Precarious Work: The New Reality?

By VIVIAN MCCAFFREY

Globalization  Income Tax Reform  Precarious Work

If you’re like me, you may be waiting impatiently for the economic pendulum to swing back to a time when skilled workers could count on stable employment and a comfortable standard of living. According to a number of recent reports, however, we’re in the midst of a new economic reality, the dominant feature of which is “precarious work.”

Economists use the term precarious to describe workers who are in an unstable employment position, have limited control over working conditions and wages, and lack union protection or clear regulations governing their workplace. A 2012 Law Commission of Ontario (LCO) report estimates that 22 percent of jobs fit the “precarious” definition. Those most adversely affected include women, youth, racialized persons, persons with disabilities, and newcomers. Precarious work used to refer primarily to lower-income individuals, but a 2013 McMaster University–United Way study based on the Greater Toronto and Hamilton area shows that the phenomenon increasingly affects all income and education levels. The many ETFO occasional teacher members looking for permanent work but forced, in many cases, to wait years for that opportunity are a good case in point.

Ontario’s regained jobs lost during recent recession

The federal and provincial governments proudly point to statistics indicating that the jobs lost during the 2007–2008 recession have been replaced. According to Statistics Canada, the country lost 431,000 jobs during that economic crisis but regained 463,000 jobs during the recovery period between January 2011 and February 2013. What the politicians don’t draw to our attention is that the largest share of those new jobs, about 11 percent, are low-paid jobs in the accommodation and food services sectors. The hardest hit sectors for permanent job loss were manufacturing and utilities. The economic downturns in the 1980s and 1990s were more severe and prolonged, but the recent recession resulted in a bigger restructuring of the labour market.

Increase in number of vulnerable workers

Canada has joined the rest of the world in experiencing an increase in part-time and temporary
workers. The LCO report points out that between 2001 and 2011, the rate of part-time workers in Canada increased from 18.1 to 19.9 percent while the rate of temporary workers grew from 12.8 to 13.8 percent. Young people who increasingly feel compelled to take on unpaid internships as their only opportunity to gain work experience are at the bottom of this vulnerable list. Employment lawyer Andrew Langille estimates that, across Canada, young people are engaged in over 300,000 illegal unpaid internships, doing work that is of direct benefit to the employer and not simply gaining “pre-employment” experience. They are not only forgoing salary for their labour, but also the opportunity to pay into Employment Insurance and the Canada Pension Plan. Overall, these part-time, temporary, and unpaid positions drive down wages and forestall economic recovery by reducing consumer spending.

**A global phenomenon**

Precarious work is a global phenomenon that has been identified since the 1970s. What’s new is the rate of increase and extent to which it is becoming a permanent labour market characteristic. A 2012 International Labour Organization (ILO) report documented the growth in precarious work in OECD countries within the last decade and attributed the increase to a “worldwide corporate attack on the right to organize and bargain collectively, by shifting to subcontracting and individual contracts, [and] attacking sectoral and national bargaining.” Examples of this anti-union attack within our own borders include Walmart and Target, American corporations that apply messianic fervour to fighting union drives, and Caterpillar, the firm that abruptly moved its diesel locomotive plant from Ontario to Indiana to avoid dealing with the union.

Employers also reduce costs through outsourcing. A number of companies, for example, contract offshore call centres and online technical support agencies. The most egregious homegrown example of this strategy is the Royal Bank of Canada’s move to replace 45 employees with foreign workers, a clear abuse of the federal Temporary Foreign Workers Program.

**Social effects of precarious work**

The impact of precarious work goes beyond economic well-being. The McMaster–United Way study highlights the impact on social and family life. Those in uncertain work situations find it difficult to schedule time with friends and family and to plan for marriage, children, or purchasing a home. This has economic implications. In the education sector, for example, it contributes to declining enrolment and job redundancy.

Precarious employment tends to involve greater exposure to hazardous work environments, increased workload, stress, and more time spent travelling between multiple jobs. The studies found that precarious workers are less likely to receive job training and have workplace health and safety inspections. The ILO links worker insecurity to reduced unionization drives. In extreme situations, where there are high rates of precarity, the issue is linked to social unrest such as what we’ve witnessed recently in Europe and North Africa and, closer to home, with the Occupy movement.

**Strategies to reduce incidence of precarious work**

There are no single or simple solutions, but labour economists advocate a number of strategies to mitigate the rate of precarity. Raising the minimum wage would provide more income security and reduce the need to seek multiple jobs. Expanding access to licensed child care would enable more people, particularly women, to work full-time. More strictly enforcing existing employment standards as well as occupational and safety laws would improve working conditions.

A significant antidote to precarious work is unionization. ETFO has played a small role in this regard through its recent unionization of designated early childhood educators, many of who now have increased salary and benefits, job security, workplace representation, and access to professional development. Labour laws should be reformed to remove barriers to unionization.

Finally, if we want to stem the loss of well-paid, secure jobs, we need to press for a rejection of government austerity and make the case for income tax reform that supports investment in infrastructure and public services and reduces the income gap between the top 1 percent of earners and the rest of us.

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