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Gauging the Potential of Occupational Pluralism in the Rural Maritimes

Full Report

Prepared for the Future Skills Centre

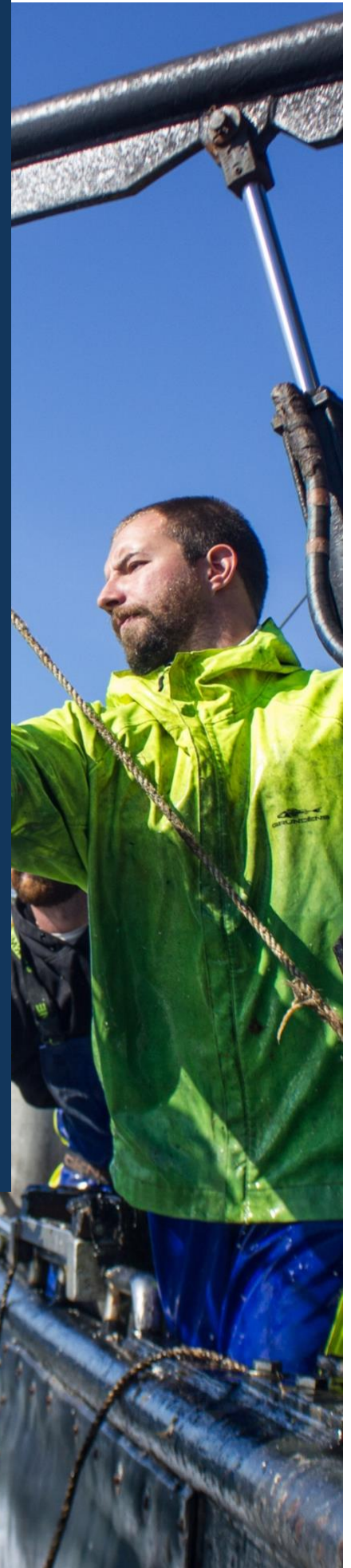
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Higher Education Strategy Associates (HESA) is a Toronto-based firm providing strategic insight and guidance to governments, postsecondary institutions, and agencies through excellence and expertise in policy analysis, monitoring and evaluation, and strategic consulting services. Through these activities, HESA strives to improve the quality, efficacy, and fairness of higher education systems in Canada and worldwide.

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Reader's Guide

This report has an Executive Summary and five chapters. Each is designed to be able to be read on its own, as opposed to requiring a reader to review all the materials together. Moreover, at the beginning of each section of the report is a box summarising the content from the section that follows. We encourage readers to seek out the information most relevant to you, relying also on the table of contents at the front, rather than tackling the report as a single work that needs to be read in its entirety to be appreciated.

Acronyms and abbreviations

AISC	Association of Industry Sector Councils
APEC	Atlantic Provinces Economic Council
AIP	Atlantic Immigration Program
CA	Census Agglomeration
CAHRC	Canadian Agricultural Human Resources Council
CBU	Cape Breton University
CCNB	Collège Communautaire du Nouveau-Brunswick
CCPFH	Canadian Council of Professional Fish Harvesters
CEIC	Canada Employment Insurance Commission
CMA	Census Metropolitan Area
CPP	Canada Pension Plan
CRS	Comprehensive Ranking System
DFO	Department of Fisheries and Oceans
EASP	Employment Assistance Service Program
ECEC	Early childhood education and care
ESDC	Employment and Social Development Canada
EI	Employment Insurance
EITP	EI benefits for training program
FAST	Facilitating Access to Skills and Talent
FFP	Fast Forward Program
GDP	Gross Domestic Product
GIS	Guaranteed Income Supplement
GOC	Government of Canada
HR	Human Resources
IMP	International Mobility Program
IRCC	Immigration, Refugees and Citizenship Canada
IRPP	Institute for Research on Public Policy
JCP	Job creation partnerships
LFS	Labour Force Survey
LMDA	Labour Market Development Agreement
LMI	Labour Market Information

LMIA	Labour Market Impact Assessment
MFU	Maritime Fishermen's Union
MPHEC	Maritime Provinces Higher Education Commission
MSVU	Mount Saint Vincent University
NAICS	North America Industry Classification System
NB	New Brunswick
NBCC	New Brunswick Community College
NS	Nova Scotia
NSAA	Nova Scotia Apprenticeship Agency
NSCC	Nova Scotia Community College
NSSAP	Nova Scotia Student Assistance Program
OAS	Old-Age Security
OP	Occupational Pluralism
PEI	Prince Edward Island
PGWP	Post-graduation work permit
PNP	Provincial nominee program
PPF	Public Policy Forum

Executive Summary

In this executive summary we provide a brief overview of the socio-economic and policy contexts for examining occupational pluralism as a potentially important strategic option for addressing current labour market challenge in the Maritime Provinces. We also summarise our recommendations for new policy and program options in four major policy and program areas: job quality in rural-seasonal industries; the Employment Insurance (EI) system; education, training, and other labour force development programming; and international immigration. The summary closes with a review of the research methodology supporting this work. Chapters of the full report provides more information and sources for all the findings outlined in this summary.

Understanding the challenge

A static past

From the end of the Second World War through the 1990s, the predominant economic trends across the Maritimes were stagnant economic growth and low industry productivity levels. On the demographic side, the three provinces generally experienced weak population growth, negative interprovincial migration flows, and slower urbanization than other parts of Canada. Over half of all Maritimers continue to live in rural areas, as compared to less than 30% of Canadians overall.

The Maritime region overall and especially its rural regions have heavily relied on seasonal primary production industries and their exports of semi-processed commodities, as well as tourism. These industries were characterized by persistent oversupply of semi-skilled workers and labour-intensive production models reliant on this readily available low-cost labour.

Public policies, regulations, programs, and services have reflected the longstanding weaknesses of rural industries and in some regards sought to sustain the rural economy, and in other regards enabled decline through benign neglect. For instance:

- Policymakers have tolerated rural seasonal sectors continuing to operate largely informally, providing limited protections for workers in terms of job security and insurance against illness or injury.
- The EI system supports rural industries to maintain workforces, and rural communities to sustain their populations. Introduced in the 1940s to provide insurance against precipitous job loss, the system evolved through multiple reforms, and under intense political pressure, to become a guaranteed income floor for rural workers who could not secure employment for more than part of the year.
- Education and training systems, including post-secondary education institutions and apprenticeship programs, provided rural youth with pathways to escape marginal incomes and limited career prospects in seasonal sectors and their home communities. However, few of these education and training programs

developed to support any wider strategy to improve productivity and attract and retain labour supply for rural industries.

- Labour market information systems and career counseling and promotion programs and services have rarely promoted employment opportunities in rural-seasonal industries as attractive options for new entrants to the labour market or for workers left unemployed in other regions or industrial sectors. They instead have emphasised promoting full-time-year-round work, partly with the goal of reducing EI uptake.
- International immigration pathways and services have emphasised connecting newcomers with urban employment opportunities, and in fact sought to control immigration of workers who might meet the unique and less visible needs of rural regions with traditionally high unemployment rates.

This policy environment has reinforced a pattern of complacency among many employers that persists in some sectors until the present.

- Many rural employers felt little need to compete for workers by offering more attractive wages and benefits. Given that most workers were price-takers, the “value proposition” for many job categories was wages at or just above minimum standards plus the all-important chance to qualify for EI benefits. Many companies did not develop internal capacities for workforce recruitment and human resources management. Outside of informal assurances, many employers provided little or no job security for their employees from seasons to season, and few other employment benefits to protect workers and their families and to prepare them for retirement. With business models that depended on minimizing overall labour costs, many employers have long been as dependent on government benefits like EI as their employees.
- A culture of low business investment is well established. Many primary production business operators saw themselves also as price takers, dependent on exporting commodities into highly competitive international commodity markets, so business success was widely understood to require low production costs through limited investment in machinery, work organisation innovations, and upskilling of labour that might only be in use for a few months each year. Similar conditions pertained in rural service sector industries such as accommodations and food services.

In summary, governments and large parts of the private sector have long taken for granted a lack of growth and dynamism in the rural economy of the Maritime Provinces.

A long-awaited take-off

The economy of the Maritime Provinces is no longer mired in slow growth, it is in fact experiencing positive trends not seen for over a century. Long-term population decline has reversed since 2000, due to sustained growth in international immigration. Interprovincial migration trends began running strongly in the region’s favour before the COVID pandemic but gained further momentum as increased work-from home allowed workers to pursue affordable housing and more attractive lifestyles away from major cities. Maritime cities,

especially Halifax and Moncton, have taken off. While overall growth rates across the Maritime Provinces still lag the Canadian economy overall, there have been real and substantial improvements in after-inflation GDP levels in the aggregate and most importantly on a per capita basis.

Table 1: Indicators of growth in the Maritimes Provinces, 2009 to 2023¹

	Population (2011-2023)	Annual international immigrant arrivals (2009-2022)	Real GDP Change (2009-2021)
New Brunswick	+10%	+434%	+11%
Nova Scotia	+11%	+429%	+15%
PEI	+25%	+52%	+31%
Maritimes	+12%	+321%	+15%

Along with population growth, there are signs of new life in rural industries. Traditional sectors are regaining strength while new and large-scale developments are rapidly taking shape in the energy field and other sectors. New markets particularly in Asia have created new opportunities for traditional industries including the fishery and agriculture sectors, even as the climate crisis and geopolitical competition have increased the value of these and other regional assets within North America. While export earnings in all other sectors in the Maritime provinces grew by only 14% between 2009 and 2019, the total value of exports generated by the fisheries, agriculture, and forestry industries increased by 53% after inflation, and their share of total export revenues increased from 28% to 38%. Export industries are critical engines for economic development.

The changes in the real economy of the region are creating an inflection point with respect to business practices and public sector policies and programs. Evidence from consultations with industry suggest that the private sector is adjusting to these new realities. We heard recognition of a similar need and intention to change direction in public sector policies and programs from civil servants, education and training leaders, and other interviewees, but perhaps more inertia to first be overcome.

An impending demographic crisis

Urgent change is needed to sustain this new dynamism and growth, however. An impending demographic crisis – the legacy of the business practices and the public policy paradigm described above – now threatens the rural seasonal industry geese just as they begin to lay golden eggs.

¹ Statistics Canada: Quarterly population estimates (Table: 17-10-0009-01); Gross domestic product (GDP) at basic prices, by industry, provinces, and territories (Table: 36-10-0402-02); and Estimates of components of international migration (Table: 17-10-0040-01). Note: not all “arrivals” result in permanent settlement, data exclude temporary immigrants such as students and temporary foreign workers and others moving to other provinces.

The overall rural labour force in the Maritimes declined in size by 9% from 2011 to 2022. Moreover, the number of workers aged 55-64 increased by 6% and the number aged 65-or-older increased by 77%. These workers will soon age out of the labour force in large numbers and few young people are present to replace them. In 2022, there were only 49 residents aged 15-24 in the Maritimes for every 100 workers aged 55 or older. In rural areas, that ratio fell further to 44.7. The demographic picture should worsen moving forward, as the ratio of persons aged 65+ to those aged 15-64 is expected to increase by as much as 10.9 percentage points between 2021 and 2031. Already, the highest job vacancy rates in the Maritimes are in predominantly rural regions.

These trends are especially concerning in key rural seasonal industries. The median age of Maritimes fish harvesters (captains and crew together) was 46 in 2019, while two-thirds of enterprise owners who belong to the Maritimes Fishermen's Union were over the age of 50 in 2019. APEC projects that fish processing will require 7,500 new employees across Atlantic Canada by 2030, about 70% due to retirements. In agriculture, the Canadian Agricultural Human Resources Council (CAHRC) estimated that in 2017 agricultural producers lost out on \$78 million in sales due to labour shortages. The three Maritime provinces risk having between 20% (Prince Edward Island – PEI) and 36% (Nova Scotia) of their farm worker jobs unfilled by 2029.

To respond to these trends, rural employers now need to compete more aggressively for new labour supply by offering more attractive employment conditions. They also need to make the most of the labour supply that they have available.

Seasonal occupational pluralism as one potential solution

The seasonal nature of many rural industries makes it harder for these employers to compete for labour supply when workers are seeking year-round employment and higher incomes. To the extent that workers in seasonal jobs are inactive in off-seasons, they also contribute less than their full potential to the overall economy.

There is a long tradition in the Maritimes, as elsewhere, of rural-seasonal workers engaging in seasonal occupational pluralism (OP) – i.e., working in different jobs in different parts of the year – to generate their annual incomes. The primary objective of this project has been to assess the potential contribution of expanded and modernized seasonal OP to addressing the labour supply challenges facing rural-seasonal industries, and policy and program options to encourage or enable greater seasonal OP. High quality seasonal OP employment can allow workers to earn higher annual incomes while working in seasonal occupations and industries for at least part of the year. In 2022, 6.5% of all workers in Atlantic Canada participated in seasonal OP, or some two-thirds of all seasonal workers. We estimate that increasing seasonal OP could add some 1.1 million weeks of full-time work in the Maritime provinces or the equivalent of 20,966 additional full-time workers if normalised over a 52-week year. This would be equal to 2.8% of the work hours completed by full-time workers in 2019.

Priorities for policy change

Through the in-depth research and consultation activities of this project, we have identified four strategic priorities to encourage or enable greater seasonal OP: improve the quality of seasonal employment, realign EI with the evolving rural economy, educate and train workers specifically for seasonal OP, and expand recruitment of international immigrants with skills and aspirations appropriate to careers in rural-seasonal industries.

Priority 1: Improve the quality of seasonal employment

For rural-seasonal industries to attract and retain new labour supply, there will need to be significant improvements in the quality of jobs and careers across these sectors. This same finding applies to seasonal OP jobs. Objectives should include:

- Increasing wage rates where possible
- Providing greater security against loss of employments, reductions in earnings, and illness or injury
- Improving broader working conditions in terms of positive and safe environments, flexibility in working conditions, and adequate and affordable housing and transportation

To achieve these goals, we first recommend legislative and regulatory measures to improve job security for seasonal workers. More specifically, we recommend granting seasonal employees who have worked for an employer for a certain number of years in a regular seasonal occupation a legal right to recall at the beginning of subsequent seasons. This recall should be predictable, and workers should have access to notice and severance in the event they are not recalled, basically to be treated the same way as year-round employees experiencing layoffs. Adjustments in EI rules and additional insurance mechanisms could provide additional assurances given unpredictable work seasons for employers and workers.

We also recommend the development of new strategies and programs for employers to share employees across seasons and, where feasible, between industry sectors. France's *Groupements d'employeurs* provide an advanced model for this kind of approach, facilitating "strategic employee sharing", while there is also scope for the establishment of private firms or non-profit organizations that hire workers and basically lease them out to employers for seasonal activities over the course of the year. There could be a major role for industry sector councils in developing these strategies and program models and in facilitating their implementation.

Additionally, employers, sector councils and employer organizations, unions, and public agencies should collaborate to make health, dental, and accident insurance available for seasonal workers. This is essential if employers in rural-seasonal industries are ever to compete effectively with urban employers and other industries that offer full-year employment with benefits.

And finally, provincial governments, sector councils, education and training institutions, and other actors need to develop programs and services to help seasonal businesses

improve their human resources management capacities and practices including with respect to equity, diversity, and inclusion and health and safety.

Priority 2: Reform EI for the new rural reality

EI benefits amounted to 3.3% of personal income in Atlantic Canada in 2019, and as high as 5% in PEI. In some districts of Cape Breton, for instance, 70% of workers received EI benefits for at least part of the year in 2020. This is largely due to greater seasonality of economic activity. Seasonal claims accounted for 52% of total claims in PEI in 2019-2020, 48% in New Brunswick, and 40% in Nova Scotia. Among fish harvesters, EI uptake in 2019 was 77% in Nova Scotia, 84% in New Brunswick, and 88% in PEI.

EI supports seasonal employers and workers by providing supplemental income to sustain the workforce over annual off seasons. The downside of EI with respect to seasonal OP is that this benefit is only available to seasonal workers in lieu of paid employment. When workers work instead of claiming EI, their net incomes are effectively reduced by the EI benefits they are giving up. After accounting also for approximate commuting costs and income taxes, seasonal workers who consider taking on full- or part-time paid work in the off-season can often expect to take-home less than one-quarter of their wages. Some of the complexities of the EI program might also be difficult to navigate, thereby discouraging innovative employment strategies such as seasonal OP.

We envision two primary options to reform the EI program to better encourage seasonal OP. The first would be to introduce a new Seasonal Worker Employment Support Program (SWESP) or equivalent to provide an unconditional grant to workers employed in approved seasonal occupations or sectors. To receive the grant, workers would not have to be unemployed, nor would the program deduct benefits from most workers based on their offseason earnings. At the start, the program might provide payments comparable to what workers would otherwise receive as EI benefits, but it might in future years reduce payment amounts if off-season income support became redundant with widespread seasonal OP. With such a program in place, the EI program could be revised to exclude seasonal workers and instead focus only on workers facing unexpected job loss – which could include seasonal workers if they are not recalled to their seasonal jobs. Exclusion of seasonal workers from basic EI provision could be achieved through employer experience rating.

The second option would be to eliminate deductions of earnings while on claim for EI recipients in approved seasonal occupations or sectors. Implementing such a policy could be simpler than introducing a new program and have very similar impacts, although it would maintain certain distortions and inconsistencies within the EI program that the SWESP might mitigate.

Either of these two efforts would require careful design to focus effectively on seasonal workers and industries and mitigate distortions to the operations of relevant employers. The SWESP would ideally exclude low-wage workers and full-time students to avoid certain perverse effects.

Both these approaches propose more carrots to make seasonal OP more appealing, as opposed to sticks to discourage EI uptake. They would in principle increase the generosity

of EI. Yet, they could be revenue neutral for the federal government overall, assuming that they would significantly increase revenues as participating workers would make higher tax payments on paid employment and aggregate economic activity would increase through greater overall labour supply.

Priority 3: Educate and train workers for seasonal occupational pluralism

Few if any post-secondary education programs in the Maritimes have explicitly sought to promote seasonal OP, and this has not been at all a goal of apprenticeship systems. The few training programs that have supported seasonal OP have generally been industry-driven or developed in response to the needs of employment services clients.

We recommend that education and training providers identify seasonal OP as a strategic priority. To advance this option, we recommend the organization of a regional conference on rural labour force renewal, bringing together education and training leaders, government policymakers, sector councils and other industry leaders. The goal of the conference would be to build agreement on a strategy to advance seasonal OP through education, training, and apprenticeship programming.

There is a need for more advanced labour market information (LMI) data collection and support services to understand and measure skills required for different seasonal occupations and to identify jobs that different groups of seasonal workers could fill in their off seasons. New programs should support the identification of compatible OP jobs, assess relevant transferable skills through recognition of prior learning (RPL), and deliver training to fill skill gaps. New LMI databases and services will be needed also to connect seasonal workers with employers looking to hire for short-term employment.

Post-secondary education institutions and governments should explore possibilities to pilot academic programs to recruit and train young people for seasonal OP careers. Training institutions and sector councils could also pilot targeted training programs for seasonal workers to fill competency gaps required for complementary occupations. Finally, PSE institutions should further explore alignment of program delivery with seasonal industry labour demands, while accrediting bodies should require evidence of support for OP employment when assessing academic programs targeted towards seasonal careers.

Apprenticeship agencies should develop strategies to enable more seasonal workers to access trades training that complements their seasonal work patterns and transferable competencies, such as by developing more competency-based trades training and improved RPL. We also recommend introducing certified subtrades at least in Carpentry, with accelerated credentialing processes targeting seasonal workers. Lastly, fish harvesting should become a recognized apprenticeable trade (as it currently is in Newfoundland and Labrador) with a formal program to attract and quickly and efficiently integrate large numbers of new entrants, including international immigrants.

Our final recommendation in this area is that provincial employment programs support seasonal workers interested in developing off-season employment, including self-employment. Provincial governments should also consider how they can improve

provincial student financial assistance programs to better meet the needs of seasonal workers interested in OP careers.

Priority 4: Enable immigration of workers for rural seasonal industries

Canadian immigration policy has long focused primarily on the labour supply needs of large cities and prioritized immigrants with higher education credentials while seasonal industries tend to employ people with lower levels of formal education. Immigration rules often do not permit immigrants to qualify for permanent residency based on seasonal employment.

We recommend that the Government of Canada provide additional intake spaces to the Maritime provinces for rural seasonal workers, modeled after the Agri-Food Immigration Pilot and the Temporary Resident to Permanent Resident pathway.

Other policies should facilitate permanent residency (PR) for temporary residents. We recommend that governments, PSE institutions, sector councils, and employer associations collaborate to develop academic programs for international students that could help them pursue seasonal OP careers. We recommend that the federal government allow workers in seasonal industries to accumulate more hours per week towards PR eligibility to counter the disadvantages of seasonal employment for such workers. All stakeholders should also work more closely to make better use of the Temporary Foreign Worker (TFW) Program to facilitate permanent settlement in rural communities, including through community-focused or family recruitment and allowing TFWs to participate in training to develop year-round OP careers. TFW policy should also enable greater sharing of TFWs among employers.

Finally, immigration policy and programming need to become more rural-friendly. The federal government should increase funding to support settlement services for rural-seasonal workers. The federal government and provincial governments should also recruit more newcomers from communities that more closely resemble the rural Maritimes rather than emphasising large metropolitan cities – perhaps by giving more points to prospective immigrants from rural places on metrics used to determine who can receive PR.

Research methodology

This study used a mix of different methods to inform its analysis.

Our starting point was the intensive use of statistical resources. Statistics Canada databases helped to measure the extent of seasonal employment and to identify patterns in occupational pluralism. Key data sources included tax-filer data, the Labour Force Survey (LFS), and the agricultural Census. The team relied on support from Dr. Michael Haan, Taylor Paul, and Elena Draghici at the University of Western Ontario who accessed custom data runs from Statistics Canada. For the fishery, we had access to extensive data resources gathered by the Canadian Council of Professional Fish Harvesters. The team also reviewed published data from Statistics Canada, the Canadian EI Commission,

the Atlantic Provinces Economic Council, the Association of Industry Sector Councils (AISC) in Nova Scotia, and other industry associations.

Recognising the limitations of data identified in the desk research, in November 2022 we contracted Narrative Research to include questions in their Atlantic provinces regular panel survey to measure seasonal employment and seasonal OP. These survey findings measured the aggregate extent of both phenomena, and patterns of participation between different sub-populations.

The research team also conducted numerous interviews beginning with experts in economic and labour policy (10), leaders in employer associations and sector councils (20), and colleagues in the US state of Maine (three). Further interviews engaged professionals from post-secondary education institutions (17), employment and training services providers (seven), settlement agencies (four), provincial government agencies (17 focused on economic development, higher education, employment and training, apprenticeship, and immigration), and federal government agencies (eight focused on EI and immigration). A final round of interviews focused on grassroots stakeholders including 40 seasonal workers and 11 seasonal employers in a range of industry sectors. The project had intended also to consult with new immigrants and settlement councillors regarding their perspectives on rural seasonal industries, but this effort could not be completed on time due to pandemic complications and other logistical difficulties.

Finally, the team hosted a series of five workshops in February and March, each with between 17 and 27 participants comprised primarily of prior interviewees. These workshops provided an opportunity to validate findings and identify further evidence and policy options. The project also benefited from detailed feedback on drafts from a number of individual stakeholder representatives.

Chapter 1: Understanding the challenge and occupational pluralism as a potential solution

This chapter sets the stage for the rest of the report. It establishes the basic economic circumstances and labour force challenges in the rural Maritimes, and then indicates how seasonal occupational pluralism (OP) could help strengthen rural seasonal industries and rural regions more broadly. It is not a panacea, but greater participation in seasonal OP could make seasonal industries and rural communities more dynamic and resilient.

The first part of the chapter details the labour supply challenges facing the rural Maritimes, in the long-term but also in the present day. At present, labour shortages are generally sharper in rural areas than in urban areas within the Maritimes. This promises to be truer still in the future given urban areas' advantages in attracting immigrants, and the older average age of rural populations.

The second part provides an overview of seasonal employment and why labour supply challenges in seasonal industries are especially acute. Many seasonal sectors face special difficulties in attracting and retaining younger workers and newcomers and thus concentrates large numbers of older workers. As many of these workers approach retirement, these sectors risk decline.

The third part indicates the extent of participation in seasonal occupational pluralism (OP), and patterns in terms of who participations in seasonal OP and in what ways workers combine different jobs over the course of the year. More than six percent of Maritimes workers engaged in seasonal OP in 2022. Rates appeared significantly higher in fishing and agriculture.

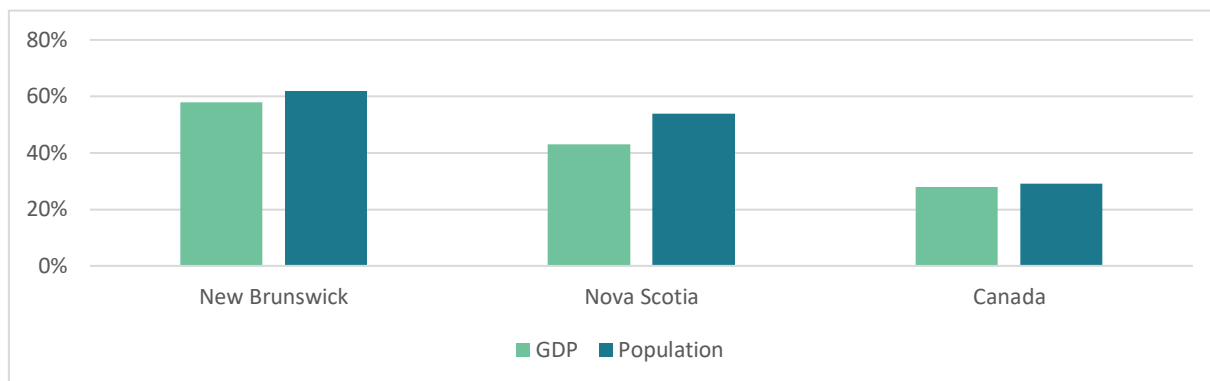
Finally, the chapter closes by addressing the case for seasonal OP. Encouraging OP is worthwhile to support critical seasonal sectors and to support strategic non-seasonal industries such as trucking and construction. Overall, we estimate that increasing seasonal OP could increase aggregate labour supply in the Maritimes by the equivalent of as much as 2.8% of present full-time-year-round work.

1. Severe labour supply challenges facing the rural Maritimes

The Maritime Provinces are unique within Canada in the proportion of the population and the overall economy that is rural based, i.e., outside a Census Metropolitan Area (CMA).² Without a large metropolitan city, all of PEI's population and its entire economy can be characterized as rural. As Figure 1.1 shows, in Nova Scotia and New Brunswick most of the population is also rural, as is most of New Brunswick's GDP, in sharp contrast with the pattern for Canada as a whole.

² This analysis follows the definitional framework developed by Dr. Ray Bollman at Statistics Canada. Census Metropolitan Areas (CMAs) have $\geq 50,000$ residents in the core and a total population of $\geq 100,000$ including the total population of neighbouring towns and municipalities where 50+% of the employed residents commute to the CMA

Figure 1.1: Rural GDP and population shares, 2019³



Severe labour shortages are the most serious threat to the economic vitality of the rural Maritimes. As this section will show, while such shortages will deepen based on longer-term demographic projections, they are already apparent in short-term data.

1.1 Long-term patterns

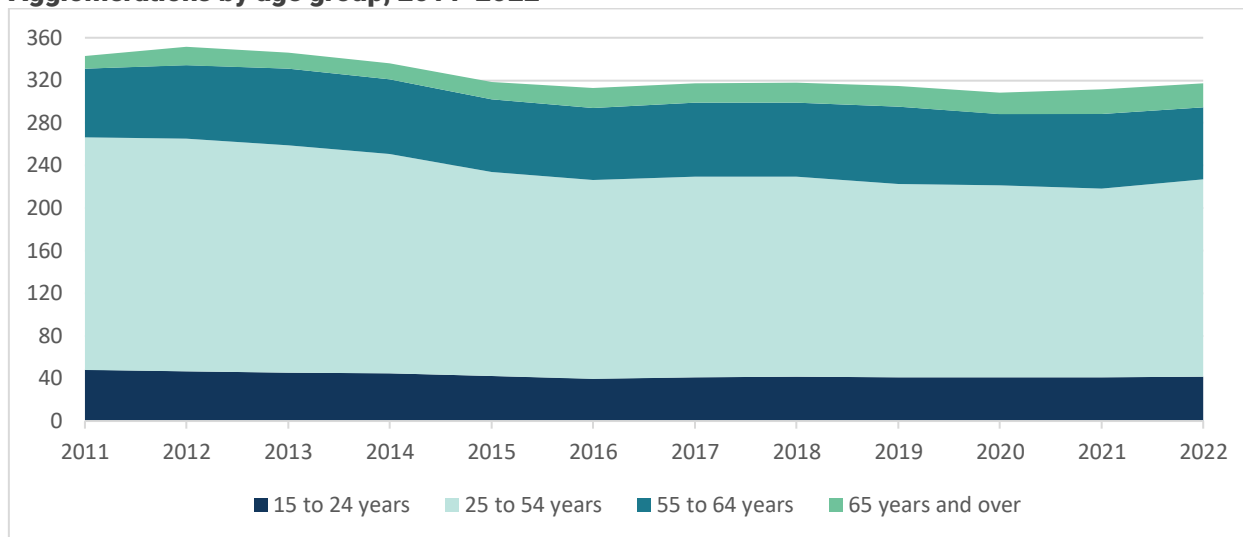
Summary

The workforce of the rural Maritimes faces dramatic demographic decline over the next decade. There are less than 45 young people who might be expected to enter the labour force for every 100 workers aged 55 or older – i.e., approaching retirement. The urban bias of immigration means that presently there is little prospect for newcomers to offset local population trends.

Demographic and immigration patterns are such that rural areas face a daunting labour supply outlook. The labour force in the rural Maritimes, defined here as outside of CMAs and Census Agglomerations (CAs), fell in size by 9% from 2011 to 2016, but has since been stable, as shown in Figure 1.2 (StatsCan, 2023c). The decline was entirely due to reductions in the numbers of workers below the age of 54, which are down by 15% in total. The number of workers aged 55-64 increased by 6% from 2011 to 2022, while those aged 65 or older increased by 77%.

³ Charts of Levels and Trends: Metro and Non-metro Gross Domestic Product (GDP), Canada and Provinces, 2009 to 2019, Ray D. Bollman, December 2022.
<RayD.Bollman@sasktel.net>

Figure 1.2: Labour force in the Maritimes outside of Census Metropolitan Areas and Census Agglomerations by age group, 2011-2022



The increasing share of workers aged 65 or older is mostly a result of population aging as opposed to changes in participation. Nevertheless, the participation rate of residents of this age has increased significantly – by 33% across the rural Maritimes as a whole.⁴ Workforce participation was especially high in rural PEI among those aged 65 or older at 20% in 2022, as compared with 13.4% in rural Nova Scotia and 12.1% in rural New Brunswick. Yet, participation remained much lower across the Maritimes among those aged 65 and older than those aged 55 to 64 – by some 49 percentage points.

Those aged 55 and older are approaching retirement. There are not many young people present to replace them. Figure 1.3 indicates the number of young people aged 15-24 per 100 workers aged 55 or older in the Maritimes as a whole and in rural areas outside of CMAs and CAs from 2011 to 2022 (StatsCan, 2023c; 2023d). In 2022, there were only 49 young residents aged 15-24 in the Maritimes for every 100 workers aged 55 or older. In rural areas, that ratio fell further to 44.7, and in rural PEI it was only 40 (with the higher participation of older workers explaining the difference relative to the other two Maritime provinces). The ratio fell by 20 across the Maritimes as a whole and by 18 in rural areas from 2011 to 2022.

⁴ Workforce participation is also up among those aged 55 to 64 by some 7%.

Figure 1.3: Number of young people aged 15-24 per 100 workers aged 55 or older in the Maritimes as a whole, and outside of Census Metropolitan Areas and Census Agglomerations, 2011-2022

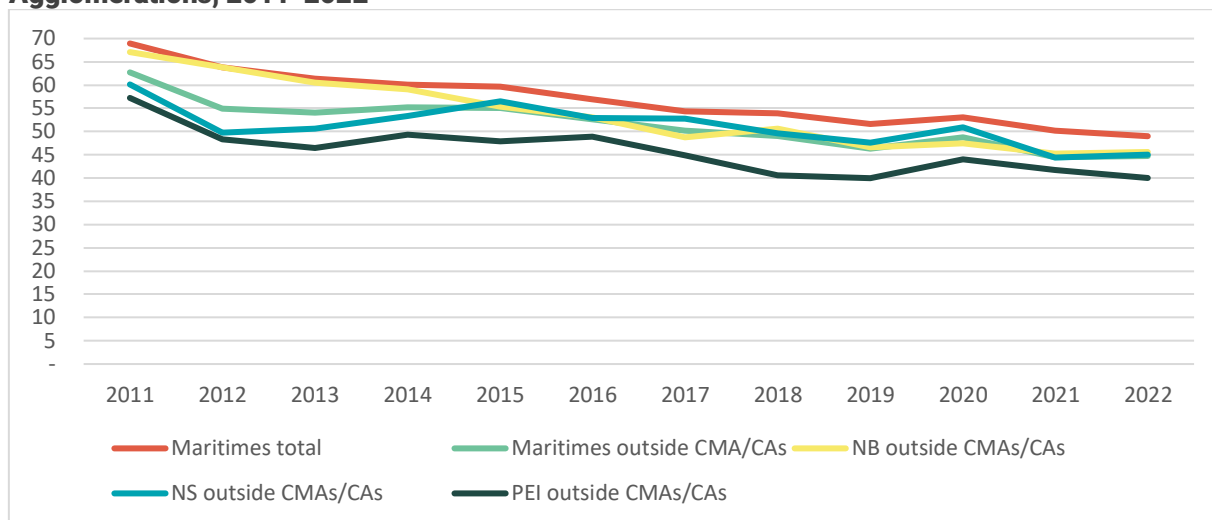
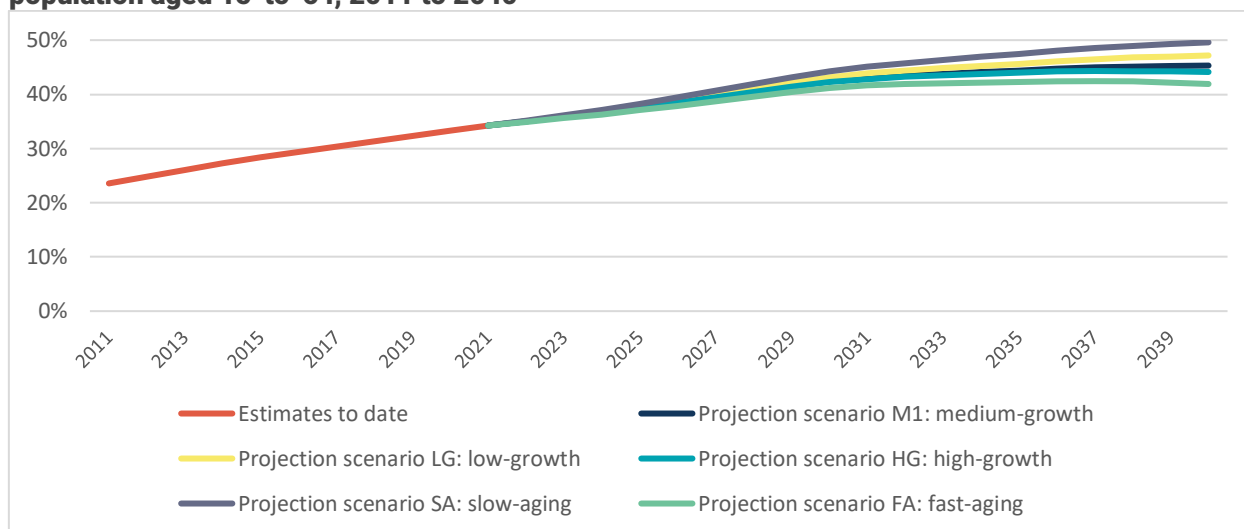


Figure 1.4 shows the total Maritime population aged 65 or older as a percentage of the population aged 15 to 64, traditionally considered the working aged population, from 2011 to the present based on estimates (StatsCan, 2023d) and then projected forward under different Statistics Canada scenarios (StatsCan, 2023e). The ratio of older people to working aged people already rose by 10 percentage points from 2011 to 2021. Population projections indicate that it will rise by an additional 7.4 to 10.9 percentage points in the subsequent ten years.

Figure 1.4: Actual and projected population aged 65 or older as a percentage of the population aged 15-to-64, 2011 to 2040



There are no available population projections specifically for areas outside of CAs and CMAs. However, in these areas the rate of persons aged 65 or over per working aged person was 44 per 100 in 2021, as compared to just 34 per 100 across the Maritimes as a

whole (StatsCan, 2023d). Moreover, 28.8% of working aged people in the rural Maritimes were between the ages of 55-64 and therefore would be 65 or older within ten years, as compared to only 24.2% of working aged people across the Maritimes as a whole.⁵ As a last note on potential retirements, rural businesses in Nova Scotia expected twice as high a share of their employees to retire in the next two-to-three years as urban employers, according to a survey completed in 2021 by the Association of Industry Sector Councils (AISC, 2022).

The urban bias of immigration further amplifies rural demographic disadvantages. Historically, major cities in Canada have been much better positioned to offset falling birthrates by attracting newcomer workers and their families from abroad. The 2021 Census indicated that only 7.6% of recent international immigrants lived outside of CMAs compared to 26.7% of the overall Canadian population (StatsCan 2023d; 2022a).

The Maritimes have recently had greater success in attracting immigrants, accepting 3.9% of all immigrants admitted to Canada in 2019 (StatsCan 2023d; 2022b).⁶ The region's success depends largely on its major urban communities, however. For instance, 41.5% of immigrants admitted in the Maritimes in 2019, and 83.6% of those admitted in Nova Scotia, claimed residence in Halifax for taxation purposes, while Halifax represented only 23% of the Maritimes' total population and just 45% of Nova Scotia's total population.

1.2 Current conditions

Summary

Job vacancy rates are rising in the Maritimes, reflecting tightening labour markets. The highest vacancy rates are in predominantly rural regions. Employer survey data also speak to significant rural challenges in meeting labour needs.

