

# SUMMARY

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BC Office



## Inequality, employment and COVID-19

### Priorities for fostering an inclusive recovery in BC

THE COVID-19 CRISIS HAS CAUSED UNPRECEDENTED economic disruptions and job losses, the speed and scale of which far exceeded those seen in any previous recession in the postwar era. In British Columbia, 645,000 workers lost their jobs or the majority of their regular hours between February and April of 2020, a number that represents 25 per cent of all workers employed before the pandemic started.

The loss of work at that scale is exceptional, but as we move beyond the early labour market shocks of the pandemic into the many stages of recovery, it is the highly unequal impacts on different industries and groups of workers that stand out.

This report examines the impact of COVID-19 on the BC job market a year into the pandemic, breaking down workers by industry, region, sex, age, ethnicity, Indigenous identity, immigrant status, family type and presence of young children in the home to better understand the full extent of the recession's impacts and how

the recovery is progressing for different groups of British Columbians. The report relies on the quantitative data available from Statistics Canada, primarily through the Labour Force Survey.

While federal and provincial government interventions were able to lessen the financial impact of the COVID-19 crisis for many individuals, the pandemic has highlighted and deepened long-standing gender,<sup>1</sup> racial and economic inequalities.

This report offers policy recommendations to address these structural inequalities and leapfrog to a more inclusive and just economy, instead of simply returning to the pre-pandemic status quo.

To date, while BC's economic recovery is proceeding at a slightly faster pace than in most other provinces and we are seeing strong aggregate employment figures, long-term unemployment—defined as being unemployed for six months or more—has risen sharply during the pandemic. As of February 2021, about one-third of all unemployed people actively looking for work in BC are long-term unemployed (33 per cent), which is slightly higher than the proportion of long-term unemployed in Canada (28 per cent).

The data shows that lower-paid workers in part-time, temporary and more precarious jobs were more likely to lose their jobs, or the majority of their hours in the early days of the pandemic. These groups of workers were also more likely to be among those working in essential jobs on the front lines of the pandemic who were put at an increased risk of the virus in order to do their jobs. Notably, female, Indigenous and racialized workers are more likely to fall in the low-wage category. As Figure A shows, in addition to experiencing the highest economic disruption in the early days of the pandemic, low-wage workers are also experiencing a slower recovery.

In contrast, higher-paid workers who already enjoyed comfortable incomes and job security tended to be those who could transition to working from home and even accumulate savings as their discretionary spending decreased. Within this group of workers, those who already owned property and financial assets have seen that value increase, further worsening wealth inequalities.

