Why Are Workers Struggling in Good Times and Bad?

From Precarious Employment To Decent Work

Series

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The Precarious Employment to Decent Work Paper Series explores ideas around work and employment trends that highlight the problem of precarious employment with the intention of informing action, policy, and research on how to move toward creating decent work for all.

The London Poverty Research Centre at King’s is focused on addressing issues of poverty in London, Ontario by mobilizing research, informing community action and policy locally and beyond. We are committed to systemic change and working with community partners to make that happen.

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Introduction

The London Poverty Research Centre at King’s has been putting a spotlight on the high incidence of poor-quality jobs in London. Our findings point to significant structural issues in London’s labour market and disturbing levels of insecure or poor-quality jobs (low-wage, unstable weekly income, erratic schedule, temporary or contract-work, limited or no benefits, little control over working conditions). At the same time poor-quality jobs have been increasing, the unemployment rate has hit a 10-year low and there have been record corporate profits. The private sector economy has been doing reasonably well, yet the benefits are not translating into more worker security and less poverty. This paper asks: Why are workers struggling in good times and bad? And, what does this say about inclusiveness and sustainability, or lack thereof, in the current economic model?

Of course, this is not just a London, Ontario issue. London is impacted by numerous external forces including, but certainly not limited to, global financial and economic structures such as financial markets and trade agreements; technological advances and automation; offshoring; revenue insufficiency at federal, provincial and municipal levels; eroding social and health protections; labour-market barriers; and competing visions of community, wellbeing and economy.

This discussion paper is an effort to take a step back and reflect on the research and analysis available to all of us to explore some of these external forces. We have access to so much data and analysis but so little time for understanding it. How are different systems, policies, institutions and narratives interacting in our lives and shaping the future of work? Without this understanding, it’s difficult for us to be changemakers, individually or collectively.
Core Narratives Shape Our Fiscal and Economic Choices

In examining these questions, it’s helpful to consider the shifting priorities of governments. The way things are, is not the way things always have been.

In North America, and other advanced-economies, many see the decades following the Great Depression and two World Wars as golden years. Governments aimed for full employment so all eligible people who wanted to work could find employment. Job creation was actively stimulated through working schemes and investments in housing and infrastructure. Most importantly, the focus on job creation was linked with significant investment in social protection; the deepened sense of social solidarity emerging from the terrible experiences of war led to child and family benefits, old age security, unemployment benefits, investments in skill development and post-secondary education, health care and more.

Then came the seventies. The energy crises of 1973 and 1979 resulted in stagflation, with no economic growth, increased prices and unemployment. Full employment schemes were under pressure because of the increasing public debt and rising inflation. Governmental policy became more about inflation control and the goal of full employment was relinquished.

In the 1980s, under the political leadership of President Ronald Reagan and Prime Minister Margaret Thatcher, a new international economic order emerged, emphasizing deregulation, reduction of public investment in social protections, privatization, free trade and reduced tax rates as mechanisms for maximizing economic growth. The idea was that all governmental interventions in the market had the potential to frustrate economic growth, measured primarily by a nation’s gross domestic product. This approach was driven by the narrative that economic growth would trickle down...
to the whole population and create jobs. In 1989, the so-called Washington Consensus further extended the economic model, imposing Structural Adjustment Programs on many nation-states with developing economies.

Today, reinforced by periods of austerity and the long-term impacts of the 2008 Great Recession, there is a growing consensus across the globe that the current economic paradigm is not working for people or the planet. In many lower-income countries, precarious work is widespread and weak social protections are bolstered only by remittances sent home from migrant workers, who are often exploited in their host country. In higher-income countries, real wage growth is slow; insecure work is becoming more prevalent; local small businesses are choked out by trans-national corporations. The resulting high levels of inequality and socio-economic exclusion are contributing to a growing populism with racist overtones and ethnic intolerance.

