10 WAYS
THE COVID-19 PANDEMIC MUST CHANGE WORK FOR GOOD
This research paper is published by the Centre for Future Work as part of its new Power Share project, to investigate workers' collective voice and agency in the future of work. Work is changing due to many forces: technology, business models, labour regulations and policies, and social attitudes. Will workers have a real say in what work becomes? Will they have the voice and power to meaningfully shape the future of work, and protect their interests?

PowerShare is a partnership between the Centre for Future Work, the Atkinson Foundation, and the Canadian Centre for Policy Alternatives.

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The COVID-19 pandemic has resulted in an unprecedented economic catastrophe: entire sections of the economy were deliberately shut down to protect health, and unemployment soared to Depression-like levels within a matter of weeks.¹ Recovering from this catastrophe will require years of economic and social rebuilding. The post-COVID reconstruction will inevitably be led by government: with its unmatched financial resources, planning capacity, and regulatory and social authority. It will take years to recreate jobs for the millions of Canadians who have seen their work opportunities evaporate.

As we rebuild the quantity of work, however, economic stakeholders must also seek ways to improve the quality of work: its safety, its fairness, and its sustainability. Long-standing fault lines in Canada’s labour market were brutally exposed by the COVID-19 pandemic and the unprecedented economic contraction it caused. Repairing those structural failings will be an essential precondition for reconstructing the national economy on a sustained basis. Reforming work is not just a moral imperative: something we desire, because we would like a fairer and more inclusive labour market. It is also an economic necessity: put simply, Canada’s economy will not be able to function successfully after the pandemic, without focused and powerful efforts to fix these long-standing problems in the world of work.

¹ As discussed below, the official unemployment rate (13% as of April) does not fully portray the severity of the crisis in labour markets.
This paper identifies and considers ten ways in which work after the pandemic must change “for good”—in both sense of that phrase (qualitatively and permanently). If the re-opening and rebuilding of the national economy is to be sustained and successful, we must fix these problems, allow workers to do their jobs safely and effectively, and allow society to rebuild and prosper on the strength of their talent, productivity, and commitment. The ten changes identified include:

1. Guaranteeing proper health and safety practices and equipment in workplaces, to protect against renewed workplace infection and other hazards.

2. Reconfiguring the spatial relationships of workplaces (and related places and facilities, like public transportation) to protect the health of workers and customers, and improve the quality of work life.

3. Providing adequate paid sick leave and other income security for workers who cannot work due to the direct or indirect effects of contagion.

4. Ensuring that work from home occurs in a fair, safe, and sustainable manner—and also that workers are able to come back to their regular workplaces when desired and appropriate.

5. Limiting precarious employment practices (which have proven to be a major threat to public health), and providing decent protections and supports to workers in insecure work arrangements.

6. Welcoming the inevitable increase in the quantity of jobs in the full range of public sector functions and services, which will provide important strength to the labour market for years to come.

7. Reducing reliance on “just-in-time” management, staffing and logistics strategies, and recognizing that redundancies and back-ups have genuine economic and security value.

8. Reconfiguring Canada’s approach to income security, to finally recognize the full diversity of modern work arrangements, not just the “standard employment relationship” that underpinned postwar social welfare policies.

9. Revaluing the work of those occupations which have proven to be essential to public welfare and safety during the pandemic— including front-line health and emergency workers, but also those performing less appreciated tasks (in retail, transportation, manufacturing, and maintenance) whose jobs have been devalued for years.

10. Ensuring adequate structures of voice, representation, and bargaining power for workers, so that they can better protect their own safety, and advance their own economic interests in the future.

The last of these ten themes, in many respects, is a common thread that links all the others. To win safer workplaces, adequate paid sick leave, fair work-from-home arrangements, and other crucial improvements in the quality of work, Canadians workers will need to exercise more agency, and wield more power, in the debates and dialogues that will occur before these changes are won. When workplaces, and society at large, ensure that workers have a recognized and valued role in shaping the
parameters of work life (from safety to space to compensation), then work can indeed become safer, fairer, and better.

Let us consider just one timely and harrowing example of the importance of workers’ voice and agency in shaping the future of work. If meat-packing workers had the knowledge, the job security, and the power to stop unsafe work immediately, instead of waiting fruitlessly for employers and government to respond to the obvious and present danger of contagion in that industry, then thousands of infections, and numerous deaths, would have been prevented. Instead, work continued when it should have been stopped. And those outbreaks significantly damaged public health.

In retrospect, society’s tolerance of pervasive insecurity, exploitation, and even repression thus contributed to some of the worst outcomes of the pandemic. It was implicitly accepted by some employers, some political leaders, and much of the public that many groups of low-paid, insecure workers would “naturally” become victims of this pandemic. Otherwise, they would have reacted as forcefully and effectively to protect the safety of meat packers and other low-wage workers, as they do to protect the health of executives and politicians (none of whom were ever expected to work in close quarters, without adequate protective equipment).

We may not be able to fully predict or prevent future waves of contagion – or other over-arching threats to our collective well-being (like climate change, violence, or inequality). But we can surely equip and empower all segments of society, including those who perform the most humbly paid, taken-for-granted jobs in the whole economy, to protect both themselves and broader society against these threats. By changing work for good after this pandemic, we will build a better, safer society.
Introduction: An Unprecedented Moment

The COVID-19 pandemic has precipitated an unprecedented shock in the Canadian economy, labour market, and society. Of course, the biggest toll has been the loss of thousands of lives, and lasting and not-yet-understood health consequences for those who survived. But the economic and social consequences are profound, as well.

Entire sections of the economy were deliberately shut down to prevent infection and protect public health. Those closures, in turn, have repercussions through other parts of the economy, as orders dry up, incomes stop flowing, and supply chains are disrupted. Barriers to international travel and goods shipments are causing additional closures and uncertainty. And with all sectors of the economy – consumers, businesses, governments, community institutions – contemplating unknowable risks (including the possibility of renewed contagion), there is no possibility that the “normal” economy will somehow spring back to life, even as the immediate health emergency recedes.

In short, Canada is experiencing the fastest, biggest contraction in work and economic activity in its history: as deep as, but much faster than, the Great Depression of the 1930s. The crisis is of a completely different order of magnitude from any previous “cyclical” downturn. Recognizing this desperate situation, governments have mobilized unprecedented resources: both to address the immediate health challenge, but also to protect Canadians (as much as possible) from the economic consequences of the lockdowns. Announcements of enormous new income support programs and other emergency measures became almost a daily occurrence as the pandemic continued to unfold.

The quantity of work undertaken in Canada’s economy has been dramatically reduced by the emergency measures implemented to try to control the pandemic. The incredible extent of this decline became evident with Statistics Canada’s monthly labour force report for the month of April. That was the first full month in which emergency health measures were restricting many consumer and business activities.

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2 The March labour force report, based on a survey conducted beginning in the middle of that month, captured only a portion of the decline; by the time of the April survey, the full shock was being experienced.
activities, forcing the cessation of much work and the loss of millions of jobs. The numbers were stark: employment declined by almost 3 million positions in April compared to February (the last full month before the lockdowns). And millions more lost most or all of their hours of work, even if they remained formally "employed" (in the sense of having a job they could potentially return to).

| Table 1 |
| Official and Realistic Measures of Unemployment |
| April 2020 |

| official unemployment | 2.4 |
| Employed but worked no hours | 2.4 |
| Not in labour force, but recently worked and want to work | 1.1 |
| Worked, but lost most hours (full-time equivalents) | 0.7 |
| **Total** | **6.6** |
| Official unemployment rate | 13.0% |
| Realistic unemployment rate | 33.5% |

Source: Author’s calculations from Statistics Canada Table 14-10-0287-01 and The Daily.

The official unemployment rate was calculated at 13.0% for April – almost the highest in Canadian postwar history. But that statistic is just the tip of the iceberg. To be considered "unemployed" for purposes of official statistics, an individual must meet several tests. They cannot have worked at all, even for a single hour, in the reference week when the statistical survey was conducted. They cannot hold a regular position with an employer, which might result in recall to work in the future. And they must both be available for work (free of other commitments if work became available) and actively seeking it – which in turn requires regular submission of active applications or pursuit of cold contacts (not merely passively watching job ads). This rather artificial and restrictive statistical definition means that most of the people who did not work in April, were not counted as unemployed.

As indicated in Table 1, a more realistic measure of unemployment is about 20 percentage points higher than the official reported measure – and comparable to the peak levels of unemployment experienced during the 1930s. In addition to the 2.4 million officially unemployed (a number which itself more than doubled between February and April), another 2.4 million Canadians were technically employed but did not work at all during the reference week. Another 1.1 million Canadians were considered by Statistics Canada to have exited the labour force: they had recently worked, and wanted to work, but were not actively seeking it (for obvious reasons, not least being explicit advice from health officials to stay home!). That group of eager potential workers constitutes a significant share of the decline in the total labour force between February and April (which shrank by 1.7 million Canadians over the two months). Finally, close to 1.5 million more Canadians worked some hours during April, but less than half of their normal hours. That means they were at least “half” unemployed, and this constitutes another significant pool of unutilized labour. On a full-time equivalent basis, that corresponds to over 700,000 more unemployed. Together, these various categories of unemployment thus constitute over one-third of the entire labour force (adjusted to include the 1.1 million recently
employed workers who want to work but didn't actively seek it). A realistic measure of Canada's unemployment rate is 33%: that is more than 2.5 times higher than the official rate.

The official unemployment rate has always been a misleading and ideologically biased indicator of the true extent of unutilized labour. Its restrictive definitions stem, in part, from a "blame the victim" understanding of unemployment. If someone isn't instantly available for work and actively seeking it (whether or not any job openings realistically exist), then they aren't really "unemployed" – rather, they should be considered as voluntarily choosing not to work. But in the context of the current dramatic crisis in work, that official definition, always questionable, has now become virtually meaningless. In quantity terms, the collapse of work in Canada is already as bad – after just a couple of months of confronting the coronavirus – as the depths of a decade-long Depression in the 1930s.

Canada, like most countries, will face a long and historic challenge to rebuild employment once the immediate health emergency abates. This will require a concerted and sustained effort, inevitably led by government, to restart and reconstruct economic activity. Previous recessions (like those experienced in Canada in the early 1980s and early 1990s) took years to regain pre-recession unemployment rates – but those downturns were a fraction of the size of the current crisis. Shocked consumers and businesses lack both the spending power and the confidence to make major outlays (including investments in housing, consumer durables, and new business capital). It will require a multi-year effort to mobilize public investment in infrastructure, services, and direct public sector employment, to lead the economy back toward full utilization of its resources (and most importantly its people).

This task of rebuilding the economy after the "war" against the coronavirus can be considered analogous to the sustained post-war reconstruction that occurred in Canada and other nations after the Second World War.\(^3\) Canada emerged from that war carrying a large public debt: peaking at 150% of GNP in 1945.\(^4\) But the government at the time did not embark on a program of austerity and fiscal surpluses to try to "pay off" that debt: instead, it continued to incur deficits in most years, helping finance a rapid expansion in public investment (including many historic postwar infrastructure projects) and expanded public services and welfare programs. The continued expansion of government's economic and social footprint, even after the cessation of hostilities (and the demobilization of war production), contributed to a generation of prosperous and relatively inclusive growth.