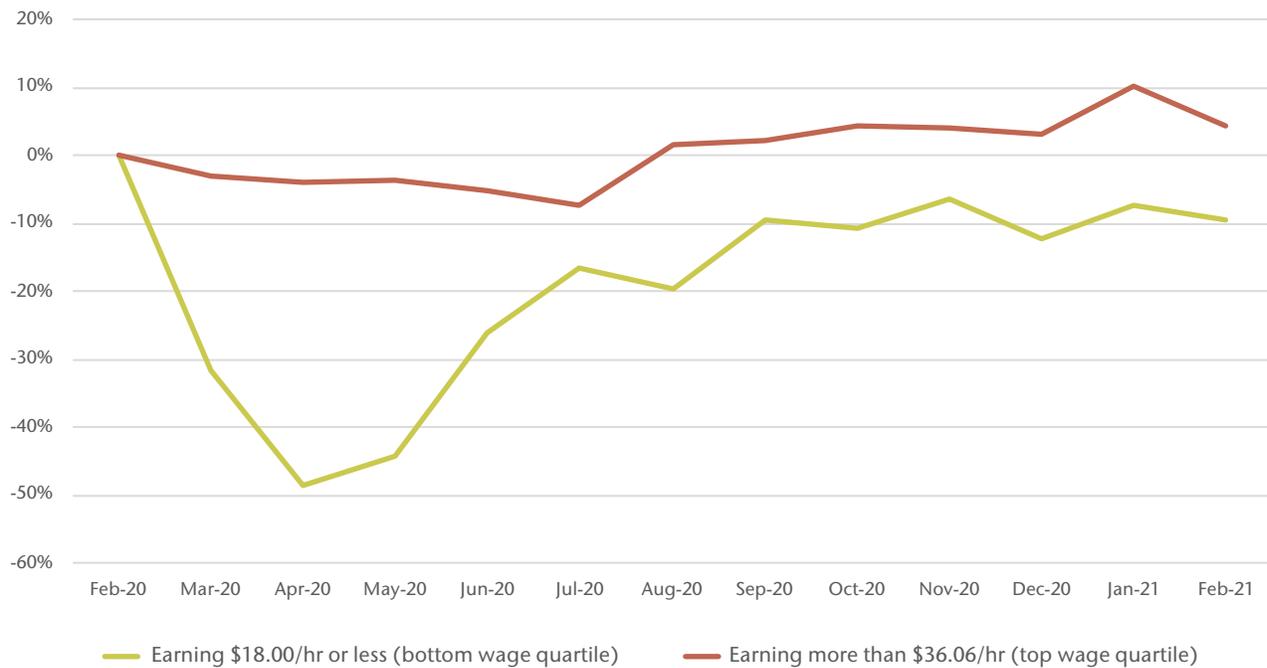
This report goes beyond documenting the experiences of frontline and low-wage workers to analyze the intersectional impacts of COVID-19 job market disruptions in BC. Key findings include:

- Due to the nature of the pandemic and its workplace restrictions, workers in different sectors experienced the economic impacts very unevenly. The industries that experienced the largest declines in hours worked were accommodation and food services; arts, entertainment and recreation; educational services; mining, quarrying, and oil and gas extraction (though notably this industry is a very small employer in the province); and other services (a sector which includes personal services, repair and maintenance, domestic workers, charities and non-profit organizations). As the economy moves through the many stages of reopening, service industries that experienced larger job losses during the first wave of the

<sup>1</sup> Please see the note about data terminology on p. 9 for more information about the terms used in this report with respect to gender, racialization and Indigenous identity.

While federal and provincial government interventions were able to lessen the financial impact of the COVID-19 crisis for many individuals, the pandemic has highlighted and deepened long-standing gender, racial and economic inequalities.

**Figure A: Share of BC workers in the top and bottom wage quartiles who lost their jobs or the majority of their regular hours relative to February 2020**



Note: Excludes the self-employed because they are not asked about their wages in the Labour Force Survey. Seasonally adjusted by removing average change in each category since February over the past three years.