Some governments and international organizations such as the Organization for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), and World Bank (WB) are now emphasizing the importance of inclusive growth. It’s not enough for a nation’s Gross Domestic Product to grow; the benefits of the economy must be shared equitably even as we care for the planet.

**Key Influences Leading to Precarious Employment**

The economy is a complex system, with many interacting fields, so we must avoid the tendency to look for simple or direct “cause and effect” connections. This section examines some key influencers at play in the economy, both globally and locally. How are workers impacted? And how are different workers impacted differently? It will be important to hold a tension between global economic forces and local patterns. Different layers of connection and fields of interaction will begin to emerge, allowing us to begin to appreciate the local labour-market as part of bigger political and economic systems.
1. Rewarding Shareholders at the Expense of Workers

In July 2016, Maclean’s magazine ran the headline: “Business investment hasn’t been this crummy in 40 years.” In part, this was thought to reflect business nervousness about the future, rooted in factors such as the slump in the oil sands, Brexit uncertainty and anticipation of the next economic slowdown. However, there were hints more was going on. After all, interest rates had been extremely low, and the further combination of cheap oil and the low Canadian dollar should have spurred non-energy exporters to take advantage of this context and invest.

J.W. Mason, from the Roosevelt Institute, points to another pertinent factor affecting business investment – the trend toward rewarding shareholders rather than investing in the real economy by expanding the business and paying workers better. He identifies a corporate practice in which companies borrow money to make shareholder payouts because, with low interest rates, it’s an effective way to push stock prices higher. He concludes that, these days, finance is less a tool for getting money into productive businesses than for getting money out of them.

Mason puts it in the context of the “shareholder revolution,” of the 1980s. A wave of hostile takeovers led to a shift in corporate governance. Investors began demanding more control over the firm’s cash flow. Rather than channeling profits back into expansion and increased wages and benefits for employees, managers would pay them out in the form of dividends.

The report highlights a significant shift in the percentage of earnings and borrowing which go into investment in growth. In the 1960s, 40 percent of earnings and borrowing went into investment in growth. In the 1980s, that figure fell to less than 10 percent, and hasn’t risen since. Borrowing is now closely correlated with shareholder payouts which have nearly doubled as a share of corporate assets since the 1980s. For added bonus, dividends are taxed at much lower rates than employment income.
It’s an example of how the financialization of corporations can exclude ordinary workers from the benefits of the economy. Not only are new jobs stalled, but already-existing workers end up with less and less of the proverbial economic pie. Shareholders, including CEOs, gain tremendous wealth. Inequality becomes a little more entrenched.

While these “crummy investment” patterns are just one of many influences on the local economy, there is no doubt London has been struggling with stagnant wage growth and the creation of good jobs for all sectors of the labour force. London’s local economy emerged more slowly than that of many other North American cities from the 2008 Great Recession. Don Kerr’s “Lost Decade” report compares London’s annual employment figures from 2015 with those released in 2005. While London’s population grew by 6%, the number of jobs available to workers looking for jobs increased by only 1.1%. In addition, there were fewer full-time jobs available in 2015 (197,400 jobs) in 2015 than in 2005 (202,800 jobs) in 2005, for a loss of 5,400 full time jobs over the decade.

Furthermore, as new jobs have emerged more recently, there has been a stronger pattern of non-standard work; work which is closely associated with poor job-quality across a range of measures. As a result, London might be considered the ‘canary in the coal mine,’ calling attention to the disturbing patterns which lie underneath the cheery record-low rates of unemployment.

Even as politicians celebrate the job numbers and affirm the profits flowing through the local economy, Londoners know too many people are excluded from the benefits.
Londoners are left with two nagging questions: What is this new abnormal? How did we get here?