A similar reliance on the economic leadership of government will be required for Canada to rebuild after the current "war." That will need to include several dimensions:

- Sustained public investment in infrastructure and public facilities of all kinds.
- Expanded public services, including both health-related services (such as long-term care and assisted living services) and other public and caring services (like early child education, which will be crucial for supporting a recovery in employment for parents, especially women).
- Public capital and leadership to advance the transition of Canada's energy and transportation systems toward sustainable and renewable energy sources.

\(^3\)This analogy is developed further in Stanford (2020a) and Pennington and Stanford (2020a).

\(^4\)Author's calculations from Statistics Canada, Historical Statistics of Canada, Tables F1-135 and H35-51; measures federal direct net debt.
• Direct public sector employment in the whole range of public, caring, and community services.

And as the country enters a challenging and lengthy period of reconstruction, restoring the quantity of work, an equally important focus must be maintained on the quality of work: ensuring it is safe, sustainable, and fair. Indeed, there are many interactions between the quantity and quality of work. In the current, fragile situation, it will not be possible to sustainably restore the quantity of work performed in Canada’s economy, without addressing several urgent challenges associated with its quality. Some of those challenges are consequences of the pandemic, but many were already constraining our capacity to work long before the virus reached our shores.

This paper considers a list of 10 crucial ways in which work must change after the COVID-19 pandemic. It argues that the pandemic, and the resulting economic emergency, has exposed deep fault lines in the way we organize, protect, and compensate work in Canada’s economy. Those problems must be addressed, and work must change “for good”: in both senses of that term. Work must be made better: safer, fairer, more secure and stable, and more inclusive. And those changes must be lasting: otherwise we will remain vulnerable to further shutdowns and crises, whether from future waves of infection or other catastrophes.

Getting Canada back to work is an enormous, historic challenge. It will involve all segments of society, but will necessarily be led by government: the only entity with the resources and the authority to initiate and coordinate nationwide economic and social reconstruction. And we need to do it right. To ensure that economic reopening and rebuilding is sustained, and that its benefits are shared by those doing the work, we have to fix work for good.
Ten Ways the COVID-19 Pandemic Must Change Work for Good:

1. Working Safely

Next to the catastrophic COVID-19 outbreaks in long term care and assisted living facilities, the workplace was probably the most dangerous place for contagion in Canada during this pandemic. Thousands of workers contracted COVID-19 from going to work – and hundreds of them died.

Table 2 catalogues just some of the most frightening outbreaks of COVID-19 in Canadian workplaces. Health care facilities are obviously an acute source of potential workplace infection, by virtue of the concentration of ill patients who seek treatment there. In the wake of the 2003 SARS crisis and other experiences, health care facilities have upgraded standards regarding treatment and management protocols for infectious patients, personal protective equipment (PPE), staffing regimes, and other responses. However, despite those preparations, major gaps and inadequacies became apparent as the COVID-19 pandemic unfolded: some relating to shortages of equipment and supplies, some to staffing problems and mismanagement.\(^5\)

Tragically, long term care (LTC) facilities were the weakest link in Canada’s health care system, and proved to be exceedingly vulnerable to outbreaks and mass death. Horrifying inadequacies in standards regarding patient care, cleanliness, infection control, and treatment protocols have sparked outrage, and a desire for deep change, among Canadians. Residents of those facilities account for the majority of Canadian deaths from COVID-19 – dying often isolated and without contact with families and loved ones. But workers in those facilities were obviously vulnerable to infection, in addition to residents. And degrading employment practices in many LTC facilities (especially privately-owned and operated homes\(^6\)) contributed to their failure to protect health and life. For example, the widespread use of precarious employment practices by these facilities – including the use of temporary and agency staffing, and multiple job-holding by care workers who receive only part-time hours – contributed directly to the spread of disease between LTC facilities, and then into the community. The B.C. government’s early decision to prohibit LTC workers from working at multiple locations, backstopped

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\(^5\) See, for example, the list of concerns catalogued by the Canadian Federation of Nurses’ Unions (2020).

\(^6\) Armstrong et al. (2020) chronicle the failures of the private LTC industry and the need for fundamental reforms.
with direct provincial payment of full-time union-rate wages, was enormously important in controlling that province’s early LTC outbreaks (in sharp contrast to the horrifying events that unfolded later in Ontario and Quebec).  

### Table 2

**Major Workplace Outbreaks of COVID-19**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Outbreaks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat-Packing</td>
<td>The Cargill meat-packing plant near High River, Alberta caused over 1500 infections and 3 deaths. The plant closed for 2 weeks, then re-opened despite protests from workers and their union. Two other meat plants in Alberta experienced large outbreaks: with 487 infections (and one death) at the JBS facility in Brooks, and 36 at the Harmony Beef plant in Balzac. A smaller Cargill meat plant in Quebec was also closed after an outbreak infected 64 workers.</td>
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<tr>
<td>Other Food Processing</td>
<td>54 workers were infected at the Superior Poultry processing plant in Coquitlam, BC. 28 workers were infected at the United Poultry Company processing plant in Vancouver. Five workers were infected at the Nature’s Touch frozen fruit factory in Abbotsford, BC, and three more at the Oppenheimer Group fruit and vegetable processing facility in Coquitlam, BC. Other provinces also experienced outbreaks in food plants.</td>
</tr>
<tr>
<td>Oil Sands and Remote Camps</td>
<td>Workers housed in remote camps at resource and construction projects are vulnerable to both contracting infection living in close quarters, and then spreading it when they return to their homes after their shifts. The worst outbreak was at Imperial Oil’s Kearl Lake facility, where workers live in a fly-in-fly-out camp; it was the source of an outbreak causing 106 infections in 5 provinces. A smaller outbreak occurred at the Canadian Natural Resources Horizons oil sands plant, with at least 5 cases.</td>
</tr>
<tr>
<td>Migrant Agricultural Workers</td>
<td>Another industry which houses workers in close living quarters is the farming and agricultural sector, which relies on an annual inflow of 40,000 foreign migrant workers for much of its seasonal labour force requirements. Outbreaks of infection have been reported at several operations in Ontario and BC (including Greenhill Produce in Ontario, with 51 cases, and bylands Nursery in BC, with 14 cases).</td>
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<tr>
<td>Long-Term Care</td>
<td>LTC workers have been vulnerable to infection, alongside the residents they serve. Notable clusters of infection include Résidence Herron in Montreal (where virtually all residents and most staff were infected, and residents were left without care with no staff attending); mass deaths and staff infections at LTC homes in Bobcaygeon and Etobicoke, Ontario; and an outbreak that infected dozens of staff and caused 20 deaths at Lynn Valley Care home in BC. Over 200 LTC staff were infected in BC alone. Dozens of Canadian military personnel assigned to help control infection at LTC homes in Quebec and Ontario were also infected.</td>
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<tr>
<td>Other Health Care Facilities</td>
<td>Health care workers in many other settings (not just LTC homes) also face elevated risks of infection as they care for infected patients. As of mid-May, 3600 health care workers had been infected in Ontario alone.</td>
</tr>
<tr>
<td>Retail</td>
<td>Numerous retail stores reported clusters of infection among employees. Compiled statistics indicate over 500 grocery and retail store employees reporting infection, with several deaths. Affected chains include Walmart (73 infected employees and one death), Loblaw’s (204 infected), and Metro (117 infected). Specific stores with significant outbreaks include the Co-Op grocery store in midtown Calgary (15 employees), and the Real Canadian Superstore in Oshawa (with 1 death).</td>
</tr>
<tr>
<td>Warehousing</td>
<td>Amazon has experienced COVID-19 infections at several of its distribution warehouses in Ontario, and an outbreak infecting at least 5 workers at a warehouse near Calgary.</td>
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<tr>
<td>Taxi Drivers</td>
<td>Scores of airport taxi drivers servicing the Toronto airport tested positive for COVID-19, with 10 deaths of drivers reported by their union. Statistics for COVID-19 infections among other taxi and ride share drivers are unavailable, but likely numerous.</td>
</tr>
</tbody>
</table>

Source: Author’s compilation from McIntosh (2020); Smith (2020); Harris (2020); Dryden (2020a, 2020b); Dryden and Rieger (2020); McGran (2020); Blackwell (2020); Holliday (2020); CBC News (2020); Bachar (2020); Brown (2020); Nikiforuk (2020); Littie (2020); Canadian Press (2020a); Henriques et al. (2020); Davis (2020); Walker (2020); Feinstein (2020); Mojtehedzadeh (2020b); Pelley (2020). Case numbers at time of reporting.

7 See Harnett (2020).
Some of the most devastating workplace outbreaks of COVID-19, however, occurred in industries other than health care. In health care settings, employers, managers, and union representatives have long been sensitive to the risk of infection and the need for strong precautions and safety standards. While those precautions have not always been effectively enforced, there was no surprise about the risks that health works face in the event of a pandemic. In other industries, however, the importance of preventing workplace infection, and responding strongly and immediately to arising threats, was not as well-understood. Combined with the natural reluctance of employers to interrupt production and incur extra expenses, and the often passive attitude of government regulators, this proved to be a recipe for callous and needless disregard of health and safety.

The massive outbreak of COVID-19 at the huge Cargill meat-packing plant near High River, Alberta, has been reported as the largest single workplace-related outbreak in North America. Over half the plant's 2000 workers were infected, along with 500 more close contacts in the community; several workers died. The plant continued operating for many days after the outbreak was first detected; indeed, the responsible provincial cabinet minister proclaimed the plant "safe" just 2 days before it was finally closed for two weeks. The employer offered $500 bonuses to workers to continue working, even as more workers fell to infection. After the temporary shutdown, the plant resumed operation with some new protections in place (such as partial barriers between work stations). Cargill instructed workers to return to work, despite union opposition and fears of renewed infection, and provincial workplace inspectors gave a green light to re-opening (just as they did when the infection was initially spreading ... so workers may be forgiven a lack of confidence in provincial oversight!).

The inadequacy of employer (and government) responses to workplace infection risks was likely more acute in those industries that are one step removed from direct consumer contact. After all, it was consumer-facing sectors (like retail, hospitality, and personal services) that were ordered to shut down first as public health officials came to grips with the pandemic. Both workers and customers in those facilities were thus reasonably aware that these places were potentially risky, and that important precautions needed to be taken. Those precautions were not always adequate or timely, and many workers in those industries (such as retail stores) contracted COVID-19 from their jobs.

But the situation was even worse in other workplaces which were not self-evidently indicated as high-risk facilities – and which operate far from the view (and smart phone cameras) of customers and the general public. Meat-packing plants, other manufacturing facilities, remote work camps in the resource sector, dormitories for migrant farm workers: these are all places where workers labour or live in close proximity, and where the risk of infection (once it becomes established in the community) was obviously severe. Yet employers and regulators were slow to respond to those risks, in some cases negligently so, and these work sites flew under the radar of regulators and the media until massive outbreaks occurred.