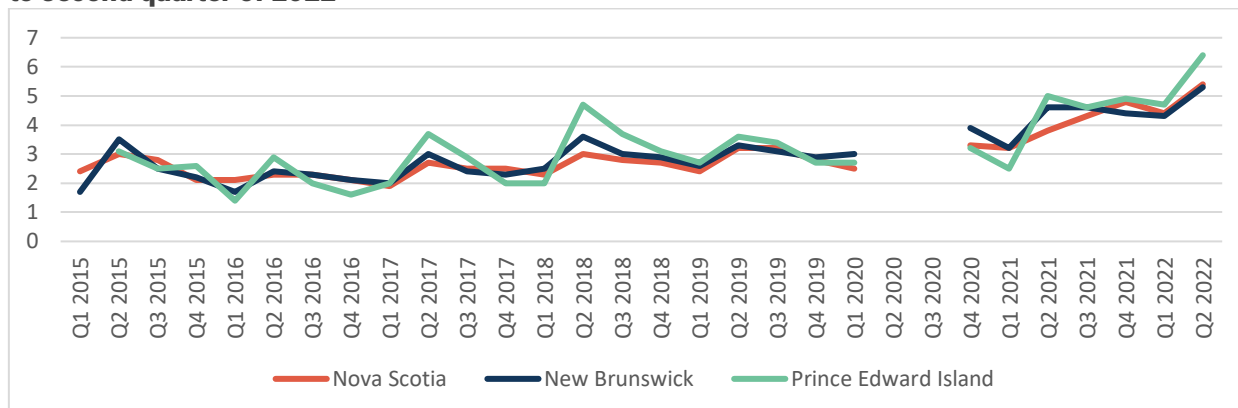
While the long-term outlook is concerning, the region is in fact already in difficulty. We can assess the present state of the labour market using job vacancies data as tracked by Statistics Canada and findings from employer surveys.

Figure 1.5 shows job vacancy rates by Maritime province from early 2015 to mid-way through 2022 (StatsCan, 2023a). The data show a sharp rise in vacancy rates from 2021 onwards as the pandemic began to recede, reaching the highest levels in Q2 of 2022 in all three provinces.

⁵ The ratio of young people aged 5-14 who will age into the working aged population relative to the present working aged population was basically equal for rural areas and the Maritimes as a whole.

⁶ The Maritimes still did not receive a share of immigrants proportionate to its share of the Canadian population (5.1%) but is getting closer.

Figure 1.5: Job vacancy rates in percentage in the Maritime provinces, first quarter of 2015 to second quarter of 2022



Reporting by the Atlantic Provinces Economic Council (APEC, March 2022) shows that the number of job vacancies in rural areas across the Atlantic Region rose 62% between 2015 and late 2021, as compared with 36% in urban areas. The highest increases were in rural Nova Scotia and New Brunswick. Meanwhile, in the year up to June 2022, the highest vacancy rates in the Maritimes were in Campbellton-Miramichi New Brunswick, the Annapolis Valley of Nova Scotia, Southern Nova Scotia, the North Shore of Nova Scotia, and PEI – all rural and small town regions (StatsCan, 2023a).

Recent survey research also provides evidence of growing labour shortages in the Maritimes. One study found that roughly 50% of companies in Atlantic Canada experienced difficulties attracting workers in 2018, as compared to just 39% nationally (BDC, 2018). Smaller businesses appeared somewhat more likely to be experiencing shortages. Research in the Restigouche-Albert Region of New Brunswick in 2019 also found that 59% of businesses reported “at least some” to “a great deal” of difficulty in filling staff vacancies (EY, 2019). The average number of unfilled job vacancies among employers who had such vacancies was 2.5.

A Public Policy Forum (PPF) survey completed in 2020 recorded the rates at which Atlantic Canadian firms attributed labour shortages to different causes (Fang et al., 2021). Twenty-seven percent of firms reported that they had a lack of applicants overall, while 21% indicated a lack of applicants with required experience, and 20% a lack of applicants with required skills. Rural employers were more likely to report a lack of candidates overall (37%, versus 20% for urban firms), while urban firms more often lacked applicants with required skills (24% compared to 13% in rural areas). Smaller firms more often reported a shortage of applicants overall (28% versus 21% for firms with 50 employees or more), whereas larger firms report a lack of applicants with necessary skills (25%, versus 13% among smaller firms). Reports of a simple lack of applicants appear to reflect a decline in the overall labour supply as well as greater labour shortages in lower paying occupations. This is evident from industry data where transportation, retail, and restaurant industries report greater difficulties in attracting sufficient applicants – these are all industries where the skill and training thresholds for entry are typically lower.

2. Seasonal industries are under special threat

While the labour supply outlook for the Maritimes as a whole is negative, this is even more true for rural seasonal industries. This section will first measure the scale of seasonality in economic activity. Then it will provide a more detailed analysis of seasonal industries before finishing by profiling the seasonal workforce.

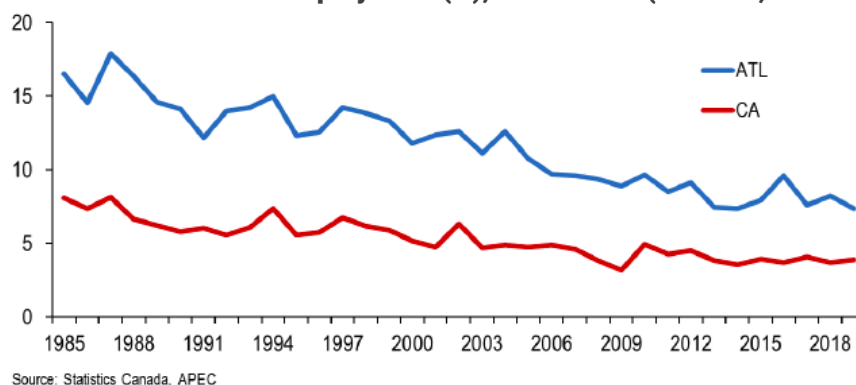
2.1 Measuring the scale of seasonality in economic activity

Summary

Approximately 12% of workers across Atlantic Canada were seasonally employed in 2022. Seasonal employment has been roughly stable since around 2013. PEI's economy is especially seasonal. Peak working months tend to be in the summer, while the lowest months are in the winter.

The Labour Force Survey (LFS) is the most readily available and current source of data on seasonality of employment in Canada. It indicated that there were about 86,000 seasonal workers in Atlantic Canada in 2019 before the pandemic hit (APEC, February 2022). This meant that 7.4% of workers in the region were employed on a seasonal basis compared to 3.9% in Canada as a whole. The seasonal share of workers was highest in northern New Brunswick (17%), but PEI had the highest share (15%) when compared with other Maritime provinces, with Nova Scotia having the lowest share (5.6%). The Atlantic Canada workforce has become less seasonal over time, but rates of seasonality have been relatively stable in the region since 2012, as in Canada overall (see Figure 1.6).

Figure 1.6: Seasonal Variation in Employment (%), 1985-2019 (in APEC, February 2022)



The LFS data confirm that seasonal employment is much more prevalent outside larger urban centres. APEC estimates that 63% of Atlantic Canada's seasonal workers are in rural economic regions. LFS analyses generated for this project by statisticians at the University of Western Ontario, show that seasonal workers accounted for nine percent of the rural workforce in the Maritime Provinces in 2018-2020, down from 11% in 2006-

2009.⁷ PEI had the highest share of seasonal rural workers (13.5%), but also the sharpest drop over the period (down 4.6 percentage points). Nova Scotia had the lowest share of seasonal workers (7.5%, down 2.5 percentage points relative to 2006-2009), while New Brunswick was in the middle with 9.4% seasonal workers (down just 0.7 percentage points).

LFS data provides a measure of seasonality, and a reasonably consistent reference point for gauging change over time, but they have important limitations as detailed in Appendix 1. In part to address these limitations, the study contracted Narrative Research to ask Atlantic Canadians in a phone survey in November and December 2022 the following question to gauge seasonality:

Seasonal work includes employment that is only available for a certain part of each year, and not year-round. Did you work any seasonal employment in the past 12 months?

Amongst respondents who reported being employed in the prior 12 months, 11.6% indicated that they had participated in at least some seasonal employment. As with LFS data, the highest rate was reported in PEI (19.7%), but the lowest share was in New Brunswick (8%), while Nova Scotia was in between (11.7%).

It is also possible to examine seasonality from a business perspective. A survey of industry sector council members in Nova Scotia completed in early 2022 found that 58% of responding businesses outside of Halifax had peak seasons compared to 33% within Halifax (AISC, 2022).⁸

Another business survey in the Restigouche-Albert Region of New Brunswick also tracked seasonality of operations (EY, 2019). Twenty-six percent of businesses were closed for part of each year, 45% were open all year but had fluctuating numbers of employees, 19% were “impacted slightly by seasonality”, and only 10% were not impacted at all by seasonality.

Using LFS data, we can map patterns over the course of the year in terms of hiring and layoffs across Atlantic Canada.⁹ The highest layoff period of the year is from January through March reflecting shutdowns in most seasonal work in addition to regular job losses. April then has moderate layoffs for the same reasons. June through August are low layoff periods, extending into September. Looking again at LFS data, the major hiring period is from April through June, followed although hiring is also relatively high in July and August.

LFS data show employment to be elevated from May through September with the highest levels in June and August. The slow months are from December through April, with the lowest points in January, February, and April. Interestingly however, part-time employment is highest from February to April and lowest from June through August, which is indicative of how seasonal effects are not only on aggregate employment, but also the numbers of

⁷ This is based on a custom analysis undertaken for this project by Dr. Michael Haan, Taylor Paul, and Elena Draghici of the University of Western Ontario. We used multi-year windows of analysis to control for year-to-year fluctuations.

⁸ These overall figures are not entirely reliable because they do not account for differences in survey participation between industries.

⁹ From the Haan, Taylor and Draghici data analysis.

hours worked within a fixed period. These data do not capture the extent of overtime work, which can be considerable.

Rates of multiple jobholding also vary between months. In rural areas, they are lowest in January, February, and August, and highest in March, June, July, and October. There are in fact sharper differences between months in urban areas, and important differences from rural patterns with higher rates in February, June, August, and November, and the lowest rates in January, July, and December.

Finally, in AISC (2022) survey responses from, 70% of Nova Scotia businesses outside of Halifax that had peak seasons indicated that these were between June and August, 66% September, and just over 50% May and October, while January to March were by far the lowest months.

2.2 Profiling seasonal industries

Summary

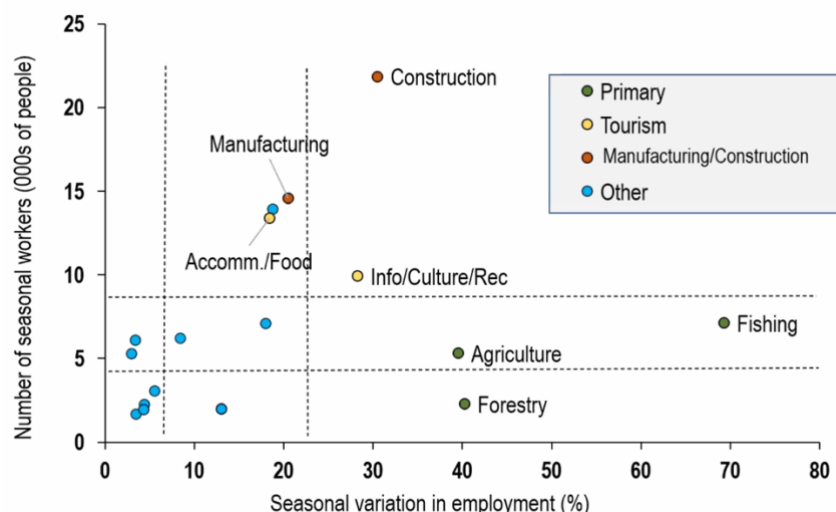
The three key seasonal industries in the Maritimes are fishing, agriculture, and tourism. All three industries face particularly acute labour supply challenges for the foreseeable future due to workforce aging and challenges competing for younger workers, and in the case of fishing workers of more diverse backgrounds.

To better understand seasonal industries, we examined data on the seasonality of the labour force by industry and then looked closely at three key seasonal sectors: fishing, agriculture, and tourism.

The AISC (2022) survey of businesses in Nova Scotia found that the greatest shares of businesses reported having peak seasons in tourism (89.5% among businesses outside of Halifax), fisheries (74.8%) and agriculture (71.9%). Tourism had by far the most concentrated seasons, emphasising especially July and August (peak time for 98.5% of responding businesses outside of Halifax), with moderate activity also in June (65.4%), October (50.7%) and May (24.3%). Businesses that were more seasonal in their operations tended to be smaller compared to those that were less seasonal.

APEC (February 2022) identifies fishing, agriculture, forestry, and tourism-related industries as the most seasonal in the Atlantic Region, as shown in Figure 1.7. By this measure manufacturing is also highly seasonal, due largely to the seafood processing sector which generates high levels of manufacturing employment in Nova Scotia and New Brunswick and almost all manufacturing employment in Newfoundland and Labrador. Construction is not as seasonal in its overall operations but employs more seasonal workers than some other sectors simply because of its large scale.

Figure 1.7: Seasonal Jobs and Seasonal Variation by Industry (from APEC, 2022)



While more than 80% of seasonal jobs in Nova Scotia are in primary industries, about 80% of seasonal jobs in accommodation and food services in Nova Scotia are located outside of Halifax. This reflects how seasonal work is more common in rural areas both due to between-industry differences (i.e., rural areas concentrate relatively more seasonal industries such as primary production) and within-industry differences (a same industry will operate more seasonally in a rural area than in an urban area).

Additionally, industries may be more seasonal in the Maritimes than across the rest of Canada. This is true, for instance, of agriculture, based on Agriculture Census data.¹⁰ The share of farms that reported having seasonal employees was 11 percentage points higher in the Maritimes than across Canada in 2021, while the share of farms with employees (not all farms have paid employees) who had seasonal workers was 19.6 percentage points higher. Seasonal workers accounted for a 13.5 percentage points higher share of paid employees on farms in the Maritimes than across Canada as a whole. The greater seasonality of farming in the Maritimes relates in part to the types of farming products produced. Farming of vegetables and melons, and fruit and tree nuts, accounted for a 25-percentage-points larger share of agricultural employees in the Maritimes than across Canada in 2021 and had basically the highest share of seasonal workers across Canada that year at roughly 75%. Yet, within most farm categories also a larger share of farms employed seasonal workers and a higher share of employees were seasonal in the

¹⁰ These data were obtained through a custom purchase in January, 2023.

Maritimes. Therefore, both the composition of farming by products and the methods of farming across products are more seasonal in the Maritimes.¹¹

Labour supply difficulties may be especially acute for seasonal employers. In the AISC (2022) survey of businesses in Nova Scotia, almost one-quarter (23.6%) of those outside of Halifax referenced recruitment difficulties associated with seasonality, more than double the rate in Halifax (10.6%). Figures were slightly higher for fisheries (27.9%) and agriculture (25.2%) and dramatically higher for tourism (52%). In the Restigouche-Albert employer survey (EY, 2019), among businesses which closed for part of the year and had at least some difficulty in retaining workers seasonally, 21% referenced their business not being open as a factor and 21% mentioned employees moving on to full-time jobs (EY, 2019). Additionally, rural businesses in Nova Scotia expected twice as high a share of their employees to retire in the next two-to-three years as urban employers, with rates still higher in tourism and agriculture (AISC, 2022).

Each of the three key seasonal industries has potential for acute long-term labour shortages.

The fishing industry is divisible between harvesting and processing. The two sub-industries were approximately equal in terms of labour force in 2021 (ESDC, 2022a). Box 1 provides a detailed analysis of labour force patterns in fish harvesting. In fish processing, APEC (December, 2022) projects that over 7,500 new employees will be required across Atlantic Canada by 2030, about 70% due to retirements and 30% due to job creation. Half of the new jobs will be in Nova Scotia.

Box 1: Detailed data on fish-harvesting

Statistics Canada's tax-filer database provides in-depth information on the fish harvesting workforce. For this project we analyzed this data report over the 2000 to 2019 period before disruptions caused by the COVID-19 pandemic took effect.

The total number of individuals earning at least \$1,000 in employment income from fish harvesting increased by 8.4% in the Maritimes from 2013 to 2019. This was a rebound from a 12% decline between 2000 and 2013 – 2013 was the low year. The biggest changes took place in New Brunswick with an initial decline was of 17% and a rebound equal to 18%.

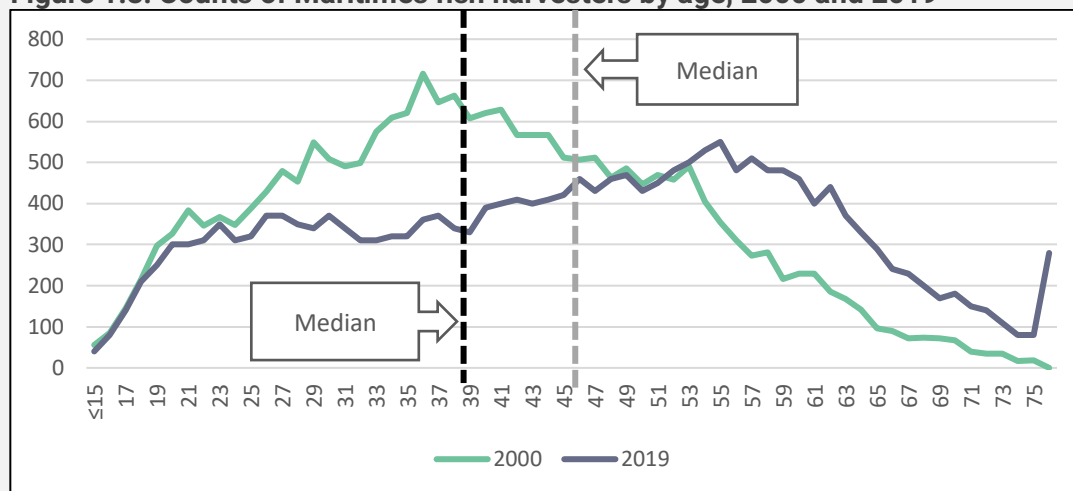
Men continued to predominate in fish harvesting throughout this period. In 2019, women accounted for just 27% of fish harvesters in PEI and 16% and 17% respectively in Nova Scotia and New Brunswick. There has been growth in the female share of fish harvesting employment however, up 2 percentage points across Canada from 2000 to 2019, and four percentage points in PEI and New

¹¹ Most farms across Canada (81%) and the Maritimes (70%) did not report having employees in 2021, however. It is not possible to measure the seasonality of work of farm "operators" who are not employees, the other major part of the workforce, in the same way. However, we consider that we can infer the seasonality of work in agriculture in general and for specific products from the seasonality of work amongst paid employees. Separate data on farm operators from the Census of Agriculture indicate that the relatively very seasonal agricultural areas of fruit and tree nut farming and vegetable and melon farming account for a much larger share of the farm operator population in the Maritimes than across Canada in 2021 – by 22 percentage points. Farm operators are defined as persons responsible for management decisions within an agricultural operation – i.e., decisions about a variety of important business matters (e.g., agricultural production, hiring employees, investment and finances, marketing of agricultural products), excluding professional advisors such as accountants or consultants.

Brunswick. Still, the limited diversity in fish harvesting reduces the potential labour supply for the sector.

Much like the population and labour force overall, the fish harvester labour force is growing older in Canada. Figure 1.8 shows the significant change in the age makeup of the Maritimes fish harvester workforce from 2000 to 2019. In 2000 the median age of fish harvesters in the Maritimes was 39, meaning that 50% of the workforce was younger and half older than that age, but by 2019 the median age had increased to 46.

Figure 1.8: Counts of Maritimes fish harvesters by age, 2000 and 2019



It is notable that the youngest fish harvesters, up to age 26 or so, accounted for basically the same share of fish harvesters in 2019 as in 2000, down just one percentage point. It is the core 25-to-44-year-old age group that has drastically hollowed out, going from 52% of workforce in 2000 to only 35% in 2019. The number of workers aged 36, the most frequent age in 2000, has fallen by almost half, from 716 to 360. These patterns suggest that the industry is retaining fewer young people for long-term careers in the sector than in the past. This shrinking share of core age workers in their 30s may mean that many fishing communities are seeing young families leave for careers elsewhere, taking with them the future generation of fish harvesters as well.

Tax-filer data do not allow differentiation of fishing crew from captains. The changing age profile of the latter group is particularly significant because they are the employers and business owner-operators in the most important commercial fisheries (lobster, snow crab, etc.). In 2019 the Maritime Fishermen's Union (MFU) did a census of its approximately 900 members, all enterprise owners, with results as shown in Figure 1.9 (Praxis Research, 2018). Almost two thirds of these enterprise owners were 50 years of age or older, and one third were over 65. The traditional retirement age for captains and crew in this physically demanding industry is in the mid to late 50s. The fishery faces a demographic cliff with a large proportion of experienced fishing captains set to age out of the industry in the near future.

Figure 1.9: Age profile, fishing enterprise owner-operators in Gulf coast of New Brunswick, 2019

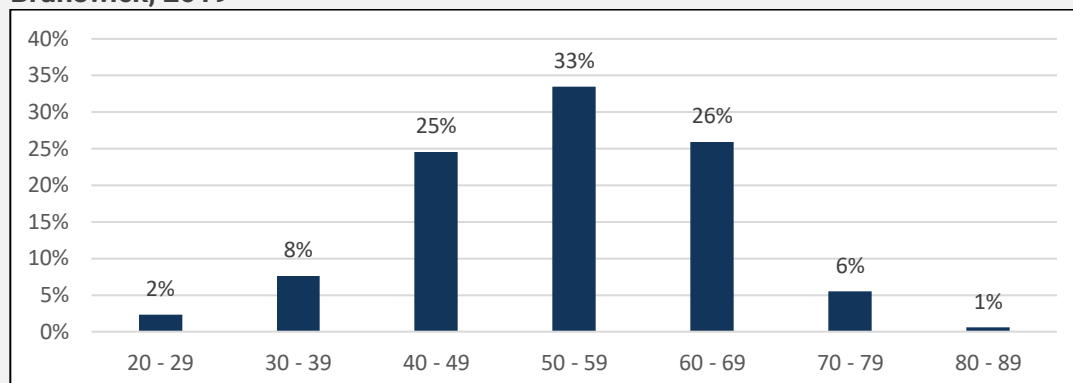


Table 1.1 provides a profile of the labour force and job shortages in agriculture across the Maritimes in 2017 (from CAHRC, 2019a, 2019b, 2019c). That year, there were 15,251 people employed in the industry, but 709 unfilled jobs. Foreign workers were helping fill the gap, particularly in Nova Scotia.

Table 1.1: Profile of the labour force and job shortages in agriculture across the Maritimes, 2017

	People employed	Foreign workforce	Jobs left unfilled		Farmers experiencing shortages*	Lost sales due to labour shortages
			Count	Percentage		
New Brunswick	5,195	4%	268	4.9%	47%	\$30 million
Nova Scotia	6,585	29%	251	3.7%	41%	\$33 million
PEI	3,471	11%	190	5.2%	53%	\$15 million
Maritimes	15,251	16%	709	4.4%	NA	\$78 million

*This finding was from a survey in 2018. The Canadian average was 7%.

These shortages have significant impacts on agricultural producers. Projected lost sales equaled \$78 million. Surveyed owners in the Maritimes also reported excessive stress for owners and other staff (89%), production delays (64%), lost sales (52%), delayed expansion (39%), and overtime costs (27%) as additional impacts of labour shortages.

The Canadian Agricultural Human Resource Council (CAHRC, 2019a, 2019b, 2019c) has projected labour shortages in agriculture looking towards 2029. They anticipated losing 38% of workforce to retirement in that time, and as high as 43% in Nova Scotia – second in Canada only to Newfoundland and Labrador. Meanwhile, some 20% of jobs were at risk of going unfilled, with that as high as 36% in Nova Scotia. PEI has the most positive outlook of the three provinces.

Table 1.2: Labour force projections for agriculture in the Maritimes, 2017-2029

	People needed		Change in supply 2017-2029	Demographic patterns		Jobs at risk of going unfilled	
	Count	Change 2017-2029		Projected retirements	Fewer entrants	Count	Percentage
New Brunswick	5,200	-4.8%	-8%	40%	22%	400	8%
Nova Scotia	7,190	5.2%	-30%	43%	22%	2,600	36%
PEI	3,900	6.5%	7%	24%	20%	200	6%
Maritimes	16,290	2.1%	-14%	38%	22%	3,200	20%

Specific agricultural industries are of particular concern. Tree fruit and vine producers in Nova Scotia risk being short 1,500 workers, while the field fruit and vegetable sector risks being short 430 workers in PEI and 400 workers in Nova Scotia.

Isolating the tourism industry in statistical data sources is difficult. Accommodation and food services is the closest parallel as an industry category, making it possible to discern patterns specifically in accommodations – roughly 15% of the total. APEC (July 2022) projects that the major occupations in accommodations across Atlantic Canada will grow their labour market demand by 40% by 2030 – and 50% in PEI. The sector will need 29,000 new workers in these occupations by that time, about 70% to replace retirees and 30% due to job creation. This misses out of course on many experience-related dimensions of tourism, which also generate significant visitor spending.

2.3 Profiling the seasonal workforce

Summary

Seasonal work is more common among men, younger workers, and workers without a university credential. We can distinguish five categories of seasonal workers: long-term low-wage workers, tradespeople and artisans, business managers (non-technical), advanced professional and technical experts, and students and recent graduates, each of which has different competency patterns and interests. Tradespeople and artisans receive especial emphasis in this report given their demographic trends and in-demand skillsets.

Various sources allow us to paint a picture of workers who engage in seasonal employment. Findings from the 2022 Narrative Research survey data indicate that participation in seasonal employment was higher among certain categories of workers:

- Working men (13.9%) as compared to working women (9.1%)
- Workers aged 18-34 (20.8%) as compared to older workers (7.3% for those aged 35-54 and 9.7% for those aged 55+)

- Workers who had completed high school or less (15.3%) or college (13%) as compared to those who had completed university (6.9%).

Surprisingly, there was no significant difference in the share of workers who reported engagement in seasonal work between rural and urban areas (respectively 12.2% and 10.5%), although this difference does become significant once students are excluded from the sample, with the rates of seasonal employment at 11.4% in rural areas and 7.7% in urban areas.¹²

Using multivariate regression, the only predictors of participation in seasonal employment that were significant at 90% confidence or higher, after controlling for a variety of different factors, were residency in PEI, being a student and not having a university credential.¹³ PEI workers were 2.6 times more likely to have participated in seasonal employment than Nova Scotia workers; those who identified as students at the time of the survey were 5.3 times more likely to have participated in seasonal employment than non-students, and those without university credentials were twice as likely to have participated in seasonal employment than those with university credentials.¹⁴

LFS data show similar patterns. According to the LFS, youth aged 15-24 account for roughly half of seasonal workers in Atlantic Canada and across Canada, versus about 12% of full-year employment (APEC, February 2022). Most young seasonal workers are students. They account for about 40% of all seasonal workers in Atlantic Canada according to the LFS, including 85% of seasonal workers in retail, and almost 70% of those in information, culture, and recreation. Similarly, according to the LFS, just over half (53%) of seasonal workers in Atlantic Canada have a high school education or less, while 40% have completed post-secondary education. This pattern is less true across Canada as a whole, where 80% of seasonal workers have completed post-secondary education.

In interviews, roughly two-thirds of seasonal workers indicated that they will likely continue pursuing seasonal work, including seasonal occupational pluralism (OP) for the foreseeable future. Around one-quarter indicated they would soon cease working seasonally, or at least would like to stop working seasonally. Younger workers appeared less likely to express a long-term commitment to seasonal work, whereas older workers were more likely to report that they will continue in these kinds of roles until retirement.

Despite lower levels of formal education, many seasonal occupations are very skill intensive, such as operating farms and fishing vessels and creative or managerial work in tourism. As a heuristic exercise to better understand the make-up of rural-seasonal labour force, we have identified five categories of workers in seasonal industries. Factors in our categorisation include formal education levels, occupational tenure and commitment, safety concerns, and earnings levels.

Category 1: Long-term low-wage workers – This category includes workers engaged in routine and often manual tasks, such as line workers in fish processing, cleaners in hotels,

¹² Indicated differences in this paragraph are significant based on t-tests at 95% confidence in most cases, except that there are no significant differences in rates of seasonal employment between Nova Scotia and the other two provinces by this measure.

¹³ The other control variables were age over or below 35, income over or under \$50,000, rural or urban addresses, gender (male or female, trans and non-binary). All significant differences were at 95% confidence or higher.

¹⁴ Interestingly, rural/urban status was not a significant predictor of seasonal employment under this regression.

some labourers on farms and other worksites, etc. Key considerations with regards to this category include:

- Higher barriers to finding new employment due to low levels of formal education, limited job skills, and challenges associated with poverty, health issues, and social marginality.
- Older age demographics and declining overall numbers.
- Motivations for employment centred on income security, often involving long-term dependence on EI.
- Occupations where temporary foreign workers are most easily integrated, and where automation is often especially possible.

Short-term worker shortages are acute in this category. This appears to be true in general in the rural economy, as shown by 54% of employers with unfilled job-vacancies in the Restigouche-Albert Region of New Brunswick reporting that they had vacancies for low skilled (labourer) roles unfilled compared to 35% for semi-skilled workers (machine operator or clerical type) and 16% for highly technical workers (skilled trades or computer related) (EY, 2019). It is more specifically true in many seasonal sectors. Agriculture industry sources indicate that the most difficult jobs to fill between now and 2029 will be general farm workers, with a projected gap across the Maritimes of approximately 2,000, or over 60% of their total labour gap (CAHRC, 2019a, 2019b, 2019c). As well, some 90% of expected openings in fish processing jobs will be for labourers, fish and sea plant workers, and process control and machine operators (APEC, December 2022).¹⁵ Close to two-thirds of projected oncoming demand for workers in accommodations will be for cleaning staff (30%), kitchen helpers (25%), and food and beverage servers (12%) (APEC, July 2022).

Category 2: Tradespeople and artisans – This category encompasses formally qualified trades workers, and other highly skilled workers such as fish harvesters and arts and crafts producers. These groups have complex competencies in applied activities but often have limited formal education. Workers in this category share the following broad characteristics:

- Are essential contributors to strategic industries that provide food security (agricultural production and fish harvesting), exports (fish harvesting and processing), housing (construction trades), infrastructure (construction trades), logistics (truck transportation, mechanics), and creative expression (artists and crafts persons).
- Face general demographic challenges due to an older age profile and historically limited diversity by gender, ethnicity, etc.
- Have high levels of transferable skills for related occupations.
- Many are self-employed business operators and require competencies in business management and renewal.
- Frequently engage in work and business activities in the informal economy.

¹⁵ The other major category is supervisors, products processing (10%) which can engage similar workers, although these workers may qualify under Category 2.

This category encompasses almost all the fish harvesting workforce, addressed in Box 1. Meanwhile, the agriculture industry projects that shortages in managers will be significant, totaling some 400 missing workers or 13% of the regional total (CAHRC, 2019a, 2019b, 2019c). Additionally, a 2016 study found that 92% of Canadian farms had no succession plan ready, at a time when the average age of farm operators was 55 (Smith Cross, July 16, 2017). High up-front costs to take over a farm are a key challenge, while aging farmers require high returns on their assets to finance retirement – much like fishing owner-operators. In terms of owner plans, however, at least in Nova Scotia owners in agriculture in 2022 were less likely to envision retirement in the next two-to-three years, especially full retirement, only 1.5% among those responding to the question (AISC, 2022).

In tourism, cooks and chefs are the most important occupations after those under Category 1, representing some 21% of job opportunities in accommodations (APEC, March 2022). Cook is a skilled trade, but not a compulsory one and so some cooks without formal qualifications may be classified under Category 1 as well.¹⁶

Category 3: Business managers (non-technical) – This category includes workers who rely primarily on social skills and other business skills to work in tourism-related enterprises or in support roles in other seasonal businesses, such as in human resources management, accounting, etc. Workers in this category have the following broad characteristics:

- Higher levels of formal education in many cases, as in college diplomas or university credentials in business administration or the arts and social sciences.
- Moderate diversity and a mixed age profile, but nevertheless challenges in increasing diversity and replacing aging workers particularly in more senior roles.
- Strong emphasis on customer service and creativity.

Most of the positions we have not already addressed with regards to accommodations relate to management – some 10% of overall projected vacancies (APEC, July 2022). Additionally, in the AISC (2022) survey, tourism owners were the most likely to envision fully retiring in the next two-to-three years at 16%, compared to 9% across rural areas and just 4% in Halifax.

Category 4: Advanced professional and technical experts – This category includes technical specialists permanently positioned within businesses with seasonal operations or providing support as consultants or contract workers. Key considerations with regards to this category include:

- Higher levels of formal education and professional or technical qualifications, such as advanced degrees in engineering, architecture, communications, business management, etc.
- An essential role in supporting automation and productivity gains in strategically important industries.
- High levels of demand in the labour market resulting in higher earnings.
- Mixed age profile and increasing ethnic and gender diversity.

¹⁶ The difference between compulsory and non-compulsory trades is addressed in Chapter 4.

It is not possible to measure patterns of supply and demand for these workers specifically with regards to seasonal industries, where they make up a relatively modest part of the workforce. However, among the highest vacancy rates across the three Maritimes provinces are in professional, scientific, and technical services, management of companies and enterprises, and finance and insurance, which could include workers in this category (StatsCan, 2023b).

Category 5: Students and recent graduates – This category covers young people working in seasonal sectors in summer jobs, part-time while studying, or immediately after completion of an educational program. They can fill a mix of the roles which fall under Categories 1 through 4, but largely as learners or interns in categories 1, 2 and 3. Student workers may prefer less routine manual tasks and more social tasks such as work as servers or front desk staff in food service, accommodations, and other tourism related businesses. Common considerations include:

- Pursuing employment as a learning experience or as a secondary activity to earn income while studying.
- Such employment provides opportunities for employers to attract students as career workers in the sector under categories 2, 3, or 4.
- Increasingly diverse demographics by ethnicity, gender, etc. with significant cultural differences relative to employers.
- Especially acute challenges with regards to housing and transportation during work periods.

A recent estimate suggests that the projected 15% decline in the population aged 18-24 could reduce the seasonal workforce in Atlantic Canada by 5,000 (APEC, February 2022). Findings from the AISC (2022) survey of employers also indicate that tourism and agriculture employers lose significant numbers of student employees each fall when they return to their studies. Tourism leaders in interviews reported that roughly half of all Canadians have their first employment experience in tourist accommodation or food services related occupations, although the great majority do not pursue careers in the sector. Many tourism sector employers endeavour to retain most of their student workers for three-to-five years while recruiting a smaller share for long-term careers as industry professionals.

3. Understanding patterns of seasonal occupational pluralism

Seasonal occupational pluralism (OP) occurs when seasonal workers also work in other industries or occupations during periods of each year when their primary seasonal job is unavailable. The seasonal distinction clarifies that such multiple jobholding does not occur concurrently but sequentially based on different opportunities that may be present in different parts of the year.

A variety of other concepts are also forms of OP, although not necessarily seasonal OP. Farmers may engage in pluri-activity (often through different activities on the farm itself), mixed livelihood strategies, and the narrower concept of off-farm work. Among artists and creatives, “portfolio careers” are a common notion referring to a mix of work activities that

together enable artists to earn their livelihoods. Finally, multiple jobholding describes individuals who hold multiple jobs concurrently and is sometimes called “moonlighting” based on an assumption that someone has a primary occupation and then pursues additional employment activities to supplement their incomes. The rise of the “gig economy” is often viewed as contributing to greater multiple jobholding.

This emphasis of this study is on the potential for seasonal occupational pluralism (OP) to help address:

1. The labour supply challenges specifically facing seasonal industries, by making employment in these sectors more attractive if, and when, workers can generate year-round incomes while still having careers in seasonal industries.
2. The labour supply challenges facing employers in the off-seasons of major seasonal sectors, which could be addressed if more seasonal workers partook in off-season employment;
3. The overall labour supply and population renewal challenges facing the rural communities across the Maritimes by increasing aggregate economic activity.

In this section we will describe OP participation patterns in the Maritimes, review other data sources on OP, and assess the potential impacts of increasing OP on labour supply.

3.1 Measurement across the full population

Summary

At least 6.5% of Atlantic Canadian workers participation in seasonal OP, with this rate rising to 9.3% in PEI. Specific occupationally plural pairings are especially common, such as manufacturing and agriculture/forestry/fishing, mining/oil/utilities/construction and agriculture/forestry/fishing, recreation/food and wholesale/retail trade/transportation, and education/health/social assistance and recreation.

A few different data sources provide insight into OP participation rates across the population in general, including some indications of the characteristics of OP workers. The best source specifically on seasonal OP is a phone survey commissioned for this project. A commissioned analysis of tax-filer data is less precise in terms of seasonal OP but has a larger sample and more power to draw out characteristics of OP workers. We also review in this section Statistics Canada data on interjurisdictional employees and look at participation in the informal economy which key informants suggest is a common form of OP engagement.

3.1.1 Findings from Narrative Research phone survey

The Narrative Research Phone Survey implemented in November-December 2022 measured engagement in seasonal occupational pluralism through the following series of questions:

- Q1: Seasonal work includes employment that is only available for a certain part of each year, and not year-round. Did you work any seasonal employment in the past 12 months?
- Q2 (IF YES TO Q1): Approximately what percentage of your total employment was seasonal in the past 12 months?
- Q3 (If 100% to Q2): Did you have just one seasonal job, multiple seasonal jobs during the same season, or different seasonal jobs in different seasons?

We classified as participating in seasonal OP those who worked in seasonal employment and indicated that either a) between 1% and 99% of their employment was seasonal or b) 100% of their employment was seasonal and they held different seasonal jobs in different seasons.

According to the survey, in 2022 more than 6.5% of workers in Atlantic Canada participated in seasonal occupational pluralism, although this is a low-end estimate since our methodology systematically biases down this measure.¹⁷ Provincial figures were 9.3% in PEI, 6.4% in Nova Scotia, and 4.4% in New Brunswick. Basically two-thirds of seasonal workers participated in seasonal occupational pluralism across the Maritimes, with a wide standard error range around this figure given the relatively low number of seasonal workers in our total sample from the Narrative Research survey (126 respondents to the follow-up questions). With this same caveat, roughly 62% of seasonal workers combined seasonal work with non-seasonal work and 7% engaged in OP by combining different seasonal jobs across the year.