2. Too Many Excluded from Benefits of Globalization

In the past two decades, the world has witnessed a whole new level in the number of bilateral and regional trade agreements. Ken Ash, the Director of Trade and Agriculture at the Organization for Economic Cooperation and Development (OECD) maintains these agreements have resulted in some clear benefits: lower prices for consumers, greater product choice, job-creation rooted in both import and export markets.\(^\text{vi}\) He also points out that the real income of the poorest 10% segment of the world’s population would be 50% lower today without trade.\(^\text{vii}\)

At the same time, wage growth has been sluggish in most OECD countries since the 2008 global financial crisis and the gap between rich and poor is increasing: The average disposable income of the richest 10% of people in OECD countries is about 9.5 times that of the poorest 10%, up from 7 times greater three decades ago.\(^\text{viii}\)

David Macdonald, from the Canadian Centre for Policy Alternatives, points to similar patterns in Canada where the 100 highest paid CEOs were paid 209 times more than the average worker in 2016 (up from 193 times more in 2015).\(^\text{ix}\)

A year later, Macdonald’s follow-up report, “Mint Condition,” was released at the same time Ontario’s low-wage workers were denied a previously promised increase to a $15/hr minimum wage (January 2019). Macdonald highlights the painful discrepancy: “CEOs are making 316 times more than someone who makes fifteen dollars an hour. If shareholders can afford this year’s CEO pay hike, they should absolutely be endorsing higher wages at the bottom as well.”\(^\text{x}\)

Macdonald concludes, “there is immense wealth circulating through the economy—it’s simply not making its way into the hands of the average worker. The long-term trend that we are seeing in this data series is a widening gap between Canada’s richest CEOs and the average worker.”\(^\text{xi}\) Echoing Mason, Macdonald adds, “The type of pay that is driving this trend is largely
‘variable’ or bonus pay that is linked to stock prices. This encourages short-term thinking to the detriment of long-term investment and Canadian economic growth.”

While CEOs and shareholders get wealthier, many ordinary workers are feeling trapped. Public protests, which so often accompany the negotiation of trade agreements, highlight the growing sense in advanced-economy countries that trade agreements are contributing to a downward pressure on wages, working conditions and care of the environment.

Stephen Poloz, the Governor of the Bank of Canada, has noticed the growing discontent. In a talk given to the Association des économistes Québécois (September 2016), Poloz urged economists to promote the benefits of free trade “since the world seems to be entering a phase of doubt about the benefits of international trade.” The question Poloz doesn’t ask is:

**Does the lack of popular support for trade deals stem from misunderstanding and misinformation, or is it rooted in the experiences of workers who have had enough?**

In sharp contrast to Poloz, Jerry Dias (national president of Unifor) and Maude Barlow (national chairperson of the Council of Canadians) co-authored an editorial which affirms the benefits of trade but also raises several fundamental concerns about the renegotiation of NAFTA. In a criticism which also applies to many other free trade agreements structured in similar ways, the authors argue NAFTA gives transnational businesses “the right to scour a continent in search of the cheapest labour, weakest regulations and biggest tax breaks. With its remarkably poor, and unenforceable, labour provisions, NAFTA hangs like a spectre over the heads of industrial workers, with the persistent threat of job loss used to justify cuts to wages and benefits.” The authors point to the discrepancy between what is promised and what plays out in the lives of workers:

“It’s a trade deal that promised a lot for many — jobs, prosperity, higher standards — but has delivered only declining investment, employment and hourly earnings in both Canada and the U.S., while most workers in Mexico still lack free collective bargaining and livable wages.”
Likewise, in a submission to the federal Standing Committee on International Trade, economist Angella MacEwen critiques the singular focus on signing new free trade agreements to boost economic growth. She argues “the main gains from open trade come from reducing tariffs, and much of this was accomplished by the 1990s. So-called modern trade deals are often more about advancing investor rights. As such, they do not necessarily increase trade, improve economies, or benefit Canadians.”

More importantly, MacEwen advises politicians to stop ignoring the distributional impacts from trade and investment agreements. “We are told that trade deals will have winners and loser, but don’t worry, we can compensate the losers. Historically, Canada has done an inadequate job on this front.”