Public health officials, occupational health regulators, and employers in all industries are now paying more attention to risks of infection in workplaces of all kinds. Whether their attention and precautions are adequate to prevent renewed waves of infection, as the economy gradually re-opens, remains to be seen. Union representatives and other health and safety advocates remain deeply concerned that safety measures are often token and symbolic: with great emphasis on regulating individual behaviour (such as instructions to workers to wash their hands and avoid touching their faces), rather than establishing proper equipment, logistics, and practices to enhance the fundamental safety of workplaces.
In theory, workplace health risks associated with the pandemic should be addressed by existing occupational health and safety policies and practices. All provinces set out regulations for safe practices and hazard reduction in workplaces, that would apply to minimizing risks of coronavirus infection. They also spell out practices regarding information sharing (such as Workplace Hazardous Materials Information Systems) and discussions with workplace health representatives (even in non-union settings). Most provinces have some version of a “right to refuse unsafe work” provision, whereby workers with reasonable concerns regarding the safety of a work situation can refuse to enter or perform the assigned task (unless and until it is deemed safe by inspectors), without consequence or repercussion from the employer. With all of these provisions, however, the translation from theory to practice is never certain, and depends substantially on the attitude of the employer, the willingness of government to enforce the measures, and the degree of awareness, organization, and determination of the affected workers. In workplaces with strong union representation, good education and information, and a cooperative relationship with the employer, there can be more confidence that the good intentions of these regulations will be fulfilled. In other cases, it is clear that employers do not take the requirements seriously, governments are not intent on pushing them adequately to do so – and workers lack the power to demand the protection to which they are entitled. The preventable outbreaks of COVID-19 in so many Canadian workplaces is proof that existing practices are inadequate. Even workers taking the brave and dramatic act of refusing to work is often not sufficient to ensure the enforcement of basic safety rights: in Ontario, for example, over 200 work refusals related to COVID-19 concerns occurred in March and April alone, but not one was upheld by the Ministry of Labour (which in some cases investigated reported incidents solely by telephone).

Similarly, communicable diseases contracted in the workplace (including COVID-19) could potentially be covered under provincial workers’ compensation (WC) schemes. However, in practice that coverage will be difficult to activate because of long-standing limitations and qualifying rules in the WC system. Workers typically need to prove that they contracted the disease at their workplace – something that is obviously difficult when disease has also spread through the community – and/or demonstrate that the risk of infection was substantially greater at their workplace than in the community at large. The B.C. WorkSafe system has taken a stronger approach, adding COVID-19 to its “presumptive” list of occupational diseases. That means that any essential worker (as defined by the public health officer) in the province who contracts COVID-19 can submit a claim for WC without having to prove they caught the disease at their workplace. Other provinces have yet to follow that precedent.

The elevated risk of infection in the present moment, and our greater collective awareness of the potentially enormous public health consequences of not responding adequately to this and future waves of disease, must elicit a permanent shift in how workplace health measures are understood, designed, and enforced. It is no longer a question just of protecting the lives of people working in those facilities – although that is abundant motive for vigorous health and safety protections. Now we understand that the health of the whole community depends on effective prevention and control of infections in all workplaces, in any industry.

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8 See Mojtehedzadeh (2020a).
9 See McKeen (2020).
The most important determinant of the risk of workplace infection is proximity: how close must workers get to other people, whether their colleagues, their customers, or the public at large. Infection risks are elevated when working indoors, and other factors may also prove to be relevant (such as air circulation, lighting, and of course the use of barriers or masks). But whether someone works closely with others will be the most important determinant of their chances of contracting infection, in this or future waves.

For this fundamental reason, workplaces of all kinds will have to rethink how they organize and manage space. There is a natural cost-cutting imperative for employers to try to minimize the amount of space required for their respective operations. Less space means less construction and rental cost, lower utility bills, reduced property taxes, and other savings. In consumer-oriented workplaces, packing as much potential business (whether retail shelves or restaurant tables) into a given space improves the ratio of revenue to expenses, and boosts profits. More closely-structured manufacturing operations reduce time and cost spent moving materials and semi-finished products from one work station to another. These economic incentives have led employers in all industries to conserve their use of space, which on one level seems “efficient.” But that inevitably means putting workers in closer contact with others. And in the post-COVID economy, that imperative will have to be resisted and rolled back.

To be sure, the reconfiguration of space in workplaces will have dramatic impacts on the economics of many industries. Restaurants will cut the number of clients they can serve in-house by half or more. Airlines will face similar and very costly restrictions on spacing of passengers. Manufacturing facilities, warehouses, and other indoor worksites will have to distribute work stations less densely. Employers
which house workers (at work camps, farms, or other locations) will need to invest in more spacious and private accommodation, dining and entertainment facilities. All these measures will increase production costs and eventually prices to final consumers of affected products and services. This will be a necessary effect of adjusting proximity in workplaces after the pandemic. To some extent, the resulting relative price adjustments can be understood as a trade-off between quantity and quality. For example, it will be more expensive to dine in a restaurant, but diners will not be crowded in as closely to other tables, and will likely get more attentive service. Hence the overall impact on jobs and revenues in some sectors will be somewhat cushioned, with more staff allocated (and more value-added created) per unit of service.

It is not a coincidence that many of the workers who work in closest proximity to others, are also workers who experience the lowest incomes and least security in their jobs. In this regard, their lack of access to "personal space" while on the job reflects their general lack of economic power and protection. Well-paid managers and professionals are seldom required to work in close quarters with others: their relative power allows them to also demand comfortable, private, and healthier working conditions (in addition to their superior compensation and benefits). Empirical research has found a strong, although imperfect, negative correlation between work proximity and compensation: the more closely someone is required to work with others, the more poorly they tend to be paid.10 There are exceptions to this pattern, of course. Some well-paid professions must work closely with others (such as medical specialists working closely with their patients), and some poorly-paid jobs (like cleaners or landscapers) have relatively less intimate face-to-face contact with colleagues or customers. However, in general the workers most likely facing elevated infection risks from close proximity at work are also those earning relatively poor wages and benefits. Improving their physical working conditions, providing more space and protection against disease transmission, will thus have the greatest impacts on low-wage workers, and hence a modest equality-boosting effect.

Table 3 illustrates the link between proximity and low pay in a few selected high-risk occupational groupings in Canada. The table uses detailed measures of workplace proximity developed and published by the U.S. Department of Labour, through its Occupational Information Network (O*Net). Because of the similarity in economic structure and technology between Canada and the U.S., these proximity scores will be broadly accurate in evaluating Canadian jobs, as well. The O*Net proximity scores run from 0 to 100, with a higher number indicating more proximity to other people (whether colleagues or customers). The index uses the following benchmarks:11

- 0: Does not work near other people (within 100 feet)
- 25: Works with others but not closely (eg. private office)
- 50: Works slightly close (eg. shared office)
- 75: Works moderately close (at arms length)
- 100: Works very close (near touching).

The unweighted average proximity score across the almost 1000 occupations measured by O*Net is 60.

10 See, for example, Amarasinghe et al. (2020), Jin and McGill (2020), and Macdonald (2020d).
11 See Occupational Information Network (2020) for more details.
### Table 3
Selected High-Proximity Occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employment (2016, 000)</th>
<th>Average Income (2016, $)</th>
<th>Proximity Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing Aides</td>
<td>347</td>
<td>32,391</td>
<td>91</td>
</tr>
<tr>
<td>Food Manufacturing</td>
<td>67</td>
<td>36,211</td>
<td>85</td>
</tr>
<tr>
<td>Waiters</td>
<td>341</td>
<td>14,619</td>
<td>78</td>
</tr>
<tr>
<td>Transit &amp; Vehicle Drivers</td>
<td>603</td>
<td>40,637</td>
<td>78</td>
</tr>
<tr>
<td>Cashiers</td>
<td>405</td>
<td>12,717</td>
<td>75</td>
</tr>
<tr>
<td>All Employment</td>
<td>47,102</td>
<td></td>
<td>60(^1)</td>
</tr>
</tbody>
</table>

*Source: Author's calculations from Statistics Canada Census and Occupational Information Network (2020).*

\(^1\) Unweighted average of 967 occupations.

Table 3 lists five significant occupations in Canada that have experienced significant episodes of contagion during the COVID-19 pandemic. Employment and average income data are provided based on Canada's 2016 Census. All of these 5 occupations (together employing 1.7 million Canadians) demonstrate proximity scores well above the economy-wide average. Nursing aides experience the highest score, at 91. And all of these occupations provide average compensation levels well below the average for other occupations. These are groups of workers who will need to be much better protected, and hopefully better compensated, from the risks of contagion in the future.
3. Paid Sick Leave

The failure of Canada’s existing standards regarding paid leave for illness and related reasons became immediately evident from the very first days of the COVID-19 pandemic. Public health officials started to comprehend the extreme dangers of community spread of the virus, and began ordering two weeks of self-isolation for anyone infected or who had close contact with anyone infected. This posed an immediate dilemma for millions of Canadians: if they became infected, or came in contact with someone who was, how they could suddenly disappear from their jobs for an extended period of time, and still cover their day-to-day living expenses? And if workers face a major economic penalty (losing income, and potentially even their jobs) for following public health orders, many will be tempted to ignore those rulings and continue working anyway. The absence of income protections for ill workers was thus recognized as a major risk to public health, not just a financial challenge for affected workers.

Canada’s legal protections for paid sick leave are weak. Rules regarding sick pay (like other labour standards) are determined at the provincial level; the federal government also sets standards for workers in federally-regulated industries (such as finance, transportation, and communications, which together make up around 10% of all employment).

Table 4 summarizes paid sick leave provisions in the ten provinces and the federal jurisdiction.

