

Issue Sheet 5

Canada's Workers at Risk: *Precarious Employment*

Did You Know?

- ❖ Temporary workers earn 40% less than their permanent counterparts
 - ❖ More than 15% of all Canadian workers are in explicitly temporary jobs.
 - ❖ 1 in 7 full-time adult workers has held their current job for less than one year.
 - ❖ 1 in 5 new hires in Ontario is temporary- up from 1 in 10 just five years ago.
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Over the past 20 years, numerous changes in the workplace have left many Canadian workers at risk. As the nature of employment has changed, it has become increasingly difficult for working Canadians to earn livable wages. Many times, even households with two low-wage incomes cannot earn sufficient funds to avoid slipping into poverty. In Ontario, the largest and most significant shift in the nature of employment is the drastic & continuous rise in precarious employment.

What Is Precarious Employment?

Precarious work is a term used to describe non-standard employment which is poorly paid, insecure, unprotected, and offers few (if any) benefits. Precarious work is often associated with part-time employment, self-employment, fixed-term/contract employment, temporary employment, or on-call employment.

Canada's youth, women, and equity seeking groups are severely over represented within these types of jobs. The largest problem that most precarious employees encounter is the lack of coverage under existing labour legislation. The current legislation was specifically designed for those in full-time, continuous work for one employer. This leaves numerous loopholes for non-standard employment that keep thousands of Canadian workers vulnerable to poverty, abuse, injury, and exploitation.

Temporary Agencies

Work is anything but steady for thousands of workers in Canada. Temporary workers make up about 15% of the workforce in Ontario, and their numbers continue to grow. With less training or Canadian work experience, many youth and newcomers have few options since temporary work is replacing permanent positions. Many people, frustrated with the ominous job hunt, turn to temporary agencies for employment.

A temporary or 'temp' employment agency finds and retains workers. Then, other companies in need of short-term employees contract with the temp agency to acquire such workers for various short-term assignments. Many temp agencies specialize in a particular profession or field of business such as general

labour, accounting, homecare, or secretarial work. In Ontario, this business is booming- about 1,300 temporary staffing agencies operate daily, with 500 of them in Toronto alone.

There are numerous problems with temp agencies in Ontario. As the *Toronto Star* and the *Workers' Action Centre* both report, some unscrupulous employment agencies demand hefty 'placement fees' from workers; deny them legal entitlements such as public holiday, vacation, or termination pay; and throw up financial barriers to deter employers from hiring workers full-time. In addition, temporary workers have reported systematic human rights violations on the job that include discriminatory questions in the application process and discriminatory assignment selection.

Did you Know?

A temporary agency employee is the exclusive employee of the *employment agency*, not the company in which they work.

Temporary employees are in a constant state of employment flux as they are never guaranteed constant employment, nor are they ensured a definite start or finish date for their assignment. In fact, a temporary's assignment can be terminated at any time, even in the middle of its projected timeframe. Often times, workers simply receive a phone call in the evening telling them not to report to work the following day. In many cases, temps are ineligible to apply for jobs open to regular employees. These obstacles leave temporary employees at a severe disadvantage. In some temp agencies, workers are considered to be 'self-employed independent contractors' who have a similar status to those running their own business. As a result, many workers are unaware that they have reduced liability insurance protection*. A temporary employee with independent contractor status can be held personally & financially accountable in the event of an error, while the temp agency gets let off the hook.

* Liability insurance is designed to offer specific protection for employees in cases of errors resulting in damages

'Isabel'

Isabel worked in a garment shop for 14 to 15 hours a day, five or six days a week, over a four year period. During this time, her first seven hour shift was paid directly by the company. Her second, consecutive seven hour shift was paid by the company's own temporary agency on a separate payroll to avoid paying overtime. Over a four year period, Isabel lost over \$64,000 in unpaid overtime, over \$5,000 in unpaid public holiday pay, and close to \$12,000 in unpaid vacation pay. As shocking as this sounds- this is all 100% legal.

Another hurdle that precarious employees must face is a lack of union representation. Because workers are isolated in workplaces and are constantly moving, it is difficult for workers to take action to improve their immediate circumstances. Having representation available could help these 'at risk' workers come together and work towards improving their employment standards, benefits, and conditions.

'Perma-Temps'

The current labour legislation leaves a clear employer advantage when hiring a temporary, not a permanent, worker. By claiming that the employee is only 'temporary', the worksite company avoids paying benefits and employer taxes. This benefits the employer who saves money; and, it benefits the temp agency that makes money through its service fees AND the cut it takes from the temp worker's pay. After the temporary agency and workplace deductions, the temporary worker earns 40% less than their permanent counterparts!

Without public holiday pay, vacation pay, and access to permanent employment, temporary workers are treated like second-class employees. Temp agency workers make up to 40% less than permanent workers, yet they have to pay temp agency fees just to have jobs. This is unacceptable. Currently, the *Workers Action Centre* (www.workersactioncentre.org), *The Ontario Federation of Labour* (www.ofl.ca), and other labour bodies in Ontario are fighting for the rights of ALL workers- including those in precarious employment.

To take action and find out more, check out the websites listed above and 'Know Your Rights' at www.knowrights.ca.