Economic development and social protection are intertwined and interdependent. Canadians can and must continue to debate the overall benefits and drawbacks of the current model of free trade agreements. Canadian workers need to know these trade structures are working to their benefit. At the same time, while any trade structure is bound to have winners and losers, we, as a society (governments, businesses and civil society) must do better. The path to addressing the growing discontent noted by Poloz, Dias and Barlow, is created by protecting each other’s wellbeing and caring for the planet.

**Crucial Role of Social Protection**

If we don’t want people feeling like they’ve been left behind, our collective response must match the seriousness of the situation. In London, as in other cities, we have a long way to go. A 2017 report from the London Poverty Research Centre noted that the number of persons accessing social assistance (OW and ODSP) “now comprises 8.1% of the CMA’s population, or roughly 1 in 12 Londoners [...] higher than the provincial average, at about 6.3% in 2014.” To understand the depth of exclusion experienced by people who access social assistance, it is important to note the inadequacy of these benefits: Charts from the Maytree Foundation show the total social assistance income for a single person considered employable is just 45% of the Market Basket Measure of poverty, which goes beyond exclusionary to punitive in nature.
For a single-parent with one child, the social assistance level is 70% of the Market Basket Measure, excluding that child from many of the basics needed to thrive.\textsuperscript{xx}

However, it is likely many Londoners have little awareness of these hardships. While neighbourhoods in London suburbs have poverty rates as low as 4.5%, neighbourhoods in the core of the city have poverty rates as high as 42.3%\textsuperscript{xxi} Different neighbourhoods; different experiences. When labour-market ‘haves’ are not interacting with labour-market ‘have-nots,’ it’s harder to recognize that some people daily face barriers which others never encounter.

Such isolation also contributes to blind-spots in policy discussion and development. Too often, the dominant political argument is tethered to ideological differences about whether workers are better off with free trade agreements or with protections for jobs and job sectors. Meanwhile, actual social protections are being eroded and, as a result, people are pushed out of the labour market.

When people are working poor-quality jobs or unable to find work, they risk losing the stability needed to stay connected to the labour market because they can’t pay rent or afford nutritious food; they don’t have the basics for maintaining their health or participating in the life of a community. By contrast, robust social protection not only creates opportunity for participation in the labour market, it opens possibilities for skill-development, re-training, and progress toward quality employment for all, no matter the level of skill development.

If we are to address this trend in which we are leaving more and more people behind, part of this generation’s task will be to implement a new social contract, with strong social and environmental protections, to address the shortfalls of trade agreements and other economic structures.

\textbf{What would be the key features of a new social contract? What if we were to shift the focus from protecting jobs to protecting the wellbeing of workers and caring for the environment? What new work and trade priorities might emerge?}
3. Polarization in Job Quality

The impact of technological advances and automation upon the labour market is being explored from many different angles. Without a doubt, automation leads to some job loss. A study from Ball State University attributes only 13% of job loss in the U.S. to NAFTA between 1994 (when NAFTA took effect) and 2000,xxii a major part of the remaining job loss is attributed to automation. Another study focused on automation in the steel industry in the United States, observing the industry lost 75% of its workforce (400,000 people) between 1962 and 2005, without any decline in its shipments.xxiii

Of course, automation doesn’t just take away jobs. It also creates new ones. But what kinds of jobs are created and how many? Who will do these jobs?

A recently released report from the OECD found technological advances are hollowing out middle-skilled jobs, often while creating higher-skilled jobs which are not easily filled. Across advanced-economy countries, the share of workers in middle-skill jobs fell form 49% in 1995 to 40% in 2015.xxiv The lost middle-skilled jobs were replaced by either high-skill jobs (scientific, technical, engineering and high-level management) or low-skill jobs (retail workers, cleaners etc.). The report attributed the shifts primarily to automation and only secondarily to globalization, through the offshoring of jobs.

