

# Canadian government attacks wages and unemployment benefits

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Last week, Diane Finley, human resources minister in the Conservative Party government of Prime Minister Stephen Harper, announced draconian changes to Canada's unemployment insurance system. The measures, originally indicated in the Conservatives' massive omnibus budget legislation, which gives the government unilateral powers to change Employment Insurance (EI) rules, represent a vicious attack on working people.

The Omnibus Bill is an austerity document that bundles together wholesale attacks on social spending, jobs and pensions with the dismantling of regulations across multiple industries, impacting environmental protection, food safety and other critical areas. Buried in the bill was an amendment to the Employment Insurance Act permitting the cabinet to pass regulations respecting "suitable employment." The act suggested that the current rules create "disincentives" to work, aggravating so-called "labour shortages."

Under the new EI regulations, planned for early 2013, there will be three new categories of unemployed workers. Workers in these classes will be forced, by varying degrees, to consider jobs with lower wages than they previously earned.

For example, seasonal workers who are "frequent EI users"—working in industrial construction, agriculture or the fishery, forestry or film industries, and who face regular layoffs or contract work—will be forced to accept any work for which they are qualified and take a pay cut of up to 30 percent compared to their previous wage.

In regions where unemployment is high, workers will

be pressured to seek employment further and further afield, with all the concomitant problems this brings to family life.

Finance Minister Jim Flaherty, author of the austerity budget that will slash billions in government spending, weighed in on the matter. The unemployed should be prepared to take any job available, he argued, regardless of training, location or family circumstances. "There is no bad job, the only bad job is not having a job," he said. "I drove a taxi, I refereed hockey. You do what you have to do to make a living."

Flaherty, who has had no compunction bailing out the banks to the tune of \$114 billion and lowering taxes on corporations and the rich, felt it prudent not to mention that his government is presiding over an economy that has produced official unemployment rates approaching 8 percent. The real jobless rate, including those without work who are not counted by the government, is likely double the official rate.

The new EI measures will impoverish workers and accelerate wage-cutting throughout the Canadian economy. Already, after successive attacks on the EI system by both Conservative and Liberal governments in the 1990s, fully 50 percent of laid off workers are ineligible to claim unemployment benefits. The new legislation, which metes out penalties that include the cutting off of payments to workers who do not accept low-paying jobs, will increase the number of people denied protection from the scourges of the capitalist business cycle.

The Conservatives' proposal has been hailed by representatives of the ruling elite. Typical was a

statement issued by the right-wing Canadian Taxpayers' Association, which regularly fulminates about lazy and unscrupulous "parasites" who suck the life-blood out of corporations. "The new EI rules," wrote the group's director, "will strike a blow for hard-working Canadian taxpayers against habitual pogeys (EI) collectors who have been enjoying part-time work with other people's money for far too long. If you've been collecting pogeys more than one year in the past five, maybe it's time to get some training, find a different line of work, or move to where the jobs are."

Not every section of the conservative constituency entirely welcomes the new provisions. Farmers and small business operators in rural areas who rely on a seasonal supply of cheap labour have voiced concerns that the legislation will diminish that pool. Formerly, EI eligibility rules were weighted toward regions dependent on seasonal industries, allowing longer access to benefits so as to encourage workers to stay put until the seasonal work returned.

To assuage this constituency, the Conservatives have also included in their Omnibus Bill new rules for the importation of temporary foreign workers that will further drive down overall wage rates.

Employers will be permitted to pay wages fully 15 percent below the average wage rate in a particular region or industry where employers claim a shortage of available labour. Wait times for processing the labour and immigration paperwork will be significantly reduced—to ten days. The new process includes a simplified online application and a call centre to support employers.

The new streamlined rules also provide an opening for larger corporations to increase their profitability by exploiting low-wage workers. Fast food and coffee franchises, already notorious for their labour practices, will be sure to belly-up to the trough.

Canadian Restaurant and Foodservices Association Vice President Mark von Schellwitz maintained that a plan to bring foreign labour into Canada was necessary for all levels of the food services sector. "This is not an economic boom, this is a demographic labour shortage

that is going to get worse before it gets better," he said.

Critics of the act have noted that when businesses claim there is a "shortage" of workers, what is implicitly meant is that they cannot find workers at the wages and working conditions they are offering.

In the face of these attacks, the opposition New Democratic Party leader, Thomas Mulcair, has insisted that the NDP must take the "high road" with regard to government policy. This means an agreement that business-friendly policies must form the core of any response to the capitalist crisis, even as the NDP postures as the representative of "ordinary Canadians." In the specific matter of the EI reforms, the NDP has limited itself to calling for the Omnibus Bill to be divided up and studied independently by different committees.

The Harper government's class-war agenda will be bitterly opposed by the working class. Already, tens of thousands of workers at Canada Post, Air Canada and CP Rail, not to mention the mass movement of students in Quebec, have entered into struggles. Their fight is no different from that being waged by young people and workers in Europe, the United States and across the globe.

But if working people are to impose their own solution to the socio-economic crisis—a solution at the expense of big business, not jobs, pensions and public services—they must break politically and organizationally from the pro-capitalist political parties like the NDP and build a movement based on an internationalist and socialist program.



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