

**IN THIS ISSUE**

**For a Complete Overhaul of Employment Insurance Program**

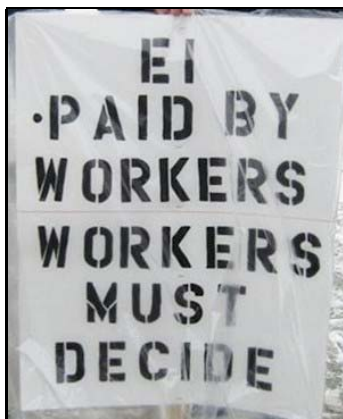
- **Unemployed Workers and Their Defence Organizations Must Have a Decisive Say**

**Interviews**

- **France Simard, Coordinator -- Lac-Saint-Jean Unemployment Action Movement**
- **Line Sirois, Coordinator -- North Shore Unemployment Action Movement**

**For a Complete Overhaul of the Employment Insurance Program**

**Unemployed Workers and Their Defence Organizations Must Have a Decisive Say**

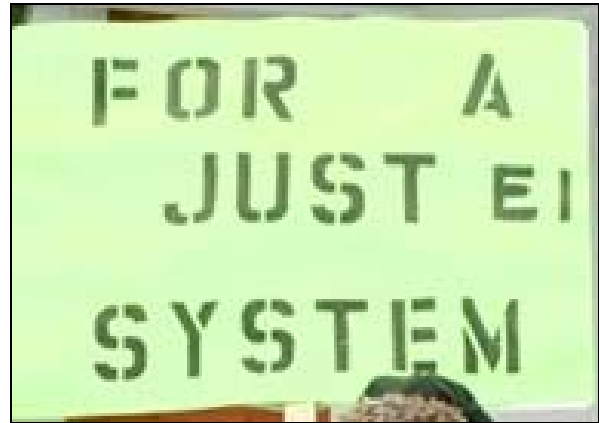


Unemployed workers and their defence organizations have long called for a complete overhaul of the Employment Insurance (EI) regime. They envision an unemployed workers' social compensation program that meets the demands and needs of those who find themselves unemployed through no fault of their own. The current EI system demands the duty to work of individuals without a reciprocal guarantee of available work and the right of the working class to a livelihood.

The current economic system is incapable of providing jobs for all. The EI system must recognize

this longstanding reality and compensate workers who are deprived of work, and ensure they receive a Canadian standard of living. No one can deny that the Canadian working class recognizes and assumes its duty to work, as workers are the producers of all social wealth necessary for the economy and society to function. The economy and society would have totally collapsed by now if workers did not uphold their duty to work. It has become clear that a just overhaul of the EI system requires giving the unemployed and their defence organizations a decisive say in a new socially responsible direction for EI.

Statistics on access to the regime reveal the extent of the EI crisis. Successive anti-social reforms imposed by the federal government, particularly during the 1980s and 90s, have resulted in more hours required for eligibility, fewer weeks of benefits, reduction in the rate of benefits in relation to wages, and an increase in the exclusion from benefits of workers who are accused of leaving their jobs voluntarily, which can be grossly distorted to disqualify unemployed workers who need assistance.



The percentage of unemployed workers qualifying for EI fell from around 80 per cent in the 1960s and 70s to 40 per cent as early as the mid-1990s.[1] Within this context of massive numbers of unemployed workers being eliminated from qualifying for EI, estimates are that approximately \$60 billion in accumulated EI funds were declared "surplus," removed from the EI fund and placed in the federal government's general revenue to be used to pay the rich!

While the percentage of unemployed who qualified for EI stood at 42 per cent in 2017, the rapid increase in precarious work throughout the country hides the true problem and has meant greater hardship for part-time and seasonal workers. People working limited hours per week, or hired for shorter periods of time (between 22 and 38 months), qualify at a much lower rate and for lower benefits than fulltime workers having worked an average of 59 months at one job.