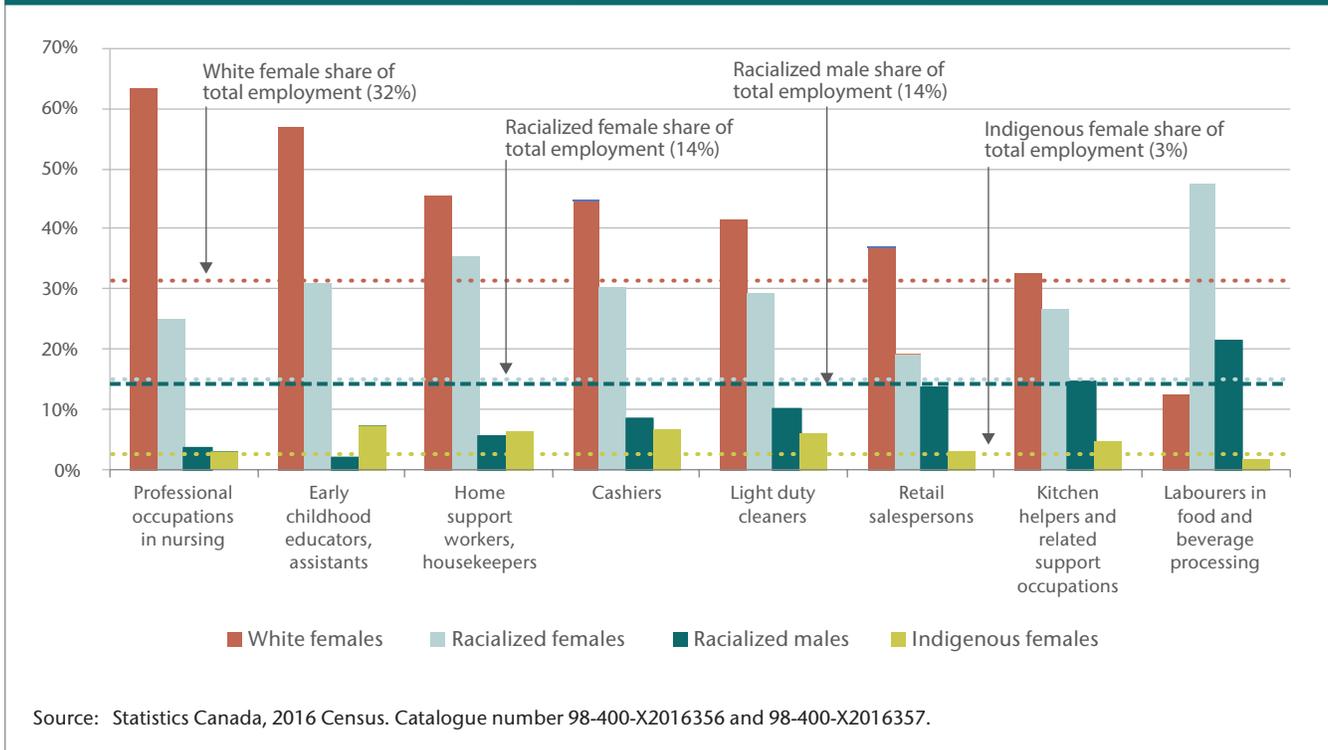
Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF.

pandemic have been slower to recover and will likely remain vulnerable for the foreseeable future, while industries that saw few job losses in the spring of 2020 have continued to enjoy significant employment growth.

- Regional economic differences contributed to differences in the employment impact across the province. Of all jobs lost during the initial phase of the pandemic (April to June 2020) 82 per cent were in the Lower Mainland, the region that remains furthest from recovery to pre-pandemic levels of employment. The North Coast and Nechako and the Cariboo regions also saw large employment losses (14.5 per cent or more) in April to June 2020 compared to 2019, while the rest of the province fared a bit better with the Kootenays and Thompson-Okanagan registering the lowest employment losses. It is important to note that some BC regions entered the pandemic from positions of labour market strength and high job growth (e.g., Lower Mainland-Southwest, Thompson-Okanagan), while others saw a weaker job market in 2019 (e.g., Vancouver Island and Coast, Northeast), so a smaller drop in employment or recovery to pre-pandemic employment levels does not necessarily indicate a strong job market in the region.
- Women represented the majority of workers on the front lines of the pandemic in essential service and caregiving jobs that typically cannot be done from home. These jobs also tend to be filled by a disproportionately large share of racialized

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Figure B: Female and racialized share of workers at the frontlines of COVID-19



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women. Due to the nature of this work, this means that racialized and female workers were more likely to be placed at higher risk of infection.

Workplace exposure risks of COVID-19 combined with other economic disparities experienced by racialized workers can help explain why COVID-19 mortality rates across Canada have been more than three times higher in neighbourhoods where a high proportion of the population is racialized (25 per cent or more) than in neighbourhoods with a low proportion of racialized population (less than 1 per cent).<sup>2</sup>