The sample size of seasonal workers was too small to track differences in this share of seasonal workers engaging in OP between different demographic groups, but rates from the data appear reasonably consistent. Using multivariate regression techniques for the same set of controls once again as discussed above, workers in PEI were 2.5 times more likely to engage in OP than workers in Nova Scotia, and students were 6.8 times more likely than non-students.

The Narrative Research Survey also asked seasonal OP workers whether:

“At the start of the year, was it your goal to combine a seasonal job with other work in other parts of the year, or did things just happen that way?” – for those who indicated that between 1% and 99% of their employment was seasonal; and

¹⁷ There was a drop-off over the course of the three questions used to measure participation in OP, relative to the single question that measured overall participation in seasonal employment. The approximate share of seasonal workers in OP does not correspond to the share of all workers in occupational pluralism divided by the share of share of all workers in seasonal employment because excluding those who do not respond to the full three questions that lead to the OP variable does not necessarily reduce the share reporting participation in OP.

“At the start of the year, was it your goal to have multiple seasonal jobs, or did things just happen that way?” – for those reporting 100% seasonal employment and different seasonal jobs in different seasons.

The sample responding to the question (114) is too small to adequately reflect the full population but is nevertheless indicative. Over three quarters of respondents (77%) indicated that “it just happened that way”, whereas only 20.2% indicated that it had been a goal to have multiple seasonal jobs or to combine a seasonal job with other work. These data suggest that seasonal OP for many is not a deliberate career strategy.

3.1.2 Findings from tax-filer data

For this project, we pulled tax-filer data for individuals who reported either multiple T4s, or combined T4 and self-employment income, over the full four years from 2015 to 2018, as another measure of occupational pluralism. The data rely on multiple years to exclude those simply changing between single jobs,¹⁸ somewhat resembling a new approach to measuring multiple jobholding in the United States.¹⁹ The Narrative Research measures are almost certainly more precise, but the tax-filer data have greater richness in certain regards.

Overall trends in participation

Overall, over 17% of workers in the Maritimes from 2015 to 2018 engaged in OP based on this tax-filer measure. The rate was highest in PEI at approximately 21.5%, and basically equal in Nova Scotia and New Brunswick at 17%. Comparing rural and urban areas, rates of OP were higher in urban than in rural areas in New Brunswick and Nova Scotia by between 1.5 and 2.5 percentage points, whereas in PEI they were higher in rural areas by almost two percentage points. In fact, rural workers in PEI were some 5.5 percentage points more likely to engage in OP than rural workers in the rest of the Maritime provinces.

It is not surprising that estimates of OP are higher in these tax-filer data than in the Narrative Research survey. These tax-filer data capture not only those who work different jobs in different parts of the year, but also those who work different jobs concurrently – referred to as multiple jobholders and tracked in the LFS (Appendix 2 addresses data on multiple jobholding). Subtracting the multiple jobholder rate from the LFS from our tax-filer data, the tax-filer data still suggest approximately double the rate of OP identified in the Narrative Research phone survey. There is also a three-year gap between the data.

¹⁸ These data may have inclusion error with respect to individuals who are simply changing jobs on a serial basis but are not occupationally plural. More problematic exclusion error relates to those with self-employment income from multiple occupations, as self-employment income is tracked not based on separate tax forms but as a single unified variable. We also exclude those who may be normally occupationally plural, but were not in just one or two years in this period. Finally, these data will not capture under-the-table income, which might hypothetically be captured in the LFS survey.

¹⁹ This new measure of multiple job-holding uses administrative data to track multiple job-holding in a quarter for workers who held one job for the full-quarter – i.e. reporting employment in a same job in the preceding and subsequent quarters, assuming therefore that they held this job for the full quarter.

Regression data provide a further sense of the likelihood of participating in OP based on the tax-filer measure, controlling for a variety of measurable worker characteristics.²⁰ PEI residents are about 27% more likely to participate in OP than residents of New Brunswick and Nova Scotia. Anglophones are about 9% more likely to engage in occupational pluralism than Francophones in rural areas, although there is no difference in urban areas. Men are slightly (4.4%) more likely than women to engage in OP in rural areas, whereas the opposite is true in urban areas (by 4.7%). Immigrants in rural areas are much less likely to participate in OP than non-immigrants, although in urban areas there is no significant difference in rates of OP participation between immigrants and non-immigrants.

Participation in OP declines with age. OP participation is highest in rural areas at age 20-24 at a level of 1.38 times the rate for those aged 15-19 (this is the reference point for all figures), then falls to a level of 0.95 at age-24-29, and then 0.78 at age 30-34. Subsequently, the rate plateaus at approximately 0.6 of the age 15-19 rate until the age of 45-49, after which declines resume at each age increment to reach 0.33 at age 65+. The pattern in urban areas is very similar.

Rates of OP are highest amongst those separated, single and divorced as opposed to those married, common law or widowed – by a gap of 20% or more. Parents are also 5% less likely to engage in OP than non-parents. Differences are still sharper in urban areas across these measures. These data resemble the results of multiple jobholding as discussed in Appendix 2. These data suggest that OP is more attractive to those with lesser responsibilities at home, or without a partner who perhaps provides an additional income.

Understanding interactions between OP and industries or occupations

Examining tax-filer data by NAICS industry, the highest probability of participation in OP in rural areas was in the “mining, oil, utilities and construction” and “agriculture, forestry, fishing and hunting” industry categories. The lowest probability was in “manufacturing” and “public administration”. In urban areas, differences in probability of OP participation were more modest between industries, though there were comparatively high rates notably in recreation and food. Students were much more likely to engage in OP by this measure than non-students, surely a reflection of their transitional period and mix of jobs during the school year and in the summer.

Certain pairings of industries are particularly common as a share of all workers in the relevant industries.²¹ The following are the most important secondary industries:

- Recreation and food services (55% overrepresented relative to a situation where all matches were equally likely)
- Agriculture/forestry/fishing (41% over-represented)
- Wholesale/retail trade/transportation (22% over-represented)

²⁰ Appendix 2 provides these same data for multiple jobholding, for comparison purposes.

²¹ These measures are very consistent between years. Only professional /management/administration declined as a secondary industry relative to its overall share of workers.

The least important secondary industries by the same measure are:

- Education/health/social assistance (29% under-represented relative to a situation where all matches were equally likely)
- Other services/public administration (26% under-represented)
- Mining/oil/utilities/construction (23% underrepresented)

The most important pairings are as follows, and appear specifically relevant to seasonal sectors:

- Manufacturing and agriculture/forestry/fishing – this likely reflects significant shifts between food production and processing in terms of both farming and fishing
- Mining/oil/utilities/construction and agriculture/forestry/fishing – Category 2 workers may be especially well positioned to transition between work in seasonal industries and trades work in these other industries (most notably construction)
- Recreation/food and wholesale/retail trade/transportation – likely captures many students and Category 1 workers
- Education/health/social assistance and recreation/food – again likely to capture many students and perhaps Category 1 workers

There are some differences in secondary industries between urban and rural areas. Recreation/food is a much more common secondary industry in urban areas than in rural areas (with over-representation in the former at 60% as compared to 40% in the latter), while professional/ management/administration is more over-represented in rural areas (27%) than in urban areas (10%).

We can also gauge the importance of self-employment income among our OP workers. Approximately 7.4% of Maritimes OP workers reported self-employment income, as compared to 8% of Maritimes workers in total. This rises to 8.8% among rural OP workers, which is basically even with the share of all rural workers with self-employment income (8.6%), meaning that the overall lower share of OP workers with self-employment income compared to non-OP workers is due to urban areas.

OP workers in PEI are especially likely to report self-employment income at 17.4%, compared to 7.2% among urban workers in PEI, while in rural PEI self-employment is over 20 percentage points more common among OP workers than across all workers. The pattern of higher reporting of self-employment income among rural workers than urban workers applies in the other two provinces as well by between one (New Brunswick) and 2.4 (Nova Scotia) percentage points. In Nova Scotia, rural OP workers are just as likely to be self-employed as the total population of workers, while in New Brunswick rural OP workers are less likely than other rural workers to be self-employed. Again, these data do not capture people who engage in OP only in terms of their self-employment earnings, nor those who do not report self-employment income to tax authorities.

3.2 Measures in fish harvesting and agriculture

More detailed data are available on rates of participation in seasonal OP in fish harvesting and agriculture.

3.2.1 Evidence from the fisheries

Summary

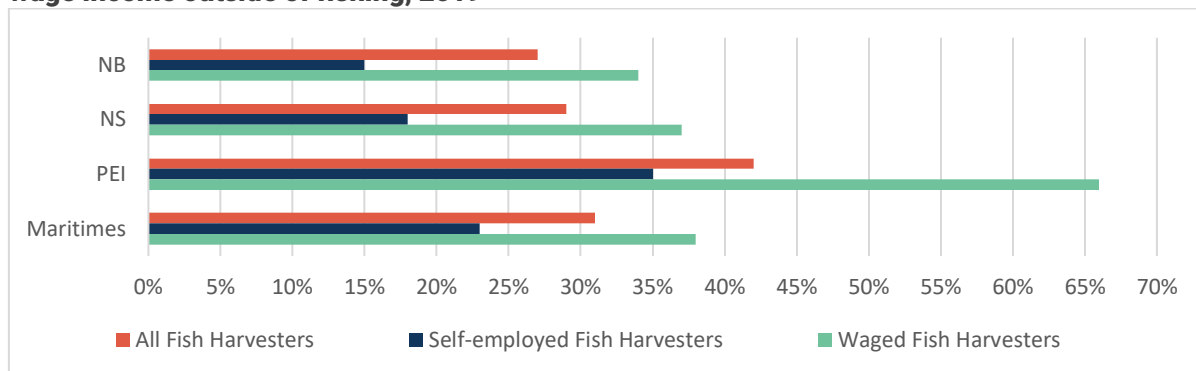
In 2019, 31% of fish harvesters engaged in seasonal OP – as measured by earning wage income outside of fishing. OP participation is much more common among younger fish-harvesters, fish harvesters paid wages as opposed to receiving crew shares, and fish harvesters with higher levels of formal education. The most common secondary industries of fish harvesters were manufacturing, wholesale trade, and construction.

As noted above, we have tax-filer data to track harvesters' employment earnings in fishing, and in non-fishing waged or salaried jobs.²² We assume that given the intensity of fishing work in the high season, fish harvesters who have non-fishing wage earnings are engaging in seasonal OP.

Tax-filer data indicate that 6,410 fish harvesters earned non-fishing (i.e., OP) wage income in 2019. Figure 1.10 shows the percentage of fish harvesters who reported taxable wage income from non-fishing employment by province and type of fish harvester. The overall OP participation rate among all fish harvesters was 31%. Participation was higher among waged fish harvesters than self-employed fish harvesters, basically a waged fish harvester is twice as likely to have non-fishing wage income as a self-employed fish-harvester within the same province. Participation is also highest in PEI and lowest in New Brunswick, a pattern consistent with our measures of participation in seasonal OP across each province's overall population.

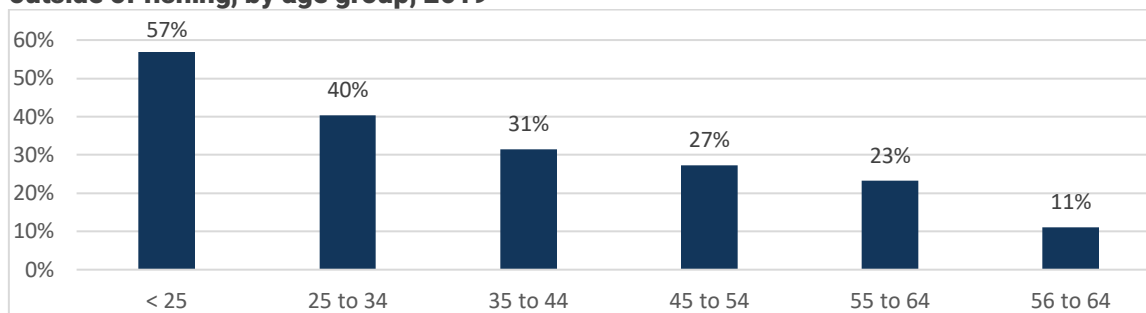
²² It is not possible to distinguish self-employment earnings from non-fishing activities, which may be considerable. Therefore, these data underestimate the prevalence of seasonal OP among fish harvesters.

Figure 1.10: Share of self-employed and waged fish harvesters in the Maritimes who earned wage income outside of fishing, 2019



The wage-earning fishing workforce has a younger age profile than self-employed harvesters which helps explain why wage-earning harvesters are much more likely to have OP income, as shown in Figure 1.11. OP participation rates are consistently and markedly higher for fish harvesters in the two youngest age categories.

Figure 1.11: Percent of fish harvesters in the Maritime Provinces earning wage income outside of fishing, by age group, 2019



In 2015–16 the Canadian Council of Professional Fish Harvesters (CCPFH) conducted a large-scale survey of fish harvester captains and crew in Canada (Praxis Research, 2018).²³ While somewhat dated, the study is one of the few in-depth examinations of occupational pluralism in a seasonal industry in Canada. It found that 22% of both captains and crew reported having had non-fishing jobs in the previous 12 months.²⁴

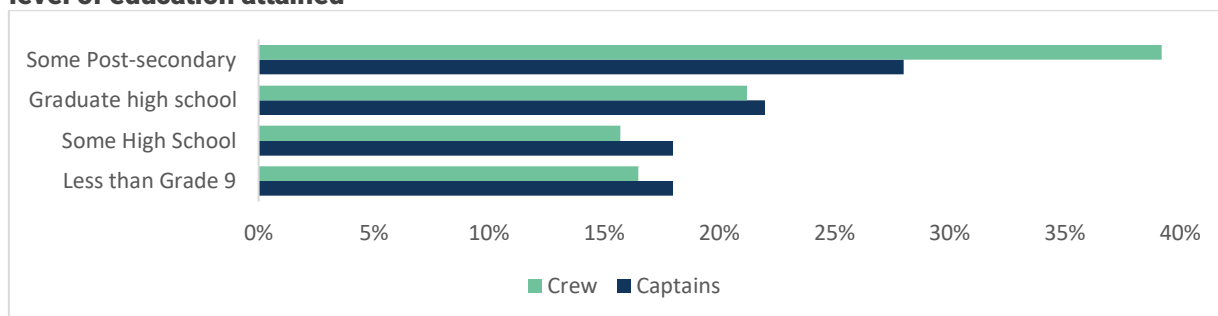
The CCPFH survey (Praxis Research, 2018) also gathered data on participation in non-fishing employment by level of education attained, as shown in Figure 1.12. Participation

²³ The report on this research, "Fisheries Seasonality and the Allocation of Labour and Skills Labour Market Information Study", is available from the Council's web site <http://www.fishharvesterspecheurs.ca/>. The CCPFH study included a random sample telephone surveys of fish harvesting enterprise heads and crewmembers were conducted in the Atlantic provinces and Québec, Manitoba and British Columbia. Contact information for harvesters was generated from membership lists of fish harvester organizations. There were 788 total responses in Atlantic Canada (including Quebec, generating an error rate at 95% confidence of plus-or-minus 2.8%.

²⁴ This figure for captains matches the figure for self-employed fish-harvesters from the tax-filer data, although self-employed fishers include some crew. The gap between the rate of reported participation in OP among crew in the survey and among wage-earners in tax-filer data is large and suggests systematic bias in survey responses, likely with lower participation among younger waged fishers who more often engaged in OP. One possible additional explanation is that seasonal OP is more common among fish harvesters less committed to their fishing occupation, and therefore less likely to respond to an industry survey.

was highest by far among those with some post-secondary education, especially among crew, and lowest for those with less than a high school credential.

Figure 1.12: Participation in non-fishing employment among Atlantic fish harvesters by level of education attained



CCPFH survey respondents reported that 64% of their non-fishing jobs were in the local area, 21% outside the local area but in the same province, and 15% out-of-province. Captains were eight percentage points more likely than crew to have non-fishing jobs out-of-province. The median days of work in this non-fishing job were 104 for captains and 92 days for crew, i.e., 18 to 20 work weeks. These represented long-term arrangements, as captains had been in their non-fishing job for 10 years and crew for seven years, at the median.

Finally, tax filer data allow us to identify the industry sectors (by NAICS) of fish harvesters' non-fishing employment. Table 1.3 lists the percentage of the 6,410 fish harvesters with non-fishing wage income (excluding self-employed fish harvesters) in 2019 who worked in the most common secondary industries. The most common industry for OP employment across the Maritimes was manufacturing (most likely seafood processing in most cases), followed by wholesale trade, then and construction. There was noticeable provincial variation with respect to construction; wholesale trade; agriculture, forestry, fishing, and hunting; and health care and social assistance.

Table 1.3: Person counts of wage-earner fish harvesters having positive non-fishing employment income, by industry, 2019

NAICS Industry	New Brunswick	Nova Scotia	PEI	Maritimes
Manufacturing (including food/fish processing)	19.9%	24.5%	22.8%	22.9%
Wholesale trade	9.3%	21.5%	22.1%	18.6%
Construction	22.4%	15.1%	9.4%	15.6%
Agriculture, forestry, fishing, and hunting	11.8%	4.8%	12.8%	8.4%
Public administration	8.7%	6.9%	8.7%	7.8%
Retail trade	9.3%	8.2%	4.7%	7.6%
Transportation and warehousing	7.5%	6.9%	5.4%	6.7%
Accommodation and food services	4.3%	6.3%	6.0%	5.8%
Health care and social assistance	4.3%	4.5%	9.4%	5.6%
Other services (except public administration)	3.7%	3.9%	8.7%	5.0%

3.2.2 Evidence in agriculture

Summary

In 2020, the OP participation rate was 46% among farm operators – a population that includes farm managers and owners. Farm operators who produce certain types of products participate more in OP than others, as do farm operators on smaller farms that do not have employees, and farm operators who spend less time per week on farm work. However, rates of OP are still moderately high among farm operators who work more than 30 hours or more per week on farm work, at 20%.

The Agriculture Census allows us to measure the extent of OP amongst farm operators, although not farm workers. Farm operators are defined as persons responsible for management decisions within an agricultural operation, i.e., decisions about a variety of important business matters (e.g., agricultural production, hiring employees, investment and finances, marketing of agricultural products), excluding professional advisors such as accountants or consultants. Often farm operators are the farm's owners and would fit as Category 2 workers from our analysis above.

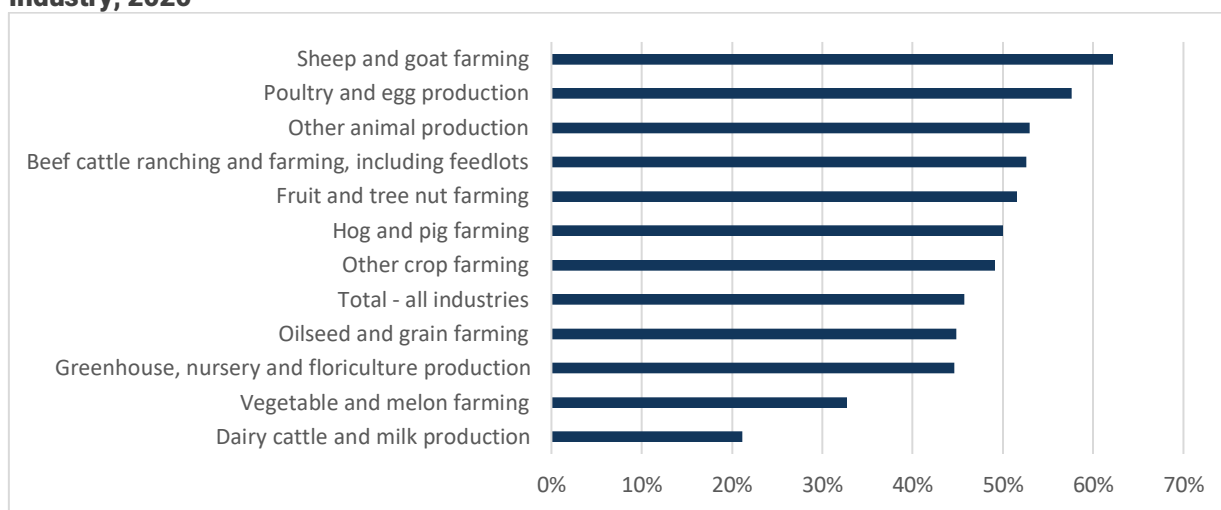
The Agriculture Census asks, "what was each operator's average weekly time spent doing paid work at another job or operating another business not involved with this agricultural operation?" A further instruction indicates that this should include only work done for an off-farm job, a non-farm business and other farm operations, and should exclude custom work done for others. This does not permit exact measurement of seasonal OP as we

define it in this study, but knowing qualitatively how the workload in many agricultural industries varies over the course of the year, and that seasonality is particularly strong in Maritimes agriculture, we can assume that the OP we can measure in Maritimes agriculture is largely seasonal.

In 2020, 45.7% of farm operators in the Maritimes participated in off-farm work, which is marginally lower than the 47.7% rate across Canada.²⁵ The rate of off-farm work has been approximately stable since 2005 across Canada and the Maritimes.

Rates of off-farm work vary significantly between different farm industries, as shown in Figure 1.13. This is strongly associated with the share of farms without employees – so farm operators without employees are more likely to engage in off-farm work.²⁶ It is perhaps surprising that the gap in the rate of engagement in off-farm work is so modest between the Maritimes and Canada as a whole, given that 11 percentage points more farms in the Maritimes reported having employees in 2020.²⁷

Figure 1.13: Percentage of farm operators working off-farm in the Maritimes by farm industry, 2020



The association between farms having employees and the share of operators engaged in off-farm activities might seem to suggest that off-farm activities are predominantly an activity of “hobby farmers”, i.e., people for whom farming is a side activity and not their primary form of employment or income source. It is true that in 2020 the rate of engagement in off-farm work was much higher (64.8%) among farm operators in the Maritimes who spent less than 20 hours per week on farm work as compared with farm operators who spent 30 hours or more per week on farm work (19.8%). However, one-in-five full-time farmers engaging in off-farm work remains significant. Meanwhile, across Canada the corresponding figure was a still more considerable 32% in that year. Rates are

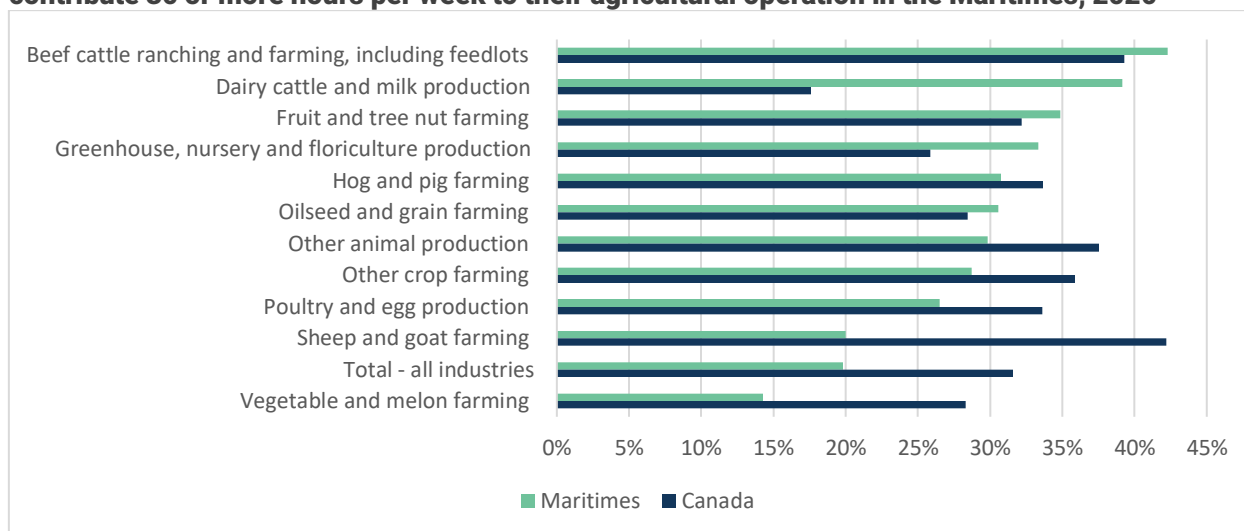
²⁵ Data generated through a custom request to StatsCan, received in December 2022.

²⁶ The correlation coefficient is 0.78, while the linear relationship is generally considered strong with the correlation coefficient exceeds 0.7.

²⁷ There is no significant correlation between the share of business operations in an agricultural industry that employs seasonal workers and the share of operators engaged in off-farm work. So, operators who hire seasonally are little different from operators who employ workers under other forms of contracts.

also much higher amongst farmers in certain agricultural industries, such as beef cattle ranching and farming.

Figure 1.14: Share of farm operators engaged in off-farm work amongst farm operators who contribute 30 or more hours per week to their agricultural operation in the Maritimes, 2020



Additionally, reported off-farm hours of work are significant. A little over half of the full-time farm operators in the Maritimes who worked off-farm in 2020 indicated that they did so for 30 or more hours per week. The implied total hours of work add up to at least 60 hours per week and often more – although this may be exaggeration resulting from weaknesses in the Agricultural Census’s design.

3.3 Other relevant data

There are two other phenomena of relevance to seasonal OP for which some modest data are available. These are counts of interjurisdictional employees and engagement in informal or “under-the-table” work.

3.3.1 Interjurisdictional employees

Summary

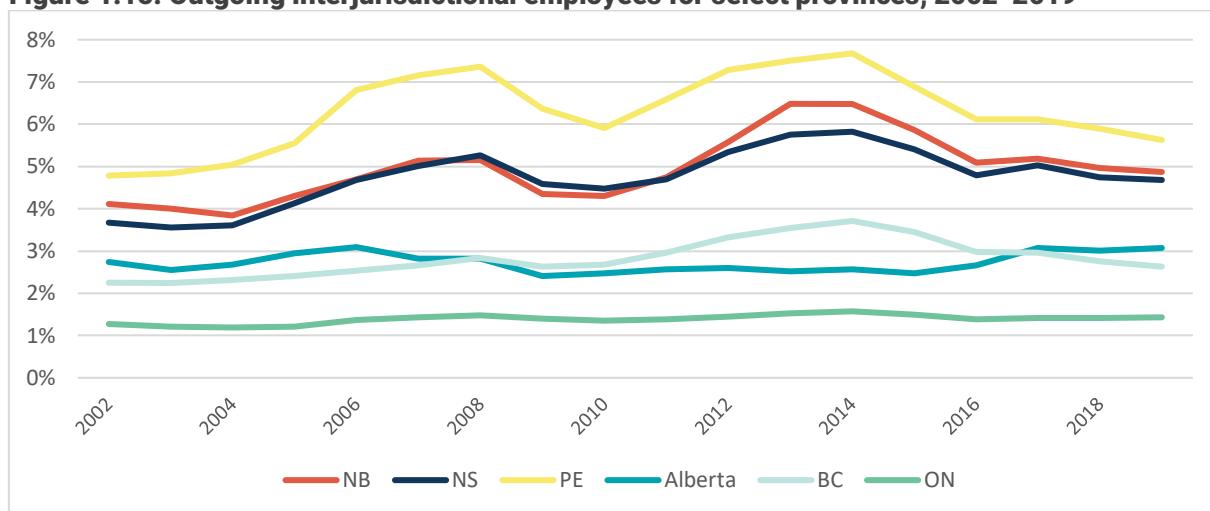
The Maritime provinces have relatively high numbers of workers who earned employment income in another province from their permanent residence, although this form of employment has been in decline since 2014. Alberta is by far the most common province receiving these workers, with many focused in particular on construction and mining, quarrying, and oil and gas extraction.

Statistics Canada (StatsCan, 2023f) uses tax-filer data to track workers who maintain permanent residence in one province or territory but have paid employment in another. A

common pattern of seasonal OP has involved workers spending the off-season working in Alberta or another jurisdiction outside of the Maritimes, and so these data are also indicative of possible OP patterns.

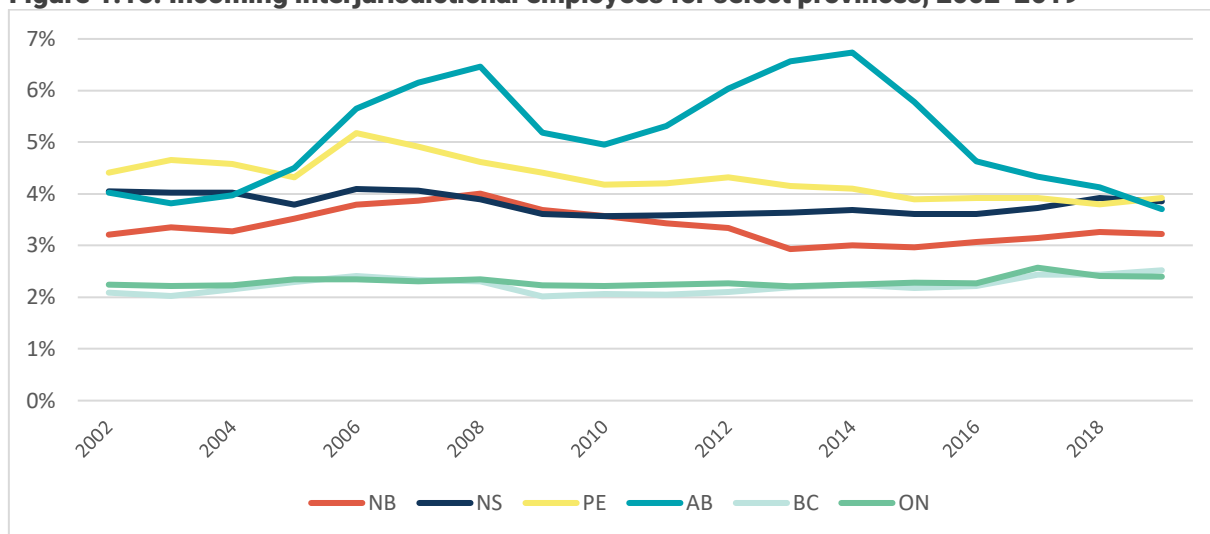
Outgoing interjurisdictional employees received T4 earnings from a province or territory different from the one where they reside. Figure 1.15 illustrates how outgoing inter-jurisdictional employees have long made up a higher share of workers in the Maritime provinces than in three other large provinces. Interjurisdictional work is especially common in PEI, fitting the observed pattern of PEI having more atypical work arrangements. Notwithstanding a dip following the Great Recession in 2008, the overall pattern was of an increase in outgoing inter-jurisdictional employment by Maritimers from 2002 to 2014 followed by decline – most of all between 2014 and 2016.

Figure 1.15: Outgoing interjurisdictional employees for select provinces, 2002-2019



Looking at inbound interjurisdictional employment, it is obvious that Alberta is the major receiving jurisdiction as shown in Figure 1.16 The precipitous decline in inbound interjurisdictional employment in Alberta is the flipside of the fall in outgoing interjurisdictional employment in the Maritimes.

Figure 1.16: Incoming interjurisdictional employees for select provinces, 2002-2019



Taking an industry lens, the most common industry of outgoing interjurisdictional employees from the Maritimes in 2014 was construction, followed by mining, quarrying and oil and gas extraction, professional, scientific, and technical services, and transportation and warehousing. The number of outgoing interjurisdictional employees from the Maritimes in construction fell by 49% from 2014 to 2019, while the number of those in mining, quarrying and oil and gas extraction fell by 28%, together accounting for the entire decline in outgoing interjurisdictional workers. These figures likely reflect the sharp decline in activity in the oil and gas sector in Alberta during this period. By 2019, construction was still the most common industry, but it was then followed by public administration and educational services which are the most common industries also for inbound interjurisdictional workers in the Maritimes.

These measures of inter-jurisdictional employment may become much more nuanced in coming years with the increase in work-from-home arrangements. This will likely reduce their usefulness as a measure of seasonal OP.

3.3.2 The informal economy

Summary

Some 34% of Atlantic Canadians participated in some form of informal work in 2018, which is higher than the Canadian average. Informal work is most common among youth aged 18-24. Informal work is especially common in construction and food services. Qualitative data suggests that many seasonal workers pursue OP by informal means, but this is not possible to track in data.

Kostyshyna and Luu (2019) used Bank of Canada survey data to measure participation in informal work in Quarters 2-4 of 2018, excluding individuals selling goods, renting property, or taking surveys. Their data suggested some 30% of Canadians were participating in some informal work in this period, including 34% of Atlantic Canadians.

The highest rates of participation across Canada were amongst youth aged 18-24, at 58%. This was the main source of income for some 42% of youth, 25% of prime-age individuals and 24% of seniors who were engaged in informal work.

Informal work resembles seasonal work in general – seasonal workers reported having worked an average of 1.7 months out of the last three months, and Kostyshyna and Luu documented considerable seasonal swings in informal hours of work, with much lower shares in Quarter 3 of the year of study relative to Quarter 4. The average informal worker dedicated 43 hours to informal work per month.

An earlier study (Morissette, 2014) estimated that 28% of underground economy (UE) activity was in construction (the largest share) in 2011 and 12% was in accommodation and food services across Canada. In terms of UE activity as a share of activity within a sector, this was highest in accommodation and food services (12.5%), with other major sectors being fishing, hunting, and trapping (9%), crop and animal production (8.6%) and construction (8.5%). Obviously, much of these major sectors are closely associated with the rural seasonal economy.

4. The case for encouraging seasonal occupational pluralism

There is a case for encouraging greater seasonal OP. We focus on this case in recognition of the critical roles of seasonal sectors, complementarity of seasonal work with the construction trades, and potential effects on aggregate labour supply.

4.1 The critical roles of seasonal sectors

Summary

Seasonal industries contributed as much as \$4.3 billion and employed 88,000 workers in the Maritimes in 2021. These sectors are very export-oriented, and fisheries, agriculture, and forestry accounted for 38% of the region's exports in 2019, up from just 28% in 2009 – tourism also accounts for billions of dollars in export income for the region. These sectors have important other roles as well, such as in assuring food security, and protecting and promoting culture. Losing these industries would accelerate the decline of rural communities and reduce the economic and cultural wealth and security of the Maritimes and Canada as a whole. Policy should instead strive to strengthen these sectors and their contributions.

Seasonal industries play a critical role in the Maritime economy and in the sustainability of the regional population base.

GDP numbers confirm the economic value of seasonal industries (ESDC 2022a, 2022b, 2022c). Agriculture and aquaculture, fishing and fish processing, and accommodation and food services together were worth \$4.3 billion in GDP in the Maritime provinces, as shown

in Table 1.4. This was 6.4% of the total GDP for the region, and as high as 12% of GDP in PEI.

Table 1.4: GDP contributions of agriculture and aquaculture, fishing and fish processing, and accommodation and food services in the Maritimes in millions, 2021

	Agriculture and aquaculture	Fishing and fish processing	Accommodation and food services	Total
New Brunswick	\$620.1	\$548.0	\$552.1	\$1,720.2
Nova Scotia	\$446.5	\$686.9	\$762.7	\$1,896.1
PEI	\$297.3	\$203.7	\$160.4	\$661.4
Maritimes	\$1,363.9	\$1,438.6	\$1,475.2	\$4,277.7

In terms of the workforce, some 88,000 workers were employed in these three sectors, as shown in Table 1.5.

Table 1.5: Workers employed in agriculture and aquaculture, fishing and fish processing, and accommodation and food services in the Maritimes in thousands, 2021

	Agriculture and aquaculture	Fishing and fish processing	Accommodation and food services	Total
New Brunswick	5.3	5.3	21.0	31.6
Nova Scotia	6.7	10.5	27.9	45.1
PEI	3.6	2.9	4.6	11.1
Maritimes	15.6	18.7	53.5	87.8

Separate figures indicate the scale of tourism employment specifically. The Nova Scotia tourism sector currently generates over 39,000 jobs and 2.4% of provincial GDP, while industry revenues increased by 30%, from \$2 billion to \$2.6 billion, over the 2010 to 2019 period (OneNS, 2023; NS Finance and Treasury Board, April 2021). On PEI, tourism provided nearly 9,000 full-time equivalent jobs, over \$500 million in economic activity, and 6.2% of provincial GDP in 2019 (Tourism PEI, 2020).

Beyond these basic statistics, these three seasonal sectors are largely export-oriented. Export industries are foundational for economic development because they bring in new economic activity from outside which generates economic multipliers and because export sectors generally must be more productive to compete in global markets (Moretti, 2012).

Farm, fishing, and intermediate food products are the fifth most significant form of exports in the Maritimes overall in 2021, and the second most important in Nova Scotia and PEI (StatsCan, 2022c). Over the decade prior to the COVID pandemic, the seafood and agricultural sectors together experienced significant growth in demand and higher commodity prices in response to changing consumer preferences and the opening of global markets. The forestry sector saw similar growth resulting largely from a North American construction boom. From 2009 to 2019, total exports from the fisheries, agriculture, and forestry industries in the Maritime Provinces grew in value by 53% from

\$5.4 billion to \$7.4 billion (in constant 2019 dollars), while exports from all other sectors increased by only 14%. The share of total exports generated by these three rural sectors increased from 28% in 2009 to 38% in 2019.

Table 1.6: Value of Exports from the Agriculture, Fisheries and Forestry Industries in the Maritime Provinces in millions of chained 2019 dollars, 2009 and 2019

	2009	2019	Change
New Brunswick	\$2,830	\$4,087	44%
Nova Scotia	\$1,966	\$3,290	67%
Prince Edward Is.	\$567	\$826	46%
Maritime Provinces	\$5,368	\$8,203	53%

Tourism is a service export industry. Its export values are not tracked as closely as for good industries, but before the pandemic disruptions, generated comparable export revenues to forestry products. Non-resident tourism spending was close to \$1.6 billion in Nova Scotia in 2019, and total revenues equal to \$2.6 billion (Tourism Nova Scotia, 2023). In PEI, tourism generated \$486 million from residents and non-residents that year (Tourism PEI, 2022). Finally, New Brunswick estimated that non-resident total tourism spending in 2018 was equal to \$1.3 billion, making it the third largest service sector (New Brunswick, 2018). As a service export industry, tourism is highly sensitive to a wide range exogenous factors beyond the control of local business operators such as changes in fuel and transportation costs, economic recessions in other countries or restrictions foreign governments may place on citizen travel. The entire industry was effectively shut down during the global pandemic. In large part due to such external influences, the tourism industry in the Maritimes has not seen the same growth pattern as is occurring in commodity exports, but it remains strong and a mainstay for rural regions.

