

It's About More than Wages: The Social Impact of Precarious Employment

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IN A RECENT CBC CALL-IN SHOW focusing on the changing nature of Canadian labour markets, callers in precarious employment were asked what they would do if they found permanent jobs. Their responses were indicative of the grave situation that a growing number of workers find themselves in when unable to find permanent full-time employment with benefits. Several reported that they would attend to long overdue health treatments for their children. Others would take all of their prescribed medications rather than partial doses. One person would upgrade from a bar fridge to a full-sized fridge. One even went as far as to suggest that this might allow the family to have a vacation! The callers were all precariously employed, working in one or more jobs and trying to piece together a somewhat permanent living wage. Some were in low-wage jobs but others were not.

In February 2014, the Poverty and Employment Precarity in Southern Ontario (PEPSO) research group released a report titled *It's More than Poverty: Employment Precarity and Household Well-being*. The report, based on a population survey of over 4,000 individuals and a series of extensive interviews with precariously employed workers in the Greater Toronto–Hamilton labour market, provides a detailed picture of the changing nature of Canadian

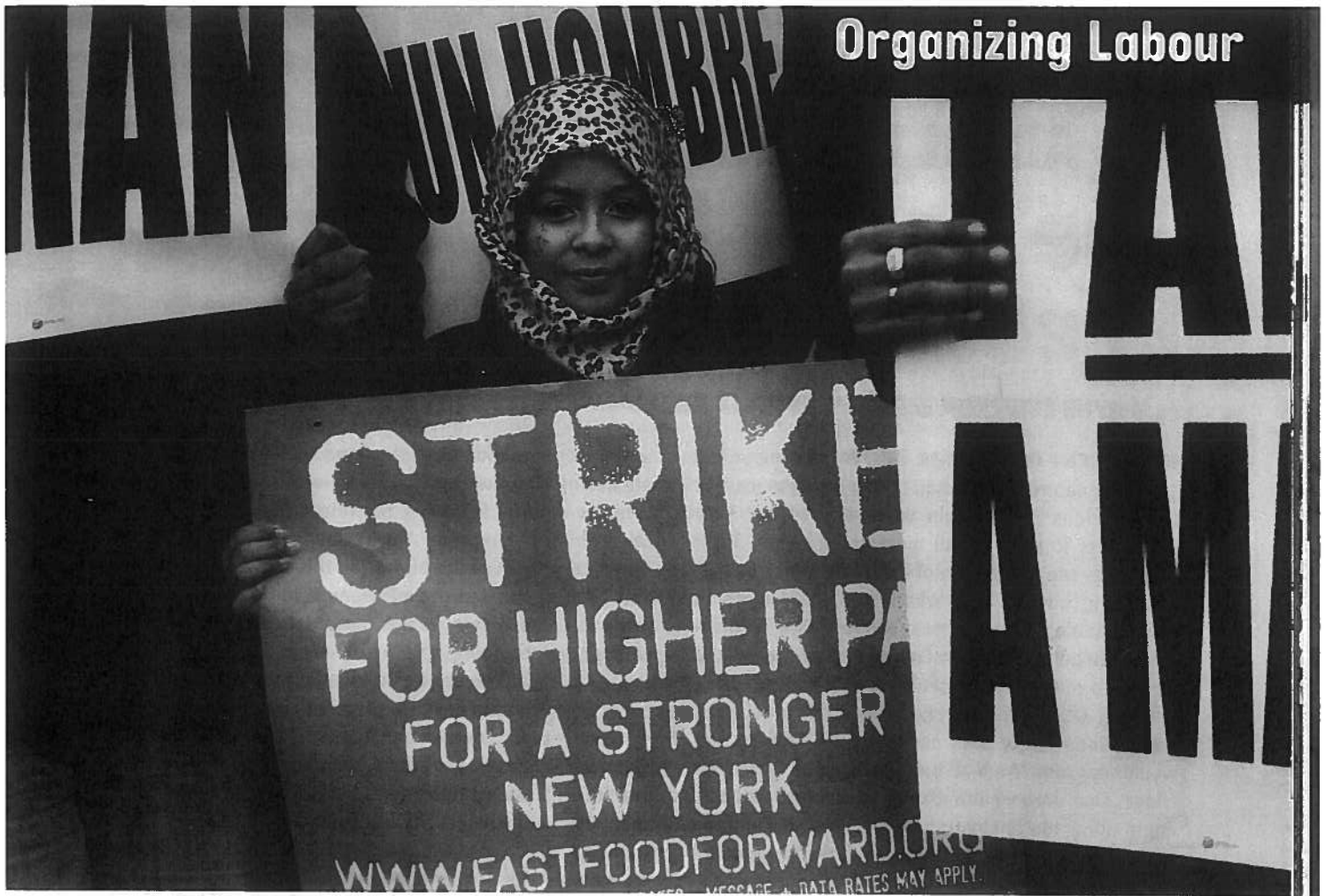
urban labour markets and the impact these changes are having on households and communities.