The absence of income protections for ill workers was thus recognized as a major risk to public health, not just a financial challenge.
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Statute</th>
<th>Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland and Labrador</td>
<td>Labour Standards Act</td>
<td>Any employee who has been employed with the same employer for a continuous period of 30 days is entitled to 7 days unpaid sick or family responsibility leave in a year; needs note signed by a medical practitioner for sick leaves of 3 consecutive days or more.</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>Labour Standards Code</td>
<td>Employees are entitled to receive up to 3 days unpaid sick leave each year (including care for family members and appointments).</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>Employment Standards Act</td>
<td>Where an employee has been employed by an employer for a continuous period of 6 months or more, leaves of absence without pay of up to 3 days in total during a year for sick leave. Where an employee has been continuously employed for 5 years, 1 day of paid sick leave is available each year at regular pay.</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>Employment Standards Act</td>
<td>An employee who has worked for the same employer for more than 90 days must be given, upon request, leaves of absence without pay as sick leave for up to 5 days per year.</td>
</tr>
<tr>
<td>Quebec</td>
<td>Commission des normes, de l’équité, de la santé et de la sécurité du travail</td>
<td>An employee may be absent from work up to 26 weeks over a 12-month period due to sickness, accident, domestic violence, or other reasons. After 3 months of uninterrupted service, an employee may receive 2 days of paid absence per year.</td>
</tr>
<tr>
<td>Ontario</td>
<td>Employment Standards Act</td>
<td>Any employee who is entitled to sick leave can take up to 3 unpaid days of leave each calendar year due to personal illness or care responsibilities.</td>
</tr>
<tr>
<td>Manitoba</td>
<td>Employment Standards Code</td>
<td>Provides 3 unpaid days per year for various leaves, of which there are 12 types (compassionate care, serious illness, parental, etc.).</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>Employment Act</td>
<td>Employees with at least 13 weeks of employment are able to take a total of 12 unpaid days in a calendar year for a non-serious illness or injury.</td>
</tr>
<tr>
<td>Alberta</td>
<td>Employment Standards Code</td>
<td>3 days unpaid leave for bereavement, as well as other leaves like compassionate care and critical illness. Employees also eligible for personal/family responsibility leave if they have been employed at least 90 days, up to 5 days unpaid per year.</td>
</tr>
<tr>
<td>British Columbia</td>
<td>Employment Standards Act</td>
<td>After working over 90 days, employees are entitled to 3 days of unpaid, job-protected leave for illness or injury.</td>
</tr>
<tr>
<td>Federal</td>
<td>Canada Labour Code</td>
<td>Employees entitled to up to 5 days leave per year for illness, injury, and other reasons. The first 3 days of leave are paid for employees with 3 months service.</td>
</tr>
</tbody>
</table>

Source: Author’s compilation from relevant legislation; excludes special COVID-19 leave provisions.
Only two of the ten provinces (Quebec and PEI) have minimal sick pay provisions: providing just 2 days and 1 day off work, respectively, for qualifying workers after meeting continuous employment requirements. Until 2018 Ontario provided 2 paid sick days, but that relatively new provision (enacted only in 2017) was abolished in one of the first legislative acts of the new Conservative provincial government under Premier Doug Ford in 2018. The federal labour code provides for 3 days paid personal leave per year, that could be used for sickness.

All jurisdictions have more extensive provisions for unpaid sick leave, providing some job protection (but no income) for workers who are absent from work for illness, up to certain periods of time (as little as 3 days in some provinces). Most provinces extended those unpaid leave provisions on an emergency basis after the COVID-19 pandemic started, in order to protect workers from being fired for missing work due to self-isolation or other aspects related to the pandemic. It is not yet clear whether those extended protections for unpaid sick leave will be maintained after the immediate pandemic eases.

Another form of income support for ill workers is the Sickness Benefit provided under the Employment Insurance system. This benefit will replace 55% of a worker’s earnings, up to a maximum of $573 a week, for a maximum of 15 weeks. Normally there is a one-week waiting period before benefits apply – and the actual payment of benefits may be delayed further for administrative and processing reasons. During the COVID-19 pandemic the federal government waived the one-week waiting period. While the EI Sickness Benefit is an important form of income support, it does not offer adequate protection to be consistent with public health priorities. Delays in processing (and the normal one-week waiting period, if it is eventually reinstated) means affected workers will have to survive without income for a significant period – and at any rate the benefit only replaces 55% of earnings (or less, for higher-wage earners). Moreover, under existing rules millions of employed workers cannot qualify for EI benefits at all (including sickness benefits) due to stringent requirements on the number of hours that must have been worked in the preceding year. Most workers in non-standard jobs (including contractors, self-employed, and “gig” workers) are also excluded from the EI system because they are not "employees."

Of course, many employers provide paid sick leave benefits as a matter of organizational policy, and/or as defined by collective agreements with their employees. Protection may include direct continued payment of wages for a few days, followed by provision of short-term illness or disability insurance benefits. However, those non-statutory paid sickness benefits cover less than half of Canadian employees; they are least common in lower-wage jobs (filled by precisely those workers who most acutely experience economic compulsion to work when sick). Of course, many employers provide paid sick leave benefits as a matter of organizational policy, and/or as defined by collective agreements with their employees. Protection may include direct continued payment of wages for a few days, followed by provision of short-term illness or disability insurance benefits. However, those non-statutory paid sickness benefits cover less than half of Canadian employees; they are least common in lower-wage jobs (filled by precisely those workers who most acutely experience economic compulsion to work when sick).

The implicit assumption that people should continue to work even if they are ill, as a sign of their “dedication” to the job, must be forcefully rejected.

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12 In the PEI case, workers must have 5 years of continuous service with the same employer before qualifying for one day of paid sick leave per year.
13 See Crawley and Janus (2018).
15 In B.C., Ivanova and Strauss (2020) report that only 11% of low-wage workers have paid sick leave provisions in their jobs.
In recognition of the public health risks resulting from workers continuing to work while ill, the federal government introduced a range of emergency income support measures during the COVID-19 pandemic. These include the Canadian Emergency Response Benefit (paying a maximum of $500 per week) for workers of any status (including self-employed, gig, and temporary workers) who cannot work for reasons related to the pandemic (including their own infection, exposure to others’, or caring for affected family members). This more encompassing approach to income security for workers affected by health emergencies must be sustained after the current pandemic.

The federal government has also indicated its intention to negotiate a new paid sick day regime in concert with the provinces, likely delivered through the EI system. The government has stated it wants a system providing 10 paid sick days per year. To ensure maximum public health protection, it will be important that these benefits are available immediately upon becoming ill or being required to self-isolate (with no waiting period), and with no earnings penalty (unlike the current EI 55% replacement rate). They must also be available to workers in non-standard forms of employment. This positive announcement by the federal government follows concerted advocacy efforts by social and labour campaigners in many parts of Canada to demand paid sick leave provisions.

After this pandemic, the implicit assumption that people should continue to work even if they are ill, as a sign of their “dedication” to the job, must be forcefully rejected – through a combination of legislative and policy measures (including paid sick leave), education, and cultural change. The risks to individual workers, their colleagues, and society at large from working while ill are enormous. Ratification of workers’ responsibility to stay away from work, even as a precautionary measure, must take precedence over employers’ natural inclinations to maintain a disciplined attendance regime – not to mention the tendency of some workers to internalize that pressure in a falsely “heroic” commitment to their jobs. Removing the economic penalty for doing the right thing, in this regard, will be an important part of achieving safer work after this pandemic.
There has been a dramatic increase in the number of Canadians performing most or all of their work from home. This reflects the encouragement given by public health officials for workplaces to adopt flexible work arrangements, to reduce the risk of contagion from shared work spaces, public transit, and associated activities. This expansion in working from home has provided an important cushion for working hours, incomes, and overall economic output in Canada as the pandemic unfolded. However, those positive effects have been experienced very unevenly. Most workers cannot do their jobs from home, and hence are exposed to the full brunt of either job loss or infection risk. Assuming, as most analysts predict, that work-from-home arrangements will remain more common even after the pandemic, several important challenges related to home work will have to be addressed by employers, governments, and unions.

Statistics Canada reports that the number of employed Canadians performing most or all of their work from home tripled between February and April, rising from 1.7 million to 5 million (Figure 1). Incredibly, home workers thus accounted for over 30% of all employment in April. Home work constituted an even larger share, 40%, of all employment for those Canadians who did not lose more than half of their usual working hours. In some respects, therefore, people who were able to continue doing their jobs from home enjoyed a lucky combination: they could maintain their employment and income, while avoiding the risks of contagion from working and travelling outside the home.

However, the capacity to work from home is distributed very unevenly throughout the labour market. For the most part, jobs that primarily involve working on a computer (and, to a lesser extent, a telephone) are most amenable to being performed from home or some other remote location. That set of occupations includes a disproportionate share of managers and professionals, who usually work in offices. Those occupations demonstrate higher average earnings and a greater preponderance of employee benefits (such as paid sick leave, generous paid vacations, drug and health insurance, and other entitlements). Not all home workers enjoy those relatively generous provisions: some lower-paid and less secure jobs (in functions such as call centres, administrative support, and clerical roles) can also
be performed from home. But on average, those who can work from home (and thus maintain their incomes) are more likely to have enjoyed higher incomes and more protections before the pandemic. This creates a double inequity in the post-COVID labour market. Those with higher salaries and more comprehensive benefits are more likely to have kept working. But those least likely to be able to work from home, also have less income and insurance benefits to fall back on if their work is disrupted.

Most Canadian jobs cannot be performed from home. For most jobs, work must take place in a specified location, or with specialized equipment and machinery that is not transferable to a home work setting. Many jobs also involve direct human interactions which are also not possible from the worker’s home. Much of the growth in homework recorded during the pandemic is not sustainable: eventually, those workers will need to return to offices and other workplaces to fully perform their jobs. In the long-run, with adjustments in technology and work organization, perhaps one-quarter of Canadian jobs could be largely performed from home on an ongoing basis. On an industry basis, too, there is a clear bifurcation between those in which most jobs can be performed from home, and those in which most jobs inherently cannot. In other words, most industries fall into one of two starkly different categories: those where a strong majority of workers can work from home (and are able to continue doing so during the pandemic), and those where a strong majority cannot. Table 5 lists those two categories of industry. Not surprisingly, there is a strong (although not perfect) correlation between ability to work at home, and the likelihood of staying employed as the pandemic took hold. Most of those industries where most workers could keep working from home, experienced job losses as the pandemic took hold that were significantly smaller than the average losses experienced across the labour market as a whole. Job losses in the five sectors where most people are able to work from home were about half as bad (down 8% from February through April) as the economy-wide average (down 16%).

There is no doubt that working from home has provided a valuable economic cushion during the COVID-19 lockdowns – for workers, employers, and the economy as a whole. But as an ongoing practice, there are many risks and challenges associated with homework that will need to be addressed, for this practice to be a safe, fair, and sustainable feature of the labour market. Some of these issues include:

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16 The 5 million Canadians working solely or mostly from home in April constitutes over one-quarter of total pre-pandemic employment prior (just over 19 million in February). Not all of those currently working at home would continue to do so after the pandemic; on the other hand, there are other jobs not yet being performed at home that could eventually move there with appropriate planning and adjustments. So that one-quarter estimate seems reasonable.

17 See Pennington and Stanford (2020b) for a more detailed discussion of some of these issues.
### Table 5
#### Working From Home and Job Losses

<table>
<thead>
<tr>
<th></th>
<th>April Employment (000)</th>
<th>Decline from February (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industries with over 60% of employees working from home</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional, scientific and technical services</td>
<td>1489</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Education</td>
<td>1226</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Finance, insurance and real estate</td>
<td>1198</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Public administration</td>
<td>986</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Information, culture and recreation</td>
<td>593</td>
<td>-23.8%</td>
</tr>
<tr>
<td><strong>Total: Most Home Work</strong></td>
<td>5491</td>
<td>-8.2%</td>
</tr>
<tr>
<td><strong>Industries with under 40% of employees working from home</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>2299</td>
<td>-20.2%</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>2288</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1438</td>
<td>-17.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>1174</td>
<td>-21.2%</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>890</td>
<td>-13.9%</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>614</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Natural resources</td>
<td>288</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>280</td>
<td>-7.3%</td>
</tr>
<tr>
<td><strong>Total: Least Home Work</strong></td>
<td>9270</td>
<td>-19.4%</td>
</tr>
<tr>
<td><strong>All Employment</strong></td>
<td>16185</td>
<td>-15.7%</td>
</tr>
</tbody>
</table>

*Source: Author’s calculations from Statistics Canada Table 14-10-0355-01 and The Daily.