Crucially, seasonal industries are also concentrated in rural communities, as indicated above. They are fundamental drivers of economic dynamism in these regions, providing employment and generating wealth that maintains rural populations. Sustaining rural populations is critical to maintain economies of scale for the provision of public services at an affordable cost. Supporting rural regions is essential to maintain Canada's territorial integrity.

Agriculture and fishing also contribute significantly to food security in the region. There are important ecological reasons to emphasise local food production. Additionally, food security arguments have grown in salience with the supply chain challenges experienced during the COVID-19 pandemic and the recent move for "friend-shoring" given tensions with China and Russia.²⁸

Finally, seasonal sectors have critical cultural value. Tourism is notably a major revenue source supporting culture sector activities and amenities that have great intrinsic value for Maritimes society. Agriculture and fishing are historic sectors with strong cultural influences in rural regions. The rural Maritimes are also home to distinctive cultures which

²⁸ The war in Ukraine has greatly affected global food prices, while a conflict over Taiwan could also have major global ramifications for food security given that China is the world's largest food producer (Qiu and Zhang, February 20, 2023).

are rooted in seasonal sectors. The fishery and tourism are particularly relevant for largely rural Indigenous communities, and empowering Indigenous people in these sectors is key to present reconciliation efforts. Acadian communities are also closely engaged with the fishery, and many tourism activities share and foster Acadian culture.

4.2 Complementarity with the construction trades

Summary

Seasonal industries are very complementary with construction and other strategic non-seasonal sectors. By increasing labour supply in construction, greater OP among seasonal workers could help mitigate the housing shortages that are causing social dislocation and limiting the economic development of the region.

Not only is seasonal OP relevant for sustaining or increasing labour supply for seasonal industries with critical strategic value, it could also help meet workforce needs notably in the construction trades. This is critical given the housing affordability crisis confronting the rural Maritimes and Canada in general. Increasing immigration is contributing to housing shortages as housing supply has not increased commensurately with demand. A failure to increase housing supply risks amplifying housing insecurity, and potentially threatening the political consensus in support of higher levels of immigration.

Nova Scotia's booming construction industry will need to recruit nearly 11,000 workers over the next nine years to meet demand, says a report by BuildForce Canada. Based on current demand for skilled trades, the province could be short 4,100 workers by 2032, says BuildForce, an industry-led organization that represents all construction sectors across Canada. It says due to Nova Scotia's aging demographics, 7,800 workers or 24% of the province's current construction labour force, will have retired by then.

Labour shortages are a very pressing challenge in the homebuilding and renovation sector and in the wider construction industry. The industry is expected to lose 17,200 retirements from 2021 to 2030 across the Maritimes and to be short 6,600 workers relative to demand, without fully accounting for public policy imperatives to increase housing supply (Buildforce, 2021a, 2021b, 2021c).

The complementarity between Category 2 seasonal workers and construction trades is obvious. We noted earlier that 16% of fish harvesters engaged in OP work in construction. Additionally, mining/oil/utilities/construction and agriculture/forestry/fishing were among the most common industry pairings among OP workers as discussed earlier. Engaging Category 2 seasonal workers in building homes would specifically increase labour supply in rural communities that have the greatest difficulties in attracting new immigrants.

A recent report from Trucking HR Canada recorded 25,560 vacant truck driver positions nationally from January to March [2022]. That's the highest number since the industry organization began its survey in 2015..... there were 390 vacancies in

Nova Scotia and 415 in New Brunswick, proportionally the two biggest shortages in the country, the report said.

Truck transportation is another industry that operates year-round with some seasonal variations, and where labour shortages are severe and chronic. Tax filer data tells us that across the Maritime Provinces some 430 fish harvesters earned OP employment income in the truck transportation jobs in 2019, which is a significant number if that many trucks might otherwise have been idle. This suggests that fishing work and truck driving have compatibilities in terms of shared competencies and lifestyle factors, and also confirms that trucking employers are willing and able to find positions for fish harvesters at times of the year when they become available.

4.3 Estimating aggregate labour supply potential

Summary

We estimate that greater participation in seasonal OP could increase aggregate labour supply in the Maritimes by as much as the equivalent of 1.1 million full-time weeks of work, equal to 2.8% of the work completed by full-time workers in 2019. This estimate is approximate, where identified factors might mean the total potential of expanded OP is higher or lower than suggested.

Encouraging seasonal OP offers a way of strengthening seasonal industries and the rural economy more broadly. As indicated above, higher rates of OP participation by seasonal workers can help to increase the attractiveness of seasonal sectors, increase labour supply in off-seasons, and increase overall economic activity and the employed population.

Measuring the actual impact of these three different avenues is challenging. To provide some indication of the possible impact of greater seasonal OP, however, it is possible to estimate how many seasonal workers could be more available to work off-seasons based on Employment Insurance (EI) data (CEIC, 2021). There were 60,520 regular EI benefits claims by seasonal claimants and 12,230 claims to fishing benefits in the Maritimes in 2019-2020.²⁹ By calculating the weeks claimed on these benefits and then subtracting the weeks worked while on claim (WWC), as shown in Table 1.7, we generate an approximate estimate of the weeks of work that could be added to the workforce through greater seasonal occupational pluralism.

²⁹ See Chapter 3 for more information on the EI program, including definitions of relevant concepts and terminology.

Table 1.7: Calculations for estimate of potential labour force impact of greater seasonal occupational pluralism

	PEI	New Brunswick	Nova Scotia	Maritimes
Seasonal claims – RB	7,710	32,990	24,710	65,410
Claims – FB	3,236	3,244	5,750	12,230
Average duration of seasonal claims in weeks – RB	24.2	22.5	22.5	22.7
Average duration of claims in weeks – FB	19.9	20.2	20.1	20.1
Share of workers who worked while on claim – RB	43.5%	51.2%	46.8%	48.6%
Estimate of share of seasonal workers who worked while on claim – RB	49.0%	54.5%	58.2%	55.8%
Weeks worked while on claim by workers who worked while on claim – RB	12.1	15.4	12.8	14.1
Estimate of weeks worked while on claim by seasonal workers who worked while on claim – RB	13.7	15.0	17.6	16.2
Share of weeks worked while on claim by workers who worked while on claim - RB	22.4%	30.4%	25.3%	27.4%
Estimate of share of weeks worked while on claim by seasonal workers who worked while on claim - RB	28.9%	39.9%	34.8%	36.6%
Weeks of claims: $A * C + B * D$	250,978	804,505	671,550	1,727,033
Weeks worked while on claim: $A * F * H + B * D * F * J$	60,769	352,436	223,615	636,820
Potential weeks of work to gain through seasonal OP: $K - L$	190,209	452,069	447,935	1,090,213

RB refers to Regular Benefits and FB to Fishing Benefits. Estimates for F) and H) were calculated by dividing national figures for seasonal and non-seasonal workers, and then controlling for the higher share of seasonal workers among all workers in the Maritimes, and finally multiplying this by the average figures for each of the Maritime Provinces.

The generated figure equates to 1.1 million weeks of work in the Maritime provinces, or the equivalent of 20,966 additional workers in the workforce if normalized over a 52-week year. By way of comparison, there were some 753,200 people employed full-time in the Maritimes in 2019, so the additional work could equal approximately 2.8% of the work completed by full-time workers in that year. Provincial equivalent figures were 5.4% in PEI, 2.8% in New Brunswick and 2.3% in Nova Scotia.

We must note a few limitations of this estimation. On the negative side, a significant share of seasonal workers could not be expected to work all other weeks in the year. Constraints could include age, other responsibilities at home, challenges in aligning

different jobs to maximize weeks of work, and the need to recover from intensive work seasons. Seasonal work can for instance be a form of semi-retirement for older workers, and some seasonal OP workers indicated they might cease engaging in OP before too long to be able to have more of the year off. Very few of the seasonal workers were not engaged in OP expressed an interest in OP in interviews. Similarly, in the CCPFH survey (Praxis Research, 2018), 39% of captains and 30% of crew not engaged in seasonal OP indicated the fishing season was long and they had not time to work elsewhere, while approximately 5% said they were “too old” to pursue other work. Other reasons why our figures might be an over-estimate are more technical.³⁰

On the positive side, various factors may reduce the intensity of work while on claim, so encouraging seasonal OP might not only increase the share of seasonal workers who engage in off-season work, but also average hours of off-season work each week. Higher intensity of work could greatly amplify the labour supply impact of seasonal OP. More technically, the seasonal worker definition under the EI program is also unlikely to capture all seasonal workers who could increase their workforce participation through OP, because for instance some seasonal workers do not claim EI at all or in the way that would meet the EI program definition.

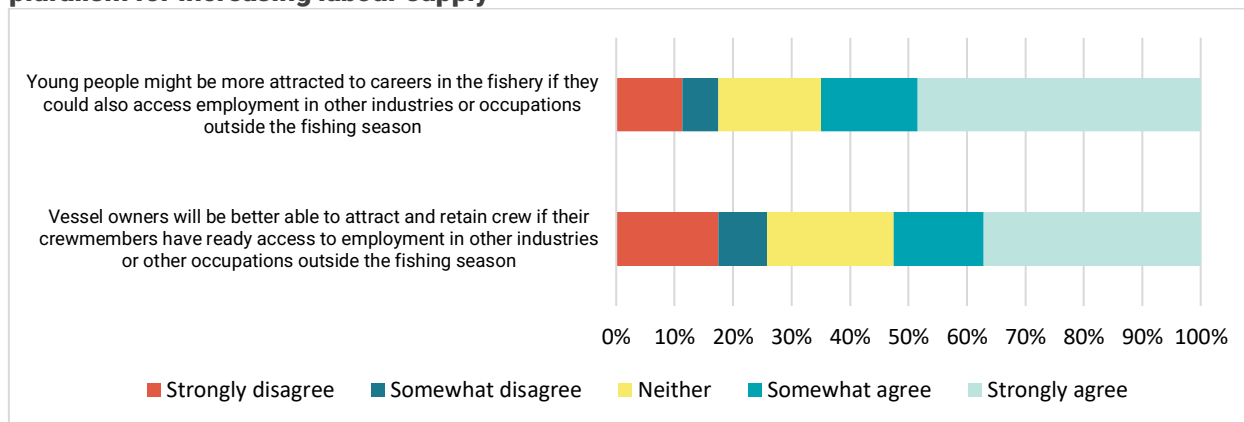
As one specific measure of the potential of OP to contribute to the expansion of labour supply in rural regions, in 2019 over 12,000 harvesters in the Maritimes received EI benefits and no OP income, and a total of more than 14,000 did not engage in wage earning OP. If just one-third of these fisheries workers did take up OP work in response to better supports and incentives, that could add nearly 5,000 workers to rural labour supply across the region for at least part of the year.

There is also optimism in industry about the potential impacts of greater seasonal OP. The 2015 CCPFH Survey (Praxis Research, 2018) asked fishing captains in Atlantic Canada and Quebec to what extent they agreed with two statements regarding possible benefits of promoting OP for enhancing fish harvester labour supply. Most captains somewhat or strongly agreed with both statements, expressing agreement about the potential for seasonal OP to help enhance labour supply in the fishery.³¹

³⁰ The data above estimate that fishing benefits claimants engage in WWC at approximately the same rate and for the same share of weeks as seasonal claimants to regular benefits, given the absence of specific WWC data released on fishing benefits claimants. Elements of program design would suggest recipients of fishing benefits likely engage in WWC less than regular benefits recipients. There is also significant but very difficult to measure participation in informal or under-the-table work, meaning that more seasonal OP is already taking place than is measured, making the potential increase in seasonal OP relative to its present extent less than otherwise.

³¹ The measure regarding crew may be slightly more credible given its wording is firmer (“will” versus “might”) and fishing captains likely have a more specific sense of the motivations of crew as opposed to young people in general.

Figure 1.17: Fishing captain assessments of the potential of seasonal occupational pluralism for increasing labour supply



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Chapter 2: Improving the quality of seasonal employment

The reality of present labour shortages and long-term demographic decline poses new challenges for seasonal industries in the Maritime. Key messages are that firstly these sectors will need to compete for workers by offering higher quality employment, and secondly, they will need to attract and retain new labour supply from outside traditional sources. This report addresses the question of whether expanded occupational pluralism (OP) offers one pathway for raising the quality and attractiveness of employment in seasonal industries. However, overall employment quality for OP workers is a function of each individual job and how they interact with each other.

This Chapter emphasizes job quality, by which we refer to objective measures including higher rates of pay, greater protection against risks, and working conditions more adapted to employee needs. Expectations for higher quality jobs may be greater for potential workers from outside of the rural Maritimes. Local norms of mutual trust and support may carry less currency with people who did not grow up in local communities and have different cultural backgrounds. Greater formalization of employment conditions will almost certainly be needed to attract and retain new labour supply from nontraditional sources, and this is a theme of much of the analysis in this Chapter. The chapter addresses not only wage employees but also self-employed workers and owner/operators as workers that project to be in short supply.

There are indications that rural employers have not yet fully accepted the need to compete for labour supply. In 2021-22 surveys by the Association of Industry Sector Councils in Nova Scotia (AISC, 2022), competition among employers in their same industry sector is less often cited as a challenge among rural employers than those in Halifax by 11.4 percentage points. Only 12.6% and 20.6% of fisheries and agriculture employers identified competition for workers with other industries/sectors as a challenge.³²

The sense of a lower need to compete is translating into inaction. Rural employers in the AISC survey were more likely than employers within Halifax to indicate that they had not adopted any strategies for recruitment and retention of employees or increased recruitment efforts (AISC, 2022). Tourism, fisheries, and agriculture operators had adopted retention and recruitment strategies even less often than other rural businesses and been even less likely to have increased recruitment efforts, except in tourism. This may be a consequence of fisheries and agriculture employers being less likely overall than other employers to report having experienced retention challenges. Agriculture employers appear least likely to have lost employees for any reason.³³

Notwithstanding these pessimistic findings, our more recent interviews with rural seasonal employers and industry organization leaders suggest that these attitudes are shifting as the demographic realities become more pressing and labour shortages become more challenging for more and more business enterprises. The AISC is

³² On the positive side, the lower sense of competition amongst employers in these same sectors may benefit efforts to collaborate in attracting workers.

³³ In terms of reasons for employees leaving, voluntary departures (written broadly) are most common.

implementing a new survey with employers in Nova Scotia in 2023 which will provide an update on possible progress in employer activities.

This Chapter will first explore the intrinsic value in seasonal jobs and OP careers, to understand how rural seasonal sectors offer meaningful work for many. Then we will focus on more material considerations, starting with earnings rates, then security against risks, and lastly working conditions that meet employee needs. The Chapter concludes with recommendations for a path forward.

1. Intrinsic value in seasonal jobs

Summary

Many workers participate in seasonal industries and occupations because they find the work intrinsically valuable, because it allows them to do a variety of things, to learn, to connect with nature, to express creativity or produce something (notably food), and so forth.

In Fall 2022, we conducted interviews with 40 seasonal workers, 20 of whom were engaged in OP. From these interviews, it is apparent that most seasonal workers, including those who engage in OP, have intrinsic interest in their careers. It may be simpler and more remunerative in many cases to pursue year-round jobs in other sectors but people with attachments to seasonal industries are not making such choices.

Almost half of OP workers who were interviewed, as well as other seasonal workers, expressed appreciation that their careers allow them to do a mix of different things over the course of the year. They felt that doing the same work year-round can be boring, and that they liked learning more in their work. Learning was also cited as a challenge for seasonal jobs and OP careers, but often framed as a positive challenge. Some semi-retired workers especially emphasized this learning.

Similarly, after a need to improve annual incomes, the second most common reason for pursuing an OP job among Atlantic Canadian and Quebec fish harvesters in the 2015 CCPFH survey was that they wanted to keep busy, avoid boredom, or maintain job skills (Praxis Research, 2018). This motivation was cited by 24% of the captains and 15% of the crew workers who engaged in OP.

Several 2022 interviewees expressed appreciation for being able to work outside in seasonal jobs and connecting with nature. This was notable with regards to fish harvesting, agriculture, and certain tourism-related occupations. Some semi-retired workers spoke of their seasonal work as providing opportunities to connect with other people as well, and certainly social isolation is an important concern with regards to the elderly especially.

Seasonal worker interviewees also expressed pride in the usefulness and creative value of their jobs. For instance, agricultural workers took pride in producing food while creative sector workers were proud of their art or craft. Tourism occupations allow workers to reflect upon their culture (including minority Francophone culture) and transmit it to

audiences. Election work is also common, and similarly beneficial for political junkies compelled by civic processes.

OP moreover can be a strategy for workers to also do meaningful work that is not well paid. Arts and craft work often does not support comfortable livelihoods alone, but the tourism season can provide work opportunities to permit creative work in off-seasons (while on EI). The film industry similarly helps many artists generate earnings they rely on while engaging in less remunerative artistic creation in other parts of the year.

Of course, work in seasonal industries can also be of little intrinsic interest. Agriculture employers in the Maritimes emphasized in a 2018 survey the manual nature of work as a key part of their recruitment challenges. In fact, this was cited by 57% of Maritimes agricultural employers, making it the most important recruitment challenge.

2. Earnings rates

During labour shortages, where demand for workers has risen relative to supply, or supply of workers has fallen relative to demand, wages should rise to draw in more workers to take on available work. The evidence is convincing that rural seasonal industries face growing labour shortages, but it appears that employers have not yet been increasing wages sufficiently to compete for labour. The first part of this section outlines recent patterns in wage rates, then the second discusses why potential for wage rate increases may be limited in seasonal sectors. Finally, the last part considers how seasonal employment and OP affect overall earnings.

2.1 Wage rate trends

Summary

Interviewees indicated that seasonal workers have been aggressive in raising wage rates to better compete for labour, but Statistics Canada data do not support this pattern at least relative to inflation. Wage patterns have varied considerably between industries and provinces. Fish harvesting incomes have grown the most, driven largely by improved commodity prices.

For those Nova Scotia businesses that reported having adopted strategies to improve retention and recruitment in the AISC survey, the most frequent approach was to improve wages, benefits, and perks. Seasonal workers in interviews often recommended raising wages, or reducing taxes, to encourage greater OP participation. However, data do not show median wage rates increasing.

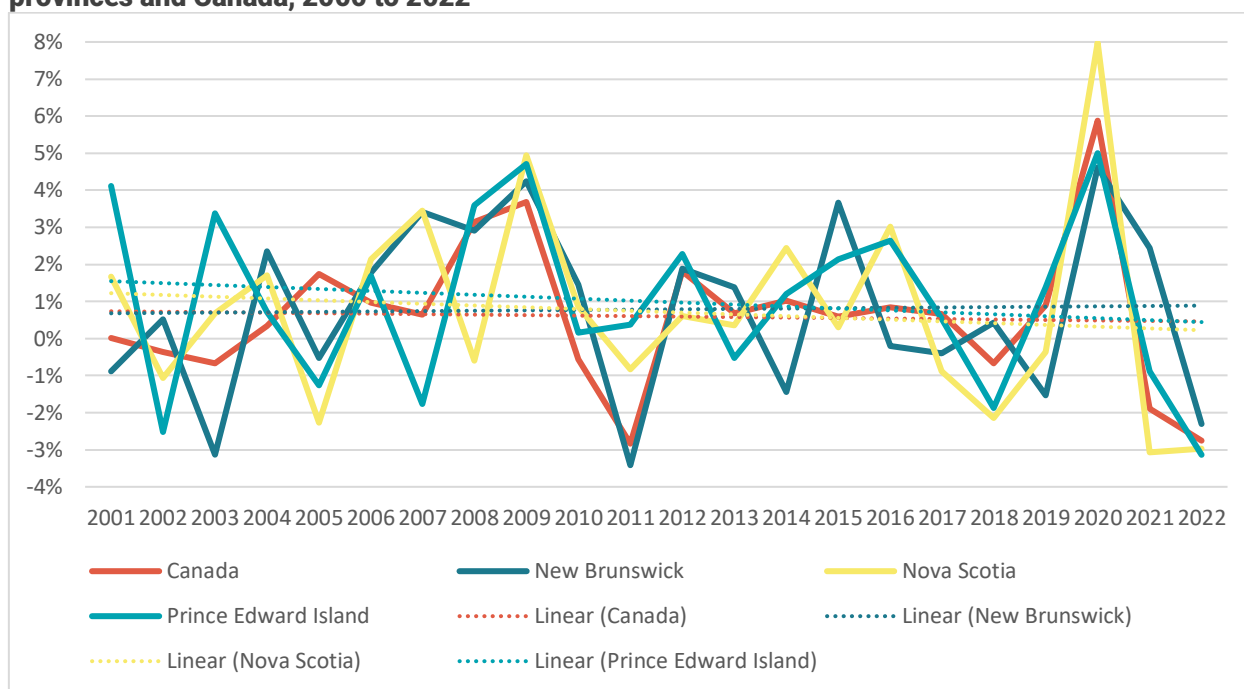
In 2022, median overall wage rates were \$23.40 in New Brunswick, \$23.08 in Nova Scotia, and \$23.07 in PEI (StatsCan, 2023a). The national rate was \$26.92, consistent with the long-term regional disparity in employment income levels. Figure 2.1 shows annual inflation-adjusted changes in median hourly wages for each of the Maritime provinces and Canada from 2000 to 2022, including trend lines to show overall patterns (StatsCan

2023a; 2023b). The overall trend is towards smaller annual median wage increases each year, except in New Brunswick. This, despite the spike in real wages in 2020 during the pandemic, which has been negated by real median wage declines in 2019, 2021, and 2022.

These data concluded in 2022, which some might consider too early to capture a very dynamic situation. However, examining monthly data on *average* hourly wages including overtime from January 2022 to 2023, these were down relative to inflation for both hourly and salaried employees in the Maritime provinces by between 2% and 6%, with the sole exception of hourly employees in New Brunswick whose wages rose by merely 0.1%.³⁴

These findings may be surprising and contradict common perceptions. In nominal terms, wage growth has been higher since the start of the pandemic than at any point since 2009. The rise in inflation as the pandemic subsided has cancelled out these nominal gains.

Figure 2.1: Annual inflation-adjusted changes in median hourly wages for the Maritime provinces and Canada, 2000 to 2022

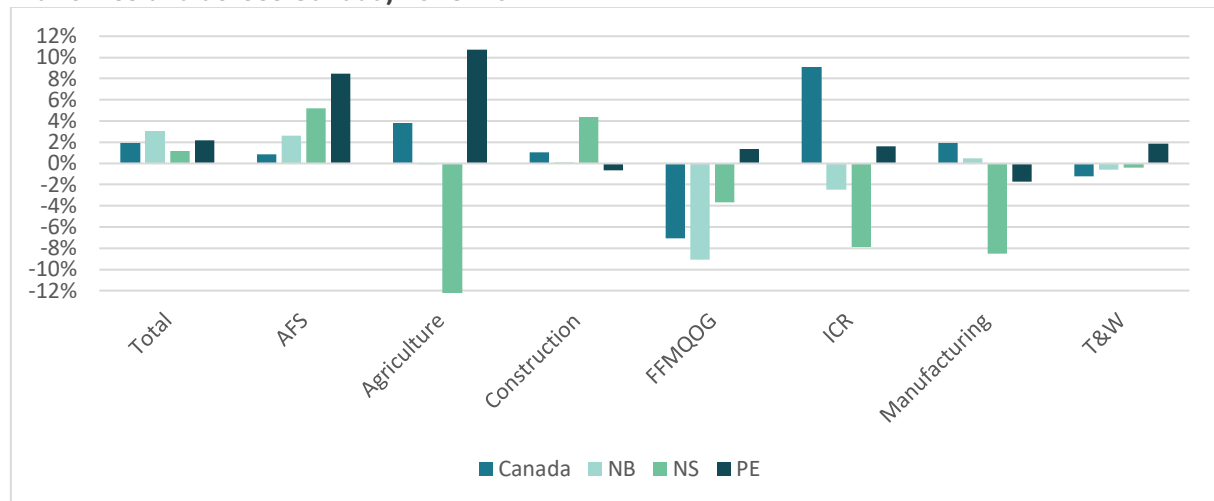


As noted in Chapter 1, the highest increases in vacancy rates from Q3 2021 to Q2 2022 were in Campbellton-Miramichi NB, the Annapolis Valley NS, and PEI, Southern NS, and North Shore NS – predominantly rural regions (StatsCan, 2023a). Incidentally, these regions had among the lowest offered hourly wages in this period (by quarterly ranks). The lowest of all were in Campbellton-Miramichi NB and the Annapolis Valley, followed by Southern NS and the North Shore NS. PEI was the only one of these regions with moderate offered wages overall (the largest cities had the highest offered wages).

³⁴ We used Canadian CPI figures for these calculations.

Examining patterns for different industries (by NAICS) of possible relevance to this project, there is little indication of strong after-inflation wage growth from 2018 to 2022 that might counter labour shortages in most industries, as shown in Figure 2.2. In almost every industry, median wages fell in at least one of the Maritime provinces.

Figure 2.2: Changes in median inflation-adjusted hourly wages by select industries in the Maritimes and across Canada, 2018-2022



AFS refers to Accommodations and food services. FFMQOG refers to Forestry, fishing, mining, quarrying, oil and gas. ICR refers to Information, culture, and recreation. T&W is Transportation and warehousing.

Accommodations and food services, which accounts for much of tourism employment, was the one sector with significant wage growth, in all Maritime provinces well above the Canadian figure. Looking a bit further back to 2010, wages in this sector are up 25% in real terms in PEI, 16% in New Brunswick, 12% across Canada, and just 9% in Nova Scotia.³⁵ The sector continues to have low wages however, at a median of \$14.50 in New Brunswick, \$15 in Nova Scotia, \$15.70 in PEI, and still just \$16 for Canada as a whole. That is little above the minimum wage. These figures do not include tips, however. Tips have been increasing as a percentage of restaurant bills – this is difficult to track but the standard has likely risen from 15% towards 18% or 20% in recent years (Nerman, August 22, 2022). Moreover, tips are given as a percentage of restaurant bills and so adjust for inflation. Thus, real hourly earnings growth in accommodations and food services have likely grown more than suggested by median wage data.³⁶

The sharpest differences in provincial wage change were in agriculture, where the real median hourly wage increased considerably in PEI and fell markedly in Nova Scotia from 2018 to 2022 (StatsCan 2023a; 2023b). Looking further back, since 2010 the median wage in agriculture is up 21.4% in PEI which is better than the national average (18.5%), whereas median agricultural wages have grown much less in New Brunswick (11.4%) and Nova Scotia (3.5%). The median hourly agricultural wage was essentially \$19 in 2022 in New Brunswick and PEI, just below the Canadian figure, but just \$15 in Nova Scotia. The

³⁵ In an August 2022 survey by the Hotel Association of Canada, 90% of hoteliers reported having increased wages in response to labour shortages (from data shared with the researchers directly).

³⁶ Of course, not all workers in this sector benefit from tips and businesses differ in how tips are distributed.

low wage in Nova Scotia is almost certainly a product of the province's high reliance on temporary foreign workers (TFWs).

Finally, for trends in fishing income we have access to a focused analysis of tax-filer data. Between 2010 and 2019, total fishing income for fish harvesters increased by 157% in after-inflation dollars in PEI, 154% in New Brunswick, and 84% in Nova Scotia, as compared to a pan-Canadian average of 87%. Average fishing income was nevertheless highest in Nova Scotia at \$41,800, followed by New Brunswick (\$37,300), and then PEI (\$30,800). The marked increase in fishing incomes reflects both higher wages, and the higher amounts being paid out through profit sharing, driven by dramatic growth in the market value of seafood products.

Again, these patterns somewhat contradict messages from industry association representatives and employers interviewed for this research, who indicated that employers have been competing on wages. Inflation is absorbing much of the wage increases that have taken place, meanwhile increasing wages have been common across all sectors and not distinctive in rural seasonal industries outside of accommodations and food services, and so wage increases have not helped seasonal industries to be more competitive but instead sought to keep up. Another possible explanation is that wage competition has been sharpest in specific roles, particularly at the bottom of the wage distribution, which might not be captured in median figures and might be offset by declines in wages of higher income earners in shaping overall averages.

As one last note, average hourly earnings from informal work as reported by Kostyshyna and Luu (2019) in 2018 were equal to \$12.26 per hour (in 2022 dollars). Excluding those for whom informal work was a hobby or for fun, 53% of respondents indicated they received lower pay for informal work than they would for formal work, while 28% received the same pay, and 19% received higher pay. The main reported reason for engaging in informal work was to earn money. These low wages are likely unsurprising given the high share of younger workers engaging in informal work as indicated in Chapter 1.

2.2 Potential to raise wage rates

Summary

Among seasonal sectors, fish harvesting has greater potential to raise wages based in part on the potential to distribute earnings more evenly among workers in the industry, and the growth of luxury markets for Maritimes fish products. Agriculture and tourism face greater constraints on potential wages. Increasing productivity is essential for enabling long-term wage growth in all sectors.

While increasing wages was identified as the most common way to compete for labour supply in the AISC (2022) survey in Nova Scotia, too high expectations (wages, etc.) from potential employees was the third most cited recruitment challenge for employers from outside of Halifax, cited by 30.2% as compared to 33.9% of employers within Halifax. This was a greater concern for agriculture and tourism employers (cited respectively by 32.7% and 27%) compared to fisheries employers (cited by only 17.1%). Agriculture employers more often identified too high worker expectations of wages and benefits as a factor in

their difficulties retaining workers as well, and they less often improved wages, benefits, and perks to improve retention and recruitment than other employers.

Across the Maritimes, among agricultural employers, 42% in a 2018 survey indicated that low wages was a struggle for recruitment, while 46% considered insufficient wage and benefits compared to other sectors as a challenge for retaining workers. Together, these were roughly the third most important challenge as reported by employers – the second most important in New Brunswick.

For reasons outside of their control, many employers in certain industries may simply find it very difficult to offer higher wages. Industries can finance higher wages three different ways: 1) by redistributing pay between employees within the company, 2) by improving productivity, or 3) by passing on higher wage costs to consumers through price increases.³⁷ In each of the three major seasonal sectors employers will have different capacities to increase wages through these measures.

Redistribution amongst employees is most possible when there are wide differences in earnings between employees. This may pertain more to larger businesses, depending on the competitiveness of the market for higher paying talent and the sensitivity of their capital holders to changes in returns – if capital holders can easily transition into another industry with higher returns, than they will be unlikely to accept lower returns to raise wages. With important exceptions, most businesses in the agriculture, fishing, and tourism sectors in the Maritimes are small to medium sized enterprises (SMEs) with modest earnings, although their capital is often comparatively immobile. There is, however, an interesting situation in the fish harvesting industry where gross business revenues have surged in recent years in response to rising global demand for seafood products. The distribution of earnings within fishing enterprises, between owner-operators and crew employees, does appear to be a critical issue, as addressed in Box 1.

Box 1: Distribution of earnings among fish harvesters

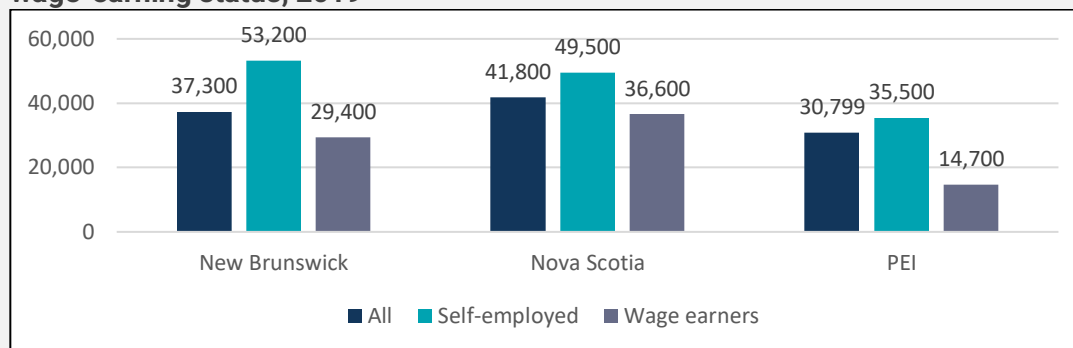
Tax-filer data provide detailed information on the distribution of earnings amongst fish harvesters. There have been considerable changes in the distribution of earnings in recent years.

Fish harvesters may be waged or self-employed. Self-employed fish harvesters include some crew but are disproportionately fishing captains – harvesters may be categorized as self-employed for tax and EI eligibility purposes. If and when owner-operators incorporate their enterprises they may pay themselves and their crew wages and are able to retain more of gross earnings in the enterprise rather than paying it out in crew shares according to a pre-established sharing formula. In 2019, self-employed fish harvesters earned considerably more in fishing earnings than wage earners in the Maritime provinces, as shown in Figure 2.3.³⁸ This was especially true in New Brunswick and PEI.

³⁷ We are discussing here passing on costs to consumers at a higher rate than inflation.

³⁸ Chapter 3 discusses the EI program in more detail, but it has advantages for self-employed fish harvesters relative to wage-earning fish harvesters under most circumstances.

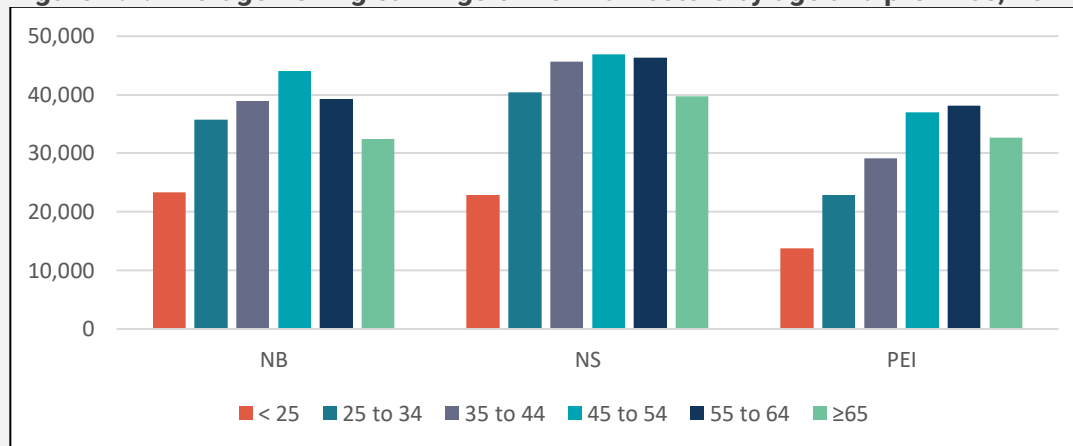
Figure 2.3: Fishing earnings of fish harvesters in total and by self-employed or wage-earning status, 2019



One way to analyze income distribution is the Gini coefficient, a statistical measure with higher numbers indicating greater income inequality. In 2020, the Gini coefficients on household total income in the three Maritime provinces were 0.31 in PEI and New Brunswick and 0.33 in Nova Scotia (StatsCan, 2022). For fish harvester total income in 2019, from tax-filer data, the Gini coefficients were much higher at 0.58 in PEI, 0.55 in New Brunswick and 0.52 in Nova Scotia.

Earnings from fishing employment also are significantly lower for younger fish harvesters than older fish harvesters, as shown in Figure 2.4. This pattern applies especially in PEI and to a lesser extent New Brunswick.

Figure 2.4: Average fishing earnings of fish harvesters by age and province, 2019



The distribution issue is most apparent, however, when considered in terms of change over time. Between 2010 and 2019, inflation-adjusted fishing income for self-employed fish-harvesters increased by 115% in Nova Scotia, 180% in PEI and 264% in New Brunswick. By contrast, growth in fishing income for wage-earning fish harvesters was barely half as fast in Nova Scotia (up 63%), and around one third as fast in PEI (up 58%) and New Brunswick (up 99%). The Gini coefficient for fish harvester total income rose by 14% in PEI and 8% in New Brunswick (it was unchanged in Nova Scotia), although in truth 2010 was a low point in Gini-measured inequality.

Older fish harvesters are more likely to be self-employed as shown in Figure 2.5. Some 95% of captains/owner-operators are aged 45 or older (Praxis Research, 2018). Given this, it is little surprise that older fish harvesters have seen their incomes rise more than younger fish harvesters as shown in Figure 2.6, most clearly in Nova Scotia. The more even distribution of earnings growth across age groups in PEI may reflect the much higher rate of self-employment among its fish harvesters, extending into lower age groups.

Figure 2.5: Percentage of fish harvesters in the Maritimes who are wage-earners or self-employed by age, 2019

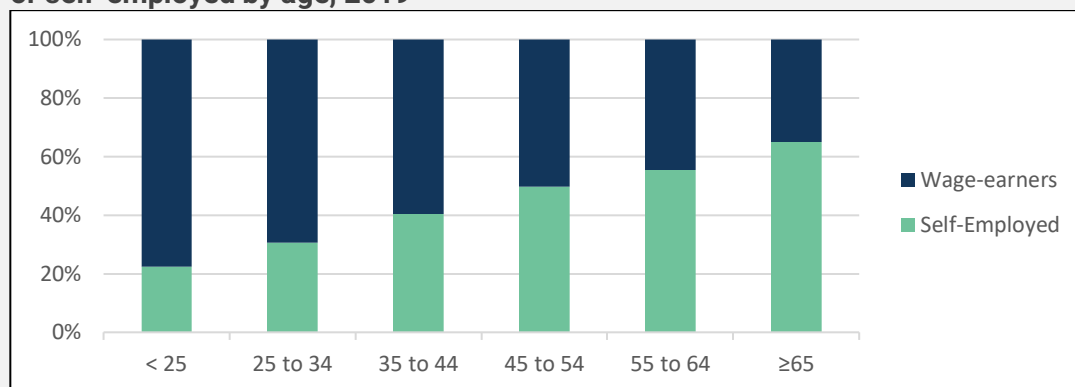
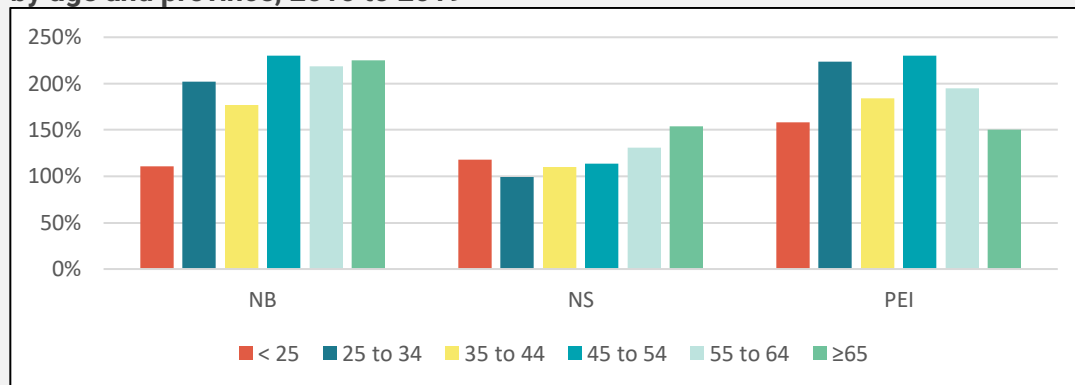


Figure 2.6: Inflation-adjusted growth in fishing income of Maritime fish harvesters by age and province, 2010 to 2019



From 2000 to 2019, the share of fish harvesters in self-employment fell by 5 percentage points in Nova Scotia and by 12 percentage points in New Brunswick representing a significant shift towards wage employment in these two provinces. Self-employed fishers accounted for just 33% of the workforce in New Brunswick and 40% in Nova Scotia in 2019. This pattern has occurred despite the general aging of the workforce. In a period of increasing earnings for fishing operations, this has positioned operation owners to retain a larger share of earnings relative to their crew. Only in PEI did the share of self-employed fish harvesters increase by six percentage points, and the Island has a very different profile as self-employed fishers account for 77% of harvesters.

