



April 22, 2013

Dear Chair and Members of the Executive Committee, City of Toronto

We would like to comment in writing about the Toronto City Staff's report on "Quality of jobs, Living Wages and Fair Wages in Toronto" presented at your committee meeting today.

The Workers' Action Centre works directly with people in low-wage and precarious work to address workplace problems. Thousands of workers a year contact us through our phone hotline, weekly drop-in sessions, educational workshops and website. The majority of workers that contact us are from racialized communities and recent immigrant communities – all are people struggling with low-wage and precarious work. People bring to us issues that push them into these kinds of work, the challenges of new forms of work, and the problems obtaining even the most minimum of legal rights.

In 2011 we conducted a survey of 520 people in low wage and precarious work. The results were released in a report called "*Unpaid Wages, Unprotected Workers: A survey of Employment Standards Violations.*" Our research results revealed staggering employment standard violations faced by low-income, immigrant, racialized and precariously employed workers. We found that:

- 22% of workers surveyed reported being paid less than \$10.25 in their current job
- 33% of workers surveyed reported being owed wages from their employer. Of these, 77% reported that they were not successful in obtaining the wages owed to them
- 60% reported working more than 44 hours in a week, however, 39% of these workers reported never receiving overtime pay
- 34% of workers reported problems getting vacation pay
- Only 4% of workers with unpaid wages filed a complaint against their employer at the Ministry of Labour

In February, the United Way of Greater Toronto and McMaster University released their report "*It's more than Poverty: Employment Precarity and Household Well Being*" arising from a comprehensive research survey covering over 4,000 workers. The report examined precarious and stable employment in the labour market covering the regions of Hamilton, Whitby, Toronto Durham, Halton, Peel, and York. Based on data from Statistics Canada and from their own research they found that:

- Barely half of those working today are in permanent, full-time positions that provide benefits and a degree of employment security.
- Only 60% of GTA workers had stable secure jobs
- A significant number of those in permanent employment still had many of the employment characteristics of those in precarious jobs
- Precarious employment has increased by nearly 50% in the last 20 years.
- The category of 'self-employed without employees' increased almost 45% between 1989 and 2007.
- Workers in precarious jobs earned 46% less and had household incomes that were 34% lower, rarely received employment benefits beyond a basis wage, were often paid in cash and more likely not to get paid at all and did not know their work schedule a week in advance

The Law Commission of Ontario also just released their report “Vulnerable Workers and Precarious Work” at the beginning of April following a three year investigation into the impact of precarious employment across Ontario. The report also highlighted the deterioration of labour standards facing many workers in Ontario. These two very prominent reports echo the concerns and issues that WAC has been helping to make visible on precarious employment. Many features of the labour market push racialized and immigrant workers into precarious work. In 2008 Statistics Canada found that recent immigrants were more likely than Canadian-born workers to be forced into temporary or part-time jobs, end up in jobs for which they were over-qualified, and be paid lower wages.¹ A great number of the workers that phone us on our hotline or who we meet in the community are dealing with a world of work that increasingly consists of precarious work such as temporary agency work, misclassified self-employment, casual and contract jobs. Many of these jobs are accompanied by little access to income security programs such as Employment Insurance and WSIB. They face jobs scams, the charging of illegal fees for finding work, unpaid wages and other labour violations.

These are some reasons – and there are many more - why Council needs to ensure no outsourcing of any work especially cleaning where we find a high rate of labour violations. If there is to be outsourcing, there needs to be monitoring and oversight by Council to ensure that workers are not being abused and exploited through the subcontracting chains that now dominate many sectors. Ensuring that staff of the City address “quality of jobs” and develop an assessment tool is vital as shown by the numerous studies and reports documenting on the deteriorating lack of standards that are pervasive in precarious jobs. These measures will be important in the City of Toronto making better informed policy and procurement decisions.

We would also like to comment on the low wages that are being recommended for the schedule of rates for cleaners. On March 2st 2013, the Campaign to Raise the Minimum Wage was launched in 15 cities across Ontario with much support from a vast array of community organizations, unions, social planning councils, community and mainstream media. The call is for a minimum wage in Ontario that brings workers out of poverty – at least 10% above the Low Income Measure, based on a 35 hour work week and then indexed to inflation. That means that at a very basic level, the minimum wage in Ontario should be \$14 per hour. We note that in the report you are discussing today, for light duty cleaners, the base wage will be set at \$12.43. This will set a workers’ wage at below the current poverty level – that is of course assuming the person will be getting full-time hours which in many cases, cleaners do not get. It is imperative that workers get wages that allow for a decent standard of living where workers can pay their bills, take care of the children and not be left in poverty.

The economic recession has exacerbated and deepened the crisis facing many low wage workers from across Toronto’s diverse communities. Women, immigrants, low wage workers, newcomers and their families and communities bear the costs of little protection from substandard working conditions and the impact of not being paid wages and benefits. In this current context the discussion that you are having about ensuring the quality of jobs for workers could play a significant role in the City of Toronto being a creator of decent jobs, more stability, better wages and benefits where workers can live in dignity and take care of their families. That is a reputation to support and strengthen – not abandon.

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¹ Statistics Canada (2009) “Study: Quality of employment in the Canadian immigrant labour market” **The Daily Monday** November 23, 2009.