1. Includes three smaller industries not listed in the table.

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**SPACE:** Contrary to the common stereotype, most Canadians do not possess a "spare room" in their home that can be readily converted into a work-friendly office. This is especially true in large cities, where families have been pressed into smaller living arrangements due to very high housing costs. More home workers are attempting to perform their duties in ad-hoc spaces: kitchen tables, countertops, sofas. This is obviously not sustainable in the long run, for many reasons: disrupted productivity, ergonomic issues, and mental health. If it becomes a permanent practice, home work will require adequate planning, space, and set-up.

**COSTS:** A related issue is who will pay for the costs of work-from-home arrangements. Employers may be attracted by the prospect of closing down some of their current formal offices and other workspaces, as a fringe benefit to them of moving to home work systems. However, the costs of home work arrangements cannot simply be shifted to workers in the long term. The out-of-pocket costs of working from home may not be immediately apparent to many home workers (just as some ride-share drivers may not appropriately consider the costs associated with operating their own vehicles in those
informal jobs), but eventually they must be paid. With fair allowance for space, utilities, equipment, and supplies (like paper and ink for printers), home office expenses can easily add up to $1500 per month or more: and that constitutes a very substantial proportion of earnings for most workers. Clear standards will be required regarding how these costs are accounted for and compensated by employers.

**COMPENSATION:** The apparent “flexibility” of work from home arrangements may encourage employers to try to bid down the wages and salaries they offer to employees working largely or mostly from home. They will argue that since workers don’t have to pay for commuting costs, and can more easily “fit” work into other duties (especially for women juggling family care responsibilities), then compensation can be reduced accordingly. Indeed, it is a tried-and-true strategy of employers to identify groups of workers who do not fit easily into normal work routines (with respect to hours, commuting, and other constraints), and then recruit them on the basis of lower compensation offers but greater “flexibility.” Already some major employers (such as Facebook\(^\text{18}\) have announced they intend to reduce compensation for workers who continue to do their jobs from home after the pandemic. It will be important for workers and their advocates to strive to maintain compensation levels for jobs that are shifted to home work settings.

**SAFETY:** Working from home also raises important questions about safety standards. Several occupational health and safety issues must be considered in home work arrangements, including safe seating and walkways, trip and fall hazards, ergonomic aspects of the workspace, safe lighting and electrical connections, and more. Legal precedents make it clear that employers’ duty of care extends to home work spaces when employees are performing paid work there; but clarification and detailed guidelines from health and safety regulators will be required to ensure that both employers and workers are aware of these responsibilities and respect them in practice. A particular safety challenge in home work is the risk of domestic violence and assault, endured mostly by women. Employers will have to be aware of these risks, and provide both information and support (including paid leave for victims of sexual and domestic violence) to reduce the risk and help victims escape dangerous situations.

**TIME:** The boundaries between work and leisure time have already been blurred by omnipresent technology: work follows many workers virtually everywhere through emails, smart phones, and other channels, with consequent expectations by many employers of constant availability (even on weekends and vacations). The growth of work-from-home arrangements will erode the distinction between work hours and the rest of our lives even further. Clear standards must be established regarding continued observance of normal working hours, payment for overtime, and ability of home workers to “turn off.”

**CARE:** A related issue is the challenge of balancing home work duties with the ongoing responsibilities of home workers for care and maintenance of their families. This challenge is especially daunting for women, who are still carrying a disproportionate share of care work in the home. The closure of schools and child care services during the pandemic has made the problem of juggling work and care duties especially hard; but even after those services re-open, the reality is that home workers will continue to be hard-pressed to combine paid work with unpaid caring duties. Employers need to be cognizant of this balancing act, and provide appropriate flexibility. At a societal

\(^{18}\) See Murphy (2020); the pay cut was justified by the company on grounds that home workers could relocate to less expensive cities.
level, provision of quality public child care, and other supports for working parents, will also be critical to support home workers and support the retention of employment by women.

**SURVEILLANCE:** Many employers are convinced that workers will “slack off” if they are allowed to work from home without direct human supervision, and that productivity will suffer as a result. Interruptions and distractions in the home work environment are inevitable, but the same can be said about working in an office or other workplace, as well. Empirical research finds mixed results regarding the impact of home work on productivity.¹⁹ Employers may be tempted to replace the human supervision of a workplace, with digital and electronic surveillance, monitoring, and disciplinary tools: everything from web-cam monitors, to keystroke counters, to GPS location systems. These forms of digital supervision are intrusive and offensive, all the more so when applied within workers’ own homes, and should be tightly constrained through privacy laws, labour regulation, and collective bargaining.²⁰

Home work has been a valuable strategy for preserving some employment, income, and output through the COVID-19 pandemic and shutdowns. It will not stay at current elevated levels after health restrictions are eased, but it is likely to remain more common than in previous years for many reasons. On the other hand, there are clearly limits and drawbacks to the practice, experienced by both employers and employees. To the extent that it becomes a more common and permanent feature of Canada’s labour market, the risks and challenges identified above need to be addressed by all stakeholders. Otherwise, home work may become another informalized, lower-wage site of exploitation, rather than an opportunity for positive flexibility and work-life balance. The complex and nuanced nature of those challenges (including issues of working hours, balancing work and family care, and others) will require active and empowered voices on the side of workers: including unions, health and safety advocates, domestic violence supports, and others. In the absence of strong bargaining power and enforcement tools for workers, employers will surely take advantage of the opacity and flexibility of home work arrangements to shift costs, drive down wages, and extend effective working hours.

And in the end, workers will also need to be prepared to fight for the right to go back to work: to return to formal workplaces, separate from their homes and families, in order to benefit from human interactions there, and reinforce the boundaries between paid work and the rest of their lives.

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¹⁹ See, for example, Bloom et al. (2015), Dockery and Bawa (2014), and Wooden and Warren (2004).

²⁰ More details on the negative implications of digital surveillance and monitoring systems, including their negative impact on wage growth, are provided by Henderson et al. (2018).
5. Precarious Employment

A great deal of empirical research and policy creativity has been devoted in recent years to the phenomenon of precarious work: employment practices that rely on less stable and secure arrangements, typically demonstrating great fluctuations in working hours and compensation. Employment norms in the initial postwar era came to be exemplified by the stereotypical “standard” job: typically full-time, permanent, and accompanied by steady income and work-related benefits. Of course, not all Canadians had “standard” jobs like that; great inequities were observed according to gender, race, immigrant status, and other dimensions. But the shift toward more stable and predictable employment relationships complemented other improvements in the general economic and political power of workers. In more recent years, motivated by efforts to tailor workforce inputs more closely to variations in production and demand, and to shift the costs and risks associated with that flexibility on to workers, employers have come to favour a range of precarious arrangements: including part-time jobs, irregular hours, temporary and seasonal positions, contractor and nominal self-employment arrangements, and more recently “gig” jobs mediated by digital platforms. Precarious work is not new: in fact, the earliest forms of wage labour in the first capitalist economies exemplified features (like on-demand employment, piece-work compensation, and home work) very similar to modern “gigs” of today.21 Its resurgence, and the corresponding erosion of more traditional employment norms, reflects many factors, including technology (which facilitates more decentralized and contingent employment arrangements), the desperation of certain groups of workers (especially those effectively excluded from more secure jobs, like young, migrant, immigrant, and racialized workers), and the willingness of regulators and policy-makers to tolerate violations of once-sacrosanct standards (like minimum wage laws, which can be avoided in contracting or marginal self-employment arrangements).

Evidence has been growing about the multi-dimensional consequences of precarious work, for those who perform it, and their families. Precarity cannot be measured through a simple uni-dimensional index (Lewchuk, 2017). While the share of workers in non-standard contractual arrangements

21 The historic antecedents for modern precarious work, and the multiple factors contributing to its reemergence, are explored by Stanford (2017).
(including contractor and gig positions) gives one indication of the extent of precarity, even many workers in jobs that seem nominally “permanent” may still experience far-reaching insecurity in various aspects of their employment relationship (such as needing to renew time-limited contracts, or repeated lay-offs). And the downside of precarity for workers is certainly more complicated, and painful, than simply lower and less predictable incomes. Disruptions in planning family responsibilities, absence of traditional employment benefits (like supplementary health insurance or paid vacations), and inability to undertake long-lasting financial decisions (like mortgages) are just some of the other ways that the costs of precarious work are borne by those performing it.

While these problems have been festering in Canada’s labour market for years, the COVID-19 pandemic has shone a new and urgent light on them. Most immediately, it became quickly apparent that precarious work practices were contributing to the community spread of disease. In long term care facilities, for example, widespread practices of multiple job-holding and agency staffing systems were directly transmitting the coronavirus between different facilities.

In other industries, the fact that non-standard workers had no access to paid sick leave, and could not even qualify for back-up support through the Employment Insurance system (because they had not worked enough hours to qualify, or were not even “employees” in the first place), posed an immediate barrier to public health orders for self-isolation. Those workers had no income protection to fall back on, and hence would face strong compulsion to continue working despite the health orders.

To its credit, as the coronavirus pandemic unfolded, the federal government moved quickly with several powerful, but still incomplete, reforms to the income support system. Most important, the new Canadian Emergency Response Benefit (CERB, paying up to $500 in income per week), was made available to affected workers regardless of employment status. This represented a breakthrough in Canadian social welfare policy, and a belated recognition that precarious work has indeed become the “new normal” in Canada’s labour market. This extended approach must become a permanent design feature of income support programs after COVID-19 (as we discuss further below).

The vulnerability of workers in precarious jobs to any fluctuations in economic conditions has been reaffirmed by the present crisis. The impacts of the workplace closures and other job losses have been concentrated very disproportionately among workers in less secure positions. Table 6 reports the decline in employment experienced during the pandemic by workers in different categories of jobs. Across every dimension of job quality, the incidence of job loss was far worse for workers in less secure, less protected, and lower-wage positions. The pandemic, and accompanying economic crisis, will thus have a terrible polarizing impact on a labour market that was already marked by dramatic and growing inequality.

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21 Lewchuk et al. (2013) identify numerous dimensions of these consequences, in addition to lower or more uncertain incomes.

22 For that reason, the B.C. government ordered an end to multiple job-holding in LTC facilities early in the pandemic, buttressed with financial support for workers in their now exclusive jobs. This was crucial in quickly stemming the tide of LTC infections in that province.
As indicated in Table 6, total employment declined by over 15% between February and April. That's by far the biggest, fastest downturn in employment in Canadian history. And this dramatic statistic understates the true problem (as explained above, in Table 1), because it does not include Canadians who lost most or all of their hours of work, but nominally stayed "employed" on their employer's rolls (potentially to be called back when the immediate crisis eases). The loss of jobs was significantly worse for women than men: partly because most women work in the services sector (which was hit hardest by the downturn, unlike previous recessions), and partly because women are over-represented in precarious jobs. Young people experienced a devastating 35% decline in employment in those two months – almost three times worse than the decline in the core working-age cohort (25 to 54 year olds). That also reflects young workers’ concentration in less secure jobs. Part-time workers lost jobs at almost three-times the pace (over 30%) of full-time workers. And not surprisingly, temporary workers, and those with less than one year of tenure with their current employer, also accounted for a disproportionate share of job loss, with employment falling by 30% for both those groups.