Precarious workers often fail to accumulate the number of hours required to qualify for EI. They are routinely accused of leaving their jobs "voluntarily," which renders them ineligible for EI benefits according to the current criteria. They are disqualified irrespective of the real reason for their becoming unemployed such as disputes over wages, the availability of hours of work, distance to and from work for limited hours of work, poor working conditions, employer abuse, sickness or family problems.

A socially responsible overhaul of the EI regime is necessary. The defence organizations of the unemployed have put forward demands aimed at increasing not only access to the plan, but also the amount and duration of benefits. Those claims must be given serious consideration and could very well serve as a basis for the EI regime's renewal. Workers need, and have the right to, a social program that compensates them at a Canadian standard of living when deprived of a job and livelihood by a socialized economic system on which they depend, but which they do not control.

## Note

1. Brief review of the federal government's anti-social legislative offensive against the Employment Insurance regime.

<b>Legislation</b>	<b>Date</b>	<b>Program Reforms</b>
Bill C-69	1976	<ul style="list-style-type: none"> <li>• Disqualification increased from 3 to 6 weeks for those who quit without just cause, were fired because of misconduct, refused to accept suitable employment, failed to attend a placement interview, or refused to follow instructions from personnel handling their claims.</li> <li>• Maximum age for coverage reduced from 70 to 65</li> <li>• Wage replacement rate reduced from 75% to 66.67% for claimants with dependants</li> </ul>
Bill C-27	1977	<ul style="list-style-type: none"> <li>• Maximum benefit period reduced to 50 weeks</li> </ul>
Bill C-14	1979	<ul style="list-style-type: none"> <li>• Eligibility requirements tightened</li> <li>• Wage replacement rate reduced to 60%</li> <li>• Benefit clawback introduced to recover benefits paid to high income recipients</li> </ul>
Bill C-156	1984	<ul style="list-style-type: none"> <li>• Seasonal fishermen's benefits modified</li> <li>• Maternity benefits modified</li> <li>• Adoption benefits introduced</li> </ul>
Bill C-21	1990	<ul style="list-style-type: none"> <li>• Penalty increased from 6, to 7 to 12 weeks for quitting without just cause, for being dismissed for misconduct, or for refusing to accept suitable employment</li> </ul>
Bill C-113	1993	<ul style="list-style-type: none"> <li>• Those who quit without just cause, were fired for misconduct, or refused to accept suitable employment became ineligible for benefits</li> <li>• Wage replacement rate lowered to 57% (from 60%)</li> </ul>
Bill C-17	1994	<ul style="list-style-type: none"> <li>• Wage replacement rate lowered to 55% (raised to 60 percent for low-income earners with dependants)</li> </ul>
Bill C-12	1996	<ul style="list-style-type: none"> <li>• Program renamed to Employment Insurance (EI)</li> <li>• Wage replacement rate reduced for over 20 weeks of EI use in the past five years, to a maximum 5% reduction.</li> <li>• Repeat claimants face a benefit clawback of up to 100%, depending on earnings and weeks of benefits in the last five years</li> <li>• Weekly maximum insurable earnings revised to \$750</li> </ul>

*(Legislative graph from <https://www.mapleleafweb.com/features/employment-insurance-canada-history-structure-and-issues.html>)*

## Interviews

# France Simard, Coordinator -- Lac-Saint-Jean Unemployment Action Movement



**Rally denouncing Harper government changes to the EI regime in Thetford Mines, Quebec, October 27, 2012**

The main problem continues to be access. As a result of all the reforms undertaken since the 1990s, fewer and fewer people are eligible. The Employment Insurance (EI) regime must once again become universal -- just as it was at its creation in 1945 -- a universal EI system for all, with a specific number of work hours required for anyone to qualify.

Over the years, the government has created economic regions, with EI eligibility based on the official unemployment rate in a given area, and different numbers of hours worked are required to qualify, depending on the economic region. This has all gone awry and is completely out of control. Once we solve that problem, we can tackle the others. Our basic demand has always been for 350 hours of work to qualify for Employment Insurance and 35 weeks of benefits, to avoid the black hole experienced by seasonal workers, along with benefits of at least 70 per cent of one's salary, based on the best 12 weeks worked.