Earnings alone still do not fully capture concerns about inequality in the fishing industry. The value of licenses has increased dramatically in the past two decades with the rising price of many fish products, including most especially lobster. Owner-operators who hold these licenses are therefore positioned to earn a windfall if they can sell their licenses to younger fish harvesters. Many older harvesters are depending on the related earnings to finance their retirement. Younger fishers earning significantly lower wages have difficulty financing the purchase of a license, particularly when receiving a smaller share of the value of landed earnings.

Put together, these patterns strongly suggest that in the fish harvesting industry many employers have opportunities to compete more effectively for new labour supply by rebalancing the distribution of employment earnings within their enterprises.

Productivity improvement involves generating greater value relative to inputs, and most especially per hour worked. This can take place through improvements in quantity or in quality. Quality can also be real or perceived, with higher perceptions fostered through effective marketing. Agriculture and fish products have greater scope for productivity improvement, as technologies can assist in automating and otherwise improving production and processing. As a service industry, we would generally consider tourism to have less potential to improve productivity through automation and other technological changes, although interviewees highlighted significant innovation activities taking place. Nevertheless, there is potential in all sectors to raise productivity by improving the real or perceived quality of products and services, meaning that productivity improvement is critical in all cases. Achieving productivity growth is perhaps the hardest path to achieving wage growth however, as it depends on investments in capital, skills, and innovation.

Finally, passing on the cost of wage increases to customers is more challenging in industries where wages make up a higher proportion of operational costs and therefore translate more directly into prices, and where demand is more price-elastic. The price elasticity of demand is higher in goods and services which are more easily substituted by other goods or services, including from competitors. In the tourism industry, wages often make up a high share of costs, for instance in food services, while demand for many tourism services is relatively price elastic – there are many local competitors, other destinations can offer similar amenities, and the region is generally branded as a low-cost destination for Eastern North American tourists. Production of agriculture and seafood products may be less wage-intensive, but competition in global markets is intense for highly mobile products. The buy-local movement within the Maritimes offers limited opportunities to command higher product prices for regional producers.

This analysis suggests that raising hourly earnings is necessary to improve the supply of skilled labour for seasonal industries, but there are significant limitations on this approach for many businesses. Fish harvesting may have the most short-term scope for competing for labour supply based on wages. In the long-term, however, capacities to offer competitive wages in rural-seasonal industries will depend to a large extent on productivity growth.

2.3 Understanding seasonal earnings and occupational pluralism

Summary

Seasonal workers have historically earned lower incomes than other workers, due in part to low wages, but also because of low earnings during off-seasons. Employment insurance has helped to mitigate low off-season earnings, as has OP. OP workers in rural areas earn 12% more on average than non-OP workers, although this comparison is not limited to just seasonal workers in each case. Among fish harvesters, OP serves largely to mitigate low fishing earnings.

Historically, seasonal workers have typically earned lower incomes than other workers in Atlantic Canada.³⁹ In the Narrative Research Phone Survey, 14.7% of Atlantic Canadian workers with household incomes under \$50,000 participated in seasonal employment in 2022, as compared to just 8.7% of those with household incomes between \$50,000 and \$100,000 and 7.1% of those with household incomes over \$100,000. This is partly due to the relatively modest education levels of seasonal workforce, as we have indicated elsewhere. Low wages have often been a serious challenge in seasonal sectors, but perhaps the most serious issue for avoiding poverty has been the off-season periods when seasonal workers might earn no income at all.

Workers might offset weeks of unemployment by working more intense weeks to earn as much as possible during their main season. The weeks of unemployment can then serve as a period for rest and recuperation. This is part of the attraction of seasonal work for TFWs, who may have little place to spend money while in Canada and little to do outside of work. In recognition of this pattern, seasonal sectors have been traditionally exempt from certain labour standards restricting hours of work per week or requiring overtime pay. Interviewees in New Brunswick indicated that many farm operators have difficulty competing for seasonal workers because, unlike in other provinces, they are required to pay overtime rates for extended hours of work, and potential employees are choosing to work elsewhere to get more hours of earnings.

Employment Insurance (EI) has been essential to maintaining rural Maritimes communities and reducing poverty for seasonal workers, in a context where the lack of employment opportunities made annual periods of unemployment unavoidable (see Chapter 3 for more discussion of EI's present and historical importance). Table 2.1 breaks down tax-filer data on average incomes for fish harvesters in the three Maritime provinces from fishing employment, EI, and other sources. On average, EI benefits provided between \$10,900 (Nova Scotia) and \$14,800 (PEI) in income when spread across all fish harvesters. Fishing income in fact accounted for only 60% of total income from all sources for fish harvesters in Nova Scotia and as little as 46% among fish harvesters in PEI.

³⁹ According to MacDonald and Phipps (2005), a study of long-term seasonal workers found that 35% had family income under \$35,000. Only 27% had family incomes of at least \$60,000, while those with repeat EI use were less likely to be in the higher income group (de Raaf et al 2003).

Table 2.1: Total income of fish harvesters in the Maritime provinces by source, 2019

	New Brunswick	Nova Scotia	PEI
Fishing income	37,300	41,800	30,800
EI Benefits	13,900	10,900	14,800
OP wage income	5,100	6,300	7,900
Other income	8,600	10,200	13,000
Total income	64,900	69,200	66,500

OP is a strategy for improving overall employment quality specifically by increasing the period in the year when workers will have earnings. In our 2022 interviews with seasonal workers, lower earnings were most often cited as the greatest challenge they encountered in working seasonally for those not engaged in OP – referenced by eight of 20 interviewees. By contrast, only one out of 20 workers engaged in OP cited this as a challenge. Seven seasonal workers in OP in fact stated that higher earnings were an advantage of OP. The only non-OP seasonal workers who cited earnings as an advantage of seasonal work were primarily non-workers – i.e., a student and a retiree. In the 2015 CCPFH survey, 77% of crew and 46% of captains in Atlantic Canada who engaged in OP indicated that they did so to supplement their fishing incomes, for income security, or to save money (Praxis Research, 2018).

Workers engaged in OP appear to do better financially in many cases than other seasonal workers. OP workers in the Maritimes, according to our customized tax-filer data,⁴⁰ earn 12.1% more in total annual income than non-OP workers in rural areas, and 7.5% more in urban areas. They earn 8.1% more in employment earnings than non-OP workers in rural areas, and 3.8% more in urban areas. There is no significant difference in EI earnings for those who are or are not in OP in rural areas.^{41,42}

Tax-filer data specifically for fish harvesters provide more detailed information on returns specifically to seasonal OP. Figure 2.7 shows average earnings from OP wage employment for fish harvesters in 2019.⁴³ Earnings are especially high for self-employed fish harvesters, perhaps because they are older and therefore more skilled and able to command higher earnings in off-season jobs. Among fish harvesters who earned OP wage income and received EI benefits, fish harvesters of both categories across all three provinces earned more in OP wage income than in EI.

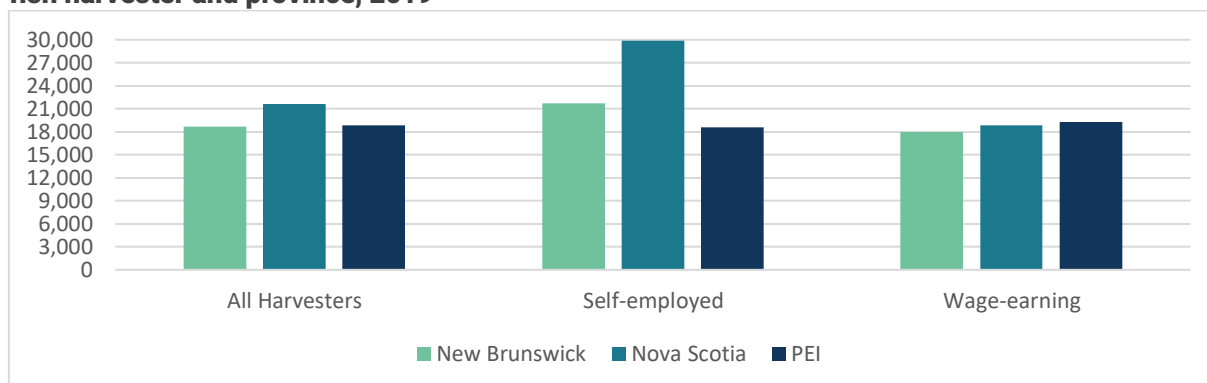
⁴⁰ These data are discussed in detail in Chapter 1.

⁴¹ In urban areas, those who are in OP earn 11.3% less in EI than those who are not in OP.

⁴² Furthermore, Labour Force Survey data indicate that workers in the Maritimes who concurrently have multiple jobs earn less weekly than those in single jobs, by 3.3% in rural areas and 3.9% in urban areas. These concurrent multiple jobholders would represent a share of those in OP according to the tax-filer data, while those in OP in the tax-filer data in general earn more than persons not in OP, so we can conclude that OP workers other than those who engage in concurrent multiple jobholding earn still higher incomes relative to non-OP workers than is apparent from the tax-filer data cited above. We cannot gauge the extent to which higher earnings among OP workers from the tax-filer data relate to hourly income rates or greater numbers of hours worked. For multiple jobholders, lower earnings reflect a combination of lower hourly wages (by 2.5%) and fewer weekly hours of work in rural areas, but just lower hourly wages in urban areas.

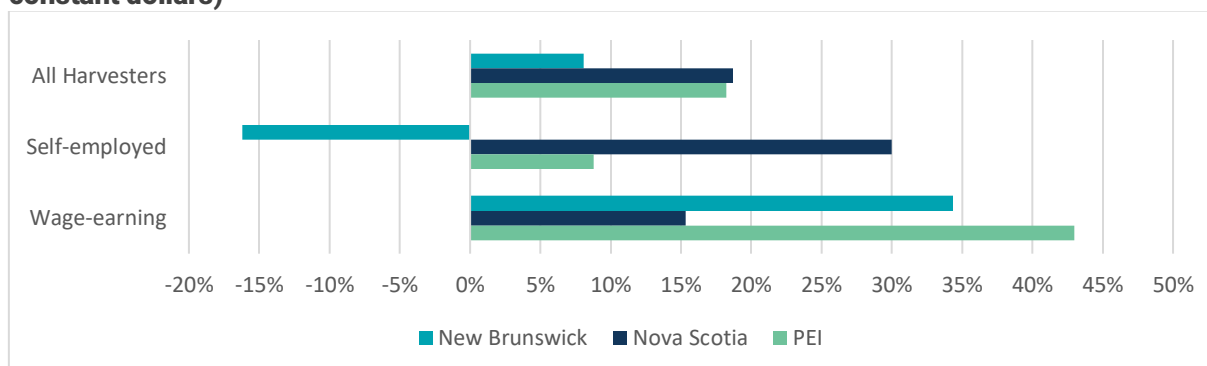
⁴³ Similarly, the 2015 CCPFH survey of fishing captains and crew in Atlantic Canada and Quebec found that median earnings from non-fishing jobs were (in 2019 dollars) \$21,738 for Atlantic captains and \$11,413 for Atlantic crew, figures somewhat lower than those tracked in tax-filer data.

Figure 2.7: Average earnings from OP wage employment among OP workers by category of fish harvester and province, 2019



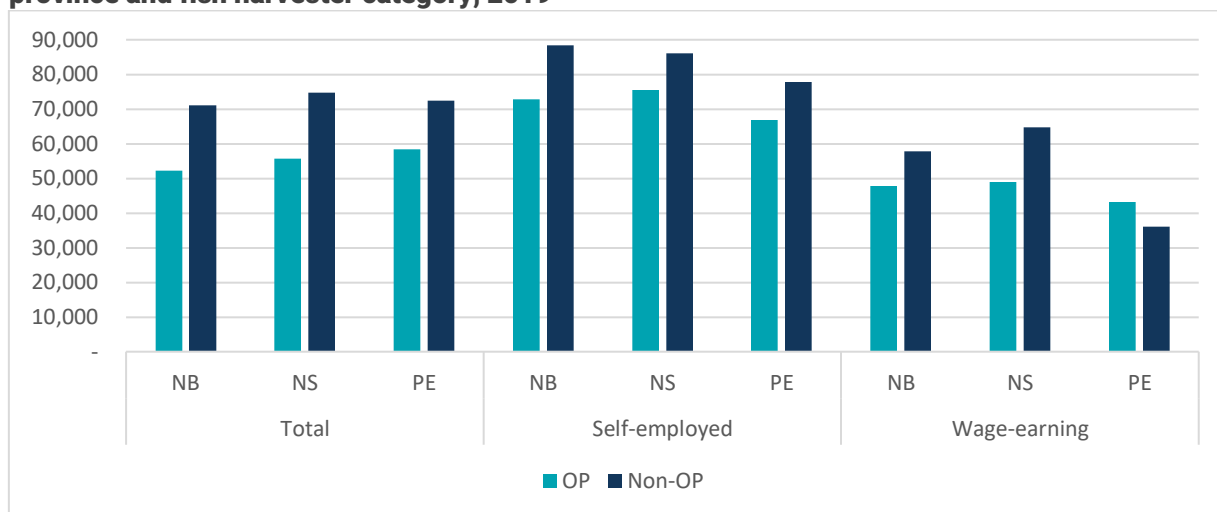
Additionally, fish harvester earnings from OP employment among those who engaged in OP employment grew significantly from 2010 to 2019, as shown in Figure 2.8. Only self-employed fish harvesters in New Brunswick broke with the pattern of increased OP wage earnings. It is noteworthy that OP earnings increased just as earnings from fishing also grew dramatically.

Figure 2.8: Change in average earnings from OP wage employment among those who engaged in OP employment by category of fish harvester and province, 2010-2019 (in constant dollars)



OP nevertheless has characteristics of an income supplement. As shown in Figure 2.9, total incomes of fish harvesters who engage in OP are lower than for fishers who do not engage in OP across provinces and categories of fish harvesters, the only exception being wage-earning fish-harvesters in PEI who earned the lowest incomes overall. This pattern is consistent with the higher participation in OP among younger fish harvesters as shown in Chapter 1, given younger fish harvesters earn less. Only seventeen percent of fish harvesters in the 2015 CCPFH Survey who did not engage in OP said this was because they earned an adequate income in the fishery (Praxis Research, 2018).

Figure 2.9: Total gross incomes of fish harvesters who do and do not engage in OP by province and fish harvester category, 2019



These data for lower earnings among fish harvesters engaged in OP do not match the pattern from tax-filer data for OP workers in general. The higher level of accessibility of EI for fish harvesters compared to OP workers in general may help explain the different relationship between their overall earnings and OP, along with the higher employment incomes currently being earned in fish harvesting compared to other seasonal work.

3. Security against risks

Summary

Seasonal employment is comparatively risky when compared with more stable year-round employment. OP not only helps to boost earnings but is a strategy for mitigating financial risks from working seasonally. Household strategies can also mitigate the risks of working seasonally, where one spouse may have full-time-year-round work to provide a baseline income and access to benefits.

A key concern in pursuing seasonal work and OP is insecurity of employment and income. This was cited as a challenge by nine of the 20 non-OP seasonal workers interviewed for this study, and by 11 of the 20 seasonal OP workers interviewed. This made insecurity the most often cited disadvantage of seasonal OP relative to full-time year-round work.⁴⁴

A closely related concern is the lack of employment benefits and specifically health insurance and pension programs. Six seasonal workers who were interviewed identified this lack of benefits as a challenge, including five OP workers, and this disadvantage

⁴⁴ Multiple jobholding also appears to reflect more insecure employment. LFS data indicate that in the Maritimes, multiple jobholding is much (2.4 times) more probable for those working part-time than full-time and is also more probable for those in temporary work (by 12% in rural areas), although not more probable among those in seasonal work (except at 90% confidence). Those holding multiple jobs are more likely to report that their hours may vary from week-to-week by some 15%. These figures indicate that these workers have comparatively low levels of job security.

might be more salient to OP workers because they are working much of the year but still not receiving these benefits which they would receive in a year-round job.

Yet, OP can also be a strategy to enhance security. In the 2015 CCPFH survey 23% of captains in Atlantic Canada and Quebec who had non-fishing jobs said they did so to diversify income sources and 18% indicated they needed an additional source of income in the event of a bad year in the fishery (Praxis Research, 2018). This first explanation was also cited by 10% of crew who engaged in OP.

Informal work appears to reflect labour market slack (Kostyshyna and Luu, 2019). Participation rates in informal employment were higher in 2018 in provinces with higher unemployment rates, including Atlantic Canada. Just over one-third (37%) of respondents participating in such work indicated that they did so in response to weak economic conditions, while 15% said they regular unemployment was unavailable. Informal work was most common among part-time workers. Informal job participants also reported a comparatively higher probability of losing or leaving their main job, all of these patterns suggest that workers seek informal work to mitigate core job insecurity.

OP was even more clearly an income security strategy historically. A farmer who had a bad harvest for instance, could still earn income in forestry work or construction. Industrialization and greater formalization of the economy led to the creation of year-round employment protected by contracts, including permanent employment contracts and union collective agreements. EI and other social safety net programs also provided much more security and made an income diversification strategy less relevant.

One additional consideration is that the risks of employment in seasonal industries, and of OP employment, are often managed at the level of the worker's household. A spouse with a stable year-round job and benefits such as health and dental insurance can mitigate the lack of security for the other spouse who takes on seasonal work without benefits. Even under such circumstances, however, the seasonal worker experiences greater insecurity than a person who directly holds stable employment with benefits, for instance in the event of spousal loss of employment or marital separation.

This section reflects first upon security of employment and then the related by slightly different concept of security of earnings. It closes by discussing insurance for health and wellbeing.

3.1 Security of employment

Summary

Seasonal workers have very low job security, relying heavily on market demand and informal relationships to assure they will have work each year. This insecurity may be especially difficult for workers from equity communities. This insecurity also means seasonal employers may lose workers unpredictably. Collective agreements for unionized seasonal workers provide recall rights to mitigate this kind of insecurity, while some employers appear to be improving job security in order to better attract and retain workers.

Seasonal workers have almost no job security and lose employment at the end of each season. Ongoing market demand for labour and relationships with employers provide the only assurance of a return to previous employment, aside perhaps from wider social expectations in small, tight-knit rural communities. Laid-off workers have practically no contractual or legal rights because their employers could choose for any number of reasons not to rehire them in the next season.

These concerns may be most acute for workers who come from equity communities. The law provides protections against discrimination in hiring, layoff/dismissal, and treatment while employed. However, it is easier to ensure these protections for an employee with an active employment relationship, as opposed to a candidate for hiring. The regular full separation from their employer could make seasonal employees vulnerable to not being rehired for reasons that might constitute discrimination if they were used to justify someone being dismissed. Essentially, the informality of the rehiring process could make it easy for employers to discriminate against even long-time workers based on age, gender, or race with little recourse for the employees.

There are some exceptions to this pattern of full release of seasonal workers, which are apparent in collective agreements with union locals. In unionized fish processing facilities, it is common for employees to receive seniority-based recall rights to resume a position at the plant if laid off.⁴⁵ NSCAD University also provides right of recall for employees who are laid off in the summer months while the university is less active in delivering instruction. In general, collective agreements grant the employee with the longest service record the right to return to their employment first, provided they meet skill requirements. Seniority accumulation can often continue to accrue while employees are on lay-off.

Still, rights of recall alone may leave considerable insecurity for workers. There is little provision in many cases for notice regarding whether recall may be exercised, and instead the onus is on workers in most cases to be available when needed. Additionally, a seasonal worker who is not re-hired could find themselves in a situation where their EI benefits that bridge them between seasons have expired and they have no income.

Employers in seasonal industries face their own insecurity risks with limited assurance that all the seasonal workers they need will return to work for them in subsequent seasons. Seasonal layoffs and receipt of EI provide opportunities for workers to seek out alternative employment. Several interviewees suggested that employer insecurity inhibits support for expanded OP. We heard repeatedly that employers are reluctant to share workers for fear that they will be “poached” by other employers and not return. Not without reason, this concern limits the willingness of some employers to support skills and qualification upgrading for employees because they might leave permanently for other jobs.

In terms of worker resistance to OP, there are traditions in rural communities with few employment opportunities that workers who qualify for EI are expected not to take away job opportunities from fellow community members who have not yet “gotten their stamps” (i.e., qualified for EI benefits). Workers can also express worry that employers will not take them back if they find OP work. These trends directly discourage OP.

⁴⁵ See for example Clover Leaf Seafoods and the Charlotte Seafood Employees Association, 2018.

In the AISC employer survey, efforts to attract and retain employees by offering more consistent work and better job security were more common among rural employers, but less common in the three major seasonal sectors of fishing, tourism, and agriculture than in other sectors. Our research did, however, find examples of employer collaboration to share employees and create seasonal occupational pluralism opportunities. In New Brunswick, the Agriculture Alliance and the Department for Agriculture and Fisheries have been running a pilot project to facilitate the sharing of workers among nearby farms. As well, some large tourism businesses have partnerships with other operators outside of the region, including internationally, to provide employees with year-round employment through moves to different workplaces over the course of the year. There have also been some efforts to share TFWs amongst agricultural employers, although as discussed in Chapter 5 this is much more difficult within other industries and practically impossible between industries.

3.2 Security of earnings

Summary

In addition to experiencing insecurity in terms of whether they can expect to have a job at all, seasonal workers have less assurances of how much they will actually earn in a given job. Hours of work are unpredictable, in part because they often depend on weather and other natural phenomena, and because many seasonal industries operate in unpredictable global markets. There is evidence of negative effects of this kind of unpredictability on workers and the attractiveness of certain jobs.

The previous section considered security of employment in terms of the binary conditions of being employed or not employed. There are also concerns in terms of security of earnings, due to both variation in hourly earnings and actual hours worked.

Seasonal employment that is weather dependent is inherently unstable. Work seasons may begin at different points when weather conditions permit or necessitate work. For example, an employee at a ski hill depends on snowfall and/or sufficiently cold temperatures to produce snow, which may occur at different times each year. In agriculture, the timing of warming in Spring will determine when planting begins, while the onset of frost can damage a crop and significantly alter related workloads.

Overall earnings in many seasonal industries are also unstable. Fish and agriculture harvests go through boom-and-bust years in terms of volumes produced depending on environmental and other biological conditions (such as disease outbreaks), while fishing is also strictly regulated and may be limited or expanded by the Department of Fisheries and Oceans (DFO) as it manages fish stocks. Fishing and agriculture also produce for global commodity markets with prices that change abruptly for reasons almost entirely outside of producers' control, such as changes in consumer demand in Asia or evolving trade negotiations. Tourism can be similarly volatile due to unstable global demand. These dynamics directly affect earnings of workers, the availability and duration of jobs, and how employers treat their employees.

Some instability further relates to the dynamics of regular seasonal layoffs and the ending of working relationships as discussed above. This creates opportunities for ongoing renegotiation of working conditions. Workers with other options for seasonal employment have greater negotiating power with their employers, while workers with fewer alternatives have less. These negotiations may take place under considerable pressure to maintain social linkages and trust because good faith connections are the essential assurance of a continued employment relationship.

Seasonal employers may alter the amount of required work, based on a common understanding in seasonal industries that demands may vary over time and that workers may mitigate effects of these changes at least in part through other income-generating activities or through EI. Specific elements for variation can include hours per week or start and end dates of employment. Seasonal workers may also be especially subject to these patterns when seeking short commitments to fill a gap in the year. This is similar to patterns of informal employment. Kostyshyna and Luu (2019) have found that informal work is also associated with more irregular employment hours (41%), relative to those with fixed schedules (29%).

There is evidence (from *The Economist*, May 23, 2023) of negative effects of scheduling instability on workers. Harknett et al. (2021) found that two-week notice of work schedules improved workers' reported sense of well-being, while research by Williams et al. (2022) indicated that more stable scheduling increased sales and productivity in a retail setting. Another study (Sull et al., 2022) found that predictable schedules helps to improve retention specifically of blue-collar workers. Seasonal workers emphasized in interviews an appreciation for the flexibility they could exercise through seasonal careers, and wider research has found greater flexibility in job advertisements increases likelihood of people applying, but applications fall when advertisements indicate employees will need to work at managers' discretion (Ibañez, 2022). All of this evidence suggests a strong case for improving employment predictability to tackle seasonal labour shortages.

These dynamics also apply with respect to self-employed workers, perhaps even more so. Self-employment is by nature subject to variation in demand from clients and customers. In many cases, workers can also choose to be employees or self-employed contractors – in negotiation with the employer. Decisions on being employed or self-employed may relate to government benefits and tax strategies, or they may reflect different risk management strategies for the worker and the employer. In fish harvesting, payment in crew shares exposes a worker to risk – either upside risk if landed values are high or downside risk if landed values are low. Owner-operators preferring to have their deckhands as employees basically provide security of earnings to these workers and take all risk on themselves – in recent years enjoying high upside risk with the high prices and generally good landings of lobster for instance, as noted earlier. In practice, however, security of employment for fishing workers may be limited if owner operators can simply reduce their harvesting activities if volumes and/or prices are low and not have to pay out wages to their deckhands.

One additional consideration is the capital intensity of many small seasonal operations, most especially in fishing and agriculture. For instance, many fishing captains who have recently purchased fishing licenses have taken on high levels of debt, making them vulnerable to interest rate variability. This kind of challenge is more longstanding in

agriculture. Mitigating such vulnerability is of concern for facilitating enterprise succession.

3.3 Insurance for health and wellbeing

Summary

Seasonal workers also have limited access to insurance for their health and wellbeing in comparison with year-round-full-time workers. Few seasonal workers have employer provided dental and health benefits. Coordinating these kinds of benefits can also be a challenge for enabling seasonal OP.

Engagement in seasonal work and seasonal occupational pluralism rarely entitles workers to health, dental, disability, and accidental death and dismemberment insurance. In some cases, this reflects required periods of employment to be eligible for insurance. In other cases, it is simply a benefit not provided, although largely because receipt would be interrupted when seasonal workers are released for the off-season.

Where our research encountered employer-provided dental and health benefits for seasonal workers, it was typically for workers who are seasonally unemployed for only two or three months of the year. A same employer would often not provide these benefits to its employees on shorter seasonal contracts. Employers themselves might have greater access to insurance benefits. For instance, the Maritime Fishermen's Union (MFU) has been providing health benefits and accidental death and disability insurance to owner-operators for some 20 years and is currently expanding its coverage to crew workers.

There are certain significant challenges for employers to provide insurance benefits to seasonal workers.⁴⁶ These revolve around fair treatment of employees who an employer hires when they have health and dental insurance from another employer. In these circumstances, is it equitable for the employer to be contributing towards the insurance of one employee but not another, and should the employer be compensating employees? Ultimately such challenges are likely resolvable with sufficient commitment from employers.

Insurance concerns can also pose an issue for seasonal employers in ways that discourage occupational pluralism or limit how it might be pursued. For instance, if truck drivers take more than six months away from trucking, they may require retraining for insurance purposes. Hiring or using occasional or short-term workers is a hazard for home builders and homeowners. One interviewee expressed a strong reluctance to hire anyone he did not know because of the insurance liability risk, with explicit reference to new immigrants.

⁴⁶ Another key concern in terms of worker insurance is the extent of informal work in seasonal sectors, or by seasonal workers in the offseason. Informal workers may be liable for damages caused by their work and are not eligible for workers compensation benefits in the event they are injured on the job. Chapter 3 discusses how the EI system presently may be encouraging greater participation in informal work.

4. Other working conditions

The last component of job quality relates to other working conditions and whether they meet employee needs. These include positive and safe environments to work, then flexibility in working conditions, and housing and transportation.

4.1 Positive and safe environments

Summary

Many seasonal workers experience positive work environments which encourage them to continue to work with the same employer over time, and many enjoy positive relationships with clients. However, there are broad challenges with respect to the quality of human resources management in many seasonal companies, largely because these are often small companies with limited capacity. These concerns can be especially concerning with respect to equity, diversity, and inclusion, as well as worker safety. Sector councils, associations, and unions undertake efforts to strengthen the quality of HR management practices.

Despite annual lay-offs and other sources of insecurity, many seasonal workers do continue in the same occupation and with the same employer, suggesting that these employers are providing positive work environments. This loyalty factor becomes even more significant as labour shortages become more widespread, giving more options to workers. It seems almost certain that strong social connections have a central role in making working experiences more positive. Many seasonal worker interviewees reported relationships with work colleagues or customers as a key advantage of their work.

Given the need to attract new entrants to seasonal industries who do not start with local social connections, one broad challenge is to improve the quality of HR management in many seasonal businesses. There is little or no professional HR management capacity in many operations, particularly in smaller companies. This can have many impacts on employees, including the handling of simple administrative and hiring processes and conflict-resolution.

There are special concerns related to employment equity, a key dimension of HR management. Some sectors have long histories of social inequity and exclusion, such as the fish harvesting industry and the skilled trades where the lack of diversity has received much attention. Many businesses may also lack foresight about their labour market needs which may make them less strategic in their HR management in ways that reduce job quality.

Sector councils have been leading and facilitating many efforts to address these kinds of challenges. There have also been wider efforts to foster greater diversity and inclusion in the skilled trades. Finally, some companies in the Maritimes offer HR management services for small businesses to help with these kinds of challenges.

Seasonal work can also, in some cases, be dangerous. This is most clear with regards to fish harvesting. In the AISC survey, fisheries employers referenced difficult working

conditions as a factor in losing employees somewhat more often than other employers. Fisheries businesses have sought to increase job safety to improve recruitment and retention according to the AISC employer survey. The work can also be physically hard and difficult for workers to sustain – this poses an up-front barrier to recruitment as noted earlier from agricultural employer survey data, but also for retaining workers based on the same data.

4.2 Flexibility

Summary

Workers across Canada and the world are placing an increasing emphasis on flexibility when choosing or negotiating employment. This is often a strength of seasonal employment, although many seasonal jobs require workers to be physically present.

There is growing demand across the Canadian workforce, and globally, for greater flexibility in employment conditions. This has been turbocharged by the COVID-19 pandemic, as work-from-home arrangements became the norm for an extended period and employees also altered their hours of work to manage childcare, elder care, and other family requirements.

Most seasonal work is very demanding in terms of hours of work and physical exertion in peak periods. Seasonal worker interviewees cited long work hours as a major challenge, difficulties balancing work and family life pressures. Some non-OP seasonal worker interviewees mentioned schedule challenges as reasons why it is difficult to participate in OP. Interviewees also suggested that employers should provide more flexible work schedules to facilitate greater participation in OP, and several wanted more opportunities to work from home which can be challenging in many seasonal jobs.

However, seasonal work can have some advantages with respect to flexibility. Worker security basically reflects flexibility for employers – they hire employees when they need them and do not carry commitments over periods when they are not needed. Some workers also find seasonal work and OP to have advantages in giving them greater flexibility to choose when to work and with whom. Almost half our 40 seasonal worker interviewees, including 12 who engaged in OP, described this greater flexibility and autonomy as a positive aspect of seasonal careers. Being self-employed also contributed to this kind of flexibility.

Rural-seasonal employers or their representatives often mentioned in interviews the need to offer new entrants, and particularly younger workers, greater flexibility in work schedules and other arrangements to support better work-life balance.⁴⁷ According to the AISC employer survey, higher numbers of tourism operators in Nova Scotia (51% of those

⁴⁷ By the same token, some employers described these expectations or demands in negative terms, with opinions about how the younger generation is unwilling to work or to take on difficult tasks to get ahead, but there were more references to employers having recruitment success by accommodating these changes in work expectations.

surveyed) reported having increased job flexibility to improve worker recruitment and retention compared to other employers.

Half of the seasonal workers we interviewed cited greater work-life balance or the value of time-away from employment in the off-seasons as positive aspects of their jobs, including many OP workers. This included a few who had disabilities that prevent them from taking on full-time, year-round work, some who were semi-retired and do not want full-year jobs, and others who valued periods away from work as positive for their mental health.

Many seasonal workers take on unpaid work in the off-season. Interviewees mentioned doing work on their homes or focusing on their education or training. A few interviewees reported that seasonal work enabled them to manage childcare responsibilities more easily, for instance by working during summer months when it was easier to find childcare and then staying home in the winter. Employment and training service providers also emphasized the great importance of childcare services, or the lack of them, in determining workforce participation.

These positive aspects of seasonal work will need to be taken into consideration in promoting new strategies to increase OP among seasonal workers. Not everyone wants or feels they need to pursue OP, and not everyone will be able to manage it in an intensive way given their personal and family situations.

4.3 Housing and transportation

Summary

Limited affordable housing and transportation options in rural communities are making it more difficult to attract workers to seasonal industries and occupations. Various efforts are underway to mitigate these challenges, but they do not appear to be of the same scope as the challenge, especially when it comes to housing.

A lack of affordable housing and high transportation costs are increasingly identified as barriers to recruitment of seasonal workers and to participation in OP. In the AISC (2022) survey of employers in Nova Scotia, housing and transportation challenges were more problematic outside of Halifax and especially for tourism operators. Thirty percent of tourism operators referenced a lack of housing options as a challenge and 24% referenced transportation constraints, as compared with respectively just 20% and 13% for all employers outside of Halifax. This is almost certainly because tourism businesses attract a larger part of their workforce from outside of the local community for work during peak seasons. Service providers, sector council staff and government representatives also frequently referenced housing and transportation as challenges for workers in rural seasonal industries. A growing number of employers are providing housing for seasonal workers, and this is almost always the case with regards to TFWs.

Some seasonal workers we interviewed specifically mentioned that housing and transportation challenges made it more difficult for them to pursue OP. Transportation is quite important for seasonal work and OP because it is a marginal cost of participation in the workforce – every day of work can involve a commuting cost. The weakness of rural

public transit is particularly challenging for workers earning modest wages. The PEI government has recently introduced a \$2 rural transit fare program to address this need, but whether this service is adequate to meet worker needs is not yet clear.

A number of seasonal workers we interviewed saw a need to reduce gasoline and carbon taxes specifically as measures to encourage seasonal OP. The Federal carbon tax provides rebates to households, with the most money going to rural households and lower income households whose willingness to commute might be most sensitive to gas prices. Still, the rebate is not contingent on participating in a commute while the more a worker commutes, the more taxes they will pay. Hence, the carbon tax and other fuel taxes do reduce returns to employment that requires commuting. Various policies reported elsewhere in this report consider costs of moving to engage in seasonal work and OP, most notably policies discussed in Chapter 4.

5. Recommendations

For rural-seasonal industries to attract and retain new labour supply, there will need to be significant improvements in the quality of jobs and careers across these sectors. This same finding applies to seasonal OP jobs.

Certain proposals that would make rural seasonal industries in the Maritimes more attractive for employment are beyond the scope of this report to address in specifics, but nevertheless bear mentioning. These include:

- Tackling the housing crisis affecting communities of the rural Maritimes to be able to receive an influx of population that can fill the developing labour shortages – seasonal OP might contribute to expanding the workforce needed to build or restore housing
- Expanding access to high quality early childhood education and care (ECEC), and elder care, given that these responsibilities limit capacities of seasonal workers to pursue off-season work
- Developing strategies to drive long-term productivity growth in Maritimes agriculture, fish products, and tourism industries
- Redesigning carbon tax rebates and developing other measures to reduce cost barriers for rural workers who need to travel relatively greater distances to get to diverse and often remote workplaces.

5.1 Establish seasonal worker rights through legislation and regulation.

Extending job security to seasonal employees through legislation is the single step we could envision that would most address the insecurity of seasonal employment. The key objective would be to grant seasonal employees who have worked for an employer for a certain period in a regular seasonal occupation a legal right to recall at the beginning of subsequent seasons. The standard for this right of recall might be employment of a certain length over three consecutive seasons, or in three seasons over the prior five years.

Recall provisions should provide for notice in advance of a reference date identified as the start of the season – with the possibility of altering the reference date from year-to-year. Workers should be notified if they will be recalled in advance of this point. It would be recommended that workers accumulate notice entitlements relative to a recall point, with these notice entitlements based on labour standards in provincial legislation. A further measure could put notice and severance provisions into application if a worker is not recalled when expected. This would formally designate seasonal workers as not separated from their employment at the end of the productive season, but simply under suspended employment, and therefore equate the non-recall of an employee entitled to recall as a layoff. Per our discussion in the separate report on EI, the EI program could then make these workers eligible for EI benefits.

A key concern with this model would be the risk in a seasonal industry of the season not beginning when expected, and this reducing or preventing earnings. If the start of the season is delayed, this could put an employer in a position where they owe wages to recalled employees but have reduced business revenues with which to meet that obligation. Unlike regular EI usage, this is genuinely a risk which could be insured against, and it would be reasonable to develop an insurance program likely under EI where the employer could contribute towards insuring themselves perhaps together with the government program – perhaps through a wage sharing arrangement. Inversely, there could be a risk of a season starting early and expected workers being unavailable until the recall date. Handling this risk could be more challenging and setting relatively early recall dates the primary insurance against the problem. Another principle might be simply that that workers should consider seasonal jobs for which they have recall rights as a top priority, and risk losing their recall right for the year or permanently if they do not return to their seasonal work within a certain reasonable period (say two weeks) in advance of their recall date when given adequate notice.