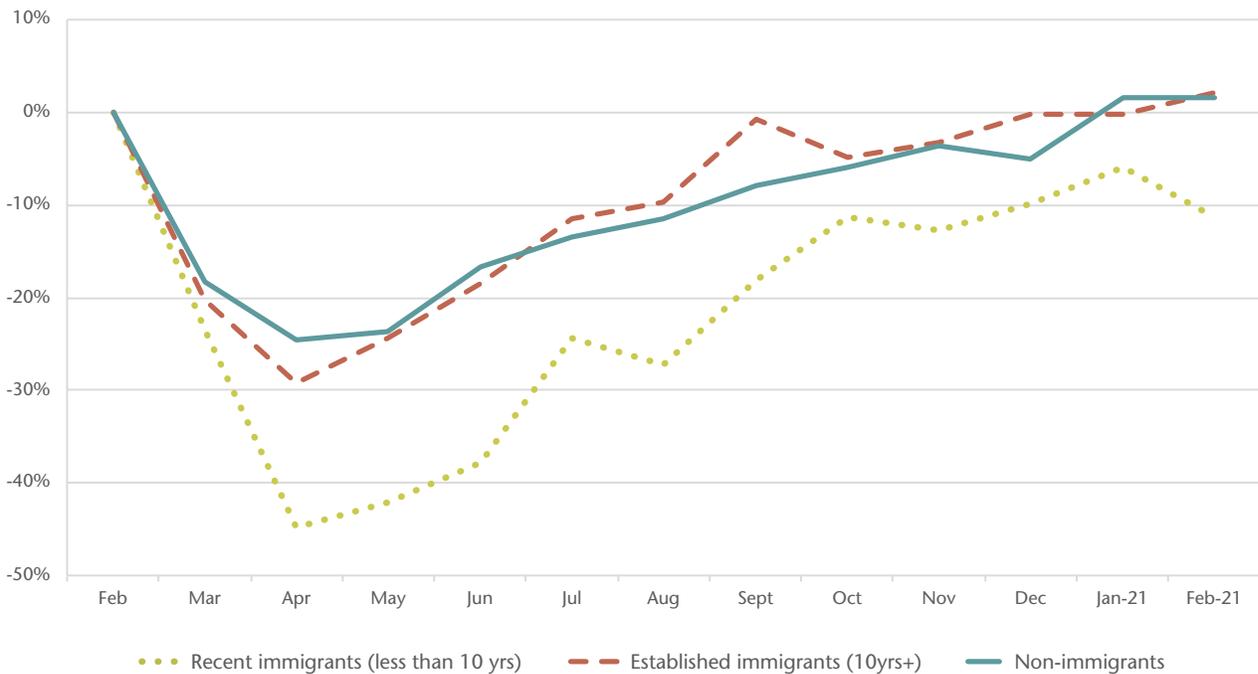
Additionally, unpaid caregiving demands following the spring 2020 closures of schools, child care programs and other services, weighed heavily on parents, especially mothers with younger children and single parents, making it more difficult for them to fully participate in paid work. The result is a substantial increase in labour market inequality among workers and families.

Notably, among women who have been impacted by the pandemic, low-income women, Indigenous and racialized women, mothers with young children (especially single mothers), recent-immigrant women and young women have been particularly hard hit.

- Young workers, aged 15 to 24, and especially young women, saw the biggest employment losses during the initial shutdown period and have been the slowest to recover both in Canada and in BC. Young BC women were particularly hard hit

<sup>2</sup> Statistics Canada. Age-standardized COVID-19 mortality rate compared.

**Figure C: Share of BC workers who lost their jobs or the majority of their regular hours relative to February 2020 by immigrant status**