**Demonstration in Tracadie, New Brunswick, September 15, 2018, calling for changes to EI to eliminate the black hole faced by seasonal workers.**

The EI regime must be dusted off, but not behind closed doors. Workers and employers have to be spoken with, as they are the plan's two contributors. The unions and the unemployed's defence organizations also have to be brought in [to the discussion]. Legislation must be adopted for a just and universal employment insurance regime.

What hurts us most in our region is the black hole experienced by seasonal workers, as the lower the official unemployment rate, the more their situation worsens. There are people who have to leave the region to find work, in order to get the work hours they require to qualify for benefits. They must pay to house themselves. They have no choice. They face tremendous insecurity, not knowing whether they will find a job that will meet their conditions and needs. There are also those who work 15-20 hours per week. Precarious jobs are on the rise, which do not allow them to make ends meet. It takes them longer to accumulate the hours to qualify for EI.

Lack of access to the Employment Insurance regime is the crux of the matter.

---

## Line Sirois, Coordinator -- North Shore Unemployment Action Movement



**Actions at Service Canada offices in in Forestville (left) and Baie Comeau Quebec on November 29, 2018 demanded action to eliminate the black hole faced by seasonal workers.**

The biggest problem is lack of access to Employment Insurance [EI]. It manifests itself in various ways.

For example, even though people are increasingly getting sick, they are only entitled to 15 weeks of EI sickness benefits. There's the problem of the black hole, that period of time when the unemployed, having exhausted their benefits and not yet working again, are without an income. It's a problem that affects regions such as ours, where seasonal work is the norm. Even though the government has agreed to five additional weeks of benefits to deal with the problem of the black hole, it does not suffice in addressing the period when the unemployed are without an income.

On the North Shore, the calculation used to determine employment insurance eligibility, with its distorted unemployment rates, poses a very big problem. As Employment Insurance is offered based

on the official unemployment rate, more work hours are required and fewer weeks of benefits accorded, based on the economic region's official EI unemployment rate. The declared unemployment rate has nothing to do with the region's actual rate. The North Shore is incorporated into an EI economic region that includes several administrative regions. On the Upper North Shore, for example, the actual unemployment rate is around 20 per cent. However, in the economic region we have been included in, we are told that the unemployment rate is around 6.7 per cent. If the unemployment rate for the Upper North Shore were recognized as being 20 per cent, as it actually is, people would qualify after 420 hours of work and be entitled to 35 weeks of benefits. Currently, given the official unemployment rate attributed to us, people qualify, after 665 hours of work, for only 15 weeks of benefits. It makes no sense.

The numbers are being fudged to give us as little as possible, so that our people leave the region and go to work elsewhere. It's a deliberate move to get us to leave the region. They refer to it as labour mobility. They want people migrating to where the jobs are.

It also makes no sense that people who get sick only receive 15 weeks of employment insurance. The sickness benefit is limited to 15 weeks across Canada. We are demanding that the sickness benefit be increased to 25 weeks and in the case of a more serious illness such as cancer, that it be increased to 50 weeks.

We are demanding that, in regions such as ours, where seasonal work is the norm, people qualify for EI after 420 hours of work, for 35 weeks of benefits, at a rate of 60 per cent of their wage, rather than the current rate of 55 per cent.



Employment Insurance is not adapted to real life, whether in the regions or in the city, where people work in precarious jobs, often for 15-20 hours a week. They cannot make ends meet with that and it takes them a lot of time to make up the hours to qualify for benefits.

Employment Insurance is in need of a complete overhaul. It's a system that does not reflect the reality or meet workers' needs. Employment Insurance must be an insurance available to all workers when there are not enough jobs.

**Send your articles, photographs, reports, views and comments to  
[editormlpc@cpcml.ca](mailto:editormlpc@cpcml.ca)**

**SUBSCRIBE TO RENEWAL UPDATE**

**E-mail [postmaster@cpcml.ca](mailto:postmaster@cpcml.ca) with "subscribe" in subject line. Please include your name, riding and occupation. See homepage for full subscription form.**