This model would significantly alter the circumstances of seasonal employees, providing them with job security that would be much more comparable with that enjoyed by workers with year-round full-time employment.

Current seasonal worker circumstances	Seasonal worker circumstances under proposed legislation and regulations
Workers are separated from their employer at the end of each job, with no ongoing employment rights or legal assurances that they can resume employment in the following year	Workers may cycle between different jobs in different parts of the year, enjoying continued rights vis-à-vis each job for further employment in future years

Policymakers would need to consider whether to provide similar rights to seasonal workers who take off-season jobs in non-seasonal industries. The risk is that doing so would disincentivize employers in these other industries from hiring seasonal workers if they would become liable for providing these guarantees, even when this is not essential to how their businesses operate. The emphasis of this report is on seasonal occupations as the primary employment of workers. With respect to non-seasonal work, at the very least policy could make sense to create mechanisms by which employers can choose to implement conditions of assurance aligned with those suggested for seasonal workers

with seasonal employers, where non-seasonal employers want to compete for this workforce.

5.2 Strengthen coordination of employment

It is possible to provide more stable seasonal employment through employer coordination and collaboration.

One form of coordination is between employers who might partner to effectively transfer or share employees. We have identified examples where this already occurs in the Maritimes. Associations, sector councils, and employment services and other agencies could provide greater assistance for this kind of cooperation, and this also is happening already. Where there is scope for improvement is in terms of sharing between different industries with complementary annual calendars.

France's *Groupements d'employeurs* provide a more advanced model for this kind of approach, facilitating "strategic employee sharing" (EY, 2019). Groups of SMEs within a region who would be unable to sustain roles on their own jointly provide workers with full-time permanent and temporary positions. These employer groups have operated mainly in agriculture but also within other sectors and on a multi-sectoral basis. Some of these groups have focused on helping individuals with employment barriers to gain skills and experience. Public agencies have provided funding to initiate *groupements* in regions where they have not been present, by spreading awareness among companies, workers, and other stakeholders. Resource centres in each region have helped to promote the employee sharing model, facilitated the establishment of employer groups by providing information on public support funds, and provided services to existing employer groups including advice on HR management, payroll accounting, etc. Workers benefit from having a single employer and more secure terms of employment than would otherwise be possible. *4 Saisons* is a multi-sectorial *Groupement d'employeurs* in Occitania with 231 member businesses and 685 employees per year, 53 of whom have permanent contracts (4 Saisons, 2023).

There is also scope for the establishment of firms or non-profit organizations that hire workers and lease them out to employers for seasonal activities over the course of the year, with this facilitating firm providing the assurance of year-round or near year-round employment. One such firm is operating in the tourism industry in Canada and recently in the US. *Mobilize* (2023) recruits primarily young people aged 18 and over for semi-skilled employment in the tourism, hospitality, or restaurant sectors. The workers are deployed in six-month placements where they receive a job, arranged housing, and "an unforgettable experience" – the program supports participants in traveling to working locations across Canada. Employers pay fees, arrange housing options, and finance payroll costs, and *Mobilize* takes responsibility for hiring and HR administration, recruitment and training, employee oversight, payroll management, and benefits, incentives, and insurance. In terms of the training levels of workers in the program, the program estimates that only 33% of hires in each season will be on their first placement. The program primarily operates in Western Canada.

An interesting local example is the Flower Cart Group in the Annapolis Valley of Nova Scotia, an NGO that provides recruitment, training, and employment support services to adults with intellectual disabilities.⁴⁸ One key program element is a mobile supported employment model that provides large industrial firms with janitorial workforces on a contractual basis. This service has been operating successfully for decades to meet the labour force recruitment and retention needs of multiple employers.

These kinds of activities may be most relevant to people just entering the workforce in the Maritimes, such as young people and newcomers. It may be very valuable in setting them on seasonal OP careers that they will be able to sustain.

Facilitation of seasonal OP might also take place within a single employer. Companies might explore greater conglomeration, with lines of business with complementary seasons that workers can move across. Again, this happens to some degree, as for instance a fishing operation might also own a woodlot or fields for producing blueberries. Different policy initiatives could help seasonal businesses build additional business lines for their off seasons to round out their work over the year.

Finally, seasonal businesses will continue working to extend their seasons. There are good examples in the Maritimes of fish and food processing plants that have diversified their product lines to handle different raw materials at different times of the year, e.g., the Oxford frozen food company that processes carrots in the early summer and then regears to handle a large-scale frozen blueberry operation in the early fall. This is promising in reducing the extent of insecure seasonality, but also a double-edged sword to the extent that it may make seasons overlap more. Mechanisms to support OP, including removing EI's perverse labour market effects, could enable the market to provide better signals where season extension is more promising or may not optimize the use of labour.

5.3 Provide access to worker insurance

The market failure in providing health, dental, and accident insurance for seasonal workers warrants a public solution. A sensible option would be for an industry association or a government agency to administer a platform connecting seasonal employers with private insurance providers.⁴⁹ This model would allow private insurers to compete and provide more options for employers.

A key challenge for this program, as raised by interviewees, would be how to navigate workers having multiple employers over the course of the year, with the possibility of these employers having different preferences in terms of insurance providers, offerings, and costs. Approaches to tackling these challenges could include:

- Establishing basic insurance provision applicable across all seasonal workers so that there is a minimum standard for coverage

⁴⁸ For more information, see: <https://flowercart.ca/>.

⁴⁹ This could form under the Seasonal Worker and Employment Support Program (SWESP) recommended in Chapter 3. Compulsory participation by SWESP recipients could ensure the program pool is sufficiently large to provide for effective insurance. This would necessarily allow for an opt-out however where proof of another form of insurance is provided, such as through a spouse or parent. It could also be reasonable to require a worker to have at least three months of seniority prior to enrolling in the program.

- Adapting the program so that employer payments come only from employers registered for the program, such that participating employers cover the full employer costs of coverage where applicable (sharing these costs for employees that work for multiple participating employers over the course of the year)⁵⁰

This approach assumes that seasonal workers would not have access to insurance benefits when working in off-season employment for non-seasonal employers. Where this is not the case, seasonal workers could be expected to provide proof of coverage and opt-out of this alternative insurance, or non-seasonal employers who regularly hire seasonal workers in the off-season might be given the option to join the insurance regime under the same conditions as seasonal employers.

Of course, public provision or possibly mandates for health and dental insurance are also under consideration. A federal dental care program that would assist families with incomes below \$90,000 per year and progress on a universal national pharmacare program are key elements of the Confidence and Supply Agreement reached between the governing Liberal Party and the New Democratic Party (NDP) in the present minority parliament. (GOC, 2022) The Government of Ontario is also investigating the potential provision of portable benefits for workers, including most especially health and dental coverage. This aims specifically to support workers in non-standard jobs, which would include seasonal OP, arguably as a provincial alternative to the federal initiatives (Bonnett, March 15, 2023). These kinds of policies extend beyond the scope of this project but could negate or at least reduce the need for initiatives specifically focused on seasonal workers.

5.4 Continually build employer quality

Finally, provincial governments, through mechanisms such as sector councils and PSE institutions, should seek continuously to support the improvement of seasonal business management – especially in terms of HR management. Employers that are more competent in terms of HR management will be more attractive for workers. Special focus should go towards enhancing EDI and safety practices amongst employers.

⁵⁰ It would be reasonable for the more generous insurance program to prevail for workers with more than one participating employer. While an employee is working for another participating employer, the employer providing the more generous insurance would pay any additional insurance costs and the current participating employer would contribute an amount for their months of coverage equal to the cost of their own insurance provision.

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Chapter 3: Reforming Employment Insurance for the new rural reality

Employment Insurance (EI) is an important program across Canada, but especially in the Maritimes. EI benefits amounted to 3.3% of personal income in Atlantic Canada in 2019, and as high as 5% in PEI, compared with 1.2% nationally (APEC, February 17, 2022). EI can be especially important for certain communities. Census data from Cape Breton Census Subdivisions in 2020 indicated that 40% of the population that reported employment income received EI benefits in the median district, with this rising to 70% in the district with the highest rate of EI benefits receipt.⁵¹

Much of the higher uptake of EI in the Maritimes relates to seasonal employment variations. In 2019-2020 seasonal claimants accounted for 30.2% of claims to regular EI benefits across Canada, but 51.9% in PEI, 48% in New Brunswick and 39.8% in Nova Scotia (CEIC, 2021). It is difficult to compare the number EI seasonal recipients with the number of seasonal workers in the rural Maritimes because the EI program and LFS definitions differ.⁵² Research in 2003 when data tracking was possible suggested that for most long-term seasonal workers, EI receipt followed seasonal jobs (de Raaf, Kapsalis, and Vincent, 2003). We would suggest this likely remains the case today. Among individuals who reported at least \$1,000 in fish harvesting income in 2019, 77% had EI benefits income in Nova Scotia, 84% in New Brunswick, and 88% in PEI.⁵³

Seasonal EI usage has fluctuated. From 2017-2019, seasonal variation in EI claims in Atlantic Canada was 30% higher than nationally, but this is down from twice as high as across Canada in the early 1990s (APEC, February 17, 2022). Yet, across Canada seasonal claims increased as a share of regular claims from 25% to 31.9% from 2008-2009 to 2013-2014, before falling back slightly to 30.2% in 2019-2020 (CEIC, 2021).⁵⁴

The EI program has different functions. This report will focus on two key purposes, the first of which is explicit and the second *de facto* and not explicitly acknowledged:

- Providing insurance to protect worker incomes against unpredictable loss of employment
- Providing a predictable source of off-season income for seasonal workers both to sustain them over annual periods of certain unemployment and to ensure a stable labour supply for seasonal employers

Many of the challenges discussed in this report relate to tensions between these two purposes. This second purpose is most relevant to our consideration of seasonal occupational pluralism (OP). We will refer throughout the text to related usage of EI as

⁵¹ Thank you to David Campbell for sharing these data, generated through the Census.

⁵² The EI program defines seasonal claimants as “EI claimants who had at least three regular or fishing claims in the five years preceding the reference year, with at least two of these claims having started during the same period of the year as the current claim”. This same period is equal to the eight weeks before and the eight weeks following the week in which the reference claim starts. See the primary report for notes on the LFS methodology.

⁵³ Based on tax-filer data analysis.

⁵⁴ The Atlantic Region accounted for 23% of seasonal EI regular claims in 2019-2020, while Quebec accounted for 36%, Ontario accounted for 25%, and the rest of Canada accounted for 16%.

“regular seasonal EI usage”. There is no such thing as “seasonal EI”, but the text will refer to seasonal EI recipients.

Experts and employers both identified regular seasonal EI usage as the primary obstacle to increasing seasonal OP. Many seasonal workers also considered that the EI program made seasonal OP less attractive or more challenging. The effects of the EI program on incentives to engage in seasonal work, and how seasonal industries and occupations operate, are complex. However, the overall picture is of a program that increasingly does not serve rural communities and seasonal industries as well as it could, given how Maritimes labour markets have been evolving in recent years.

This report focuses on how the EI program affects work incentives and the way seasonal industries operate in the rural Maritimes. It will first explain the historical context in which regular seasonal EI usage developed. Next, it describes relevant aspects of the program: regular and fishing benefits, leaving aside the EI Part II program that provides training, parental leave and other such benefits. It will then use scenarios to examine the effects of EI on work incentives for seasonal workers over the course of a year, before addressing a host of other issues surrounding EI, seasonal work, and OP. It closes with an analysis of policy options for reform.

We ultimately envision two pathways forward for reforming support for seasonal workers and industries to encourage seasonal OP. The first pathway is to remove support for seasonal workers from the EI program, instead creating a Seasonal Worker Employment Support Program (SWESP). The second pathway may be more administratively feasible and would entail allowing seasonal workers receiving EI to earn wage income while on claim without having EI money deducted.

1. Understanding the context of regular seasonal EI usage

Summary

Seasonal use of EI deviated from basic insurance principles. It has been allowed to help sustain rural communities and regions with seasonal economies and inadequate work for a large share of the population. Historically, the primary alternative proposed has been for unemployed people to move to places with greater labour demand, which has not considered potential downsides for rural regions losing population, as well as these regions’ out-migrants. Present circumstances are distinct and demand a new approach.

Any policy maker whose sole aim was to create a plan to insure workers against job loss would never have come up with our present system. Which raises the question: why do we have the system we do? There are some cynical, and not entirely inaccurate answers: EI is for winning votes in Atlantic Canada. EI is for making depressed regions of the country economically viable; for keeping small communities alive. EI is for subsidizing industries that are, for one reason or another, considered to be important to the Canadian economy, like the fisheries. Yet these answers raise the question,

Why EI? Why use EI for regional subsidies, rather than another scheme, such as equalization?

– Dr. Frances Woolley (2016), Professor of economics, Carleton University, and past president, Canadian Economics Association

Seasonal use of EI deviates from basic insurance principles. Rather than providing an insurance against the unpredictable onset of unemployment, it provides a largely predictable benefit for those who work seasonally in communities with high unemployment rates. The provision of this benefit reflects a historical commitment to maintaining the viability of marginalized rural communities and important industries that simply cannot operate on a year-round basis.

The purposeful provision of seasonal benefits dates back as early as 1955. These benefits were designed to enable rural communities and regions of Canada to survive despite having largely seasonal economies and inadequate work to sustain a reasonable standard of living for a large share of the rural population. With EI, seasonal employment could permit residents of these kinds of communities to achieve a more acceptable standard of living – if not prosperity, then at least a sense of stability. Over time, EI gained an integral place in the culture of many rural regions and communities. It reinforced esteem for many seasonal occupations, such as fish harvesting and farming. Community members recognized the communal importance of EI, and often would not take OP jobs so that other community members would have opportunities to qualify for EI entitlement. The off-season became a time to carry greater family or community responsibilities, to engage with the land, or to invest time in assets such as one's home.

The most frequently proposed policy alternative has been to eliminate or create heavy disincentives to regular seasonal access to EI benefits to encourage residents of these communities to move to find year-round work in other parts of Canada (CP, May 17, 2012). Classical economic theory, put simply, would predict that as these communities lost residents, the declining supply of labour would push up local wages and reduce unemployment, generating a new higher income equilibrium. The counterargument was that there was no guarantee of reaching such an equilibrium – decline might more likely be self-reinforcing. Industries that are inescapably seasonal because they rely on exogenous climate and/or market factors could not change, and the loss of workers would cause businesses to cease operations, leading to further loss of income and jobs. Some of these industries have key strategic importance for food security, environmental services, or ensuring Canadian territorial sovereignty. Additionally, the outflow of population would reduce population mass and make key public services uneconomical to operate – the eventual loss of such services would further reduce employment and undermine the viability of local communities through population loss. Further, the distinctive social and cultural attributes of rural communities (i.e., social capital) would break down or diffuse. A key example would be the Acadian population of Atlantic Canada that relies heavily on seasonal industries to sustain their many small rural and coastal communities. The ultimate risk would be the depopulation of such communities and regions, condemning them to greater economic marginality with reduced access to social services and greatly reduced social capital. Residents who had left would also have experienced at least this loss of social capital, with various possible ramifications for them.

The shift in the rural Maritimes from labour surpluses to labour shortages alters this picture, as have industry change that have increased their prosperity and extended the length of productive seasons. Rural communities that have relied on regular seasonal EI usage are still economically marginalized, but they have better prospects than in the recent past, and perhaps more importantly the challenge they face has shifted. Retaining population is insufficient as sustained decline has caused their population to be disproportionately older and approaching retirement. These communities instead need to attract new residents, which requires a new approach.

2. Description of relevant programs

Seasonal recipients of EI can benefit from: regular benefits or fishing benefits. This section will describe the eligibility and entitlement conditions for regular benefits and fishing benefits, including determinations of how many weeks claimants may receive benefits and the benefit amounts. It will then close with a discussion of conditions of recipients while on claim.

2.1 Entitlement for regular benefits

Summary

Employees who earn insurable earnings and whose employers pay EI premia are entitled to regular EI benefits provided they meet certain conditions. The more hours worked in jobs for which EI premia were paid in a qualifying period, and the higher the unemployment rate in the worker's economic region, the easier it is for a worker to qualify for EI benefits and the more generous the benefits. There are significant differences in the generosity of EI benefits between rural regions within the Maritimes. In 2019-20, average total benefits exceeded some \$10,500 among EI regular benefits claimants.

All employers must pay EI premia for their employees' insurable earnings.⁵⁵ These premia basically entitle employees to EI as an insurance against income losses due to layoff, subject to certain criteria.

Employees who voluntarily leave their job cannot claim EI unless they can demonstrate that they did so with 'just cause', which can include: leaving for another job; major changes in terms or conditions of employment or work conditions; experiencing harassment, discrimination or unsafe work conditions; needing to move with a family member to another place of residence or care for a family member; certain conflicts with the employer that the employee is not primarily responsible for; etc. (GOC, 2023a). There is a process to request reconsideration by Service Canada and subsequently to appeal decisions with regards to 'just cause' determinations and other EI eligibility decisions (GOC, 2023b).⁵⁶

⁵⁵ Employers and employees share the cost of premia. Employers administer the actual payment.

⁵⁶ Service Canada administers EI benefits to claimants.

The EI program determines entitlement for EI based on two factors: hours worked in all jobs⁵⁷ for which EI premia were paid over a qualifying period⁵⁸ and the unemployment rate (UR) in the worker's EI Economic Region. Basically, the more hours worked, the more weeks of entitlement for EI benefits up to a maximum level, and the higher the UR in the EI Economic Region above 6%, the fewer hours are required to qualify for EI and the more weeks of EI workers may receive for a given number of hours worked.

Figure 3.1 maps out weeks of entitlement to EI regular benefits based on hours worked by UR in the EI Economic Region (45 weeks is the maximum EI entitlement). There are two forms of benefit exhaustion. One is called benefit entitlement exhaustion, meaning that a claimant used up their weeks of entitlement for a single claim. The other is benefit period exhaustion, based on failure to claim the full benefit entitlement within a 52-week period.

Figure 3.1: Weeks of EI regular benefits entitlement by hours of insurable employment worked and EI Region Unemployment Rate

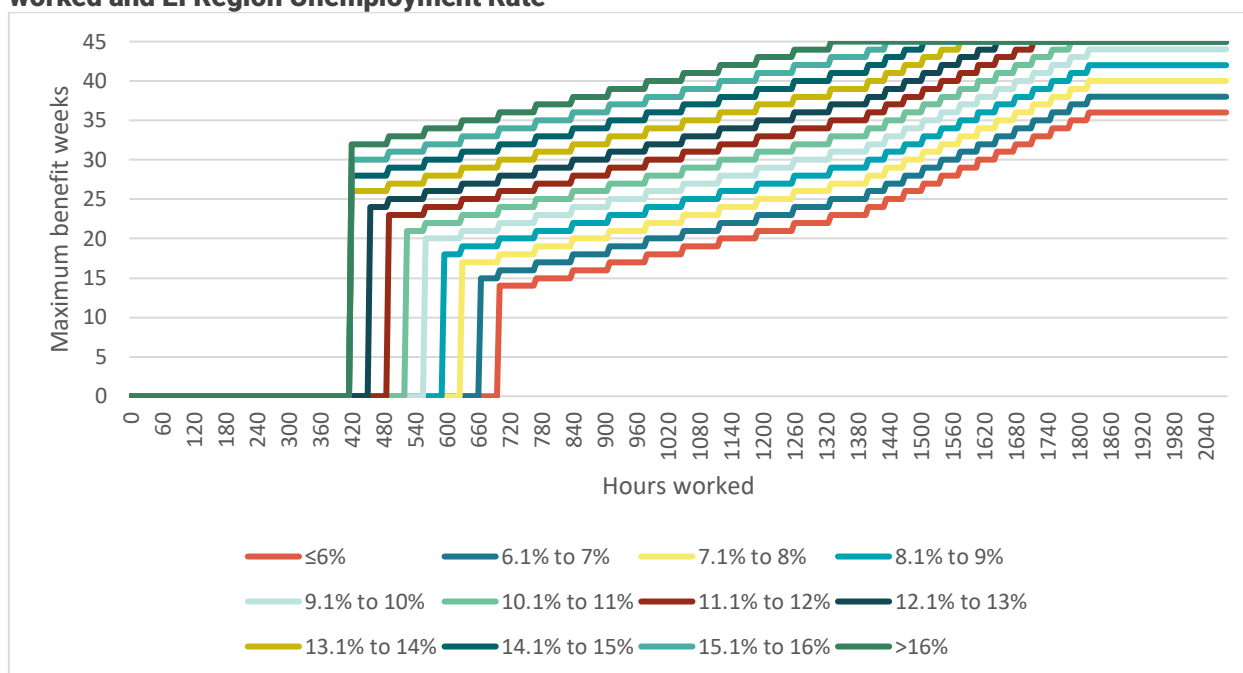


Table 3.1 shows entitlement to EI regular benefits based on the seasonally adjusted 3-month-moving average URs in rural Maritimes regions for December 4, 2022 to January 7, 2023 (GOC, January 2023).⁵⁹ As is apparent from these figures, there are considerable differences in EI entitlement within the rural Maritimes. In Eastern Nova Scotia, the region with the highest UR, workers can become EI eligible after 175 fewer hours of work than workers in the rural region with the lowest UR (Western Nova Scotia) and receive eight more minimum weeks of EI benefits entitlement and seven more maximum weeks of benefits entitlement.

⁵⁷ As discussed later, this includes only jobs left with 'just cause'.

⁵⁸ From this point, the report will refer to hours worked in insurable employment simply as "hours" worked.

⁵⁹ The following EI regions we classify as urban: Fredericton-Moncton-Saint John, Halifax, and Charlottetown. All had unemployment rates below 6%, meaning that they would have the most restrictive EI eligibility.

Table 3.1: Minimum and maximum required hours and weeks payable, and best weeks required, for regular benefits in rural Maritimes EI Economic Regions based on the seasonally adjusted 3-month-moving average URs for December 4, 2022, to January 7, 2023

Region	UR	Min. required hours	Hours to max weeks	Min. weeks payable	Max. weeks payable	Best weeks required
Eastern Nova Scotia	11.8%	490	1,715	23	45	16
Restigouche-Albert (NB)	10.2%	525	1,785	21	45	17
PEI (excluding Charlottetown)	9.4%	560	1,820	20	44	18
Madawaska-Charlotte (NB)	7%	665	1,820	15	38	21
Western Nova Scotia	6.8%	665	1,820	15	38	21

The EI program determines weekly benefit amounts based on average insurable earnings over a number of “best weeks”.⁶⁰ The benefit rate is 55% of average insurable earnings in those weeks, up to a maximum benefit of \$638 per week.⁶¹ Basing benefits on weekly earnings, rather than an hourly wage, encourages intensive work so as to maximise earnings within relevant weeks which in turn maximises EI benefits, rewarding many seasonal workers who work more than forty hours per week in their busiest periods.

There is a high income clawback on EI regular and fishing benefits for those whose annual reported income exceeds a certain threshold - \$73,375 in 2022 – and who received more than one week of regular or fishing benefits in the preceding 10 taxation years.⁶² Those to whom this policy applies must pay back 30% of the lesser of either a) their net income in excess of \$75,375 or b) the total regular and/or fishing benefits paid in the taxation year. The effect is to set a maximum clawback level of 30% of EI benefits, such that all recipients even of the highest incomes will receive at least 70% of the benefits to which they would be normally entitled.

Table 3.2 shows the average weekly benefits, average claim duration, and average total benefits received by seasonal claimants of regular benefits in 2019-20, as well as average total regular benefits earned by wage-earning fish harvesters in 2019 from tax-filer data. Figures are roughly similar across the three Maritime provinces and show higher EI earnings among fish harvesters than seasonal workers in general. The amounts of income earned are generally substantial and collected over a five-month period.

⁶⁰ This “best weeks” measure is as opposed to simply using the last weeks before the end of employment, which can allow for higher benefits in many cases. However, it can reduce the EI benefits of recipients who apply after working fewer than the best weeks requirement, as their earnings will be divided by more weeks than they actually worked.

⁶¹ This was the figure for 2022, equal to 55% of the current Maximum Insurable Earnings (MIE) of \$60,300, divided by 52 weeks. In 2023, the MIE increased to \$61,500 and the maximum weekly benefit rate to \$650.

⁶² The threshold is equal to 1.25 times the MIE. The clawback threshold rose to \$76,875 in 2023.

Table 3.2: Average weekly benefits, average claim duration, and average total EI regular benefits for seasonal claimants in 2019-20, as well as average total regular benefits for wage-earning fish harvesters in 2019, by Maritime province

	New Brunswick	Nova Scotia	PEI
A) Average weekly benefits	\$487	\$470	\$470
B) Average claim duration in weeks	22.5	22.5	24.2
C) Average total benefits (A*B)	\$10,958	\$10,575	\$11,374
D) Average total benefits (fish harvesters)	\$14,905	\$13,131	\$13,067

2.2 Entitlement for fishing benefits

Summary

EI fishing benefits are available to self-employed fish harvesters. These benefits are based on slightly different rules from regular benefits. Entitlements are based on insurable earnings rather than hours of work, during qualifying periods of up to 31 weeks – which means self-employed fish harvesters may make up to two claims per year. Roughly 57% of claimants make only one claim per year. Most fishing benefits claimants earn maximum benefits in eligible weeks. Average EI earnings among fishing benefits recipients in 2019 were \$16,947 in PEI, \$16,421 in New Brunswick, and \$14,634 in Nova Scotia

Fishers are the only category of self-employed workers eligible for EI benefits (other than special benefits).⁶³ Fishing benefits operate similarly to regular benefits in many regards. This section will specify where fishing benefits operate differently.

Unlike regular benefits, entitlement for fishing benefits is based on insurable earnings and not hours of work. A minimum amount of earnings is required to qualify. Earnings are divided by a divisor to determine the average weekly insurable earnings amount. This amount is then multiplied by 55% to determine the benefit rate, subject to the same maximum weekly benefit rate as regular benefits. Required earnings to qualify for fishing benefits and the minimum required earnings vary based on the UR in the EI Economic Region, such that fishing benefits are also more generous in regions with higher URs. Table 3.3 shows the required earnings and divisors for fishing benefits in each rural Maritimes EI Economic Region, based on the seasonally adjusted 3-month-moving average URs for December 4, 2022, to January 7, 2023.

⁶³ Chapter 1 addressed the shares of fish harvesters who are self-employed or wage-earning in each Maritime province. Self-employed fish harvesters are more likely to claim EI Benefit income, by roughly 15 percentage points in PEI and Nova Scotia in 2019, but only by three percentage points in New Brunswick. Among all fish harvesters claiming income from either form of EI benefits in 2019, 80% claimed fishing benefits in PEI, but just 45% in Nova Scotia and 34% in New Brunswick, due to far more PEI fish harvesters being self-employed than in the other two provinces.

Table 3.3: Required earnings and divisors for fishing benefits in rural Maritimes EI Economic Regions based on the seasonally adjusted 3-month-moving average URs for December 4, 2022 to January 7, 2023

Region	UR	Required earnings	Divisor
Eastern Nova Scotia	11.8%	\$2,900	16
Restigouche-Albert (NB)	10.2%	\$3,200	17
PEI (excluding Charlottetown)	9.4%	\$3,400	18
Madawaska-Charlotte (NB)	7%	\$4,000	21
Western Nova Scotia	6.8%	\$4,000	21

Earnings levels used to determine EI fishing benefits have not changed since 1996 and have little relationship with the state of the industry, or differences in the industry between regions. Earnings have risen substantially meanwhile. This means the differences between rural EI Economic Regions in terms of EI fishing benefits are likely more modest than they first appear, though the Divisor should have a significant impact since it raises the required insurable earnings needed to receive the maximum weekly EI fishing benefit by more than 31% between Eastern and Western Nova Scotia.

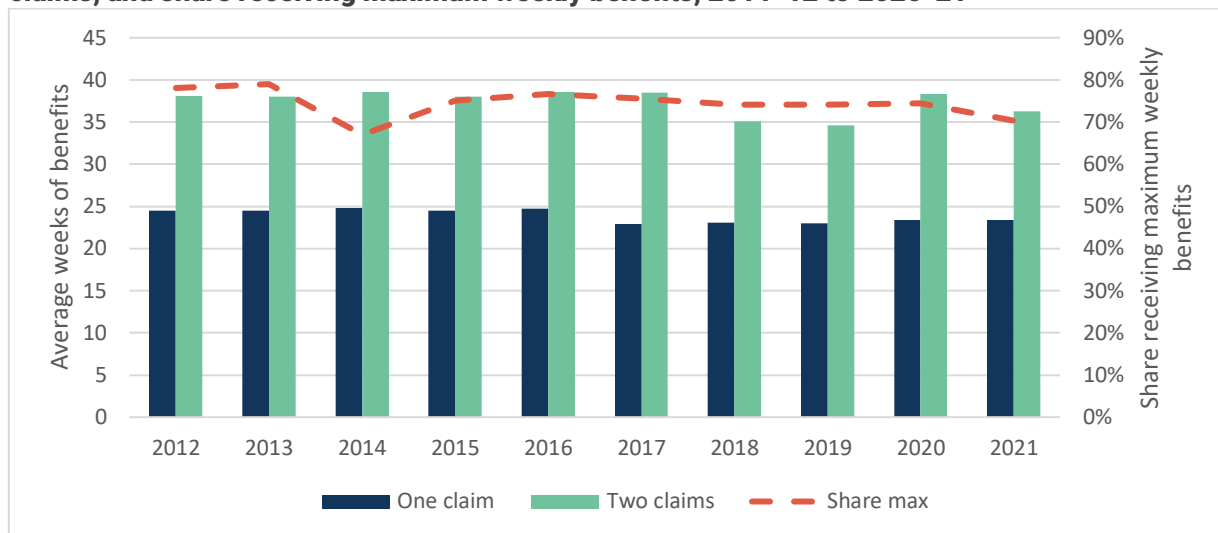
Fishing benefits are based on qualifying periods of up to 31 weeks, which begin no earlier than the Sunday of the week of September 1 for a claim based on winter fishing and no earlier than the Sunday of the week of March 1 for a claim based on summer fishing. If a claimant applied for benefits earlier and their application was approved within the previous 31 weeks, the qualifying period is from the start of the previous benefit period to the start of the new benefit period. The benefit period for a winter claim can start as early as the week of April 1 and must end no later than the Saturday of the week of December 15, while the benefit period for a summer claim can start as early as the week of October 1 and must end no later than the Saturday of the week of June 15. Recipients may receive up to 26 weeks of benefits within a 37-to-38-week period.⁶⁴ Benefit period exhaustion occurs basically if a fisher has not used all their entitlement weeks by the end of a specified 37-to-38-week period. This structure can permit fishers to make both summer and winter claims.

In the 2019-20 fiscal year, 43% of fishers who received Fishing Benefits across Canada made both summer and winter claims, while 42% made only a summer claim and 15% made only a winter claim (CEIC, 2021). The average duration of claims in a year was 38.3 weeks (over eight months) for those with two claims (averaging just over 19 weeks per claim) and 23.4 weeks (roughly five months) for those with just one claim.⁶⁵ Figure 3.2 shows the evolution in the average weeks of benefits for fishing benefits recipients submitting one or two claims, and the share receiving maximum weekly benefits, from 2011 to 2021 from Monitoring and Assessment Report data. The overall figures are very consistent, illustrating that there appears to be little relationship between EI uptake and industry volatility, which you would expect if EI Fishing benefits were primarily a form of insurance.

⁶⁴ Recipients can extend the fishing benefit period to up to 52 weeks if they claimant is also claiming an EI special benefit, such as sickness benefits. The benefit period is extended by one week for each week of special benefits claimed.

⁶⁵ The average weeks per claim were 20.1 in Nova Scotia, 20.2 in New Brunswick, and 19.1 in PEI.

Figure 3.2: Average weeks of benefits for fishing benefits recipients submitting one or two claims, and share receiving maximum weekly benefits, 2011-12 to 2020-21



Given the high rate of fishing benefits claimants receiving maximum benefits, it is little surprise that average benefit amounts are higher for fishing benefits claimants than for regular EI claimants. The average fishing benefit was close to \$540 per week across the three Maritime provinces in 2019-2020. Tax-filer data in 2019 provides a further indication of total EI benefit income for self-employed fish harvesters in each of the Maritime provinces that year. Average figures were \$16,947 in PEI, \$16,421 in New Brunswick, and \$14,634 in Nova Scotia. The EI benefits advantage for self-employed fish harvesters relative to wage-earning fish harvesters was much larger in PEI (\$3,880) than in New Brunswick (\$1,516) Nova Scotia (\$1,503), which is especially notable given a much larger share of PEI fish harvesters are self-employed compared to the other two provinces.

2.3 Conditions while on claim

Summary

Claimants may apply to EI benefits upon becoming unemployed. While unemployed, they are responsible by policy for reporting all income, conducting reasonable job searches every day, and accepting any offer of suitable employment – although fishing benefits recipients need only be available for fishery work. The EI program allows workers to retain some EI benefits if they work part-time while on claim (WWC), provided they earn 90% or less of their previous weekly average insurance earnings through this work plus their EI benefits. EI benefits will be reduced by 50% of the WWC employment earnings in the WWC weeks. In 2019-2020, 55.9% of EI claims by seasonal claimants included at least one week of work while on claim, and those who engaged in WWC did so for 30.5% of their claim weeks.

To receive EI benefits, workers apply upon becoming unemployed. They do not receive benefits for the first week of their benefit period, with this waiting period treated as akin to a deductible paid for other types of insurance.

EI claimants are responsible for reporting all income. While on claim, they are also required to conduct reasonable job searches “every day that [they] are receiving [...] benefits”, to document these search activities, and to accept any offer of suitable employment. They cannot take on commitments that would prevent them from accepting suitable employment. Factors that may determine what constitutes suitable employment include:

- Personal circumstances, such as health and physical capacity, compatibility of hours with family obligations, and moral convictions or religious beliefs;
- Working wages and conditions, where unsuitable employment could have wages that are below the provincial minimum or that would worsen your present financial situation;
- Commuting time; and,
- Hours of work.

Recipients of Fishing Benefits are only expected to be available for fishery work, including work supporting the fishing enterprise. They are not required to seek other work if they are engaged in activities related to fishing, such as working on gear or participating in fisheries related training.

If an EI claimant takes on full-time work, they cease to receive EI. However, they may take full-time work temporarily and then return to their original claim – either by keeping the claim open and deferring those weeks, or by reactivating the claim – provided they leave this temporary work with ‘just cause’. They do not have to wait a week to resume receiving EI and generally processing of a resumed claim is straightforward and quick. Claimants may begin counting the hours worked while in this kind of a temporary job towards their next claim for EI regular benefits, even if they return to receiving EI benefits under their first claim in the meantime. The risk from suspending claims is of benefit period exhaustion – especially for fishing benefits as they cannot extend their claim period.

The EI program allows workers to retain some EI benefits if they work part-time while on claim (WWC), provided they earn 90% or less of their previous weekly average insurance earnings through this work plus their EI benefits. EI benefits will be reduced by 50% of the WWC employment earnings in the WWC weeks. Above the 90% cap, EI benefits are deducted dollar-for-dollar.

WWC policies are particularly relevant to regular seasonal EI claimants. In 2019-2020, 55.9% of EI claims by seasonal claimants included at least one week of work while on claim, as compared to 45.9% of claims by non-seasonal claimants (CEIC, 2021). Seasonal claimants who engaged in WWC did so for 30.5% of their claim weeks while non seasonal claimants worked only 20.4% of their claim weeks. This pattern is not surprising. Many regular seasonal EI recipients use EI when waiting for their next work season in a predictable pattern and therefore may fit WWC into an annual plan, whereas many non-seasonal EI recipients are more likely to be actively seeking to return to full-time work as soon as possible, without the reassurance of an anticipated return to seasonal work.

3. EI and effective earnings for seasonal occupational pluralism

EI benefits can greatly affect the effective wages that a seasonal worker earns by participating in the labour market.⁶⁶ When a seasonal worker is increasing their EI entitlement, their effective wage includes not only the amount paid by their employer, but also the marginal EI earnings they will be entitled to in the off-season because of the hours worked and income earned. When a seasonal worker is not increasing their EI entitlement, however, and instead working weeks when they could otherwise be receiving EI, then their effective wage is the amount paid by their employer minus the EI benefits that they would otherwise be receiving were they not working. EI benefits are effectively a wage for “leisure” to use the economics term,⁶⁷ which can only be collected by not working in formal paid employment.

The ultimate result of these patterns is that assuming a worker returns to their seasonal employment each year, the EI program makes seasonal employment much more rewarding up to the point in the year when a worker maximises their entitlement for EI benefits, and then makes further work much less rewarding as EI benefits are effectively lost for each additional week worked. This latter period is when workers might engage in seasonal OP, and so is especially salient for this report. We will illustrate this pattern through two sets of scenarios based on program rules and other considerations in the year 2022: the first for workers who combine multiple full-time jobs, and the second for workers who qualify for EI based on a full-time job and then work part-time while on claim.

Note that a counterpoint to many of these findings will be that workers cannot choose when they leave their paid employment to claim EI regular benefits, must actively seek work while receiving EI benefits, and must accept suitable work if offered while receiving benefits. A later section addresses to what extent these requirements truly apply in the rural Maritimes.

3.1 Scenario package 1: Combining full-time jobs over different seasons

Summary

This scenario maps out earnings for workers who work 40 hours per week in a primary seasonal job for 14 weeks, and 40 hours per week for varying numbers of weeks over the rest of the year. Effective hourly earnings in the first 14-week job are high due to wages and the incremental increase in the numbers of weeks of EI

⁶⁶ The emphasis of this report is on workers who are committed to a seasonal occupation that has some consistency in terms of weeks of work and timing from year-to-year. The analysis would be slightly different for more precarious rural workers who are not attached to a relatively consistent seasonal job and therefore might consider any accrued benefits to have value. However, given seasonal variations in the availability of jobs, and policies around ‘just cause’ for leaving employment and having access to EI, it is likely that exceptions to our scenario where employees have employment in particular times of year would be rare.

