of Professional Fish Harvesters
Canadian Federation of Labour
Canadian Labour Congress and affiliates
. Canadian Autoworkers
. CEP Local 60
. Communications, Energy and Paperworkers
. Foodworkers' Association
. Labourers' International
. National Union of Public Employees
. Newfoundland Federation of Labour
. Ontario Federation of Labour
. Public Service Alliance Commission
. Saskatchewan Federation of Labour
. Union of Public Employees
. United Steelworkers of America
Canadian Tourism Human Resource Council
Conseil canadien de la coopération
Horticultural Human Resource Council
PEI Fishermen's Association
Professional Association of Canadian Theatre

Toronto

Business Coalition on UI Reform
. Canadian Construction Association
. Canadian Federation of Independent Business
. Food and Restaurant Association
. Tourism Industry Association
Canadian Tourism Human Resource Council
CLFDB Staff
Commissioner for Employers
Ford Canada
General Motors of Canada
HRDC Staff
. Regional Office, CEC Toronto South
Motor Vehicle Manufacturers Association
Ontario Fruit & Vegetable Growers
Provincial Building and Construction Trades Council of Ontario

Thunder Bay

Avenor
Construction Association of Thunder Bay
Grain Elevator Workers
HRDC Staff
 . Regional Office
 . CEC Thunder Bay
International Union of Bricklayers and Allied Trades
IWA Canada
Iron Range Bus Lines
Lakehead District Roman Catholic Separate School Board
Northwestern Ontario Building Trades Association
Northwestern Ontario Construction Industry

Manitoba

Winnipeg

Agricultural Employment Services, Portage la Prairie
Canadian Construction Association
Canadian Federation of Labour and the Building Trades Union
City of Winnipeg
CUPE
Employment Standards, Government of Manitoba
Hotel and Restaurant Employees & Bartenders' Union
HRDC Staff
 . CEC Brandon
 . CEC Winnipeg
 . Labour Market Information
 . Communications
 . Economic Services
 . Departmental Liaison - Minister's Office
IWA Local 1-324
Keystone Agricultural Producers
Manitoba Association of School Trustees
Manitoba Federation of Labour
Manitoba Government Employees' Union
Manitoba Teachers' Society
Mining Association of Manitoba Inc.
REPAP Manitoba
Representatives of the freshwater fishing industry in Manitoba
Winnipeg Association of Non-Teaching Employees

Saskatchewan

Saskatoon

Agricultural Employment Services
Agricultural Employment Services - Moose Jaw
Canadian Federation of Labour
Central Canada Potash
City of North Battleford
Cogema Resources Inc.
Cominco Fertilizers

C.U.P.E.
Equal Justice for All
IBEW. - Local 529
IUBAC. - Local 3
MacMillan Bloedel Limited - Hudson Bay Division
Millwright's Union 1021
Mobile Paving
PCS Inc.
PCS Inc. - Allan Division
PCS Inc. - Cory Division
Potzus Construction Limited
RWDSU
Saskatchewan Abilities Council
Saskatchewan Agriculture and Food
Saskatchewan Association of Rural Municipalities
Saskatchewan Beekeeper's Association
Saskatchewan Cattle Feeders Association
Saskatchewan Crop Insurance Corporation
Saskatchewan Department of Labour
Saskatchewan Federation of Labour
Saskatchewan Highways and Transportation
Saskatchewan Hotels Association
Saskatchewan Piping Industry
Saskatchewan Prov. Building and Construction Trades Council
Saskatchewan Public Service Commission
Saskatchewan Trucking Association
Saskatoon Construction Association
Tourism Industry Association of Saskatchewan (TISASK)
UBCJA - Local 1985
UMA Engineering Limited
Unemployed Help Centre
United Paving (1983) Limited
Y.W.C.A.

Alberta

Edmonton

AGT
Alberta Building Trades Council
Alberta Federation of Labour
Alberta Restaurant & Food Services Association (no show)
Alberta Tourism and Education Council
Canadian Manufacturer's Association (Alberta)
Construction & Labour Relations Association
Grant MacEwen College
HRDC Staff
. CEC Managers
. Insurance Services
. Programs Directorate
. RDG
Mennonite Central Committee
Merit Contractors
Non-Academic Staff Association
Parks & Recreation, The City of Edmonton
SMED Manufacturing Inc.

British Columbia

Kamloops

BLD Silviculture
City of Kamloops
Community Futures, Thompson County
Labourer's Int'l Union of North America
Operating Engineers Local 115
PPWC of Canada
Reliable Growers Market
School District #24
United Steelworkers
United Transportation Union of Canada

Prince George

Active Support Against Poverty
B.C. and Yukon Building and Trades Council
Business Development Centre
Chamber of Commerce
IBEW
Immigrant Multicultural Society
Ministry of Social Services
Prince George Labour Council
Prince George Social Services
Prince George Teacher's Association
Silviculture
Teamsters Local 31
United Food & Commercial Workers Association
University of North British Columbia

Vancouver

B.C. Business Council
B.C. Horticultural Council
B.C. (Canadian) Manufacturer's Association
B.C. Maritime Employers' Association
B.C. Ministry of Employment and Investment
B.C. Ministry of Skills, Training and Labour
B.C. Ministry of Social Services
B.C. Statistics
Canadian Farmworker's Union
Canadian Silviculture Association (Brinkman Reforestation)
Chamber of Commerce
Council of Tourism
CP Hotel
Fisheries Council of B.C.
HRDC Staff; CEC Vancouver
Int'l Association of Machinists & Aerospace Workers
Int'l Brotherhood of Boilermakers
Int'l Longshoremen's and Warehousemen's Union
Int'l Woodworkers of America - Canada
Pacific Rim Institute of Tourism
Restaurant and Foodservices Association of B.C.
Simon Fraser University, Dept. of Economics

Teamsters Local T31
United Fishermen and Allied Worker's Union
University of British Columbia, Dept. of Economics

Yukon

Whitehorse

Challenge, Community Vocational Alternatives
Council for Yukon Indians
HRDC Staff
. CEC, Whitehorse
. Regional Staff
Int'l Brotherhood of Electrical Workers, Local 1574
Klondike Visitor's Association, Dawson City
Learning Disability Association
Operating Engineer's Union, Local 115
Northwestel Inc.
Skookum Jim Friendship Centre
Teamster's Union, Locals 31 and 213
United Church and Ecumenical Social Justice Circle
Westmark Inn, Beaver Creek
Westmark Inn, Dawson City
Westmark Klondike Inn
Westmark Whitehorse
Whitehorse Chamber of Commerce
Yukon Building Trades
Yukon Chamber of Commerce
Yukon Chamber of Mines
Yukon Employee's Union
Yukon Federation of Labour
Yukon Teacher's Association
Yukon Territory Government
. Dept. of Advanced Education
. Dept. of Education
. Dept. of Social Services
. Public Service Commission