Other dimensions of employment security have also been closely correlated with job loss during the pandemic. Job losses in the private sector were several times worse than in public sector jobs: a 22% decline in the private sector, versus 6% in the public sector. This underscores the coming importance of public sector jobs in restoring stability and opportunity in Canada's labour market (discussed further below). Union members were half as likely to lose their job in those two months – with employment down 10%, versus 21% for workers without a union. This partly reflects the distribution of union jobs (including in the heavily-unionized public sector), but also the impact of negotiated severance and layoff notice provisions in collective agreements. Employment fell by 25% in two months for workers paid by the hour, far faster than for salaried staff (who are more likely to be able to work from home, as described above).

One shocking statistic sums up the explosive impact of this downturn on social equality and inclusion: almost 40% of workers who earned less than two-thirds of the median wage (a common benchmark for defining "low-wage" work) lost their jobs between February and April. Again, that does not count those who stayed employed but lost most or all of their hours. The correlation between insecure work in all its forms, and low incomes, means that these workers are definitely experiencing the worst of both worlds: they are far more likely to experience unemployment because of the pandemic, but they have far less resources to fall back on to get through it.
Figure 2 (from Macdonald, 2020c) provides another shocking indication of the correspondence between insecure work, low pay, and dislocation during the pandemic. This graph includes those who lost their jobs entirely, or lost most of their hours of work, in the two months between February and April (as the pandemic spread across Canada). The likelihood of losing most or all work is then organized according to income levels. Over half of all workers in the lowest-wage brackets (under $16 per hour) lost all or most of their work. The incidence of job loss then diminishes monotonically as income levels rise. At the top end, the highest-wage group of Canadians (those earning an effective hourly wage of over $48) experienced hardly any loss of work at all: just 1% of those high-wage workers lost all or most of their work.

The impact of precarious work, and the inequality which it reinforces, on Canada’s economic and social fabric will be devastating in the years to come, without urgent and powerful action to provide stronger employment and income stability for the people who have been most affected both by longstanding precarity and by the COVID-19 shutdowns. First, we have learned the hard way that precarious work practices are inconsistent with the quality control, training, safety, and stability that are crucial weapons in the fight against contagion. Even in occupations once considered “mundane” or “disposable”, like care aides, cleaners, and retail clerks, jobs must be stabilized and secured. Workers must be provided with training and equipment, compensated in a manner consistent with stable tenure, and empowered to do what is necessary to protect the health of themselves, their colleagues, and their clients or customers.
The description of the disequalizing effects of the COVID-19 recession on labour market outcomes is necessarily constrained by the availability of data on Canadian employment and income experiences. Disaggregated data on outcomes according to race, language, and other equity considerations is not broadly available. Given the overwhelming evidence summarized above, however, there is no doubt that any group which was more subject to insecure, low-paid work before the pandemic began, will have experienced a painfully disproportionate share of the hardship as the economy contracted.

The public health consequences of precarious work should thus provide an initial spur for Canadian policy-makers to act quickly to roll back these unsustainable and exploitive precarious work practices. But the economic consequences arising from the concentrated impact of the downturn on workers in precarious jobs is another motivation that cannot be ignored. Literally millions of Canadians have lost their livelihoods – and overwhelmingly they are the very Canadians who had little, or nothing, to fall back on, precisely because of their long-standing precarity. The fiscal costs of this mass displacement will be enormous, with an unprecedented call on income support programs. The longer-run social costs – manifested in poverty, exclusion, despair, non-participation, declining health, and criminality – will be even greater.

In sum, the pandemic and its after-effects should constitute a clarion call for the rules of the labour market to be fundamentally changed: to restrain the growth of precarious work, to convert insecure jobs into better jobs,\textsuperscript{24} to reform income security and insurance programs so that all workers are protected by them (including those in non-standard arrangements), and to extend minimum labour standards to all jobs (again, including contractor positions, agency and temporary work, and gigs). Precarious work is now an omnipresent feature of Canada’s labour market. It can’t be eliminated. But it can be regulated and curtailed. And those performing it are surely entitled to a higher standard of respect, protection and compensation.

\textsuperscript{24} Again, the B.C. government’s visionary approach to quickly restructuring jobs in LTC facilities is an outstanding example of what can be done in this regard.
6. Public Sector Work

With the dramatic shock that has been experienced in the incomes and confidence of private businesses, it will not be possible for private capital spending to fulfil its traditional role as a leading force of economic growth and innovation. Public sector leadership will be essential, to mobilize resources and create jobs. Public investments in infrastructure and improved public services have a direct benefit in combatting the current pandemic, and future ones: building stronger health facilities (with a focus on rebuilding the long term care sector, devastated by COVID outbreaks), strengthening our public health system (including testing and tracing capabilities), and expanding other public services with direct relevance to health. But these investments in public assets and public services have a broader economic value, too: they will constitute an essential source of job-creation and expanding incomes, in the context of a macroeconomy that will remain seriously underutilized for years to come.

Public-sector jobs were already becoming relatively more important in Canada’s labour market, even before the pandemic struck. The largest single source of new work in Canada in the last five years has been the broader health care sector, which created 270,000 new jobs (or over 1 in 5 of all new jobs created from 2014 through 2019). Indeed, three of the six top job-creating industries are located primarily in the public sector: health care, education, and public administration (see Table 7). Those three sectors accounted for over 40% of all new jobs over the last five years.

Fiscal conservatives assume that higher employment in public services is an indication of waste or excess; they treat expenses in these sectors as a “cost item” to be minimized. But public sector work produces value-added as surely as any private sector undertaking. In fact, in general public sector employees have superior training and credentials, and their economic productivity (let alone their contribution to quality of life and safety in our communities) is elevated accordingly. Over time, countries tend to provide more public services, as their economies develop and income levels rise. In economic terms, public services are “superior” products: people desire a larger proportion of services like top-quality health care and education as their incomes rise, and after they have paid for other essentials
(like food, clothing and shelter). So the expansion of public sector work and public service provision should be seen as a source of dynamism and growth in the economy, not a sign of waste or mismanagement.

Just imagine if a private-sector industry (such as resource extraction or finance or retail services) had produced 270,000 new jobs in five years – as Canada’s health care system has. This development would be celebrated and ratified by business commentators and political leaders alike. We should interpret the coming expansion of public sector work in the same way: these new jobs will be critical to our social capacity to stay safe and healthy. And they will be a critical source of economic dynamism, as well, as the national economy struggles to recover from the pandemic.

The extent of our increased reliance on public sector employment is hinted at by Figure 3, which plots the relative share of public sector jobs in overall employment over the last decade. That proportion has been gradually edging upward for several years, on the strength of needed expansion in health care and other public services. But it jumped up dramatically in April, rising by over two full percentage points (to nearly 23%).

This sudden jump, of course, reflected the negative reality that private sector employment declined rapidly as many consumer service industries shut down operations. But the ratio of public sector work in total employment will not decline to where it was before the pandemic. This is partly because we need the increased services provided by public servants: the labour-intensive processes of infection testing and contact testing, for example, will require tens of thousands of new public health jobs to be created in coming months. And the reliance on public sector work will also remain high because there is no other sector than government, at this fragile point in economic history, with the resources, the staying power, and the longer-term perspective required to strengthen the momentum of the overall macroeconomy and labour market. Public sector employment – in direct government and public administration, in broader public sector services, and in special job-creation programs (including those targeted at hard-hit groups like youth, marginalized communities, and people with disabilities) – will be essential to fill the void left by private-sector stagnation for several years to come.
The negative consequences of employers' efforts to economize on the spatial inputs to their businesses were discussed above: by crowding more activity, and more workers, into given amounts of physical space, the risks of infection were accentuated. Another dimension of this "lean-and-mean" approach to organizing work and reducing production costs has been the expansion of "just-in-time" production, logistics, and inventory strategies. To conserve costs associated with owning and handling inventories, and shift the burden of materials handling costs to suppliers, companies in many industries have developed very complex and finely managed input and logistics systems. Components and inputs are purchased from all over the world, and then delivered to factories just in time for final assembly. This shifts responsibility and cost for transportation, inventory management, and delivery timing to those suppliers. Just-in-time systems have become critical in Canada's automotive assembly industry, where a huge amount of two-way international trade in components and materials occurs long before auto parts are finally assembled into a finished vehicle. Extended, complex, and globalized just-in-time supply chains are also important in other complex manufacturing sectors (including aerospace, pharmaceuticals, and machinery). They are even critical in some technology-intensive service sectors (like transportation, business services, health care, and higher education).

Needless to say, these far-reaching and ultra-lean supply chains are vulnerable to disruptions in international transportation, trade, and supplies. It has been long recognized that overstretched just-in-time logistics and inventory systems are strategically vulnerable to negative events occurring at any point along the supply chain.\textsuperscript{25} And Canada has had experience with supply chain disruptions in the past: the 2011 Japanese earthquake and tsunami, for example, shut down significant sections of Canadian automotive manufacturing because of disruptions to supplies of components from Japan. But those past disruptions did not alter the determination of leading firms to minimize input and logistics

\textsuperscript{25}See, for example, Wysocki and Lueck (2006), who warned specifically almost 15 years ago of the potential impact of a pandemic on just-in-time supply chains in medical equipment and other industries.
costs by outsourcing supply responsibilities to the lowest bidders, for any conceivable input – even if those lowest bidders are located on the other side of the world. Too little value was placed on reliability of supply and the virtues of precaution.

The COVID-19 pandemic, however, has imposed an entirely new level of restrictions on international supply chains, ranging from closed borders to ad-hoc interventions by government into trade flows (especially for medical supplies and equipment). Suddenly, both governments and the public at large are much more aware of the value of maintaining a well-rounded domestic capacity to produce essential products, supplies, and services. And political leaders, even those conventionally supportive of principles of “free trade”, have begun to consider ways of stimulating production of various products closer to home. The Ontario government, for example, created a $50 million fund to support efforts by provincial manufacturers to domestically produce critical medical equipment and supplies.26

Canada’s manufacturing sector, and other parts of the economy, are directly dependent on those extended global supply chains, and the consequences of their disruption became quickly apparent. At time of writing, official monthly international trade data was available only up to March, 2020, and hence only captured the initial stages of the disruptions of international supply chains (see Table 8). But already imports of essential components and inputs were being seriously disrupted – led by a 23% decline in imports of motor vehicle parts in just one month. The closure of the Canada-U.S. border, and steep reductions in other international trade flows, will cause even more precipitous disruptions in April and subsequent months.