In the months following the release of *It's More than Poverty*, the term “precarious employment” has become part of the lexicon of the media as well as a growing number of politicians at the municipal, provincial and federal levels. Hardly a day goes by without some reference in the media and in legislative halls to the growing employment insecurity of Canadians. We hear of the frustration of young workers unable to find decent-paying permanent employment or of middle-aged workers who have been displaced from secure full-time jobs and who can now only find poor-quality and less-stable temporary jobs. We hear from the parents of adult children who are living in the family basement and are unable to start meaningful work careers. All are fueling a growing sense of public unease and a sense that something is wrong with a labour market that amply rewards a few, but leaves the majority of Canadians facing growing employment and income insecurity, low wages and uncertain career paths.

It's More than Poverty documented the retreat from permanent full-time employment that fueled the post-1945 boom in the Canadian economy and led to an unprecedented growth in the standard of living of working Canadians. Barely half of the participants in our study had full-time jobs that they expected to keep for at least the next 12 months and that paid some benefits. This form of employment, known as a Standard Employment Relationship (SER), was the norm in many sectors in the 1970s and was dominant amongst white men. The other half of our sample was employed in jobs with varying degrees of insecurity. About 10 percent were in permanent part-time employment, jobs that rarely paid benefits and represented a heightened degree of insecurity relative to permanent full-time employment. Another 20 percent were in jobs that most would agree are precarious, including employment through temp agencies, short-term contracts or self-employment. Again, these are jobs that rarely provide benefits, are often low-wage and offer limited career prospects. The remaining 20 percent had jobs

Locked out BC Ikea workers, March 28, 2014. Photo from Teamsters Local 213 Facebook page.





that on the surface looked like the SER but when examined more carefully were jobs that provided few benefits beyond a simple wage, and the holders were not confident that they would have them a year from now. The report confirmed what others have argued: precarious employment is becoming the new norm for a growing class of Canadian workers.

It's More than Poverty not only documented the prevalence of precarious employment, but also the extent to which it has become the norm in sectors and amongst socio-economic groups that in the past were insulated from this type of employment. To be sure, recent immigrants and racialized minorities remain more likely to be precariously employed, but employment precarity is no longer the preserve mainly of women and of service workers. Workers employed across a wide range of economic sectors from those working in the media to those working in the knowledge economy, in education, in health care and in public-sector jobs all face increased employment insecurity. As a result, men, middle-aged workers, and well-paid workers are increasingly likely to describe their jobs as precarious. Of the quarter of our sample that we defined as the most precariously employed, half were men, 40 percent earned more than \$40,000, 35 percent were knowledge workers,

half had university degrees and over one third were in jobs that required a university degree. What everyone in the precarious category had in common was a lack of benefits, a lack of control over their work schedule, and uncertain future employment prospects.

The social effects of precariousness

What are the social effects of this form of employment? What does it mean for families and communities? *It's More than Poverty* exposed how precarious employment can shape and limit key life decisions including partnership formation, where to live, housing, having children, childcare options, recreation and many other choices that can impact the quality of life and well-being of individuals and households. For example, compared to those in permanent full-time employment, the precariously employed were nearly three times as likely to delay having children due to their employment insecurity and were three times more likely to report difficulty finding appropriate childcare. Nearly half of the precariously employed reported that anxiety about their employment situation interfered with personal and family life.