A study by the McKinsey Global Institute takes the analysis a step further. It suggests, in developed countries, automation is likely to lead to increased inequality. High-paying creative and cognitive jobs will be at a premium, while the demand for middle and low-skill occupations will decline. The result, according to the report, will be a “two-tiered labor market.”xxv

Claire Cain Miller agrees that, over time, automation leads to both job loss and new job creation. However, when she looks a little deeper, she notes the jobs and wages of a significant
portion of the workforce have not been recovering: “Over the same 15-year period that digital technology has inserted itself into nearly every aspect of life, the job market has fallen into a long malaise. Even with the economy’s recent improvement, the share of working-age adults who are working is substantially lower than a decade ago – and lower than any point in the 1990s.”

David Autor, an M.I.T. economist, echoes concerns about the distribution consequences of automation: “I think the set of good jobs available to low-educated or non-college workers without specialized skills is definitely contracting.” As a result, he sees automation as a key factor contributing to the growing income gap between the labour-market ‘haves’ and ‘have nots.’

Earlier, this paper noted London’s slow job recovery between 2005-2015. This further pattern of weakening participation rates in the labour market is also reflected in London. Data from the London Poverty Research Centre at King’s shows that, among Londoners at prime working age (twenty-five to fifty-four), 27% were in non-standard employment in 2016 and another 25% were either unemployed or outside the labour force. In addition, the employment participation rate (measuring how many people are employed or actively looking) fell considerably from 65.2% in 2005 to 59.7% in 2015.

It’s important for Londoners to consider the patterns connected with a two-tiered labour market. In the first tier, employers are searching for workers for well-paid, creative and cognitive jobs, though these jobs are not always full-time or long-term. Between the tiers, middle-skilled workers are being displaced; leaving some to struggle (often on their own) to get into higher-skilled jobs, and others to join the pool of workers forced into lower-skilled, poor-quality jobs, often short-term. And, as mentioned earlier, when some people are forced to access social assistance during times of transition, the impacts of brutally-low rates risk leaving them unable to return to the labour force.
We used to be surprised we could have low unemployment and high rates of precarious work at the same time. And the falling employment-participation rates seemed an enigma. One would expect that as demand for labour increases the price of labour would also increase. That is, employers would be competing with each other to provide increased benefits and security in order to attract and retain employees. However, when some people need multiple jobs just to get by, and others are pushed out of the job market altogether, the current patterns begin to make sense. It begs the question: What are the individual and social impacts of such widespread worker insecurity?

4. The Anatomy of Workers’ Insecurity

A recent study, published by Statistics Canada, highlights the multidimensionality of insecure work in Canada. The report examines six broad aspects of job quality in Canada: income and benefits, career prospects, work intensity, working-time quality, skills and discretion, and social environment. Results revealed that some of the largest and fastest-growing labour market sectors, such as health care, hospitality (accommodation and food services) and construction, offer jobs with many negative features. In addition, workers in atypical contracts or part-time employment experience many disadvantages in the workplace other than being low-paid.

The authors point to wider labour market impacts: “Job quality gaps between professional and low-end service jobs could lead to an increasingly divided labour market, where jobs are either associated with many higher quality features or associated with many lower quality features—but not somewhere in between.” For instance, “workers with a high school diploma or lower, were more likely to work in jobs with less flexible work schedules, low autonomy, lack of training opportunities and employment benefits, in addition to low pay.” Wider patterns of polarization in attitudes toward government, capitalism, trade agreements and immigrants are not so surprising given the divided labour market shaping so much of peoples’ experience.
From Good Jobs To Insecure Work

Some of the impacts of losing a good job and finding oneself in a poor-quality job, or without a job at all, are identified in a 2017 study of laid-off workers by McMaster University and the Canadian Auto Workers Union. The study, which focused on workers laid off at a Chrysler plant and two auto parts factories, found re-employment outcomes were poor. More than half the people were out of work for a year or longer. When the workers did find new jobs, many of the jobs were more precarious with lower wages and fewer or no benefit; the new jobs also included work through temp agencies.