For products and services with a particular strategic or public interest importance or function, we can expect government policy to mandate greater domestic content and enhanced capability for domestic production. This applies most obviously to medical equipment and supplies: no government will want to have their health care system caught short in the next pandemic (or in renewed waves of this one) by inadequate domestic access to essential health machinery and supplies. But the same logic will be extended to other industries, including energy, transportation, defense, and food. For those reasons, it is reasonable to anticipate that revitalizing Canada’s manufacturing capabilities may make an important contribution to the long-run rebuilding of employment.

Table 8
Supply Chain Disruptions, Selected Industries, March 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Imports (S$)</th>
<th>Change from Feb. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor vehicle parts</td>
<td>$2.8</td>
<td>-22.9%</td>
</tr>
<tr>
<td>Metalworking machinery</td>
<td>$0.1</td>
<td>-16.8%</td>
</tr>
<tr>
<td>Aircraft parts</td>
<td>$1.2</td>
<td>-13.2%</td>
</tr>
<tr>
<td>Electrical components</td>
<td>$1.2</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Basic chemicals</td>
<td>$2.4</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Fabricated metal products</td>
<td>$0.7</td>
<td>-4.9%</td>
</tr>
<tr>
<td>All imports</td>
<td>$46.6</td>
<td>-3.4%</td>
</tr>
</tbody>
</table>

Source: Author’s calculations from Statistics Canada Table 12-10-0121-01.

There are other ways in which the cost-cutting logic of just-in-time management systems also contributed to a needlessly fragile economy and labour market. Long (2020) argues convincingly that the “just-in-time“ concept has broader application, beyond just supply chains for material inputs and components. Indeed, the whole practice of precarious or on-demand employment (discussed above) constitutes a form of just-in-time management: workers are hired exactly when and where they are required, and then discharged (with little cost or risk to the employer) when they are not. Finely-tuned, highly-leveraged financial management strategies by firms, in which revenue from sales arrives “just-in-time” to cover debt obligations and other prior commitments, introduces another dimension of fragility into the whole economic system.

Engineers and architects are trained, and professionally regulated, to ensure that systems and structures have built-in redundancies, safety margins, and back-ups. They are required to invest extra attention and expense in everything they design, in order to prevent disasters like building collapses or explosions – even if those disasters are rare. Business managers need more training and accountability regarding the same principles. They have been driven by a combination of greed and competitive pressure to ruthlessly economize their own costs of planning supply chains, labour inputs, and finance, to conserve every possible dollar. Many have lost sight of the value of prevention and precaution. After this pandemic, the work that is expended throughout all supply chains – including the just-in-time supply chain for labour itself – will need to become less leveraged and strung out, more stable, and a bit closer to home.
8. Income Security

The gaping holes in Canada’s welfare safety net were already well apparent before the pandemic. For many years, the Employment Insurance system has denied unemployment benefits to well over half of all unemployed Canadians. Its stringent rules regarding minimum hours of work to qualify for benefits, and associated requirements for job search and work availability, excluded most unemployed workers. As highlighted in Figure 4, EI coverage was especially low for part-time workers (who rarely met the hours threshold) and most temporary workers. Very few self-employed workers qualified for benefits, either. The fallback for those excluded from EI, or whose EI benefits ran out before they could find new work, is provincial welfare – which offers even lower benefits and more punitive scrutiny.

The restrictive conditions on access to Employment Insurance stem from twin themes in the austere fiscal and social policy framework that guided Canada through most of the past quarter-century. A sequence of cutbacks in access to EI, including the dramatic changes introduced as part of the 1995 deficit-cutting federal budget, denied benefits to most unemployed Canadians (through the shift to an hours-based qualifying system). These changes were justified by a supposed need to quickly reduce federal government spending, and a parallel desire to restore a more disciplined “incentive to work” in the Canadian labour market. Some incremental repairs to benefit access were made in subsequent years, but the whole system remained unduly restrictive and punitive. It also remained structured around the traditional definition of standard employment: waged, full-time, permanent jobs. The growing legion of workers in non-standard settings was effectively excluded from the system.

The COVID-19 pandemic forced an urgent rethink of this austere approach to income security. For reasons of public health, as well as fairness, the federal government increased the level of income support benefits provided to workers displaced as a result of the pandemic, and also relaxed the qualifying standards. For the new CERB program, offering up to $500 per week in benefits for people displaced

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27 Workers in some highly seasonal industries like fisheries and agriculture have a better chance of qualifying for benefits due to region-specific eligibility criteria. Workers in non-seasonal temporary jobs, however, are unlikely to qualify.
from work by the pandemic, workers in non-standard employment situations (including self-employed, contractors, and gig workers) could qualify, so long as they were displaced after March 15 and earned at least $5000 within the last year (either in calendar 2019, or within the 12 months previous to applying for the benefit). \(^{28}\)

While the CERB program constitutes a significant expansion of accessibility to income support, it is still far from universal. The start-up date for the program (March 15, as the lockdowns began to take hold) means that people who lost their jobs before that time, for reasons unrelated to the pandemic, will not qualify. Many of those workers do not qualify for EI either, for the usual reasons noted above. On the basis of administrative micro data from federal benefit administrators, Macdonald (2020b) estimates that 550,000 unemployed workers fall into that category in April. Another nearly half-million unemployed do not qualify for CERB because they did not earn $5000 in the previous year. Other groups have been excluded because they quit work (rather than being laid off), or for other reasons. In total, Macdonald estimates 1.4 million unemployed Canadians were receiving neither CERB nor EI benefits. So even in the midst of the pandemic, the income support system remained painfully incomplete.

A major decision point will be faced by government in coming months, assuming the immediate health emergency abates and more Canadians can return to work. The CERB program is presently intended to remain in place until October (with retroactive applications possible until December). Workers can claim up to 16 weeks benefit during that period. It is possible, if community infection rates persist, that the program will need to be extended. At some point, however, the government will need to determine how to transition the program to an ongoing arrangement. Crucial decisions will then need to be made regarding:

- Maintaining the higher level of benefits: The $500 per week flat rate CERB payment is more generous than typical EI benefit payments. Will Canadians still unemployed in October have their income supports significantly cut back to previous levels?  

\(^{28}\) While the CERB nominally applies to gig workers, the $5000 income threshold will likely exclude most of them: research by Jeon and Ostrovsky (2020) shows the median annual income of this loosely-defined category was only $4300 in 2016.
previous levels? This would cause substantial hardship and undermine the momentum of economic recovery.

- Maintaining extended coverage: Making CERB available to workers in various employment statuses was crucial to address the public health and personal risks associated with uninsured non-standard workers. Will those classes of workers be again excluded from income supports once again, when the immediate pandemic has subsided? Again, this would damage both the economic and the public health goals stated by the government in implementing the program.

The COVID-19 pandemic has clearly exposed the inadequacies of Canada’s austere and judgmental income support system. For the benefits of public health, as well as to protect affected workers from severe hardship and financial dislocation, important improvements were made to those programs. The reality of widespread precarious work and non-standard employment arrangements, and the continuing priority that will have to be placed on protecting public health, will require the continuation and refinement of those improvements. And maintaining a positive policy trajectory will require overcoming predictable arguments about “excessive” federal spending and the supposed loss of “incentive to work,” already being advanced from some quarters of Canada’s political discourse.
9. Valuing All Work

The COVID-19 pandemic has heightened awareness among most Canadians of their dependence on the labour performed by legions of low-paid workers, providing essential services that have helped us get through the lockdowns. Naturally, health care workers and other emergency service workers attracted much praise and attention for their courage and sacrifices – demonstrated in nightly community demonstrations of support (applause and pot-banging). But as Canadians self-isolated at home, they depended completely on continued services provided by retail stores, delivery drivers, and on-line warehouse workers. So most people also came to better appreciate the dedication and challenges faced by workers in these supposedly "menial" jobs. For years, workers like cashiers, cleaners, drivers, hospitality servers, child care workers, and others were treated as disposable and replaceable. Their work was devalued, degraded, outsourced, and made precarious. As illustrated in Figure 5, average wages in these occupations are far below economy-wide norms: up to 40% lower than the average wage. Some workers are paid even less: like those those artificially constituted as “contractors” (in order for employers to sidestep minimum wage laws and other minimum standards). Realized incomes fall even further below national averages, due to the low and irregular hours of work experienced by most of these workers. Now, suddenly, Canadians came to see that their lives depend on those badly-paid workers continuing to perform their jobs – and doing them safely, despite the pandemic raging around them.

Sensing this shift in public attitudes, and also attempting to retain staff despite frightening and in some cases unsafe conditions, governments and employers have undertaken various initiatives to enhance compensation for lower-wage workers in essential roles. Naturally, special attention was

Suddenly, Canadians came to see that their lives depend on badly-paid workers continuing to perform their jobs – and doing them safely.
given to lower-paid workers in the health system (including long term care homes, hospitals, and other health facilities). But workers in other roles have also been recognized, including in food manufacturing, retail, and cleaning. The federal and provincial governments unveiled a $4 billion initiative (cost-shared 75-25 between the federal and provincial levels) to boost compensation for low-wage essential service workers, for up to 16 weeks.\(^{29}\) It is up to each province or territory to determine how the funds will be allocated. Ontario and Quebec both announced $4 per hour wage premiums to be paid to workers in crisis-ridden LTC facilities. Saskatchewan provided a flat rate $400 monthly top-up to identified groups of essential workers.

Some private employers also adjusted compensation to reflect the extra stresses and dangers of working through the pandemic. Several grocery and retail chains raised hourly wages by $2 or more, provided lump sum incentives for attendance, boosted overtime premia, and offered other supplements: including Loblaw’s, Metro, and Amazon. (Within weeks, however, Amazon then became the first major chain to eliminate those special benefits, cutting wages to pre-pandemic levels as of end-May.\(^{30}\)) These pandemic wage supplements did not solely reflect a sense of corporate responsibility: many of these businesses were experiencing unprecedented surges in demand during the pandemic (especially on-line and delivery-based retail businesses), and they needed extra staff to meet that demand. Indeed, incomes for many retail workers improved during the lockdowns, due both to more hours of work and to higher hourly earnings. Whether any of those compensation improvements are sustained after the health emergency eases will depend on company decisions, the ability of unions to lock-in higher wages, and the reaction among the broader population of consumers. It seems deeply contradictory to celebrate the “heroic” dedication of front-line staff (including often-overlooked workers like retail clerks, hospitality workers, drivers, and cleaners), but then to tolerate their pay being

\(^{29}\) See CBC News (2020b).

\(^{30}\) See NOW Staff (2020).

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![Figure 5. Average Hourly Wages, Selected Industries, 2019](image-url)
cut as soon as the emergency is over. Once again, it is only if workers have effective economic and political power that their pay can be maintained above poverty levels once “normal” business conditions are restored.