⁶⁷ Economists use the term “leisure” to classify activities which are outside of paid employment and are in effect a consumption good. This should not be understood as a subjective judgment on the quality of this time, but to acknowledge that when choosing to accept a wage the value of this wage is not measured against nothing, but against the value of leisure – i.e., what the worker would do if not in paid employment. As noted in multiple parts of this report, activities under this term can offer considerable utility and be quite demanding of personal effort, involving for instance care for family members and property, learning activities, care for personal health and wellbeing, community engagement, etc. The value of leisure time also varies between individuals based on their circumstances and social and household roles.

benefits entitlements. Over an additional 12 weeks, earnings are basically equal to wages. For the final 26 weeks of the year, wages are reduced as employment weeks are in lieu of claiming EI income. After loss of EI benefits, income taxes, and approximate commuting costs, we find that for close to half the year effective hourly earnings from seasonal OP are equal to between only 17% and 26% of hourly wages depending on the wage rate.

In Scenario package 1, workers in Eastern Nova Scotia work their first seasonal job full-time (40 hours per week) for 14 weeks. We then vary their EI benefits based on the number of additional weeks they work full-time (40 hours per week) over the course of the rest of the year. For more information on the scenario parameters, please see Appendix 3.

The scenarios are based on the following hourly wages:

- \$15 in all jobs
- \$20 in all jobs
- \$30 in all jobs
- \$50 in the first job and \$25 in other jobs

Under these scenarios, workers work essentially under three conditions:

- Their period in their first job, when they are accumulating EI entitlement, which corresponds to 560 hours or 14 weeks
- The first part of their other job(s), when they are accumulating usable EI entitlement, which corresponds to 490 hours or 12.25 weeks (the minimum requirement for EI entitlement given a 11.8% unemployment rate)
- The remaining time in their other job(s) when they work in lieu of claiming EI, which corresponds to 1,030 hours or 25.75 weeks

Table 3.4 shows gross hourly wages when accounting for EI benefits entitlement over these periods, and the marginal total EI benefits of working in these different periods, for our different wage scenarios. The returns to work in the first job are very high, especially for lower wage workers as EI almost doubles the effective gross wage. However, once workers are working in lieu of claiming EI, their effective wages over the final 25.75 weeks of the year are reduced by 55% (or almost 55%) in all cases. Another way of appreciating this effect is that workers give up between \$8,173 and \$15,817 in EI benefits by working the second half of the year.

Table 3.4: Hourly gross effective wages for seasonal workers after tax and marginal EI benefits, by work period relative to EI entitlement – Scenario Package 1

	Wage scenario	First job	Other job(s) - rising EI entitlement	Other job(s) – working in lieu of claiming EI
Weeks	All	14	12.25	25.75
Hourly wages accounting for EI benefits entitlement	\$15	\$29.14	\$15.52	\$7.07
	\$20	\$38.86	\$20.90	\$9.32
	\$30	\$57.34	\$31.03	\$14.64
	\$50/\$25	\$77.34	\$25.86	\$9.73

Marginal EI benefits	\$15	\$7,920	\$252.66	(\$8,172.66)
	\$20	\$10,560	\$440.00	(\$11,000.00)
	\$30	\$15,312	\$505.31	(\$15,817.31)
	\$50/\$25	\$15,312	\$421.09	(\$15,733.09)

Note that these tables do not account for the present up-to-five-week extension of EI entitlement for seasonal claimants in specific regions, which include all of the rural Maritimes.⁶⁸ The effect of this policy is 1) to increase hourly wages accounting for EI benefits entitlement in the first job, 2) reduce the middle period indicated above by five weeks (and eliminate any EI benefits accumulated in this period so earnings correspond only to wages) and 3) to increase the period of work in lieu of claiming EI by five weeks. In other words, under this policy workers have very low hourly wages accounting for EI benefits entitlement for almost 31 weeks per year.

This table smooths over differences over time which are more abrupt. Figure 3.3 indicates total gross take-home income (from employment and EI benefits) based on the amount of employment income earned in the \$20/hour wage scenario. Patterns for the other scenarios are similar. Up until the threshold of eligibility is reached, workers earn only their base salary. Just meeting the threshold causes a major spike in earnings due to the immediate arrival of weeks' worth of EI benefits. Earnings then rise at a fast rate up until the weeks worked surpass the best weeks divisor, then they rise more slowly until the worker leaves their primary job. Earnings then increase at the wage rate of the other full-time job until there is a very modest little spike in earnings when the other full-time job(s) raise(s) the worker's EI entitlement by one week. From this point, the worker is working in lieu of claiming EI and therefore we observe the slowest increases in earnings based on employment income earned.

Figure 3.3: Gross income based on employment income earned, from \$20/hour wage – Scenario Package 1



Of course, workers are increasing their earnings through employment over the full course of the year in these scenarios. Hence, it could be argued that work remains incentivized,

⁶⁸ This entitlement does not extend the maximum number of benefits weeks beyond 45.

even if marginal wages are low as discussed. This ignores how workers may pursue other activities that they value while receiving EI benefits. Economists appreciate that leisure has value to individuals. Workers may also undertake work outside of the paid economy, such as care for family members, housework (including home maintenance or alteration), artistic creation, and learning or skill development. Or workers may take on paid work informally, avoiding not only taxes but also the loss of EI benefits.

The figures above also do not account for two other factors that reduce the implicit earnings of additional work: income taxes and commuting costs. Table 3.5 presents the after-tax hourly effective wages for seasonal workers excluding and including an estimate of commute costs (see Appendix 3 for details on our calculations of commuting costs) in our four scenarios. Effective hourly wages remain high in the first job even when accounting for commuting costs. Earnings when working in lieu of claiming EI become very low – as low as \$2.90 per hour for workers earning \$15/hour.

Table 3.5: Hourly effective wages for seasonal workers after tax and accounting for commuting costs, by work period relative to EI entitlement – Scenario Package 1

	Wage scenario	First job	Other job(s) - rising EI entitlement	Other job(s) – working in lieu of claiming EI
Weeks	All	14	12.25	25.75
Hourly effective wages accounting for EI benefits entitlement	\$15	\$27.92	\$11.82	\$5.32
	\$20	\$35.33	\$15.79	\$6.96
	\$30	\$49.29	\$22.53	\$10.13
	\$50/\$25	\$64.06	\$17.88	\$6.73
Hourly effective wages accounting for EI benefits entitlement and estimated commuting costs	\$15	\$25.50	\$9.40	\$2.90
	\$20	\$32.91	\$13.37	\$4.54
	\$30	\$46.87	\$20.11	\$7.71
	\$50/\$25	\$61.64	\$15.46	\$4.31

Figure 3.4 provides one last picture of earnings for the EI eligible, showing marginal hourly wages per hour worked for our scenario with a \$50/hour wage in the first job and \$25/wage in the second job scenario in gross and after taxes. The figure emphasizes the points, applicable in all the scenarios, where EI entitlement alters based on hours or weeks worked, illustrating that the average amounts indicated in our tables miss variations over time. The point when the worker first becomes eligible for EI their implicit hourly earnings are so high that they do not even appear on the figure. There is a second smaller spike when the worker becomes eligible for one additional week of EI. Then in the period when the worker is working in lieu of claiming EI benefits, they lose EI amounts in the hours starting each week they are giving up benefits, resulting in downwards earnings spikes.

Figure 3.4: Marginal hourly wages per hour worked before and after tax in scenario with \$50/hour wage in first seasonal job and \$25/hour wage in second seasonal job – Scenario Package 1



Note that the x-axis does not advance in regular increments but as a function of wage earnings.

This specific scenario merits special attention also, however, because often encouraging seasonal workers to pursue other jobs in the off-season implicitly asks them to accept a lower wage for these off-season jobs. The figure illustrates how the EI system amplifies the disadvantages of taking this lower wage job, because the lost EI earnings are based on the first job's higher wages (up to the maximum).⁶⁹ One interviewee referenced earners earning less working instead of claiming EI. To take a concrete example, this could be the case for fishers who can accumulate high earnings during the fishing season allowing them to maximise EI benefits, but then might have opportunities to work for close to the minimum wage as labourers or apprentices. Someone on a \$638/week maximum EI claim would need to earn at least \$21.67/hour for 30 hours per week, or \$15.95 for 40 hours per week to at least match their EI earnings – i.e., to earn \$0 net for these hours of work. This is without accounting for commuting costs.

These scenarios were modelled around regular EI benefits. The picture for those receiving EI fishing benefits is slightly different but has some similarities. The incentive to work is based on earnings as noted earlier. In Eastern Nova Scotia, earning up to \$18,560 in 2022 would increase your maximum EI benefits – after that, there is no additional EI benefit to further earnings. When the disincentive is active and fishers are working rather than claiming EI, the implicit wage effects basically match the worst periods in our regular earnings scenarios. In the past, this structure might have had less disincentivizing effect on employment than at present, because it would take fishers a longer period to earn the income required to maximise their EI benefits. Rising fish prices have increased fisher incomes, shortening the time needed to reaching income levels required for maximal EI benefits. Of course, rising fishing incomes may also have reduced returns to EI as a higher

⁶⁹ Additionally, the worker may likely be taxed at a high rate on the marginal income of this second job than a worker for whom this is their regular income, when the higher wage in the first job places the worker in a higher tax bracket. Workers in year-round jobs think about tax rates as being based on their single salary, however seasonal workers taking on different jobs in different parts of the year may be more conscious of how they are accumulating income over time that will affect how that income is taxed.

share of fishers may have a part of their EI income clawed back, but the clawback can only amount to up to 30% of a maximum EI benefit amount.

The biannual structure of fishing benefits creates some complexities, as basically it is not possible to receive 26 weeks of EI twice in a 52-week year. For self-employed fishers who will participate in harvesting activity in both the summer and winter with an interruption in between, the program basically incentivises self-employed fishers to complete their harvesting activities as quickly as possible to concentrate earnings of up to \$18,560 in the shortest period possible.⁷⁰ EI is therefore one more factor fishers will consider when thinking about their pace of harvesting, and balancing this against safety concerns.

Self-employed fishers making claims only once per year could hypothetically harvest 25 weeks, experience a waiting week, and then collect 26 weeks of benefits. The disincentive to employment applies for the 26 weeks. Some self-employed fishers who work shorter seasons and maximise their EI claim period could work after the end of their EI period with modest EI implications until the fishing season resumes – basically they could qualify for regular EI benefits for a handful of weeks. Challenges to coordinate employment for just this specific period may mitigate fishers' interest in rushing harvesting and seeking EI just before resuming harvesting.

3.2 Scenario Package 2: Working part-time while on claim

Summary

This scenario maps out earnings for workers who work 40 hours per week in a primary seasonal job for 26 weeks, and part-time for 29 hours per week for varying numbers of weeks over the rest of the year. Effective hourly earnings in the first 21 weeks of full-time employment are high due to wages and the incremental increase in the numbers of weeks of EI benefits entitlements. For the final 26 weeks of the year while working part-time, wages are reduced as employment weeks are in lieu of claiming EI income. After loss of EI benefits, income taxes, and approximate commuting costs, we find that for close to half the year effective hourly earnings from part-time seasonal OP are equal to between only 19% and 26% of hourly wages depending on the wage rate.

In Scenario Package 2, workers in Eastern Nova Scotia work their first seasonal job full-time (40 hours per week) for 26 weeks. We then vary their EI benefits based on the number of additional weeks they work part-time (29 hours per week) over the course of the rest of the year. For more information on the scenario parameters, please see Appendix 3. The scenarios are based on the same hourly wage earnings as in Scenario Package 1.

Under these scenarios, workers work essentially under three conditions:

⁷⁰ The length of time between when a harvesting period ends and the next begins makes some difference, as so long as this period is longer than 26 weeks there is no EI incentive to accelerate harvesting.

- Their period in their first job when they are accumulating EI entitlement, which corresponds to 840 hours or 21 weeks
- The second period of their first job, when they do not lose or gain any EI entitlement, which corresponds to 80 hours or two weeks;⁷¹
- The third period of their first job, when they are working in lieu of claiming EI, which corresponds to 120 hours or three weeks;⁷²
- Time working part-time while on claim, which corresponds to up to 26 weeks.

Table 3.6 shows gross hourly wages when accounting for EI benefits entitlement over these periods, and the marginal total EI benefits of working in these different periods, for our different scenarios. As in Scenario Package 1, effective gross wages are very high in the period when workers are accumulating EI entitlement. Once they are working in lieu of claiming EI, however, marginal wages fall to a very low point. Hourly earnings are higher when part-time working while on claim, but still markedly lower than nominal wages. In total, workers give up between \$5,655 and \$11,310 to work part-time while on claim.

Once again, these tables do not account for the present up-to-five-week extension of EI entitlement for seasonal workers in specific regions which include all the rural Maritimes. The effect of this policy is 1) to increase hourly wages accounting for EI benefits entitlement in the first job and reduce the length of this period by two weeks, 2) eliminate the middle period without EI, and 3) to increase the period of work in lieu of claiming EI by four weeks. In other words, under this policy workers have low hourly wages accounting for EI benefits entitlement for almost 33 weeks per year.

Table 3.6: Hourly gross effective wages for seasonal workers after tax and marginal EI benefits, by work period relative to EI entitlement – Scenario Package 2

	Wage scenario	First job – gaining EI entitlement	First job – no EI implications	First job – working in lieu of claiming EI	Part-time WWC
Weeks	All	21	2	3	26
Hourly wages accounting for EI benefits entitlement	\$15	\$26.00	\$15.00	\$6.75	\$7.50
	\$20	\$34.67	\$20.00	\$9.00	\$10.00
	\$30	\$51.27	\$30.00	\$14.05	\$15.00
	\$50/\$25	\$71.27	\$50.00	\$34.05	\$12.42
Marginal EI benefits	\$15	\$9,240	-	(\$990)	(\$5,655)
	\$20	\$12,320	-	(\$1,320)	(\$7,540)
	\$30	\$17,864	-	(\$1,914)	(\$11,310)
	\$50/\$25	\$17,864	-	(\$1,914)	(\$9,485)

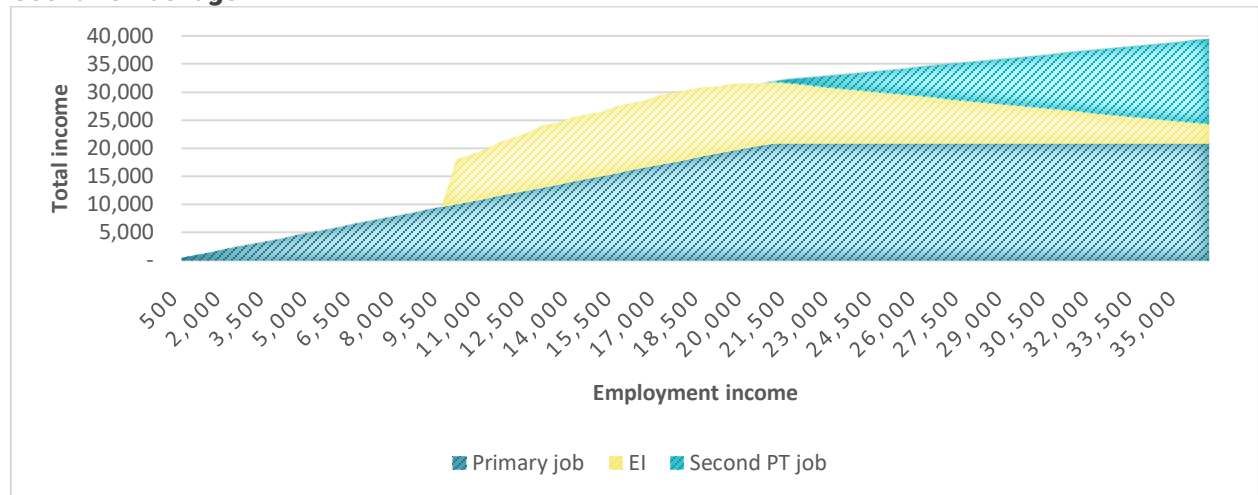
Figure 3.5 indicates total gross take-home income (from employment and EI benefits) based on the amount of employment income earned in the \$20/hour wage scenario. Patterns for the other scenarios are similar. The left part of the figure resembles the equivalent figure for Scenario package 1, showing a spike in income once the minimum

⁷¹ They do not gain EI eligibility in our scenario because the maximum number of combined weeks of full-time employment and EI receipt cannot exceed 51, accounting for the length of the year and the waiting week.

⁷² The period of working in lieu of claiming EI begins earlier in the year in Scenario Package 2 than in Scenario Package 1. This is because in Scenario Package 1 the worker leaves their first job and has to reach the 490 hour threshold to claim EI for their second job before gaining any EI weeks of eligibility, whereas in Scenario Package 2 the worker is continuously accumulating EI weeks of eligibility in the same job.

hours requirement is met for EI entitlement. Subsequently, EI entitlement rises until income flatlines briefly when work is in lieu of claiming EI entitlements, before increasing at a slower rate under part-time work WWC.

Figure 3.5: Gross income based on employment income earned, from \$20/hour wage – Scenario Package 2



Again, these figures do not account for income taxes and commuting costs, which are included in Table 3.7. Once again, we see that earnings when working in lieu of claiming EI become very low – as low as \$5.14 per hour for workers earning \$15/hour without accounting for commuting. However, earnings are almost equally low in part-time WWC. The data highlight especially the costs of commuting. We assume that those in part-time WWC commute four times per week, but shorter and less frequent commutes can make an important difference for earnings.

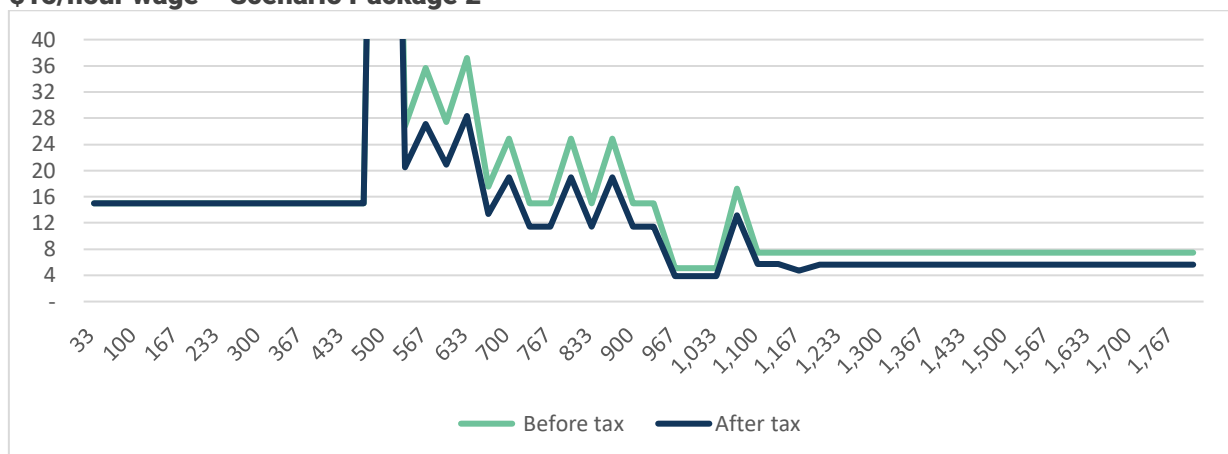
Table 3.7: Hourly effective wages for seasonal workers after tax and accounting for commuting costs, by work period relative to EI entitlement – Scenario Package 2

	Wage scenario	First job – gaining EI entitlement	First job – no EI implications	First job – working in lieu of claiming EI	Part-time WWC
Weeks	All	21	2	3	26
Hourly effective wages accounting for EI benefits entitlement	\$15	\$23.62	\$11.43	\$5.14	\$5.64
	\$20	\$30.17	\$15.14	\$6.81	\$7.57
	\$30	\$42.50	\$20.75	\$9.72	\$10.37
	\$50/\$25	\$56.33	\$34.58	\$23.55	\$7.47
Hourly effective wages accounting for EI benefits entitlement and estimated commuting costs	\$15	\$21.20	\$9.01	\$2.72	\$2.97
	\$20	\$27.75	\$12.72	\$4.39	\$4.90
	\$30	\$40.08	\$18.33	\$7.30	\$7.70
	\$50/\$25	\$53.91	\$32.16	\$21.13	\$4.80

Figure 3.6 provides one last picture of earnings for the EI eligible, showing marginal hourly wages per hour worked in the \$15 wage job scenario in gross and after taxes. The figure

emphasizes the points, applicable in all the scenarios, where EI entitlement alters based on hours or weeks worked, illustrating that the average amounts indicated in our tables miss variations over time. The pattern is of very choppy returns to employment when this affects EI entitlement. However, there is a unique period of steady (and low) returns to work: while on part-time WWC.

Figure 3.6: Marginal hourly wages per hour worked before and after tax in scenario with \$15/hour wage – Scenario Package 2



Note that the x-axis does not advance in regular increments but as a function of wage earnings.

Part-time WWC is arguably most relevant to workers who wish to work part-time to build towards a longer-term career goal, such as possibly to gain hours towards a trade. One example might be a fish harvester accumulating hours towards a welding or carpentry certification. In this case, EI basically acts as a subsidy for career development. This is most salient for those who have higher wages in the job worked to gain EI entitlement than in their part-time WWC job. These workers' effective hourly wages in WWC are reduced by 50%, but this takes a smaller bite out of their EI benefits over the relevant weeks than for workers earning a constant hourly wage, so these workers' can earn a higher overall weekly income than if they took on the lower-paying career-developing job full-time. Even here, however, the EI program partially mitigates the benefit of supporting the career-developing work by discouraging the worker from taking on this work full-time.

Ultimately, those who work part-time while on claim will earn more nominally than those who do not, given no EI parameters actively reduce earnings if you work while on claim. The 2020-21 EI Monitoring and Assessment Report (CEIC, 2022) indicated that those who worked while on claim full-time or part-time had average weekly total income (wages plus EI benefits) of \$673 per week, including weeks of WWC and without WWC earnings, compared to \$490 per week among those not working while on claim. Still, effective hourly wages matter and present policies reduce them markedly for OP across our scenarios.

3.3 Other income and other income support programs

Summary

The EI program counts certain funds as earnings whereas others are not, with implications for benefit amounts and consequently work incentives. This includes funding from employer pension plans and the Canada Pension Plan (CPP) under certain circumstances. Other programs may also disincentivize participation in seasonal work, or any work at all, including poverty-related programs, such as CPP Disability Benefits, the Guaranteed Income Supplement (GIS) and related allowance for OAS recipients, or income assistance. These programs typically use different mechanisms to try to mitigate the “poverty trap” that can emerge when people lose benefits for participating in the workforce. Each program has an exemption for earned income, typically based on an initial 100% exemption from deductions and then an incremental deduction on additional earnings. As the share of older Maritimers increases, incentives for this population to continue working will increase in importance.

The treatment of income other than wages for EI are complex and not in all cases relevant to the topic of OP. Earnings paid or payable upon separation can affect the start date of a claim or the waiting period, the benefit period, and benefits received, but consultations suggest that seasonal employers and workers generally negotiate contracts to mitigate any disadvantages in this area.

Importantly, certain funds count as earnings for the EI program whereas others do not, with implications for benefit amounts and consequently work incentives. Earnings are “any amount paid or payable that’s related to or has originated from employment” (GOC, 2023d). Beyond wages, salaries, commissions, or self-employment income, they can include monetary employment benefits, such as retirement pensions, bonuses, vacation pay, or severance or notice pay, or other benefits such as housing, meals, or insurance coverage.⁷³ The most relevant incomes here are those related to elderly workers (such as pension income) and persons with disabilities.

The EI program considers funding from employer pension plans and the Canada Pension Plan (CPP) as earnings because they result from employment. However, under certain circumstances, pension income may be considered as “resulting indirectly from employment” and therefore not constitute earnings. This includes disability pensions from employers or from CPP, hence the EI program does not negatively affect incentives for persons with disability pensions to seek employment. The pension of a person who requalifies for EI benefits after the date on which payment of the pension begins also does not qualify for earnings. This means basically that when someone begins to receive CPP or an employer pension they must recommence accumulating entitlement for EI benefits. These policies mean that pension receipt for seasonal employees who regularly renew their accumulation of hours for EI benefits, the primary way in which CPP can

⁷³ How EI will treat health and dental benefits provided on seasonal layoff is difficult to assess – such treatment appears to occur on a case-by-case basis.

affect their EI receipt and employment incentives is in the period when they first start a claim.

For older workers, seasonal work combined with EI receipt may constitute a form of partial retirement requiring work only for part of the year. This could have strong advantages for older workers in terms of delaying their take-up of CPP. The standard age to begin receiving CPP is age 65, however recipients can begin claiming CPP at age 60 and 0.6% lower payments for each month when CPP is claimed before age 65 – up to a maximum of 36% lower annual payments for those starting at age 60 (GOC, 2023e). Meanwhile, those who begin claiming at age 70 receive 0.7% higher payments for each month delayed, up to a maximum increase in annual payments of 42%.

The EI program does not consider various forms of savings or insurance as relating to employment, and consequently as earnings. This includes registered retirement savings plan (RRSP) amounts or other voluntary contributions to a pension fund, amounts received based on spousal or dependent entitlements, veteran's pensions, and Old Age Security (OAS) including the Guaranteed Income Supplement (GIS). These sources of income may be especially important for seasonal workers who are unlikely to have received employer pensions, and in the case of self-employed fishers also may not be eligible for the CPP.

Of course, the one concern is that these sources of income may together raise incomes to such a point that taxation effects become significant. As noted earlier, there is a 30% claw back for EI on net income (before income taxes) earned above \$73,375 (in 2022) up to 30% of total EI benefits earned. With respect to OAS, there was also a 15% recovery tax on net income (after taxes) above \$81,761 in 2022, which would compound with the EI clawback. CPP earnings and RRSP moneys would only amplify earnings that could be taxed, although RRSP money at least is entirely optional to withdraw. The end effect is that marginal taxation would be very high for potential recipients of OAS and EI with very high earnings, although likely there are very few people for whom this might be of concern.

Other programs may also disincentivize participation in seasonal work, or any work at all. This includes especially poverty-related programs, such as CPP Disability Benefits, the Guaranteed Income Supplement (GIS) and related allowance for OAS recipients, or income assistance. These programs typically use different mechanisms to try to mitigate the "poverty trap" that can emerge when people lose benefits for participating in the workforce. Each program has an exemption for earned income, typically based on an initial 100% exemption from deductions and then an incremental deduction on additional earnings above a threshold of between \$250 and \$550 per month (Harder and Graddon, 2019). There remain problems, however. CPP Disability Benefits may put into question a recipient's eligibility for the program if they earn more than the minimum amount. Income assistance recipients are often eligible for health insurance and other benefits that they can lose if they go off assistance. A present pilot program in PEI exempts social assistance recipients from deductions if they work in construction, tourism, agriculture, and fisheries, among other supports (211 PEI, 2023). Ultimately, these measures do not relate specifically to seasonal sectors, although a combination of seasonal work and EI may be a helpful intermediate living arrangement between one of these programs and full-time year-round employment.

One other consideration is how the EI program can support or discourage participation in training. Chapter 4 discusses interactions between EI and education and training in more detail.

3.4 To what extent do earnings incentives matter?

Summary

There is moderate evidence as to the effects of income support programs like EI benefits on labour force participation. EI experiments suggest that changes in WWC provisions and weeks of entitlements have affected work behaviour by EI claimants. Fish harvesters who do not receive EI benefits engage more in seasonal OP than fish harvesters who do receive EI benefits. Internationally, there is strong quasi-experimental evidence of the effects of benefit programs on labour market engagement. However, seasonal workers are not simply short-term profit maximisers when it comes to EI, or entirely carried away by loss aversion bias. Many seasonal EI recipients participate in work while on claim even while earning much reduced hourly effective wages.

Our scenarios illustrate how EI affects the effective wages seasonal workers collect through working in different circumstances. What they do not indicate, however, is how these wage effects shape the behaviour of Maritime seasonal workers in the real world.

From our interviews, industry representatives, government and college officials, and labour market experts generally believe that these incentives matter. Multiple interviewees indicated that a sizable share of seasonal workers seek to optimize their EI earnings, and a share of employers adjust their working seasons on this basis (for instance, operate for a shorter period than they would otherwise) to be able to attract and retain the workers they need. Some interviewees also specifically referenced workers preferring not to work in certain roles in the off-season because this would reduce their overall earnings, or they would not be interested in working to in effect earn only 50% of their wages. Seasonal workers also often referenced how EI rules make it more attractive to work just part of the year, and not attractive to combine multiple jobs in different parts of the year.

Eighteen percent of businesses outside of Halifax in the AISC (2022) survey reported that the availability of federal subsidy programs reducing applicants is a challenge for recruitment, compared to only 10.8% of employers in Halifax. This was a particular challenge for employers in tourism and fisheries, cited by 28.3% and 24.3% respectively, as opposed to agriculture (cited by 15.9%). This would presumably represent primarily the availability of EI, although the precise wording might leave this unclear. This would not rank EI highly as a factor relative to other concerns, which might reflect how EI can both boost and hinder labour supply for seasonal sectors or might be because EI is seen as less salient since it is a constant compared to other concerns which are changing over time – experts would perhaps be more likely to raise a structural concern than employers focused on problem solving within present structures.

Evidence from the EI programme strongly suggest EI income effects on worker behaviour. This is most apparent from evaluations of pilot initiatives addressing specific perceived challenges.

The EI programme has experimented with various methods of treating employment earnings from part-time WWC. Under the 1997 EI rules, claimants could earn the higher of \$50 per week of earnings or 25% of weekly benefits without losing any benefits, but then reduced benefits dollar-for-dollar with earnings above that threshold (CEIC, 2022).⁷⁴ Between 1997 and 2005, the share of claimants engaged in part-time WWC fell by roughly eight percentage points, while the average number of weeks of part-time WWC fell from ten to approximately six (Busby, Lluís, and McCall, 2021). So many dimensions of the EI program changed in 1997 that it is difficult to attribute the reduction in WWC to any single factor. But the decline in WWC drew policy attention, and starting in 2005, a series of pilot projects tested alternative models. These included:

- a) The present model reducing benefits by 50% of the WWC amount earned until earnings reach 90% of claimants' weekly insurable earnings;
- b) Raising the exemption threshold where part-time WWC earnings incurred no penalty with regards to EI benefits up to the higher of \$75 or 40% of weekly benefits;
- c) Allowing claimants to choose between the preceding two models a) and b).

A key finding from these evaluations was that moving from an exemption threshold to ignoring a percentage of earnings appeared to raise the average number of weeks worked on claim by almost double, to 11 or 12 weeks, based on descriptive methods only (Busby, Lluís, and McCall, 2021). Focus group participants also preferred the rule exempting a certain amount of earnings before reducing EI benefits because they only expected to find one-or-two days of work per week and were reluctant to work for 50% of their wages on net. Employers reported finding it easier to secure workers for one-or-two days of work per week after the first pilot raised the exemption level, whereas it was difficult to attract workers for these smaller blocks of time under the 50% rule.⁷⁵

Other pilot projects have sought to address seasonal workers running out of benefits before the new work season begins, by adding up to five extra weeks of entitlements. Evaluations found that the extra weeks of entitlement resulted in lower subsequent work time, suggesting workers adjusted their work behaviour to the extra weeks of benefits available. More specifically, a critical subset of workers replaced \$1,300 in employment income with EI income (ESDC, 2022).

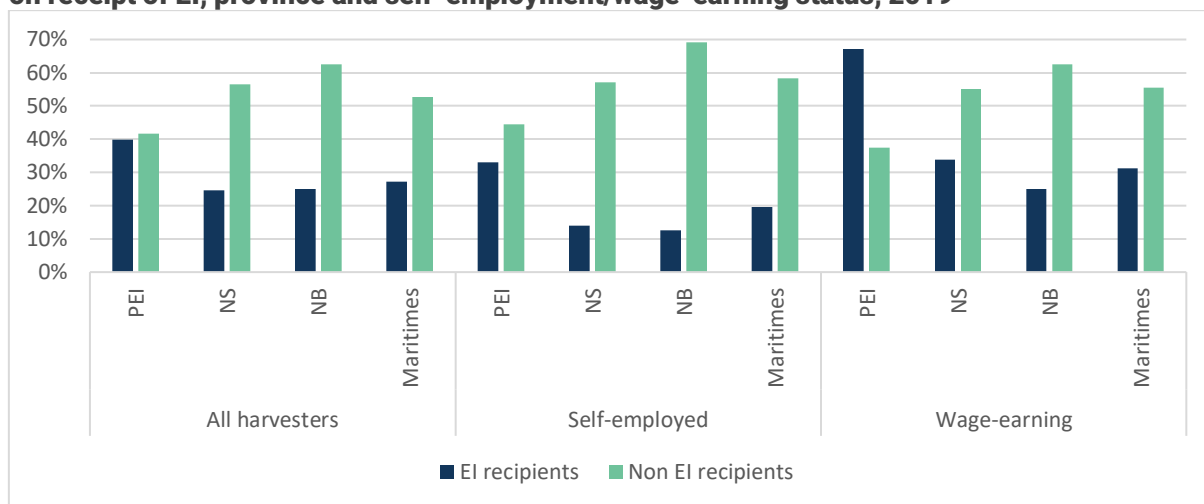
Our tax-filer data are also suggestive of the effects of EI benefits on engagement in OP among fish-harvesters. Figure 3.7 compares the percentage of Maritimes fish harvesters in 2019 who participated in OP based on whether they received EI benefits income or not. Regionally, fish harvesters who did not receive EI benefits income were almost twice as likely to have \$1,000 in non-fishing wage income than fish harvesters who had received EI

⁷⁴ Previously claimants could earn 25% of their EI benefits while on claim without any clawback, but the subsequent reduction in benefits was dollar-for-dollar.

⁷⁵ One research hypothesis has been whether more generous part-time WWC provisions encourage workers to transition into permanent jobs, as they build work experience. There is little evidence to support this idea to date.

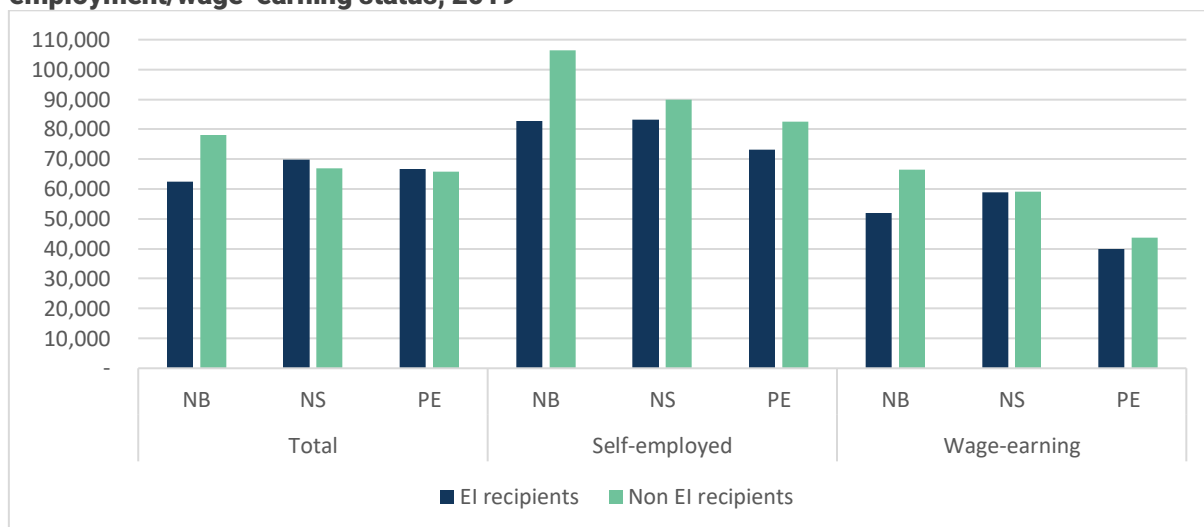
benefits. This rose to a three-fold difference among self-employed fish harvesters. PEI was the only province where this pattern was not apparent.

Figure 3.7: Percentage of fish harvesters earning at least \$1,000 in wage OP earnings based on receipt of EI, province and self-employment/wage-earning status, 2019



Additionally, those who use EI benefits on average have lower earnings than those who do not, as shown in Figure 3.8, but these earnings differences are modest – especially in Nova Scotia and PEI. Therefore, increased earnings only modestly reduce fish harvesters' propensity to submit an EI claim. The salience of EI is unlikely to fall dramatically just because fishing earnings improve.

Figure 3.8: Average incomes of fish harvesters based on receipt of EI, province and self-employment/wage-earning status, 2019



Outside of EI-specific evidence, there is strong quasi-experimental evidence of the effects of benefit programs on labour market engagement. Research indicates that eligibility for benefits and the amount of benefits both significantly reduce labour market participation

amongst disability insurance participants for instance, and reduce net wages as a result (French and Song, 2014; Marie and Vall Castello, 2012).⁷⁶ These examples illustrate however how this may not be a purely negative thing, for instance if these beneficiaries are healthier as a result of not having to work. A welfare experiment in BC and NB in the 1990s, called the Self-Sufficiency Project, gave clients in the ‘treatment’ group generous earnings supplements if they exited welfare for full-time work, but ultimately these individuals had worse long-term job prospects because they invested less in education than the control group (Riddell and Riddell, 2012). The point is to say benefits programs like EI have empirically demonstrated disincentive effects on labour force participation, but not to insist that this is wholly detrimental.

There is also increasing evidence supporting the notion of loss aversion bias, whereby individuals will respond more actively to the prospect of losing a benefit they have received than to gain an equivalent benefit which they do not see themselves as already possessing (Avram, 2015). It appears likely that this affects incentives to work when benefits are withdrawn. Thus, framing matters a great deal. The fact that EI benefits are understood in many seasonal communities and industries to be earned entitlements could amplify workers’ resistance to losing these benefits.

However, seasonal workers are not simply short-term profit maximisers when it comes to EI, or entirely carried away by loss aversion bias. Seasonal EI recipients exhibit diverse behaviours. Many, as noted earlier, participate in work while on claim even while earning much reduced hourly effective wages. Moreover, a share of seasonal workers do not seek to maximise earnings from the program. Only 58% of regular seasonal claims across Canada in 2019-2020 were from “frequent” claimants, defined as those who have had three or more regular or fishing claims and collected benefits for more than 60 weeks in total within the previous five years (CEIC, 2021).⁷⁷ The distinction between frequent and non-frequent claimants is more significant than that between seasonal and non-seasonal claimants, as illustrated by Table 3.8. Average claims by non-frequent seasonal claimants were 10 weeks shorter than average claims by frequent claimants be these seasonal or not, while they received over 30 percentage points less of the proportion of regular benefits to which they were entitled and were 20 percentage points less likely to exhaust the regular benefits to which they were entitled.