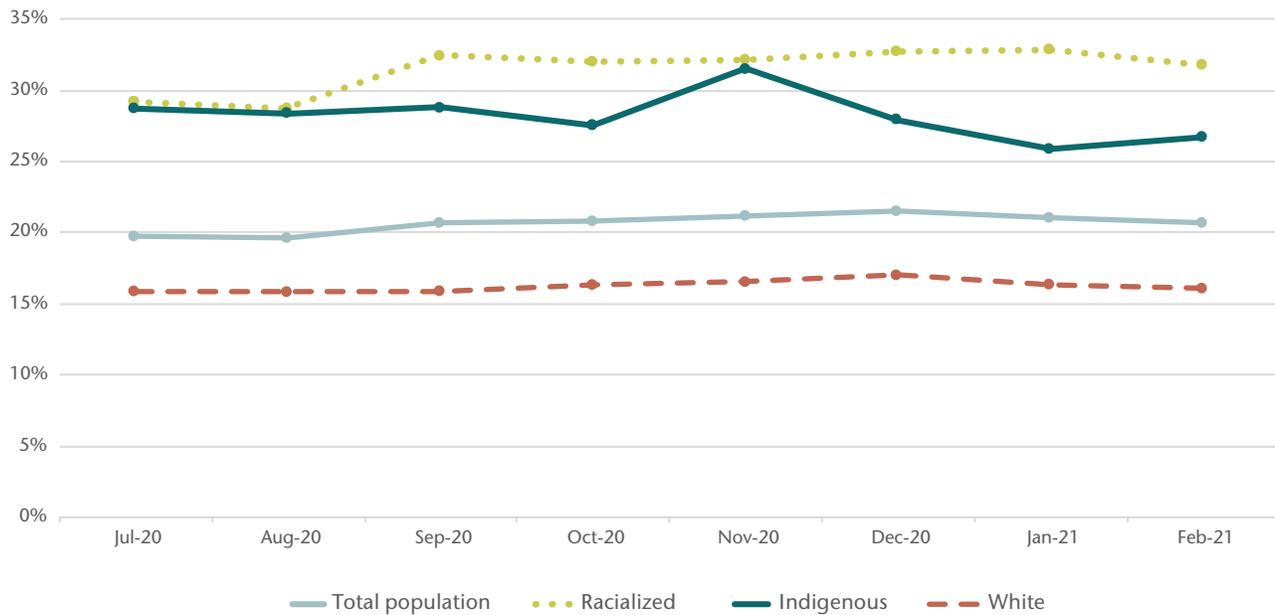
Source: Source: Author’s calculations based on data from Statistics Canada, Labour Force Survey PUMF. Seasonally adjusted by removing average change in each category since February over the past three years.

with 42 per cent of young women working in February 2020 losing their jobs by April 2020, compared to 31 per cent of young men.

- Recent immigrants (those who became permanent residents of Canada less than 10 years ago) have experienced larger job market impacts due to the pandemic than other Canadians and that work has not yet fully returned. Nearly half of recent immigrants who were working in BC in February 2020 lost their job or the majority of their hours by April 2020 (45 per cent), compared to 29 per cent of established immigrants and 25 per cent of non-immigrants.
- Overall, racialized workers in BC have been harder hit than white workers and continue to experience higher levels of unemployment as of February 2021, although the unemployment gap between racialized and white workers has narrowed during the recovery, and the gap in BC is smaller than the Canadian average. However, despite economic gains being made overall in the province during the recovery, racialized workers are more likely to experience higher levels of financial insecurity. In February 2021, nearly a third of racialized British Columbians between the ages of 15 and 69 lived in households that found it “difficult” or “very difficult” to meet basic financial commitments in the last four weeks, compared to only 17 per cent of their white peers.

Recent immigrants have experienced larger job market impacts due to the pandemic than other Canadians and that work has not yet fully returned.

**Figure D: Proportion of people living in households that reported it was “difficult” or “very difficult” to meet basic household financial commitments in the last four weeks, Canada**



Notes: Data for the population aged 15 to 69. Data is not seasonally adjusted.

Source: Statistics Canada, Labour Force Survey Supplement, July 2020 to February 2021, custom table.

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The overall level of financial insecurity in BC (22 per cent among the total population), as of February 2021, is the third highest in Canada, behind Alberta and Ontario (25 per cent and 23 per cent, respectively).

- Indigenous workers in BC have experienced larger employment losses and a much slower recovery. In 2020, Indigenous men experienced significantly higher unemployment in BC than any other group. While Indigenous women in BC saw a quick rebound of employment in the summer and fall of 2020, bringing their employment rates back up to nearly pre-pandemic levels by October 2020, in the later part of 2020 and early 2021, Indigenous women saw significant employment losses, with their employment rates dipping below those of Indigenous men.

