Facilitating the Future of Work Through a Modernized EI System

The stable, long-term jobs that Canada’s unemployment support system are based on are being replaced by non-traditional arrangements involving temporary, part-time and gig work. Reforms of Employment Insurance programs have never addressed these gaps in any meaningful way. Since 1976 in Canada:

- The number of multiple job-holders has increased by 168%
- The number of part-time job-holders has increased by 49%
- Self-employment has increased by 26%

Employment Insurance programs’ outdated structures and assumptions have left more unemployed Canadians excluded from benefits. In the late 1980s, more than 80% of unemployed workers received EI payments; In the last decade, on average, only 43% did:
EI excludes many workers based on their type of work arrangement or the geographical lottery of where they happen to live. Neither of these factors, however, is indicative of how easy or difficult it is for them to find new employment.

Determining eligibility for support must not be based on assumptions about the nature of work formed 50 years ago. The EI system must be updated to reflect a world of work increasingly disrupted by technology and automation to ensure that Canada’s workforce is resilient and competitive.

The report lays out four recommendations:

1. Supplement Canada’s unemployment support system with an intermediary program designed to provide time-limited and flexible income support to unemployed individuals in non-traditional employment relationships.

2. Replace the regionally determined EI benefits system with a single, national entrance requirement, benefit duration range and weekly benefit formula.

3. Divorce eligibility for skills training programs from EI eligibility and create a single labour market development transfer to allow provinces the flexibility to design and administer more integrated programming.

4. Gradually work toward ensuring that labour market transfers are fairly allocated and contain an element that is responsive to large swings in provincial unemployment rates.

Addressing these issues will require more than simple tinkering. To ensure that Canadian workers are properly supported in light of
ongoing and emerging trends related to the future of work, these problems must be addressed through bold and fundamental reform of the entire system of unemployment supports. *Sunil Johal and Erich Hartmann, report authors*

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