Given both the shift towards less secure employment and the social consequences of this shift, the

Fast food workers protest in Marcus Garvey Park in Harlem, New York, April 4, 2013. AFP/Stam Honda.

Even for those earning well above the minimum wage being proposed by current campaigns, the stress of not knowing if you will have a job in six months, what you are likely to earn after the current contract ends, or how to pay for unexpected expenses like a child's dental care or an illness needs to be addressed.

need to act is obvious. We have already seen groups in Canada and the United States such as the Occupy movement placing an increased focus on the growing unfairness of income distribution. Unpaid interns are demanding the end of work for no pay. Campaigns to raise the minimum wage to \$14 an hour in Ontario and to \$15 an hour in the United States, the Fight for Fifteen and the Fast Food Forward campaigns launched by the Service Employees International Union (SEIU) in late 2012, and campaigns to unionize workers at Wendy's and McDonald's are all driven in part by the growing insecurity of many workers documented in *It's More than Poverty*.

A higher minimum wage is not enough

Across North America, minimum-wage levels have lagged the growth in overall productivity over the last 50 years. This has led to the ironic decision by Walmart workers in Ohio to launch Thanksgiving food drives whose beneficiaries were other Walmart workers in Ohio. In 1965, Ontario first established a general minimum wage for all workers and set the rate at \$1 an hour. In the intervening years prices have increased as has the productivity of the average worker. At \$11 an hour, the newly proposed Ontario minimum wage falls short of a wage that would cover price increases since its introduction and that would give minimum wage workers their share of the increase in productivity. As an illustration of the gap, for minimum wage to reflect both the increase in prices and the increase in labour productivity in Canada since 1965, the minimum wage would have to rise to nearly \$17 an hour.

While raising the wages of those at the very bottom of the income scale must be a priority, a higher minimum wage alone will not compensate for the increased precarity many workers face in their jobs. *It's More than Poverty* points to a deeper challenge for activists and policy makers. Even for those earning well above the minimum wage proposed by current campaigns, the stress of not knowing if you will have a job in six months, what you are likely to earn after the current contract, or how to pay for unexpected expenses like a child's dental care or an illness needs to be addressed.

The reality is that how we regulate labour markets, how unions represent workers, how we provide health benefits not covered by public health plans,

how we train workers, and how we provide for workers in retirement are all based on the assumption that most of us will have permanent full-time employment for much of our working careers. As this becomes increasingly unlikely for more and more workers, we need to find new ways to support the precariously employed.

Steps can be taken to encourage employers to move away from the precarious employment model and back to permanent full-time employment. One example is the recent victory of the Toronto City cleaners who defeated an attempt to contract out their jobs to the private sector that would in all likelihood have lowered their wages and increased their employment insecurity. However, a large movement back to the labour market of the post-1945 period seems unlikely. What is needed are ways to reduce the insecurity associated with employment.

Finding new ways of organizing

For workers who will not work full-time for one employer for the bulk of their working lives, we must find new ways of completing the social wage, from the provision of supplementary health benefits such as dental care and prescription drugs, to determining who is responsible for training and how we provide for retirement. In the past we relied on employers, urged on by unions, to provide these benefits. Today, fewer employers are filling this role and unions are less able in the current context to pressure them at the bargaining table. Changes are needed to give workers who are in precarious jobs greater access to unions to make them feel part of the labour movement and for unions to adopt strategies that fully appreciate that the precariously employed have different needs than the permanently employed. Finally, we need to find new ways of supporting families where parents have less control over their work schedules and where the number of hours worked from week to week is highly variable. In particular there is a need for a childcare program that is affordable, accessible and of high quality, and that accommodates irregular and uncertain work patterns.

We face a turning point in how we organize the relationship between employers and employees. How we adapt to this change will shape the health of families and communities in the future. ■