



Canadian Centre for  
Policy Alternatives  
Manitoba Office

# work *life*

## COVID-19 Revealing Inequities in Canada's Labour Market

**T**he strange times we're living in are bringing many issues into sharp focus for the public at large. This is true with regard to the relationship between workers and employers, where old issues are taking on a different hue.

Manitoba is slowly coming back on line, with restrictions loosening for a variety of businesses, including restaurants, hair salons and retail establishments. Employees will begin being called back to work, but some employers are surprised to learn that not all employees are eager to return.

The \$2,000/month Canadian Emergency Response Benefit (CERB) can pay as much, even more, than low-wage workers earn. Arguments are already being floated against this benefit. Why work, asks one Winnipeg restaurateur, if you can sit at home and earn \$500/week through the CERB program?

Premier Pallister has expressed his dissatisfaction with the program despite its contribution to keeping Manitobans safe and preventing a total collapse in consumer demand: "We are fighting against a federal program that is actually paying people to stay out of the workforce right now," he said. "I don't like the fact that that is real, but that is real. People are being paid to stay home and not work."

There are a variety of reasons workers may not want to return. Many have lost access to child care; some may have health concerns that put them at higher risk, or live with someone who is vulnerable, such as an elderly parent. Community transmission has not been eliminated, and won't be until herd immunity is established and/or a vaccine is found; as such, fear of contracting COVID-19 is not unreasonable.

Employees have the right to refuse unsafe work: who gets to decide if the risk of transmission is low enough? Manitoba's Chief Public Health Officer, Dr. Brent Roussin, is still recommending that people stay home to avoid getting sick: this cannot be reassuring to those who work directly with the public.

Many jobs in the service sector do not just remain risky, most offer low pay for hard, menial work and many have no benefits, job security, guaranteed hours or sick days. A minimum wage job, at \$11.65/hour does not allow a family with children to make ends meet, even with two parents working full time, especially if they have to pay for child care – a sector that has garnered sudden societal appreciation. It's hard to blame anyone for trad-

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ing \$500/week for \$437/week (\$11.65 x 37.5 hours). In order to earn the same as CERB, a minimum-wage worker would have to put in 43 hours a week while running the risk of being exposed to the virus.

The CERB is briefly allowing low-wage workers to have a bit of control over their working lives – but this flash of autonomy will be over once workers are called back. If workers refuse to go back they will have effectively quit. And with unemployment likely remaining high during the recovery, it will be impossible for these workers to demand more than they had pre-COVID.

March's Labour Force Survey showed that Manitoba lost 25,000 in March: those losses would mostly have occurred over the second half of the month, after the COVID lockdown was called. Manitoba's unemployment rate increased 1.4 percentage points in March alone, to 6.4 percent: April's rate will be considerably higher.

In order to be counted as unemployed, one has to be looking for a job. The Labour Force Survey notes that country wide, hundreds of thousands of Canadians lost their jobs and are understandably not looking for work, meaning that our measures of the unemployment rate are vastly under-representative. Even so, Canada's unemployment rate increased 2.2 percentage points in March to 7.8 percent. That is

the largest one-month increase on record, and it only captures the beginning of the lockdown.

These data do not bode well for those who hoping that the new public awareness of the difficulties many workers face will improve Employment Standards and Health and Safety regulations. Higher unemployment means less worker power. Some wonder if higher unemployment could force Canadians to do work they normally would refuse.

Workers who come in under the Seasonal Agricultural Workers Program (there are up to 60,000 who come every year; 400 of which come to Manitoba) have to be quarantined for 14 days before they can start working. Quarantine conditions are strict, and employers will be heavily fined if they breach the conditions. Worker advocates question if living conditions will be adequately monitored, or if they will be forced to work when they shouldn't, or forced to pay back the two weeks' pay. These concerns are legitimate considering the well documented abuses these workers face. It is their high degree of exploitability that makes these workers such an integral part of Canada's food production.

Others ask if growers will bother bringing the workers in given the cost of compliance and risk of being fined. Fewer workers will be hired given the social distancing requirements they will have to comply with. So what about the

suggestion to get Canadians to do this work?

Farmers are not keen on the idea: "Farm work is "not unskilled labour," Fraser (professor - University of Guelph) said. It can take weeks, or months, to bring a trainee up to speed, so flooding farms with inexperienced workers could slow down harvests, increase labour costs, and lower the quality and market value of crops." And would Canadians be willing to do back-breaking work, 12-14 hours a day, six days a week for minimum wage? Some would, but most would rightfully demand higher pay than what foreign workers get.

As we navigate the twists and turns of the pandemic, we see more and more how the workers we value the least are the ones we need the most. Yet we continue to classify temporary foreign workers as low-skilled and refuse to open a pathway for them to permanent residency, and expect Canadians working in the service sector to risk their health for low pay and precarious working conditions.

This crisis is far from over and more cracks in our labour market will be revealed. The looming question is whether we will find a way to repair those cracks, or if they will become wider and deeper.

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