

A Decent Work Agenda for Canada

Pre-Budget Submission of the Canadian Career Development Foundation (CCDF)

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RECOMMENDATION

The Canadian Career Development Foundation (CCDF) recommends that the federal government proactively address emergent labour market challenges and provide international leadership through the establishment of a National Decent Work Strategy. An investment of \$5 million over the next two years will support the appointment of an expert team to develop the appropriate framework, consult broadly, conduct targeted research and deliver a strategy that works across industries and jurisdictions within the context of constantly evolving technologies and markets.

INTRODUCTION

The concept of Decent Work is emerging across developed economies as a key mechanism to maximize labour force potential and fuel gains in productivity. The establishment of a National Decent Work Strategy will make Canada a world-leader in workplace wellness, balance, and low-barrier entry to meaningful employment opportunities. At its core, the concept of Decent Work is based on fairness and respect for employees while harnessing professional development and growth as strategic tools to improve productivity and profitability. By establishing a national Decent Work strategy, the government would be acknowledging that people's work should contribute directly to their quality of life as well as their bank account. When this happens, everyone wins. When workers feel that their employment is meaningful and fair they will not only perform better, but also be happier and healthier. It is clear that these benefits will create more than just personal advantages, they will contribute to increasing productivity and competitiveness for Canadian enterprises and limit reliance on social services and costs to our healthcare system.

Think tanks and national governments have studied this concept in recent years, but progress has been limited. It is clear that launching a labour force initiative in a rapidly changing employment environment is a daunting prospect for some. In reality, the changing ways in which work is facilitated in the modern economy are exactly why Decent Work needs to become a reality. In the 2019 Federal Budget, the government has the opportunity to make Canada a global leader in progressive labour market solutions by establishing a national Decent Work Strategy.

EMPLOYMENT, WORKER WELLNESS, AND BUSINESS SUCCESS

Canada has one of the most highly educated populations in the world. We also boast a diversified economy that creates opportunities for workers to apply their skills and knowledge effectively. At the same time, the benefits of these strengths have not been evenly distributed and, while many Canadians already do Decent Work every day, there are many more who need additional supports to experience it.

Decent Work pillars have been highlighted by the International Labour Organization (ILO) as integral elements of the 2030 Agenda for Sustainable Development.¹ Goal #8 of the Sustainable Development Goals is to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”² The Decent Work movement is clearly global, but Canada is uniquely positioned to lead on this front.

The Standing Committee on Finance has asked groups to highlight ways in which we can make Canada more competitive. The last time the federal government undertook a thorough review

¹ International Labour Organization. *Decent Work*. <http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

² United Nations. *Transforming our world: the 2030 Agenda for Sustainable Development*. <https://sustainabledevelopment.un.org/post2015/transformingourworld>

of competitiveness it stated that “competitiveness refers to the outcome[s] – who wins and who loses.... Public policy must deal with competitiveness in developing policies designed to enhance a country’s ability to achieve its primary economic goal, *which is to assure a rising standard of living for its citizens.*”³ To raise the standard of living in a country like Canada, we need to not only provide access to employment and training opportunities, but to also ensure those experiences maximize the potential of the labour force. Establishing a national Decent Work strategy will do just that.

New psychological research from the University of Lausanne has shown Decent Work to be:

*“associated with individual and family well-being, and thriving communities. In short, people do better in life when they are working. A stable and secure job provides people with the capacity to survive financially, connect meaningfully to others, and to determine the course of their futures. Moreover, access to stable and dignified work provides people with a powerful means of cohering their own identities.”*⁴

In late 2016, a Scottish study into priorities of low-paid work found that participants ranked a decent hourly rate that met basic needs like “food, housing and things most people take for granted without going in to debt”⁵ as their top priority for decent work. That is unsurprising, but other less conventional priorities included having work that provides a sense of purpose and meaning, having a supportive manager, regular and predictable hours, the ability to develop and use skills, training opportunities, varied work, and control and flexibility over how work is delivered.⁶

There are assumptions about providing a framework for Decent Work that prove to be false when consider the demand side of the labour market, and not just the supply side. Providing workplace opportunities for personal and professional growth and fulfillment are not just added expenses, they are worthwhile investments that make an important contribution to overall effectiveness and the bottom line. A 2012 Gallup study showed that businesses with work units in the top quartile of employee engagement outperformed bottom-quartile units by 21% in productivity.⁷ They also saw lower worker turnover, less absenteeism and fewer safety incidents; not surprisingly, they were also 22% more profitable.⁸

³ Competition Policy Review Panel. Government of Canada. Compete to Win: Final Report June 2008. (Chapter 2. Creating Wealth: Competitiveness and Productivity). <https://www.ic.gc.ca/eic/site/cprp-gepmc.nsf/eng/00054.html>

⁴ Blustein, D., Masdonati, J., Rossier, J. *The Role of Psychology in the Decent Work Agenda*. June 27, 2017. https://serval.unil.ch/resource/serval:BIB_9130E2C83471.P001/REF

⁵ Pautz H., Stuart, F. Wright, S. *Decent Work for Scotland’s Low-Paid Workers: A Job to be Done*. Oxfam. September 2016.

⁶ Ibid.