The impacts of the job-loss included financial and emotional challenges, and 31 percent of participants reported their general health had deteriorated due to losing their job. A majority of workers in the study experienced wage reductions of 20 percent or more. The study also found one-quarter of the laid-off employees held three or more jobs and one in six worked for more than a single company at a time.

Too many workers in London are familiar with these findings. When key factories closed down at Kellogg’s and Electro-Motive, workers lost good jobs and found themselves thrown into similar chaos.

As workers try to transition to new jobs, they find numerous barriers holding them back. Jeffrey Boggs, an associate professor at Brock University who specializes in economic geography, points to a report from the Canadian Chamber of Commerce, “Upskilling the Workforce: Employer-Sponsored Training and Resolving the Skills Gap,” 2013. This
report shows employers are spending less and less on employee training. Boggs challenges employers to invest in their employees rather than burdening laid-off workers with the cost of re-training themselves.

However, skills-training cannot be the only focus. Some workers will not be able to transition from middle-skilled to high-skilled work, and others have been, and will remain, in lower-skilled work. Therefore, it is equally important to improve the quality of lower-skilled jobs.

The OECD’s “Good Jobs For All” report emphasizes that the burdens of adapting to the changing world of work are not being shared equally between businesses and workers. The report suggests governments can be vehicles for ensuring greater fairness in sharing these burdens.

Legislation aimed at improving job quality can be critical to establishing better burden-sharing. The previous Ontario government took some important first-steps in this direction with Bill 148, the “Fair Workplaces, Better Jobs” Act, 2017. This legislation ensured, among other things, equal pay for part-time, contract and temp workers doing the same job as full-time employees; a minimum wage increase to $15/hr; better scheduling rights; a commitment to stronger enforcement of employment standards; three weeks of vacation after five years; ten emergency leave days; and protection of jobs and standards when contracts were retendered.

Repeal of Bill 148

However, Ontario currently is moving in the exact opposite direction of that suggested by the OECD (Good Jobs For All). The OECD strategy calls for a combination of policies such as living wage legislation, easily accessible education and skills-training, tax and benefits schemes, portable benefits and access to a wide range of social protections. By contrast, the Ontario government cancelled the Basic Income study and then, in October 2018, passed Bill 47,
“Making Ontario Open for Business” Act, which reversed most of the features of the previous government’s “Fair Workplaces, Better Jobs” Act, 2017.

These changes encourage a return to business practices which exclude many workers from a living wage, good working conditions and benefits. In effect, the Ontario government has made it even harder for workers in Ontario to find good entry-level jobs. Without government actions to ensure businesses and workers share the burdens of the changing economy, job polarization will only increase.

The same patterns of job polarization and worker insecurity have been emerging in London. A study by Joe Michalski and Don Kerr, London Poverty Research Centre at King’s, points to both prevalence and impact.\textsuperscript{xxvi}

Some of the key findings include:

- Among working Londoners aged eighteen to sixty-four, 24.5% were in poor quality or precarious jobs while another 25.3% were in jobs which were vulnerable to becoming precarious, with at least one of the key factors
- Nearly 50% of working Londoners (49.8%) have jobs with some level of precarity or instability.
- Those who reported higher on the precarity index had significantly lower self-reported health.
- Precarious work correlates with higher levels of depression, being angry, and having a negative impact on their family lives.

The patterns associated with workers’ insecurity are troubling: job polarization, job insecurity, low employment participation rates, higher stress, lower levels of health, and fractured
communities, to name only some. London is experiencing the negative impacts of these patterns. How can the ‘London for All project, with its mandate to address poverty, be leveraged to create an ongoing, positive impact aimed at greater inclusion?

