

Bank of Canada governor tells youth to work “for free”

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14 November 2014

In a crass remark indicative of the contempt the Canadian ruling class holds for the working population, Bank of Canada governor Stephen Poloz said young workers should “get some real-life experience” and work “for free,” as he testified at a parliamentary standing committee on finance last week.

Even as he recited the alarming statistic that 200,000 Canadian youth are unemployed or underemployed, Poloz sought to portray them as idle ne'er do wells.

“If your parents are letting you live in the basement,” Poloz pontificated, “you might as well go out and do something for free to put the experience on your CV.”

Poloz, the chief of a central bank that is overseeing monetary stimulus policies pumping billions into the parasitic speculative activities of Canada's financial elite, was merely expressing in an unguarded moment the prevailing attitude among the country's top idlers and swindlers.

Earlier in September, Avery Shenfield, the chief economist of the Canadian Imperial Bank of Commerce (CIBC), had similar thoughts on the crisis of youth unemployment. “The big problem here is that Zoe and Zach are still living at home in their parents' basements... part of that is they're lazy good-for-nothings,” he said to laughs from the audience.

The audience in question was a panel of the chief economists of Canada's big five banks, who had gathered to ruminate upon the trajectory of the national economy. The scene recalled nothing so much as a meeting of the consiglieres of the mafia's Five Families, surveying the money-making prospects of their respective domains and having a laugh at the expense of their victims.

Despite the callousness of the bankers' remarks, they underscore the dire financial straits that Canadian youth face, six years after the 2008 financial crash and well over four years after the so-called “recovery”.

Unemployment among 15 to 24 year-olds stood at 12.6 percent in October, according to Statistics Canada's monthly jobs report. Although the figure was down from

13.5 percent the month before, the decrease was largely attributed to a fall in the youth labour participation rate, which hit a record low. In fact, no new jobs were created for youth last month.

Between 2008 and 2009, during the harshest round of recession job cuts, about half of all jobs destroyed were those held by youth. Though the youth unemployment rate appears to be nearing the pre-recession low of 11.7 percent, a significant proportion of new jobs taken by young people are part-time and pay poverty wages.

This is reflected in the fact that only 51 percent of youth are employed full-time, though 20 percent of part-timers indicate that they would prefer full-time work. In contrast, over 70 percent of youth worked full-time in the 1970s and 1980s.

Underemployment is rampant, with only one-quarter of those holding university degrees working in jobs commensurate with their education level. Unpaid “internships” are yet another scourge, one which ensnares an estimated 100,000 youth. Some of the most unscrupulous employers include Canada's largest corporations, such as the highly profitable big five banks and telecommunications monopolies.

Seventy percent of all workers aged 15 to 24 are employed in lower-skilled—and as a consequence lower-paid—occupations. This figure has gone virtually unchanged in almost 25 years despite a 10 percent increase in young workers' education levels.

Youth work predominantly in the retail, restaurant, and hospitality sectors, where hourly wages are at or near the minimum wage. At a measly \$11 per hour, Ontario's minimum wage is the country's highest.

A glance at Statistics Canada's income charts shows that median wages for youth across the country have risen from \$10.00 in 2007 to \$12.00 in 2014—a paltry increase that has completely failed to keep up with the skyrocketing cost of living and post-secondary tuition fee hikes.

The average rent for a one-bedroom apartment in the country's large cities hovers over \$1,000 per month, or

\$12,000 per year. University tuition, currently averaging \$6,885, is expected to increase 13 percent by 2017, vastly outstripping the rate of inflation.

Given that the median annual household income for an unattached individual stands at \$22,800, these costs are prohibitive and are leading masses of young people to forego schooling, moving out on their own, or starting a family. An estimated 40 percent of workers aged 20 to 29 still live in their parents' home. Youth who choose to strike out on their own or attend college or university often wind up thousands of dollars in debt, which weighs them down financially for years.

Young people are far and away the most vulnerable and exploited section of the work force. At the same time, older workers within the 25 to 55 age bracket fare little better.

The corporate press has trumpeted October's drop in official unemployment to 6.5 percent as a sign of the labour market's growing health. However, this prognosis has been greeted by deep scepticism among some of the country's top economists, not least of them Poloz himself. The national labour market "has not yet returned fully to normal," he remarked in a Nov. 4 speech to a private-sector lobby group.

Poloz went on to explain that despite the addition of 43,100 jobs in October, the overall number of hours worked had only increased 0.4 percent over the past year. This suggests employers are cutting the hours of existing employees and hiring many more on part-time contracts.

Indeed, part-time employment has risen 3 percent over the past year, while full-time work has only increased by 0.6 percent. The labour market has been volatile for the past year, with eight months of wildly fluctuating gains and losses. A full two-thirds of this year's employment gains have occurred in the past two months alone, even as economic commentators voice concerns about rapidly deteriorating economic prospects in most of the world, including Japan, China and Europe.

Meanwhile, the public sector has shed a further 58,000 jobs and posted no gains, in keeping with the austerity job cuts of governments at every level.

The anaemic state of the Canadian labour market, and for that matter workers' rapidly worsening living standards, are not simply the by-product of an out-of-control and irrational economy. They result from deliberate actions taken by big business and governments at the federal, provincial, and municipal level to increase corporate profits at the expense of the working class.

Since the onset of the 2008 financial crash, governments of all stripes, whether Conservative, Liberal, or NDP, have worked systematically to dismantle public services, lay off thousands of public sector workers and gut their wages and benefits, even while they slash corporate taxes and grant

generous subsidies to big business. The result has been a massive windfall of billions to the corporations and the country's wealthiest individuals, and a marked increase in deprivation and suffering for working people.

This two-pronged attack on the working class could not have been achieved without the full support of the trade union bureaucracy and their allies in the NDP. Over the past three decades, their response to ever-escalating attacks by big-business and government on workers' jobs and democratic rights has been to strangle working class opposition and divert it into support for one or another big-business party.

A remarkable display of this sordid relationship occurred at the Ontario Good Jobs Summit held in Toronto this past October. Organized by UNIFOR, the country's largest industrial union, the conference brought together bigwig union bureaucrats with the heads of some of the country's largest corporations, as well as prominent representatives of the big-business Liberals and NDP, to further cement a united front dedicated to driving down working class living standards and conditions.

Ontario Liberal Premier Kathleen Wynne—who slashed social spending, imposed a two-year wage freeze on public sector workers and outlawed a public teacher's strike, then won re-election with the support of the unions—touted the "non-adversarial" model of corporate-labour relations that has seen the union bureaucracy transformed into a junior partner of corporate management.

UNIFOR president Jerry Dias, who introduced Wynne at the podium, warmly acknowledged this partnership. He repeatedly declared that the unions want companies to make healthy profits and that the conference's purpose was to deepen the collaboration, or rather integration, of the union bureaucracy with big-business and government.

The conference ended "with [the] formation of a Round Table group to include leading Canadian business people, student leaders, politicians and labour leaders tasked with finding ways to create good jobs," according to a UNIFOR statement.

UNIFOR's decision to hold the conference at Toronto's Ryerson University was no doubt a cynical ploy to appeal to young workers, whose largely low-paid and non-union status has made them an attractive recruitment target as unions across the country have seen their membership numbers collapse.



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