

Backgrounder

EI-21 RESOLUTION

The parameters of the Employment Insurance (EI) program were redefined in the 1990s, with major cutbacks and downgrades that transformed the largest federal social program into a complex, unfair, arbitrary system with a cumbersome bureaucracy. More than half of unemployed workers no longer had access to EI. For three decades, we had to live with such program, reduced to bare bones.

With the COVID-19 crisis, unemployment rates were reaching heights not seen since the Great Depression of the 1930s. It was a revelation of the flaws of our social safety net. From the onset of this crisis, in fact, EI literally collapsed, unable to meet the demand, unable to provide protection for everyone.

It is a completely new program, set up in the midst of the crisis, the Canadian Emergency Response Benefit (CERB) that had to take over. Extended to 28 weeks, the CERB finally gave way from the end of September 2020 to a flexible, more accessible EI system. New income support programs (Canadian Recovery Benefits) have also been created for those ineligible for Employment Insurance.

The decision-makers worked on the fundamentals of how EI works, exactly on the aspects that were problematic for so many years: eligibility, benefit period, benefit rate, waiting period and the sanctions for “invalid” termination of employment. To give just one example, a single eligibility criterion has been established, fixed at 420 hours, while granting a one-time credit of hours in addition to the actual working hours, in order to facilitate the eligibility for benefits.

The measures put in place are innovative and introduce a new protection framework, better thought out, better adapted, and more agile. **But this is a temporary framework**, due to expire in September 2021.

Crisis situations have often acted as an indicator of the needs that had to be met. Thus, the economic crisis of the 1930s led to the creation of EI. The Second World War led provinces and Canada to build their model of society and their social safety net. We are at one of those pivotal moments, and this should inspire us to go further, and completely rethink our social safety net.

The most recent Throne Speech seem to set such target: “This pandemic has shown that Canada needs an EI system for the 21st century, including for the self-employed and those in the gig economy.” This is what we are asking for: EI must be thoroughly reviewed and modernized, to better reflect the diverse realities of employment, and able, if necessary, to face new crises.

From a “temporary reform”, we must move on to a “permanent reform” aimed at this objective of giving us an EI program whose coverage will have been extended and protections improved, ensuring a new social balance and a stronger social safety net.