5. Trickle-down Exclusion

Workers’ rights are interconnected. When a critical mass of workers belongs to unions, “their wage and benefit levels set standards that non-unionized workers usually have to meet.” \( ^{xxxvii} \) That’s why Rafael Gomez, an associate professor of employment relations at the University of Toronto identifies “the relative decline in private sector unionization [as] the biggest institutional factor behind the rise in inequality.” \( ^{xxxviii} \)

These days, unions are significantly weakened. They face pushback from both governments and a large sector of the non-unionized public even as they are confronted by pressures to accept wage freezes and reduced benefits to compete in globalized markets. Too often ignored in it all, is the vital role unions have played in creating the middle-class. Economists MacEwen and Stanford have both written about the important role unions play in raising wages,

![Chart showing the declining power of unions and the decline in wages for the bottom 99% of the population.](image)

Source: Lynne Fernandez, Unions Boost Democracy and Prosperity for All. 2015
improving workplace safety and reducing inequality, not just for union members but all workers. Stanford explains unions do this “through their influence on non-union employers, their influence on policy and politics and their ability to provide collective voice for workers’ interests on all issues.” Yet, even as the middle-class is being steadily eroded, the social and economic roles played by unions remain under-appreciated.

What will be the new vehicles to protect workers rights, foster inclusiveness, prepare workers to navigate profound changes to the labour market, and propel society toward just and sustainable outcomes?

*Gender and Race Bias in the Labour Market*

Just as workers’ rights are interconnected in the strengthening of wages and working conditions, so too they are interconnected as these rights are undermined. As unions are weakened, the downward pressure on job quality increases, negatively impacting workers at the bottom of the job-quality ladder: racialized immigrants and migrant workers, especially women.\(^{\text{xl}}\)

A December 2018 study, “Persistent Inequality: Ontario’s Colour-coded Labour Market,” updates a similarly-focused 2011 study.\(^{\text{xli}}\) The update shows “Ontario’s labour market is increasingly racialized and persistently unequal.” The authors point to Statistics Canada data which reveals racialized communities in Ontario have slightly higher participation rates than non-racialized workers yet face higher unemployment rates. When a gender lens is added, we see racialized women are most likely to be in the lowest-paying occupations (25.1%). Non-racialized women are slightly less likely to work in these low-wage jobs (23.6), but their rates are still high compared to non-racialized men (15.1%). Racialized women earn 58 cents for every dollar non-racialized men earn. Non-racialized women earn 69 cents for every dollar non-racialized men earn.
The study also investigated whether racialized workers have worse labour-market outcomes primarily because they’re immigrants and, like all newcomers, they struggle to find their way in the labour market. That is, are these patterns more about the struggles of immigrants than systemic racism? However, findings indicated that “among prime-age (25-54 years old) workers, racialized male immigrants earn 70 cents for every dollar non-racialized immigrants earn. Racialized female immigrants earned 78 cents for every dollar that non-racialized female immigrants earned [and] these gaps continue into the second generation and beyond.”

If there is one rung lower on the job-quality ladder, it is populated by migrant workers in Canada, especially workers entering through the Temporary Foreign Worker Program (TFWP and workers without status (status often lost through abuses in the TFWP). The number of migrant workers in Canada is high, although it varies from year to year. The highest number came in 2008 (128,384). For the most part, migrant workers are channeled into low-wage, labour-intensive jobs, often with unsafe working conditions, and forced overtime. Many live in over-crowded and poor-quality living conditions.

The 2018 report from the Canadian Council for Refugees (CCR), “Evaluating Migrant Worker rights in Canada,” lists a wide range of factors which contribute to a high degree of precarity for migrant workers. Chief among them are problems with the TFWP.

For instance, although recruitment fees for migrant workers are illegal in Canada, it is common for migrant workers to arrive in Ontario, and specifically in the London area, via private recruitment agencies which require thousands of dollars in fees. This means many arrive with high debts which need to be paid from earnings, making them vulnerable to coercion and workplace abuse. They also arrive on work permits which tie them to a single employer, adding another layer of insecurity; if they leave their employer, they lose their legal status. Many have little information about the nature of their rights or how to enforce them.