## POLICY RECOMMENDATIONS

The goal of this report and its findings is to provide crucial context to understand the full extent of the ongoing impacts of COVID-19 on different groups of workers in BC. As this report shows, when planning for the ongoing stages of the recovery and beyond, it is not enough to only consider the overall economic and labour market trends in our province. In order to design effective and equitable solutions as we go forward, we must engage in intersectional analysis to better understand the nature of the challenges that different

groups of workers in our province are facing so future policy interventions can be appropriately targeted to those who most need support.

The pandemic has disproportionately impacted low-wage workers, and particularly those who experience intersecting inequalities due to sex, gender, racialization, Indigenous identity, disability and other social identities. To avoid deepening poverty and marginalization among these communities and to move instead toward a resilient and inclusive economy, policy-makers must take these intersecting layers of discrimination into account.

The COVID-19 pandemic is putting BC's commitments to gender equity, anti-racism and meaningful reconciliation to the test. Creating the conditions for a different sort of prosperity—one that is not based on exclusion and marginalization—requires a more equitable redistribution of resources and power.

Fostering an inclusive and just economy in BC requires coordinated efforts of all levels of government, as well as the active participation of the non-profit sector, business and communities across the province. However, the provincial government has a responsibility to lead in developing an inclusive economic strategy as it is primarily responsible for the design and implementation of the public services underpinning the caring economy (e.g., health care and education at all levels), for regulating the labour market to ensure job quality, and for providing a social safety net of last resort. Below is a summary of the more detailed provincial public policy measures recommended in the full report.

The COVID-19 pandemic is putting BC's commitments to gender equity, anti-racism and meaningful reconciliation to the test.

## 1. Large-scale, people-centric public investments in physical and social infrastructure, especially in the care economy

- The care economy, which is currently gendered, racialized and undervalued, should be rightfully recognized as the foundation upon which the larger economy is built. In addition to capital funds to expand child care spaces, hospitals and care facilities, investments in improved staffing, levelling up wages and other reforms to fix long-standing issues in seniors care, care for people with disabilities and long-term care are all required.
- Redoubling the province's commitment to build an affordable, quality, universal child care system with well-paid workers will enable parents with young children, in particular mothers, to return to work or pursue education; will support children's healthy development; and will create good, family-supporting jobs for women.
- Significantly scaling up investments in affordable and non-market housing.
- Accelerating investments in accessible mental health and addiction support, expanding the accessibility and affordability of post-secondary education and skills training, more ambitious climate action, additional funding for digital equity, and support for non-profit organizations and charities working to meet both frontline urgent needs and working to address systemic challenges and inequities.

## 2. Labour market reforms to strengthen workplace rights and make all jobs good jobs

- Modernizing workplace rights and protections, and mandating regular review processes so that workplace rights legislation keeps up with rapidly changing labour markets.
- Closing the gap between the minimum wage and living wages, and closing the gap in wages and employment protections between standard (permanent, full-time) and non-standard workers.
- Strengthening the collective voice of workers in the workplace, including making it easier to unionize, in particular for workers in low-paid and precarious jobs (who tend to be predominantly female and racialized people).
- Adequately funding and staffing proactive enforcement of employment and labour rights to support the capacity to process workplace rights complaints and enforce legislation.
- Expanding access and portability of benefits that are typically based on full-time long-term employment with a single employer to reflect the realities of frequent job changes, non-standard work and self-employment.
- Promoting equal opportunities for unpaid caregivers and people with disabilities to participate in the labour market by improving flexibility provisions for all workers and increasing access to paid sick and family leave and paid vacation.
- Implementing diversity pay equity strategies, including pay transparency provisions and stronger pay equity legislation with the goal to close existing gender, race and other wage gaps.

Public policy should seek to close the gap between the minimum wage and living wages, and close the gap in wages and employment protections between standard (permanent, full-time) and non-standard workers.

