

Canadian Association of
FOOD BANKS

Association Canadienne des
BANQUES ALIMENTAIRES

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Submission to the Federal Labor Standards Review 2005

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CAFB: Who We Are and What We Do:

The Canadian Association of Food Banks (CAFB) is the voice of food banks in Canada. As a non-profit organization, CAFB represents about 250 food banks in Canada which assist more than 90% of people who use emergency food programs nation-wide. CAFB operates the National Food Sharing System (NFSS), co-ordinating the shipment of food donations through voluntary transport to food banks across the country. While CAFB provides food daily for people in need, its ultimate goal is a hunger-free Canada.

CAFB conducts research, engages in public education and advocates for public policy change to eliminate the causes of hunger, food insecurity and poverty in Canada. Its annual national survey of food bank use, HungerCount, is the only national survey of its kind in Canada and is therefore, a leading barometer of hunger in the country.

Introduction

A review of part III of the Canada Labour Code, which deals with employment standards in the federal jurisdiction, must touch upon related issues dealing with provincial labour standards as well. CAFB strongly endorses the establishment of a statutory minimum floor of rights and standards for all workers, particularly for those workers who are especially vulnerable to poverty, such as women, youth, Aboriginals, immigrant and visible minority groups and individuals with disabilities. Climbing poverty levels among workers are directly related to salient labor market trends in the past two decades, specifically, the rise in precarious, non-standard employment and stagnant minimum wages (provincial and territorial). A review of current federal labor standards must take these critical features into consideration to develop comprehensive labor

standards that ensure that the Canada Labour Code “remains relevant to Canadian workplaces in the 21st century.”

Changing Nature of the Workplace

The restructuring of the workplace has entailed more working poor, even among households with two full-time low-wage earners. This underscores the need for an acceptable minimum floor of legislated rights and standards for workers. In part as a result of the deregulation of the labor market and the subsequent attenuation of the enforcement of labor standards, the rise in precarious work has entailed less protection for workers, little security, limited access to rights and low earnings.

Many Canadians being assisted by food banks are in non-standard forms of employment, falling in and out of poverty throughout the year. Long-term trends from findings produced by successive HungerCount studies show that food bank use among individuals with jobs has grown and then stabilised. In 1989, a mere 5% of HungerCount respondents reported employment as their main source of income. In 2002, 11.9% of food bank respondents were working; in 2004, this percentage had risen to 13.3%. Individuals with jobs continue to comprise the second largest group of food bank clients after social assistance recipients.

These trends in food banks use across Canada reflect emergent workplace patterns. The percentage of adult workers who work either part-time, in temporary jobs, and in non-incorporated self-employment situations has risen from 24.4% from the past year to 27%.¹ Although in the first months of 2005, Canadians 25 years and over experienced the lowest unemployment rate since 2000, 18% of Canadians state that their incomes are insufficient to meet basic needs and 14% of these Canadians are in

¹ Canadian Labour Congress (2005). *Report Card 2005: Is Your Work Working For You? Canadian labour's commitment to quality of life for working Canadians*. Available at: www.working4you.ca

full-time jobs.² Furthermore, about 30% of Canadians anticipate losing their jobs in the next couple of years – the highest reading since 2000.³

The emergence of the low-wage economy, with its characteristic temporary and seasonal jobs, has made more workers in need of employment insurance. Yet the precarious nature of this type of employment makes it more difficult for workers to qualify for EI benefits. Lack of coverage leaves these workers more susceptible to food insecurity, poverty, abuse, injury and exploitation, especially among those groups who are overrepresented in this form of employment, such as women, immigrants, visible minorities and youth.

A Call for Living Wages

While the EI program needs to improve workers' access to benefits and to provide more sufficient protection from poverty and food insecurity, minimum wages must also be raised to address income inequality. Countries with high-equality rates not only have adequate social programs and progressive income taxes in place that protect against income inequality, but their labor market also distributes income comparatively more equally.

Canada today is a low-wage country. Presently, minimum wages in all Canadian provinces do not allow individuals working full-time and full years an adequate standard of living. None of the provinces offer minimum wages that enable working families to live above the poverty line. The average minimum wage set by Canada's provinces ranks 9th among 13 OECD countries.⁴ The national economy has been paying poverty level

² Ibid., (2005).

³ Canadian Labour Congress (2005). *Report Card 2005: Is Your Work Working For You? Canadian labour's commitment to quality of life for working Canadians*. Available at: www.working4you.ca

⁴ Canadian Policy Research Networks (2005). *Lifting the Boats: Policies to Make Work Pay*. Document No|5, Vulnerable Workers Series, CPRN. June 2005. Available at: <http://www.cprn.org/en/doc.cfm?doc=1255>

wages - less than \$10 an hour - to one in every six full-time workers for more than 20 years.⁵

Vulnerability to low-wage employment is much greater than average among certain groups. According to the Labor Force Survey for 2003, 57% of young people earned less than \$10 per hour, while 16.2% of women aged 25 to 54 and 11.2% of men aged 25 to 54 earned less than \$10 per hour.⁶ The incidence of low wages is also much higher among recent immigrants and workers of color.

Although unemployment rates are going down in many provinces, in part as a result of more jobs growth, the quality of jobs has not improved, creating an 'imbalanced job market.'⁷ In their most recent report card on the Canadian labor force (2005), the Canadian Labor Congress concludes that there has been little or no improvement in the quality of jobs of the majority of Canadian workers for the past twenty-five years. The majority of workers are not sharing in overall economic growth. Moreover, there is evidence that the chances of low-wage workers climbing job ladders over time have been falling, such that more workers are trapped in insecure jobs for much longer periods of time than used to be the case.⁸

Higher wages will enhance the quality of non-standard types of employment. The pressure to pay greater wages will provide employers with the incentive to invest more in skills training; better wages will attract employees of higher caliber and reduce worker turnover, which will ultimately lower the costs to employers. A minimum wage of at least \$10 is estimated to allow a single individual working full-time for the full year to

⁵ Ibid., (2005).

⁶ Canadian Labour Congress (2005). Labour Standards for the 21st Century: Canadian Labour Congress Issues Paper on Part III of the Canada Labour Code. March 16.

⁷ Canadian Labour Congress (2005). *Report Card 2005: Is Your Work Working For You? Canadian labour's commitment to quality of life for working Canadians*. Available at: www.working4you.ca

meet basic needs without having to depend on government assistance. Once the federal minimum wage has been established nationally, it is imperative that the federal government actively encourage provinces to match this federal minimum wage.

Conclusion

Providing more adequate income support through an improved EI program and setting a livable wage threshold can ultimately help to lower the costs to government in reducing poverty, to raise the nation's productivity and, ultimately, to promote a more inclusive society. Given these likely outcomes, the recommendations, requiring long-term and committed measures, are certainly worth the investment.

⁸ Ibid., (2005).