⁷ Sorenson, Susan. *How Employee Engagement Drives Growth*. Business Journal. The Gallup Organization. June 20, 2013. <https://news.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx>

⁸ Ibid.

Everyone loses out when organizations and businesses cannot retain the workers they attract. Decent Work promotes employee engagement and workplace commitment that will create a comparative advantage for Canada.

TRENDS IN THE WORLD OF WORK

The world of work is increasingly precarious for millions of Canadians.

Technological disruption has historically fueled new industries and job opportunities. At the same time, disruption has also concentrated the benefits of a reformulated economy and labour market in the hands of the disruptors before being widely disseminated. Recently, we see a decoupling of productivity and employment.⁹ This begets the question, what can workers expect in the years ahead?

The ILO has described well the international implications. “Concerns about job quality have grown in recent years due, in part, to the widespread incidence of non-standard forms of employment.”¹⁰ Part-time and temporary employment across all countries averages 20 per cent. “While non-standard employment can bring benefits to both individuals and employers... these forms of employment are often associated with job insecurity, earnings volatility, limited access to social protection schemes or training and career advancement and job dissatisfaction.”¹¹

In short, part-time and temporary employment can be said to work against the concept of Decent Work unless proactively held in check.

The common rebuttal to this point is that Canada is an advanced economy, where this issue holds less relevance. However, the rise of the gig economy has challenged the traditional protections that our relatively strong labour laws and regulations have provided our workers.

In July 2018, a BMO study found that the gig economy is a growing trend in employment. It highlighted Statistics Canada findings that 2.18 million Canadians were categorized as temporary workers in September 2017.¹² The same report found that workers in the gig economy identified not having employer benefits as the biggest financial downside of working in the gig economy.

⁹ Harvard Business Review. *The Great Decoupling: An Interview with Erik Brynjolfsson and Andrew McAfee*. 2015. <https://hbr.org/2015/06/the-great-decoupling>

¹⁰ International Labour Organization. *Inception Report for the Global Commission on the Future of Work*. International Labour Organization. Geneva. 2017. http://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_591502.pdf

¹¹ Ibid.

¹² BMO. *The Gig Economy*. BMO Wealth Management: Insight. July 2018. https://www.bmo.com/assets/pdfs/wealth/bmo_gig_economy_report_en.pdf

The report also cited work from HR agency Randstad, which found that half of all organizations are working toward creating a “variable workforce” over the next five years, and that by 2025, 85% expect their “commitment to an agile workforce” to increase dramatically.¹³

These emergent labour market trends weigh heavily on Canada’s future workforce and their aging parents. Forty percent of Canadian university graduates are underemployed, one of the worst rates among members of the Organization for Economic Cooperation and Development (OECD).¹⁴ The number of Canadians under the age of 30 in precarious work nearly doubled from 1997 to 2011 and continues to rise.¹⁵ In a national survey of youth aged 18-24, nearly 90% reported feeling uncomfortable levels of stress and, when asked why they were feeling so stressed, 86% in this age group attributed the stress to underemployment.¹⁶ The negative impact extends to aging parents. In a recent survey of Canadian Millennials, 43% of 30-33 year olds remain dependent on their parents for financial support and 29% of those aged 25-29 still live with their parents.¹⁷ The impact of precarious work extends beyond immediate issues of livelihood to affect mental health and the capacity to attain life milestones across generations.

It is clear that employment is a strong predictor of socio-economic and personal wellbeing. It is not clear, however, that the types of work available in the future will in fact benefit the socio-economic health of our citizens, communities and country.

CONCLUSION

The government is moving toward better ways to describe the changing workforce. For the first time, Statistics Canada is asking households to respond to surveys about their participation in the digital economy.¹⁸ Canada must know what to do with this information and how to apply it effectively so that people can thrive in the new economy, and the labour market it is creating. The CCDF believes that an investment of \$5 million over the next two years to study and establish a National Decent Work Strategy will be a strategic investment in the future of Canadian workers, employers and our economy.

¹³ Randstad. *Workforce 2025: the future of the world of work*.

<http://content.randstad.ca/hubfs/workforce2025/Workforce-2025-Randstad-Part1.pdf>

¹⁴ Office of the Parliamentary Budget Officer. *Labour Market Assessment 2015*. November 2015. http://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2015/Labour%202015/Labour_Market_Assessment_2015_EN.pdf

¹⁵ Foster, K. *Youth Employment and Un(der) Employment in Canada: More Than a Temporary Problem?* Canadian Centre for Policy Alternatives. 2012. Print.

¹⁶ Sun Life. *Sun Life Canadian Health Index: 2012 Canadian Health Index Report*. 2012.

http://benefitdeck.com/images/u/Canadian_Health_Index_2012_en.pdf

¹⁷ Yconic/Abacus Data. *2014 GenY Attitudes Study*. 2014. http://abacusdata.ca/wp-content/uploads/2014/05/GenYFinancials_GM_ABACUS_yconic_Final.pdf

¹⁸ The Globe and Mail. *Statistics Canada to launch survey to collect data about digital economy*. June 15, 2018. <https://www.theglobeandmail.com/business/economy/article-statistics-canada-to-launch-survey-to-collect-data-about-digital-2/>