## 3. Overhaul of our income and social support system to ensure adequacy and accessibility

- Increasing income assistance rates to the poverty line as measured by the Market Basket Measure (MBM). There is a troubling discrepancy between the standard set by the \$2,000/month CERB, and later the Canada Recovery Benefits, on the one hand and the pitifully low rate of income assistance on the other. Even with the significant April 2021 increase to \$935/month for a single adult in the “expected to work” category, income support rates and disability benefits remain vastly lower than the poverty line.
- Implementing a basic income for people with disabilities, integrating support for mental health and addictions into the program.
- Implementing a targeted basic income program for youth aging out of foster care and providing better wrap-around supports for this group.
- Increasing income support for people escaping family violence, accompanied by improved wrap-around support, in particular better access to stable housing.
- Overhauling income assistance to reduce barriers to access, enable a smooth transition between assistance to paid work and provide better support to working-poor adults.

- Introducing new financial supports for low-income renters and significantly expanding the stock of supportive and non-market housing.
- Providing publicly funded extended health care services to all low-income households, including dental and vision care, and mental health services and supports, with a medium-term plan to extend universal access to these important health services.

The COVID-19 economic recession has made clear that it is neither just nor in the social or economic interest of us all to stand by while persistent poverty and social exclusion destroy human potential. It is vitally important that in addition to providing an economic stimulus through increased public spending, recovery packages prioritize the economic security of those worst impacted by the pandemic: low-wage workers, racialized and Indigenous people, women, British Columbians experiencing poverty, and other vulnerable households, so that we rebuild a more resilient and equitable future economy.

## A NOTE ABOUT DATA TERMINOLOGY

This report is based on data provided by Statistics Canada, primarily drawn from the Labour Force Survey. Because both race and gender are socially constructed (not biologically determined), terminology used to describe these constructs tends to be inconsistent and imperfect across many platforms and sources, including in the data used here. With that in mind, this table helps explain the intended meaning behind certain demographic terms used in this report while balancing that against the need to accurately represent the source data.

Statistics Canada terminology	Terminology used in this report
The term <i>visible minority</i> is defined by Statistics Canada as referring to whether a person belongs to a visible minority group as defined by the <i>Employment Equity Act</i> . The term does not include Indigenous people.	<i>Racialized</i> people.
<i>Non-Indigenous, non-visible minorities</i> refers to people who are racialized as “white”— they are neither people of colour nor are they Indigenous.	<i>White</i> people.
<i>Indigenous</i> refers to people of First Nations, Métis or Inuk identity. Also still occasionally referred to as <i>Aboriginal</i> in the Labour Force Survey. Data collected in the Labour Force Survey is for people living off-reserve.	<i>Indigenous</i> people.
Sex and gender:  While the most recent 2021 Census has asked questions to differentiate between biological sex and gender identity, that differentiation was not available in the data sources used here, which ask participants for their sex only and limit the options to male and female. The spectrum of gender identity is not explicitly captured nor reflected in this data.	Because both Census 2016 and the Labour Force Survey only ask about sex and not gender identity, this effectively conflates sex (female/male/intersex) and gender (women/men/transgender/non-binary): given no other option, respondents may have also conflated the categories in order to complete the question. In recognition that both sex and gender may have been captured in the data, we have elected to use both categories as follows:  Figures and tables: <i>Female</i> and <i>male</i> .  Body of report: <i>Women</i> and <i>men</i> and <i>female</i> and <i>male</i> .

We recognize that these descriptors are still imperfect and do not capture the many complexities and problems with the social construction of racialization including mixed racialized identities, Indigenous identities, nor of gender identities and non-binary sexual attributes.

## ABOUT THE AUTHOR

**Iglika Ivanova** is a senior economist and the Public Interest Researcher at the BC Office of the Canadian Centre for Policy Alternatives. She has authored and co-authored numerous publications on key social and economic challenges facing BC and Canada, including poverty, economic insecurity, income inequality, low-wage work, and labour market shifts towards more precarious employment. In addition to shining a light on often neglected social and economic justice issues, Ivanova's work offers actionable solutions for building a more just and inclusive economy through public policy change.

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