When workers leave abusive situations, they often find themselves in another abusive work-situation. A 2011 study by the Workers Action Centre, “Taking Action Against Wage Theft,”
surveyed 520 low-wage workers in Toronto, the GTA and Windsor. It was designed specifically to involve participation by recent immigrants, non-status workers, and racialized low-wage workers. Some of the findings include:

• 22% were paid less than minimum wage;

• 33% were owed wages by their employer;

• 31% reported that their pay was late;

• 17% received pay-cheques which bounced;

• 39% who worked overtime hours never received overtime pay;

Standards for workers’ rights and protections are all part of the same fabric. When these rights are ignored or abused anywhere, they are weakened everywhere. In London, as elsewhere, the stark exploitation of migrant workers and racialized immigrant-workers is often hidden from sight of the general public but it still has wider social impacts, adding to other patterns which undermine the overall quality of the labour market.

**Conclusion**

In examining influencers which contribute to the struggle many workers are experiencing, in good times and bad, it becomes clear that we have been moving in spiral formation. Issues of growing inequality, poor-quality jobs, job polarization and exclusion have been revisited through different lenses – shifts in business investment practices, trade agreements, automation, eroding workers’ rights and social protections as well as racism and gender bias.

We have not been looking at discrete phenomena but inter-related systems. As with all systems, it is important to examine not just the surface patterns but the role of underlying and interacting structures, policies, institutions and narratives. We’ve seen a growing tendency toward rewarding shareholders rather than investing in the real economy by expanding businesses and paying workers better. As CEOs and shareholders get wealthier, ordinary
workers are marginalized from the benefits of the economy, feeling increasingly trapped in a
global competition for the cheapest labour and excluded from necessary social protections.

While automation leads to both job loss and job creation, there is a significant part of the
workforce left to struggle. Middle-skilled jobs are disappearing and the pool of jobs available to
lower-educated and lower-skilled workers is both shrinking and deteriorating in quality. Some
of the largest and fastest growing labour-market sectors offer jobs with many features of
precarity.

Many of the factors influencing the economy are global in nature. Some of the responses, such
as stronger rights-based trade agreements and changes to the financial markets to moderate
wealth-creation and strengthen redistribution, must also be global in nature. At the same time,
we need strongly-focused government policies aimed at improving job-quality for lower-skilled
positions, skills-training, increasing revenues for a new social contract to strengthen social and
environmental protections, and an evolution in consciousness to take societies beyond
structural bias and systemic injustice.

Many of the questions raised throughout this discussion paper have been intended to signal
possible leverage points for creating change. Are Londoners ready to explore together what’s
happening; to understand this new abnormal so as to create a more inviting future?
Endnotes


ii Jason Kirby, “Business investment hasn’t been this crummy in 40 years.” Maclean’s, July 2016. https://www.macleans.ca/economy/economicanalysis/business-investment-hasnt-been-this-crummy-in-40-years/


v Ibid.


vii Ibid.


xi Ibid.

xii Ibid.


xv Ibid.


Brian Heater interview with David Autor. Brian Heater, “Technology is killing jobs, and only technology can save them” https://techcrunch.com/2017/03/26/technology-is-killing-jobs-and-only-technology-can-save-them/.


Ibid.

Ibid.

xxxiii Ibid.

xxxiv Jeffrey Boggs, “Is Ontario facing a shortage of skills, or lack of investment?” Globe and Mail, August, 15, 2017.


xxxviii Ibid.


x The Ontario Human Rights Commission advocates for the use of the word ‘racialized’ to emphasize that race is a social construction. Racialization is “the process by which societies construct races as real, different and unequal in ways that matter to economic, political and social life.” www.ohrc.on.ca.

xii Sheila Block and Grace-Edward Galabuzi, Persistent Inequality Ontario’s Colour-coded Labour Market, Canadian Centre for Policy Alternatives, December 2018.

xlii For an article describing some of the conditions under which lower-skill migrants work, see Kristin Lozanski, “Inside the Conditions Migrant Workers Face in Niagara-on-the-Lake, This Magazine. Septe. 13, 2017. https://this.org/2017/09/13/inside-the-conditions-migrant-workers-face-in-niagara-on-the-lake/