Ultimately, protecting the gains in recognition and compensation that low-wage workers have achieved in the crisis, and extending them to other classes of essential but low-paid workers who did not get as much public attention, will require the exercise of direct regulatory and economic pressure. Continuing to increase minimum wages (which have risen significantly in real terms in most of Canada over the past decade) is a particularly potent way to improve the work lives of low-wage essential service workers. Extending the power of collective bargaining into more retail and private service occupations – including new strategies to address the fragmentation of work resulting from contracting-out and franchise business models – would also help.
The preceding sections of this report have identified several ways in which the structures and practices of work in Canada must change after the COVID-19 pandemic: to better protect the well-being of workers, but also to facilitate economic reconstruction (to reduce effective unemployment from its current levels above 30%) and protect public health. Jobs have to be made safer, in light of the elevated threats posed by contagion. Workers need more protection against unsafe workplaces, and more power to effectively enforce safety rules that already exist. They need the effective ability (without economic penalty) to stay away from work when they need to. Work needs to be stabilized, fairly valued, and buttressed with income security measures that apply to everyone who works – regardless of their formal employment status.

There is a common thread running through these imminent and necessary changes – and this motivates the last entry in our list of 10 ways work must change. To achieve and sustain those necessary and beneficial changes, workers need the capacity to advance and win basic demands for safer, more secure, and better compensated work. And that will only happen if workers have a voice to amplify their demands, and influence and power to win them. This is true at the level of individual workplaces: for example, workers need knowledge, communication channels, and (when necessary) the effective power to stop working in order to ensure good anti-infection standards. Similarly, the complex and nuanced challenges of attaining fair work-from-home arrangements will never be
successfully addressed if workers do not have meaningful bargaining power to win better pay and provisions in home work. A greater share of work will become decentralized and hidden in the "privacy" of workers’ own homes – far from the eyes of the public, media, and regulators. Therefore, home workers will need organized structures and advocates (like unions) to put forward and win improvements in basic standards and protections for home work: like compensated overtime, allowances for home office costs, and prohibitions on electronic surveillance.

The need for effective voice and agency for workers is also clear at the macro and policy level. Needed reforms in income security programs, occupational health and safety rules, minimum labour standards, and collective bargaining laws will be contingent on a favourable balance of forces in the realm of policy and politics. Here, too, workers will need an organized presence, and an amplified voice, to act as a countervailing power to automatically powerful business and financial interests. Given the unprecedented speed and scope of macroeconomic and social policy responses to the pandemic, the importance of workers having a voice and leverage in these decisions has never been greater.

Fortunately, the challenge of building and projecting workers’ voice and agency to shape a better post-COVID labour market can build on some previous successes. In some aspects, Canada’s systems for regulating labour markets and mediating income distribution are relatively ambitious and successful (although in many other areas we clearly lag behind international best-practices). And Canadian culture reflects a fairly broad recognition of the importance of fairness and inclusion, and this recognition helps to shape public discourse over these issues.

Figure 6.
Change in Union Density, Selected OECD Countries

Korea France Canada Belgium Japan US Germany Sweden Italy Neth. Mexico Finland UK NZ Denmark Spain Australia

Change in Union Membership as % Employment, 2011 to Latest (pts)

Source: Statistics Canada Table 14-10-0206-01. Hourly-paid workers, excludes overtime.
Importantly, by international standards Canada also benefits from a relatively strong and stable trade union movement. While conventional models of organizing and collective bargaining have been challenged by the trends discussed above (including the expansion of precarious work), Canadian unions have nevertheless maintained a relatively stable and strong economic position. As indicated in Figure 6, union density (membership as a share of total employment) has declined only slightly in Canada over the past decade, by less than 1 percentage point. That's better than most other industrial countries. Average union density actually increased slightly in 2019, and will increase again in 2020 (given the increase in the share of public sector jobs in total employment, and the greater incidence of job loss falling on non-union workers). Union presence and power has been supported by innovations in organizing and representation strategies, the growth of some industries (notably public services) with stronger union representation, and (in some jurisdictions) by modestly supportive changes in labour laws. For example, the reintroduction of card-based certification methods in federally-regulated industries has been important in facilitating the spread of new union membership in industries such as transportation. Unions have also been comparatively active in using their power: strike frequency in Canada, while far lower than previous decades, is still among the highest of any OECD country.\footnote{See Stanford (2020b) for a larger discussion of Canada’s union movement performance in international perspective.} It is a mistake to suggest, therefore, as some observers do, that conventional union structures and practices have been “bypassed” our “outdated” by structural changes in the labour market. To the contrary, the continued influence of Canadian unions, both in workplaces and in broader policy processes, has been an important factor shaping economic and policy outcomes in recent years. It is one reason that distributional trends in Canada have been relatively positive over the last decade: featuring a decrease in poverty, modest increases in average real wages, and an uptick in the share of national income going to labour.

At the same time, despite these strengths, there are many ways in which the structures and practices of worker representation and negotiation in Canada have been inadequate to face the new challenges of a dynamic, disrupted, precarious labour market. Union density and collective bargaining in Canada’s private sector has eroded in recent years, constrained by fierce competition among firms, unforgiving employer opposition, and the fragmentation of work relationships through outsourcing, franchising, and other “fissures” \citep{weil2017}. On-demand workers in new digitally-mediated industries must fight for (and are sometimes winning\footnote{For example, the Ontario Labour Relations Board recently confirmed the right of on-demand food delivery workers to form a union; see Mojtehedzadeh (2020c).}) the right to access collective organizing and bargaining tools. Pockets of particularly vulnerable workers (including immigrants, migrant workers, and racialized Canadians) have been subject to particularly intense forms of exploitation, that conventional remedies (like labour inspectors and union campaigns) have not successfully addressed. Overlaying all these challenges, of course, is the omnipresent spread of precarious work practices, which infect all corners of the labour market with new dimensions of insecurity and turmoil.

\textbf{Average union density actually increased slightly in 2019, and will increase again in 2020.}

\textbf{A key ingredient in building a better future for work after the COVID-19 pandemic must be a stronger role for mechanisms of voice, representation, and bargaining power.}
For all these reasons, a key ingredient in building a better future for work after the COVID-19 pandemic must be a stronger role for mechanisms of voice, representation, and bargaining power for workers in all industries and all statuses. Only by empowering Canadian workers to recognize the risks (both epidemiological and economic) of working in an infectious world, and then respond to those risks in informed, ambitious, and collective ways, can we ensure those risks will be taken seriously and meaningfully addressed. This will involve shoring up and modernizing existing tools and structures: including better and broader enforcement of existing minimum standards and health and safety rules, support for collective bargaining as a central strategy for addressing core workplace and distributional issues, and ambitious policy measures at the macro level to strengthen job and income security. But it will also require a thorough commitment to creativity and innovation in organizing and representation strategies: developing new models and structures for organizing, and new labour and social policies to take on the changed reality of a modern, technology-disrupted, precarious labour market.

Fortunately, there are several examples of this spirit of innovation in Canada: again, at both the micro workplace level and the macro policy level. Many different campaigns and initiatives are underway to build new forms of workers’ organizations, and find new ways of mobilizing for needed changes, extending and supplementing traditional majoritarian models. Examples include efforts to organize on-demand food delivery riders, ride share drivers, retail workers, freelance media and design workers, community service workers, and even church ministers. Grass-roots organizers have been flexible, creative, and embedded in the communities they work in – including demonstrating improved representation of the race, gender, and linguistic diversity of Canadian workers. And for the most part, Canadian unions have supported those innovations, opening up themselves to new possibilities for cooperation between conventional structures and new organizing models. At the policy level, the dramatic changes in income support measures introduced in response to the pandemic have broken the mould of past approaches to income support. The improved inclusivity and benefit levels of the CERB have opened new possibilities to fight for a more universal and less punitive income support system.

By organizing themselves to have a stronger voice, and more power to effect change, in individual workplaces and in society as a whole, Canadian workers therefore have an opportunity after the pandemic to create a better world of work. But achieving that potential will depend entirely on workers building and using their power; it will never be “given” to them from above.
Conclusion: Making Change

The COVID-19 pandemic stands as a catastrophic event in Canada’s economic and labour history. The depth of hardship being suffered is unprecedented: most painfully, of course, in the thousands of deaths (many of them preventable) from the disease itself, but also extending to the shocking losses of work and income now afflicting millions of Canadian families. Canadians have responded to this challenge with determination, courage, and solidarity. The success of physical distancing strategies, and near-universal compliance with public health recommendations, constitutes an inspiring act of social solidarity. Canadians stayed home, not just to protect their own health – but to protect the well-being of the “herd.” Governments responded quickly and with enormous resources to try to protect Canadians, including at work. Other stakeholders (including employers, unions, educational institutions, and others) engaged mostly constructively in a shared effort to crush the contagion and save lives.

That same sense of shared purpose and solidarity will still be needed, as the economy starts to re-open, and we collectively begin to repair the damage from this terrible and tragic set of events. Our ability to rebuild is ultimately limited only by our collective ability to work and produce. That capacity to work, not “money,” is the only thing limiting what we can do to repair infrastructure and facilities, strengthen services, and restart production and incomes. So imagining a better, safer world of work after the pandemic is vital to our success in overcoming the pandemic – and preparing for the next one.

We have listed ten ways in which work must change “for good” after COVID-19. And there are surely more. These changes are desirable in a moral sense: they would make life fairer and safer for those who must work to support themselves (and that is most of us). But they are also economically necessary. It will not be possible to sustainably restart production, and harness the productive capacity of Canadians, without ensuring that work is safe, protected, supported, stabilized, and fairly compensated. I am not arguing that these changes are inevitable: only that if we do not prioritize these goals, and attain these critical reforms, then work will continue to be disrupted and curtailed. Most immediately, without safer workplaces (and empowered workers who can do whatever it takes to make
sure they are safer), economic recovery will be derailed again and again by further waves of infection and lockdown. More broadly, without efforts to stabilize, protect, and value all work, Canada’s economy will never capture the full potential of our shared capacity to produce, rebuild, and care – and the economy will suffer cumulating losses over time.

In this context, I conclude on a moderately optimistic note – notwithstanding the unprecedented human hardship and suffering which the pandemic has caused. Most Canadians have been reminded that their well-being depends on the safety and security of everyone else: including the ability of the lowliest retail clerks, cleaners, and delivery drivers to do their jobs professionally and safely. They have seen in action, and been grateful for, the overarching power and responsibility of government to mobilize massive resources when necessary to protect the public interest. They have learned conclusively that the traditional postwar social safety net is no longer fit-for-purpose, given the realities of the modern, precarious labour market. I hope fervently that Canadians will not tolerate simply going back to the way things were before the coronavirus arrived: cutting wages for retail clerks and Amazon shippers back to previous poverty levels, excluding non-standard workers from income support, and once again treating workers like disposable, just-in-time productive inputs, rather than as human beings.

The COVID-19 pandemic has highlighted fractures in the world of work that have been widening for decades – and dramatically showed that those fractures endanger all of society, not just those in their immediate path. This pandemic, and our response to it, can be a wake-up call to build a better, safer, more sustainable world of work. And that, in turn, will be the crucial determinant of our success in rebuilding a prosperous, healthy society.

Imagining a better, safer world of work after the pandemic is vital to our success in overcoming the pandemic – and preparing for the next one.
References