Table 3.8: Duration, proportion of regular benefits paid, and exhaustion rate of benefits for frequent and seasonal EI claimants

Claimant type	Average duration of EI regular benefits	Proportion of regular benefits paid (%)	Exhaustion rate (%)
Non-frequent seasonal	10.9 weeks	40.6%	9.3%
Frequent and seasonal	20.6 weeks	73.5%	29.5%
Frequent, non-seasonal	21.9 weeks	74.6%	34.5%

From interviews, it appears that some are reluctant to use EI as they do not wish to depend on government benefits. Others may work despite EI conditions in pursuit of long-

⁷⁶ Randomly assigned disability insurance in the US reduced labour market participation by 26%, while increasing the generosity of disability insurance in Spain by 36% decreased employment probability by 8% amongst 54-year-olds.

⁷⁷ Seasonal claimants accounted for 84% of all frequent claimants across Canada.

term career goals or professional preferences – although long-term goals may be to leave their seasonal occupation. Interviewees noted that some seasonal workers teach at colleges for intrinsic reasons, such as to train the next generation of professionals and support the continuation of their way of life. Workers may also not have full control of their working periods to optimize their EI benefits, based on dynamic negotiations with employers and seasonal variability in work demands. Finally, workers may not fully understand how EI benefits work or find them difficult to plan around.⁷⁸

4. Other issues surrounding EI, seasonal work, and seasonal occupational pluralism

The EI program has other implications for seasonal work and seasonal OP beyond the relatively straightforward income effects discussed up to this point. These relate to its effects in subsidising and shaping seasonal industries and operations, its effects on workers at the margins of the labour market, concerns related to 'just cause' for job separation, practical challenges in using the EI program, and other unintended side-effects for regular seasonal EI users.

4.1 Subsidising and shaping seasonal industries and operations

Summary

The availability of EI for regular seasonal claimants appears to affect how companies choose to operate, in terms of the length of their seasons, the intensity of their production, and possibly their investments in automation. EI income support mitigates the inherent unpredictability of weather dependent industries by supplementing employer actions to provide workers with an income floor, while this unpredictability also limits the extent to which the EI program itself can be used strategically to optimize earnings. This principle applies to the fishery, but incomes for many fish harvesters have risen to such an extent that it is especially questionable whether continued EI subsidisation is necessary.

The labour market, much like any other market, involves both consumers (employers) and suppliers (workers). Factors that affect how one of those parties engages in the market will also reverberate for the other. A policy that increases the effective returns to work will increase the supply of workers, which will reduce the wages employers need to pay for workers to complete a given amount of work. Inversely, a policy that reduces the effective returns to work will reduce the supply of workers, increasing the wages employers need to pay for workers to complete a given amount of work. We have shown that the EI program

⁷⁸ For example, one seasonal worker interviewee indicated that they did not claim EI benefits because they could not afford to receive them, since the one time they had the tax bill at the end of the year had been very expensive. An income tax bill for earning certain amounts cannot be greater than the amount earned, so this can only speak to challenges adjusting expenses to have money left over for taxes at year end. Hence, we can speak of this worker as refusing EI do the complexities of related financial planning.

has both these effects with respect to seasonal workers, and therefore it also has both types of effects also on employers.

Interviewees indicate that the availability of EI for regular seasonal users affects how companies choose to operate. From interviews, we heard about fish processors working shorter seasons than necessary because they could not retain workers once they had maximized their EI entitlements, and maple syrup producers struggling to attract adequate labour supply in winter months in areas with large seasonal workforces that are in the off-season. There have been stories in the news to similar effect (Pottie, March 27 2023). EI effects on investments in technology are unclear and depend on the labour intensity of the technologies. Productivity-enhancing technologies can be labour replacing or labour-complementing. EI may reduce returns to labour-replacing automation by subsidizing the supply of low-skilled labour in peak seasons or increase returns by constraining the period of availability of lower-skilled labour. For labour-complementing technologies, the effects would be the opposite, although the contemporary technologies with the greatest productivity effects tend to be labour-complementing only for higher skilled workers – workers who are less likely to be available on a seasonal basis as discussed in Chapter 1.

Further details of the EI program amplify incentives to intensify production within a short period of time so that recipients can obtain benefits more quickly and/or maximise their benefit amounts. We noted how this is especially true for those receiving fishing benefits under certain circumstances in Scenario Package 1. For regular benefits, this is due particularly to how a) entitlement is determined based on hours worked rather than weeks and b) benefits levels are determined based on best weeks of earnings – meaning especially that workers with low hourly wages can raise their benefit levels by working more hours in a week. Interestingly, the program also pushes employers to basically employ seasonal workers full-time or not at all, not encouraging say a gradual ramping up or down of hours at the beginning or end of the season as may be more suitable.

The EI program may also encourage employers to produce less intensively, or at least to employ workers part-time, during off-seasons. This is especially true where workers wish to work part-time while on claim and not reach 90% of their prior earnings.

The key characteristic of seasonal industries is the annual separation of workers from employers at the end of each season, as discussed in Chapter 2. This separation creates a regular opportunity to re-evaluate whether each party wants to continue working together which might be less the case in a non-seasonal industry even where pay is approximately equal. Furthermore, workers have time and pressure from the EI program to seek out other work if they do want to make a change. It is no surprise therefore that employers perceive the indirect subsidy they receive from EI with a special awareness of their vulnerability to losing workers. Informal relationships are the primary counter to this insecurity, as each party provides mutual assurances bound up with their level of interpersonal trust.

The little-known Supplementary Unemployment Benefit (SUB) Program within EI is designed to help employers retain employees at less cost than keeping them on payroll. Employers register SUB plan agreements with Service Canada, whereby the employers will supplement EI benefits for employees who are unemployed due to a temporary work stoppage, training, or illness, injury, or quarantine. Employers may top up benefits to as

much as 95% of the employee's normal weekly earnings from when they are not receiving EI benefits, without triggering WWC deductions.⁷⁹ The plan specifies the expected time of the return to work, with no minimum or maximum period though presumably the employer would expect the worker to be entitled to EI for the period specified. The worker must follow all EI rules, including being available and looking for work, and is subject to WWC provisions for any work they undertake. Technically the employee is not supposed to do any work for the SUB employer during the stoppage, though in practice this does not appear to be enforced. There were 5,675 registered SUB plans in 2017, and these plans account for around 3% of total EI claims per year (GOC, 2023f). SUB agreements further reduce incentives for workers to seek employment rather than receiving EI benefits, in fact that is their purpose. They are entirely contrary to any vision of a seasonally occupationally plural workforce. But they do implicitly acknowledge the value of having released workers subsequently return to their employer.

Another challenge is that seasonal industries are generally contingent on unpredictable patterns of weather or global markets. At the most extreme, ski operators have no guarantee of snow or cold temperatures to produce snow beginning on a certain date. EI income support mitigates this unpredictability by supplementing employer actions to provide workers with an income floor, while this unpredictability also limits the extent to which the EI program itself can be used strategically to optimize earnings. This unpredictability is an important consideration not fully accounted for in the EI earnings scenarios. Furthermore, while we have characterised seasonal EI usage as not meeting the characteristics of an insurance program because it is a predictable annual income support, it does provide insurance against the unpredictability of start times for seasonal work.

As a last note, no understanding of economics is required to appreciate how EI subsidises fish harvesting operations, as fishers are the only self-employed workers in Canada eligible for EI benefits. The subsidy is significant given again that 74% of those claiming fishing benefits received the maximum amount in 2019-20 (CEIC, 2021). There is a high-income claw-back, but which can only reduce EI benefits by up to 30%, leaving significant amounts still being disbursed to even the highest earners. Whether such a subsidy remains necessary for high earning fish harvesters is an increasingly salient question.

4.2 Workers at the margins of the labour market

Summary

EI is akin to a work-conditioned basic income setting a floor on the earnings of a share of rural residents, conditional on them working a certain number of hours each year. This is how some seasonal workers understand EI in practice – as an entitlement for those who work the required hours and meet the indicated earnings threshold. Recognising this, eliminating regular seasonal EI usage could risk: reducing seasonal labour supply; reducing the incomes of a particularly vulnerable cohort of older workers, workers with disabilities, artists, and other workers with

⁷⁹ Despite using the EI program as a subsidy, SUB agreements can nevertheless be costly for employers, depending on the employee's wages and the size of the top-up.

limited skills and/or formal education; and eliminating an impetus for groups vulnerable to social and economic marginalization to engage with the labour force.

As we have noted through our scenarios of regular seasonal EI usage, the EI program can provide a strong incentive to work, but a peculiarity of the program is that you only benefit from this incentive if you subsequently do not work. Workers received the lowest effective wages in the scenarios when working in lieu of receiving EI benefits. Notwithstanding our emphasis on this reality as a problem, in a certain sense this policy is well adapted to the present circumstances of the rural Maritimes.

Population aging has greatly increased the share of the population over the age of 65 as discussed in Chapter 1.⁸⁰ From our interviews with seasonal workers, as noted earlier, seasonal work can constitute a form of semi-retirement where workers only participate in the labour market for part of the year, to supplement their incomes and to be socially or intellectually engaged. The same can be true of certain workers with disabilities who might struggle to sustain full-time employment throughout the year, and artists and other creatives who may not earn adequate incomes from these activities, as also was apparent from worker interviews.

“Gappers” have been a concern for the EI program, as in seasonal workers who use up their EI benefits before the next season starts. Some call this gap period the “trou noir” (black hole) in the Acadian Peninsula. Although not all of those who experience gaps are low-income, gappers are emblematic of rural residents with limited formal education who live on the verge of poverty as they combine seasonal work with EI (Radio-Canada, December 23, 2022). These workers may engage in seasonal OP largely to ensure they have a source of income of any kind throughout the course of the year. Therefore, the ability to collect hours towards a new claim can be a key point of attraction for temporary work, including work that suspends the collection of EI claims. The EI programme has experimented on pilots to better support gappers, as noted in Section 3.4 of this Chapter. Many of these studies found it difficult to target these workers effectively, although the most recent Pilot Project 21 appeared more effective in targeting seasonal gappers. Evaluation studies have generated concerns about regional inequities and risks of encouraging EI dependence (Gray and Leonard 2020). Still, as referenced previously the Government of Canada (GOC) is providing until October 2023 up to five additional weeks of regular benefits (to a maximum of 45 weeks) for eligible seasonal workers in 13 targeted EI economic regions which include the rural parts of the Maritimes (GOC, 2023g).

EI is akin to a work-conditioned basic income setting a floor on the earnings of a share of rural residents, conditional on them working a certain number of hours each year. This is not merely a theoretical observation, but it is how some seasonal workers understand EI in practice – as an entitlement for those who work the required hours and meet the indicated earnings threshold. Recognising this, eliminating regular seasonal EI usage could risk: reducing seasonal labour supply; reducing the incomes of a particularly vulnerable cohort of older workers, workers with disabilities, artists, and other workers with limited skills and/or formal education; and eliminating an impetus for groups vulnerable to social and economic marginalization to engage with the labour force.

⁸⁰ Here we define rural areas as outside of Census Metropolitan Areas (CMAs), Fredericton, or Charlottetown.

4.3 Concerns related to 'just cause'

Summary

EI requires that claimants have separated from their employer with 'just cause', i.e., involuntarily. This is a reasonable policy, but has some potential negative effects. For instance, present 'just cause' provisions can limit the work that seasonal workers may pursue in off-seasons if they wish to fill in gaps in the year when they do not have employment or EI benefits, in part because 'just cause' is required for each separation between jobs used to accumulate EI entitlements. To resolve these issues, workers may in practice coordinate with an employer to obtain a contract with an appropriate end date, therefore providing 'just cause' for separation, but designing contracts to optimize workers' entitlement to EI benefits is prohibited by the EI program.

As an insurance program, EI is intended to insure against the risk of job loss, the relevant form of hazard, not to be a simple entitlement to benefits upon voluntarily leaving employment. The 'just cause' provisions of the EI program are the key instrument for insuring workers are experiencing the hazard that the program insures against, rather than simply choosing to receive the program's benefits at their convenience.

The program has come to define 'just cause' job separation more expansively. Employees should be able to separate themselves from their employer for 'just cause' so that employers do not have full de facto control over whether an employee can access EI benefits. Determining if the conditions in which an employee separates from an employer qualify as 'just cause' is challenging and may cause some workers to be more reluctant to use the program, given the uncertainty, but this is a necessary condition of EI serving as insurance against job loss.

Still, present 'just cause' provisions significantly limit the work that seasonal workers may accept in off-seasons if they wish to fill in gaps in the year when they do not have employment or EI benefits. If claimants suspend their EI benefits to take on employment for a short period to avoid the *trou noir*, they need to ensure that they are contracted for only this short period, and not for a longer or indefinite period if a) they want to resume an EI claim after working temporarily or b) they want this period to count towards an EI claim.

It is peculiar that the EI program privileges 'just cause' in the accumulation of hours for EI entitlement. Workers may accumulate hours for EI entitlement across multiple jobs. However, hours accumulation ends and must begin afresh whenever a worker separates from an employer without 'just cause'.⁸¹ This is not necessarily negative from the perspective of promoting OP. On the one hand, this reduces the incentive to take on certain jobs to help accumulate hours for EI entitlement, but on the other hand reducing weeks of EI entitlement means reducing weeks where incentives to engage in OP are greatly reduced. However, this policy does increase the insecurity of seasonal workers to unexpected loss of employment since their accumulated EI hours are reduced.⁸² Ultimately, all EI policy relates closely to the balance of power between labour and

⁸¹ Voluntarily leaving a non-seasonal job to return to a primary seasonal job appears very likely to qualify as 'just cause'.

⁸² This is a somewhat complex question because leaving for an objectively better job can be understood as 'just cause'. Also, these 'just cause' considerations do not affect eligibility for parental, sickness, and care-giving benefits under EI.

employers. Restarting hours accumulation for EI entitlement whenever an employee separates from an employer without ‘just cause’ appears to be simply a measure to raise the insecurity for employees of separating from their employers, with little justification in terms of the insurance function of the program. Among the temporary measures instituted during the COVID period was evaluation of only the last separation for ‘just cause’, so that workers could change jobs for whatever reason and have their hours count towards EI entitlement.

To resolve these issues, workers may in practice coordinate with an employer to obtain a contract with an appropriate end date, therefore providing ‘just cause’ for separation. In a sense, this simply allows workers to negotiate contract length to optimize their own interests, something which employers necessarily do already with regards to their own interests. However, designing contracts to optimize workers’ entitlement to EI benefits goes against the basic intent of the program as an insurance against the hazard of unemployment, and consequently this is prohibited by the EI program.⁸³

Without coordinating with employers, EI recipients also surely make decisions where they do not quite optimise their EI claims and value of leisure but strike a balance. This might include taking a four-week full-time contract that makes them ineligible for WWC provisions to fill a three-week benefits gap when the choice is either to take the job or not work at all. In this case, the worker can accept that they will lose one week of EI benefits but considered over the four weeks (if earnings are constant) the EI benefits loss would be best understood not as 55% of earnings for the one week when they worked in lieu of claiming EI, but as a more modest 13.75% (55% divided by four) deduction across the full four weeks of work.

4.4 Challenges in using the EI program

Summary

The EI program is complex and challenging to use, especially for those with lower levels of literacy and other basic skills, persons with disabilities, and those with limited access to the internet. These challenges may discourage a share of workers from claiming EI at all or may discourage claimants from pursuing work while-on-claim out of concerns about loss of benefits or administrative complexity.

The EI program presents important challenges for users. There is an extensive literature on how administrative complexities affect the take-up of public benefits (Ericson et al., 2023; Herd and Moynhian, 2018; Currie, 2004). A “well-known” experiment in the US (Bettinger et al., 2009) found that assisting low-to moderate-income families to complete US student federal student financial aid applications increased the rate of applications by 23.5 percentage points versus a control group, and increased enrolment in college among dependent participants by 29%. This is a dramatic effect from simply helping people to submit applications for benefits to which they are eligible.

⁸³ Our research suggests that this practice is commonplace and most actors are aware of it.

Presently, the GOC indicates that applicants will receive their first benefit “about 28 days” after they submit their application, reflecting the speed of payment standard (GOC, 2023c). Service Canada’s target is to meet this standard 80% of the time, and they did so 88.8% of the time in 2020-2021 (ESDC, 2023). In 2019-2020, eligible claimants received their first payment on average within 19 days of filing an application. Increasing automation has contributed to improving processing times. Still, processing time varies with the complexity of the claim, which depends notably on employers’ timely and correct completion of Records of Employment (ROEs). In sum, EI claimants must bridge a few weeks between the end of their employment and when they will receive EI moneys at the best of times.

ESDC’s 2017 EI Service Quality Review Report described EI as:

a complex program with a difficult-to-navigate process (e.g. complicated applications, forms, and reporting processes) and difficult-to-understand nuances such as severance pay or reasons for separation. Delays or mistakes in providing this information delay benefits, while more complex claims take longer to process. One need look no further than the Record of Employment (ROE) to see how complex the EI program and its requirements are; for example, the guide produced by Service Canada to assist employers in completing the one-page ROE is over 60 pages long.

Beyond these basic complexities, there were important challenges in terms of EI services:

- The Report considered there were “insufficient resources to keep up with processing demands and out-of-date platform that is over 40 years old”, which means there was little automation and considerable hands-on work to process EI claims;
- Service Canada had been prioritizing efficiency and cost savings over service quality, causing service quality to suffer and increasing delays for qualified Canadians to obtain benefits;
- Sixty-nine percent of EI clients were unable to reach a queue to speak to a Call Centre agent, based on data from 2015-2016, while among those who were able to speak with an agent in a 2017 survey, 71% had to call more than once, 69% had to wait over ten minutes to do so and only 38% felt they waited a reasonable amount of time;⁸⁴
- Service Canada employees also rated poorly their own capacity to resolve client challenges, as one employee survey found that 43% of staff felt that multiple contacts were required to solve client’s issues, and 8% indicated that issues usually go unresolved despite contact.

Still, 72% of EI clients who managed to reach agents were very satisfied or satisfied with the quality of service received, and only 9% were dissatisfied or very dissatisfied.⁸⁵

The program can be especially difficult to access for those with lower levels of literacy and other basic skills, persons with disabilities, and those with limited access to the internet – which may notably include older workers. Lower financial literacy can also

⁸⁴ Wait-times were shorter for in-person services. In-person services are meant to provide general information however rather than being program specialists able to make changes and take specific actions on claims.

⁸⁵ Rates of satisfaction were almost identical for those receiving assistance in-person at a Service Canada Centre.

make applying for benefits more challenging or create difficulties after receipt of benefits, notably when filing taxes.

These challenges may discourage a share of workers from claiming EI at all, as we heard from one interviewee, which would mitigate the program's benefits in promoting seasonal work and its drawback in discouraging seasonal OP. However, these complexities may also discourage seasonal workers from engaging in OP out of their desire to minimize their interactions with the EI program and its complexities. Accumulating hours across multiple jobs, where in each case workers will need to confirm 'just cause' for separation, imposes some complexity – including possibly the need to ensure employers have completed required ROEs correctly. Suspending benefits to work for a time, and then returning to benefits, again may impose complexities and demands on workers' time. Workers also find the delay of up to one month before receiving any EI to be difficult.

Some workers also may simply not understand how the program works and operate based on incorrect assumptions or understandings which can have unintended effects. Again, one example was an interviewee who thought it cost them money to enroll in EI, because they had previously had difficulties paying taxes on the additional earnings at the end of the year. Another interviewee cited people thinking they would make less working part-time than receiving EI, something that WWC provisions ensure would not happen. Workers simply intimidated by rules surrounding work while on claim may opt against pursuing it on that basis. The genuine reality of how difficult it is to navigate the EI program, and simple fears of difficulty among those not fully aware, can be equally salient in decision-making.

It should be noted however, that our research suggests a sizable share of seasonal workers reliant on EI become very familiar with the program and adept at navigating it. One interviewee further suggested that in some communities, cottage industries have developed to advise workers regarding how to plan their employment around the EI program, and how to prepare relevant documentation.

4.5 Other unintended side-effects of EI for regular seasonal users

Summary

The EI program creates a variety of perverse incentives for gaming and false statements. It may encourage broader breaching of social norms that are important for good governance, as well as broad trust in governance. It encourages informal employment which is a form of tax evasion and carries with it a variety of risks for workers and their clients. Finally, seasonal uptake of EI benefits may create distortions in unemployment data and resentments between Canadian regions.

Finally, there are other unintended side-effects of how EI presently supports regular seasonal users. Some of these relate directly to seasonal OP, while others merit consideration for wider implications.

The EI program's design context creates a host of incentives for gaming and false statements with respect to seasonal workers. This derives from the basic reality that EI

for regular seasonal users does not constitute an insurance program against hazards, but instead a predictable benefit program conditioned on a certain number of hours of work. Tax-filer data on fish harvesters reinforce this perception.

Pretenses that the program is still an insurance scheme lead to the manipulation of contracts to ensure workers have 'just cause' for separation (as described above) and the requirement that workers seek new employment while on claim (Service Canada, 2018), which it seems for the most part are not enforced seriously in the rural Maritimes.⁸⁶ Operating a benefits program where citizens and officials know the spirit of formal rules are being violated on a widespread basis would appear to have broad implications for social norms relating to respect for rules and trust in institutions (Beeri et al., 2018; Putnam et al., 1994).⁸⁷ The administrative complexities and inefficiencies of claiming EI only compound these effects. Some seasonal employers and claimants interviewed considered the EI program emblematic of bureaucratic inefficiency and waste in the public sector.

On top of EI fictions' possible effects on respect for institutions, the withdrawal of EI benefits for those who engage in WWC and the administrative complexities and frustrations involved in the benefits process also create large incentives for informal or "under-the-table" work, which interviewees suggest is common amongst seasonal recipients.⁸⁸ Such informal work constitutes a form of OP, and therefore mitigates the effects of labour shortages – perhaps notably in the construction sector, where labour shortages have been particularly acute and concerning and informal work is relatively common. Yet, informal work is concerning notably as a form of tax evasion and consequently unethical conduct. There is some evidence that due to loss aversion bias, the loss of benefits will have greater effects on "cheating" or rule-breaking notably through informal work than the desire to avoid equivalent future taxes, although reducing benefits also has the effect of increasing the incentive to cheat purely because it adds to the implicit tax rate (Avram, 2015; Grolleau et al., 2014).⁸⁹ Of course regardless of EI there are also traditions of informal work in home construction and renovation for instance which have little or nothing to do with taxation but instead with longstanding patterns of

⁸⁶ One interviewee also cited as "common knowledge" that certain workers turn to sick leave to shift to EI benefits once they have qualified. Should this be the case, aside from fraud this could relate to workers who are unwell pushing themselves to work up until they have attained benefits. There is an extensive literature on take-up of relatively generous disability benefits in the United States which speaks to disability and capacity to work as a continuum when actually working or receiving benefits is a binary. Essentially, the availability of benefits affects where workers on the continuum are more likely to receive benefits instead of participating in the workforce.

⁸⁷ There is a significant literature on the complex relationships between government performance, trust in government and generalised social capital. These concerns are very relevant to efficient tax collection, as voluntary compliance forms the bulwark of contemporary tax systems by enabling efficient collection without undue expense on auditing and enforcement. The EI structure is basically encouraging claimants to engage in the kinds of distortions involved in routine petty tax evasion.

⁸⁸ Evidence from the US and Canada suggests that workers will often prefer formal work over informal work at the same wages. In Canada, Kostyshyna and Luu (2019) found that 57% of workers engaged in informal work would be somewhat or very likely to engage in formal work hours instead of informal work hours if given the option. The rate was higher at 90% among youth, possibly in part because they do not have the same tax and benefit-based motivations.

⁸⁹ The literature on the relationship between loss aversion bias and willingness to engage in unethical behaviour is not conclusive. Some studies do not find significant loss aversion effects on cheating, at least in certain circumstances (Charness et al., 2019).

Only earnings payable immediately are allocated for EI benefit purposes (GOC, 2023d). Earnings paid in the future are considered and allocated only when the obligation to pay them exists and if the period is for a period when benefits were claimed. This means self-employment income can lead to retroactive reduction in benefits claimed while self-employed. This mechanism of retroactive loss of previously earned funds seems especially likely to encourage under-the-table work based on loss aversion bias.

self-help and mutual support, while informal payment is firmly institutionalized in many tourism-related service industries in the form of tips.⁹⁰

None of this should be taken by any means to argue that EI recipients and their communities are relatively dishonest. In fact, General Social Survey data suggest that rates of social capital are relatively high in the Maritimes by Canadian standards, reflecting strong patterns of community trust and generous mutual support (Cotter, 2015; Turcotte, 2015a, 2015b). This evidence instead points to the direction of incentives under the EI program.

Returning to the topic of informal work, such work is also concerning because it often does not meet health and safety standards, both for workers and end users.⁹¹ For instance, under-the-table workers are not eligible for Workers Compensation Board coverage in the event that they are injured. This is not the only way in which the present design of the EI program may affect health and safety, however. As discussed earlier, it also reinforces incentives for intensive production in minimal periods of time. It is not possible to judge the extent to which this contributes to other health and safety challenges, which may ultimately be modest, we can only note the direction of likely effects. This possible intensification effect is of special concern in fish harvesting – among the most dangerous occupations in North America with fatality rates that have been reported as 19 times or 40 times higher than averages across workers in all occupations (NIOSH, 2023; WCBNS, 2012), with much of the danger depending on whether fishers delay harvesting in foul weather or work long hours in a single day.⁹² There can be important health and safety concerns for other seasonal occupations as well, such as fish processing, agricultural production, and cooking which can involve work with heavy machinery, sharp implements and/or heating processes and instruments.⁹³

Finally, the categorization of workers in rural-seasonal industries who are laid off every year as being unemployed is a self-reinforcing dynamic that creates inequitable access to benefits across Canada. Regions with high rates of seasonal EI usage will as a result have higher rates of unemployment, and these higher unemployment rates lead to residents of these regions receiving higher EI benefits, which in turn make it more attractive to combine seasonal employment with EI claims, thus raising the unemployment rate. Even non-seasonal EI recipients in these communities benefit from this pattern relative to the unemployed in other communities. To what extent this is fair is difficult to determine – the unemployment rate is not reflective of the share of workers actually available but unable to find work, because EI has clearly disincentivized work for many beneficiaries who instead are waiting to resume their seasonal jobs, but also required that these workers act as if they are seeking work. This pattern can result in resentment vis-à-vis regions with more generous EI provisions which is understandable, even if this resentment often fails to acknowledge the likelihood of regional decline and marginalization if the seasonal economies and workforces of these regions and communities did not have EI support.

⁹⁰ The culture of tips in tourism work disadvantages seasonal workers in terms of accumulation of EI entitlements.

⁹¹ This is established to some extent in research largely in developing countries (see Lee and Di Ruggiero, 2022).

⁹² This is not to say EI is the only incentive for rushed harvesting, or even the most important such incentive. It is just to acknowledge that EI further feeds into other incentives that could be at play.

⁹³ On the more positive side, the EI program does consider health and safety concerns as ‘just cause’ for separation

5. Review of policy options

To realistically envision widespread formal seasonal OP in the rural Maritimes, there would have to be changes from the present model of EI provision to amplify incentives for off-season work. This section first explores an alternative design for a seasonal worker employment support program, then it considers policy options to reform EI from how it presently works.

Ultimately, this analysis leads us to propose two options for significant reform which could better enable and encourage seasonal OP. The first option is to remove seasonal claims from the EI program and create instead a Seasonal Worker Employment Support Program (SWESP) to subsidise engagement in seasonal work. The second option is to provide a full exemption from EI deductions for income earned by confirmed seasonal workers working while on claim. Appendix 4 compares these two policy options based on five different criteria. A new SWESP has the greatest potential as a policy option but would be more administratively complex to introduce and might have greater political risk.

5.1 Approach 1: Creating a separate income support program for seasonal workers

The contrast in policy objectives and impacts between the provision of insurance for unpredictable job losses and support for seasonal workers with predictable annual offseasons is so sharp that it makes sense to firstly envision how Canada could separate these two functions into different programs. This section will first outline parameters for a seasonal worker employment support program. It will then discuss the ramifications for such a program for EI program policies.

Details of the proposed program

Our proposed Seasonal Worker Employment Support Program (SWESP) would aim to 1) mitigate income differences between seasonal and non-seasonal work and 2) create incentives for OP employment. The overall goal would be to support viable strategic sectors and rural communities.

The basic mechanism would be payments to workers who work for an approved seasonal employer or industry, or in an approved seasonal occupation, comparable to what they presently would receive under the EI program. Weeks required to earn the payments would vary based on the industry and/or occupation. Critically, any requirement for release from active employment to receive the payments would be set at a period well beyond the duration of the season, so that there is no incentive to lay-off a worker prematurely to activate the payments, and there would be no requirement for subsequent unemployment to receive the payments – a worker could transition directly into different employment without interruption and typically without loss of benefits. The program should be available to employees and to self-employed workers in seasonal industries using EI Fishing Benefits as a template, including owner-operated businesses in agriculture and tourism for instance. This design would eliminate disincentives for engaging in seasonal OP and other labour market distortions under present EI benefits for

seasonal workers, while maintaining comparable support for participating in seasonal work.

The first challenge in developing a SWESP would be to define seasonal industries and occupations. Operating the SWESP would require the development of a Seasonal Industries and Occupations Commission (SIOC) or equivalent to define eligible industries and occupations and review those definitions on a regular basis. Ideally, the SIOC would have legislated independence from government to evaluate the seasonality of industries and occupations based on pre-determined criteria. Industry and occupational associations wishing to be eligible for the SWESP would request a review by the SIOC. The SIOC might have commissioners responsible for making final decisions, and a research team to provide support.

It would be reasonable to use two types of criteria for inclusion in the SWESP. The first, naturally, would relate to seasonality. An eligible seasonal industry or occupation would need to be subject to unavoidable seasonal patterns of demand or production, due to climatic factors, regulatory factors (e.g., fishing seasons), or market factors (e.g., demand for Christmas trees).⁹⁴ The other type of criteria would be strategic. For instance, the program could focus on sectors and occupations that generate significant export earnings for both goods (e.g., seafood products) and services (e.g., tourism). Other strategic criteria could include supporting regional food security, environmental services, and cultural expression or preservation. All these criteria should be measurable.

Periodic review would assess the length of seasons in the different industries or occupations. This would be used to determine benefit amounts and required weeks of work to be eligible for the program. There would also be a need to analyse the earnings in different seasonal industries, as minimum earnings levels would be required to provide benefits for self-employed workers. This structure is intended to recognize and not hinder industry change, such as productivity gains through automation and transitions to longer production periods or year-round operations. The program would also need to tackle the challenge of seasons potentially becoming shorter – which is less common but might be a consequence of climate change in some sectors.

In the short-term, it would make sense for the SWESP payment amounts to closely match amounts provided under similar circumstances under the EI program. In the longer term, the SWESP could determine payment levels based on comparison of incomes in jobs which are comparable in terms of credential requirements, other skill levels, physical exertion, safety, and risk considerations. The objective of such analyses would be to limit the extent to which workers will choose based on compensation alone whether to work in a seasonal job or a non-seasonal job with common basic characteristics. It is reasonable to expect higher earnings for seasonal workers who engage in OP than non-seasonal workers at comparable skill levels, partially to compensate for the uncertainty of

⁹⁴ We suggest the program would focus on seasonal industries more so than minor seasonal activities within larger non-seasonal industries. Thus, it would not aim to directly support auto repair operations because they have seasonal short-term demand for tire change technicians. This is not to say that such activities are not important – the program's aim is to support them not by providing a direct subsidy but by making seasonal workers more available for this kind of work. Seasonal operations and employment should be roughly predictable on an annual calendar, for instance including ski operations where weather for snow may vary by a few weeks each year, but not including work on elections which may occur at any time.

employment and skills demands involved in combining different jobs over the course of the year. Payments could be in a single lump sum or in several periodic payments akin to the present EI model – it might make sense to provide periodic payments as a default but allow lump sum payment upon the request of workers, for instance to help them invest to develop an off-season business. The design could provide for tax withholding on payouts to prevent recipients from building up large tax bills at year-end.

At certain high incomes, workers should not be eligible for any benefits, unlike under current EI program policies where even the highest earners receive at least 70% of the EI benefits to which they are entitled. The principle for allowing all claimants to receive most of the EI benefits to which they are entitled is that they have paid into the insurance program, which would not apply with regards to this new program. Clawbacks could take place through the tax system and could apply at varying rates based on income surpassing certain thresholds.

Such a program would ideally operate based on a wage rate floor so as not to encourage low wages and discourage automation. A reasonable wage floor could be the provincial median adjusted for inflation relative to the year for which the most recent data are available. The median hourly wage in 2022 was equal to \$23.40 in New Brunswick, \$23.08 in Nova Scotia, and \$23.07 in PEI (StatsCan 2023). Seasonal industries and employers naturally could offer lower wages than this but would not be eligible for the wage subsidy for the relevant workers. The program might grandfather in these median wage requirements, allowing older workers to receive the subsidy for lower wage work if they lose out on their present regular EI eligibility.

The purpose of the program also would not be to support student workers. Their exclusion would be principally achieved through the wage floor mechanism. Specifically making full-time students ineligible based on pursuing full-time studies would risk discouraging seasonal workers from pursuing retraining, although present mechanisms used to give permission for EI claimants to receive benefits while studying provide a model for overcoming this concern – this is addressed more in Chapter 4.

The program would need to be national in scope. Program designers would need to determine whether urban residents and employers could be eligible. Rather than providing yes-or-no eligibility, the program might also provide varying levels of benefits based on whether workers live at urban or rural addresses. If the program elects to use an urban/rural distinction, this will have to rely on firm and justifiable definitions.

The program would require auditing much as the present EI program does. However, this would be oriented towards the industry and employer, and generally not individual workers except with regards to self-employed workers or in other unusual circumstances.

One other note regarding this proposed program is that it could be tied to an information system connecting these workers with employers, akin to the FAST NB platform discussed in Chapter 4. In essence, the program could require those receiving benefits to create profiles of their skills and record when they are available for work. Employers could then use this platform to indicate positions they are seeking to fill and be matched with available off-season workers. This kind of platform would need to be designed carefully to protect worker privacy.

Implications for the EI program and other policies

Establishing a separate employment support program for seasonal industries and occupations would have implications for regular EI benefits. It would simply obviate the need for fishing benefits but would also propel changes in regular benefits. The process of transition from EI to the new system would require care, as would design of the EI program itself moving forward.

The first concern would be how to transition seasonal workers out of regular EI benefits into the new seasonal program. Experience rating of employers could be a very useful approach to achieving this goal – basically creating a new policy whereby EI premiums increase for employers as their numbers of employees making EI claims increase. Not only could such a reform make it prohibitively expensive for seasonal employers to lay-off employees who will go on EI, but there is strong evidence to suggest this policy approach increases employer investment in employee retention. A recent study in the US evidence estimated that experience rating of employers' unemployment insurance (UI) contributions resulted in 800,000 fewer layoffs in the 2008 recession (Duggan et al., 2022). 'Just cause' provisions as under present EI could ensure employees are not causing employers' EI premia to rise for reasons outside of their control.

Another element of the EI program that has fostered seasonal usage has been the adjustment of benefits entitlements based on regional unemployment rates (URs). From a perspective of doing no harm to rural labour markets and workers, it makes sense to provide more generous EI benefits to the unemployed in rural communities than in urban communities, even holding the UR constant. Despite the dearth of recent evidence on this topic from our literature scan, the evident reality is that rural regions frequently encompass many different local labour markets that may not be practically accessible to each other, whereas it is much more feasible to change jobs in urban areas which are more functionally unified economic areas. Furthermore, this relates closely to public transit, which can be very challenging in many Canadian urban areas but is practically absent in rural regions, and housing shortages which have become as acute in rural regions as in urban areas making it difficult for workers to move within a rural region for employment. These transportation and housing concerns are especially relevant when considering workers within families where the employment of more than one household member is involved – something which can be easier in areas with higher density of jobs and services.

EI has favoured rural regions inadvertently at present by using seasonal worker unemployment as a factor in the UR used to determine EI generosity. This is a blunt and arguably distortionary method, however, considering the share of these workers likely not seeking employment while receiving EI benefits. There is also a distinct dynamic when seasonal workers know they have almost certain full-time employment in the next season compared to job searches for non-seasonal workers with no certain employment to come.

Adjustments in response to these concerns could be 1) to only consider as unemployed seasonal workers who are genuinely seeking employment when calculating a regional UR for purposes of determining EI eligibility (given that with the elimination of seasonal EI usage there will no longer be any need for a fiction that all workers receiving seasonal

benefits are seeking work),⁹⁵ but at the same time 2) to provide EI entitlements to rural regions as if they are one or more UR increments more disadvantaged than an urban region with the same UR. The first element could reduce the recorded URs in rural regions with very seasonal economies and therefore make EI entitlements more equitable with urban regions, while the second element would address rural regions' greater need for protection against unemployment.

One further consideration is that the creation of a new seasonal income support program should not preclude seasonal workers from having access to regular EI benefits if they experience an unforeseen layoff. This connects with Chapter 2 recommendations for improving working conditions for seasonal workers, but the direction of Chapter 2 is towards considering seasonal separations as temporary and thereby entitling workers to various rights and benefits. One of these rights should reasonably be access to EI benefits for recipients of seasonal income support should the seasonal work which is expected not materialize. The same principle with regards to experience rating of seasonal employers would apply in these cases as applies to other employers. In essence, not bringing back an employee the following season would have the same effect as laying an employee off for EI purposes, among the other considerations in Chapter 2.

The proposed new system emphasises new and more effective carrots for engaging in seasonal OP rather than bigger sticks. It nevertheless could disrupt the lifestyles of seasonal workers, and particularly older workers less prepared to adapt. It might be more feasible to grandfather in workers over the age of perhaps 55 or 60, maintaining present policies on regular benefits – except perhaps enacting other policy changes vis-à-vis these workers within the EI program, as recommended next. This could also help mitigate political resistance to the proposed change.

One final note is that were the proposed SWESP enacted, this would greatly reduce incentives to participate in informal or under-the-table work. It would make sense to couple these policies with greater enforcement against informal or under-the-table work, focused on key sectors where it is likely the highest risk and most concerning in terms of tax evasion.

Financing considerations

A more detailed estimation of cost and revenue implications would be warranted in the design of a SWESP program. Here, we provide some approximate estimation.

There are two possible avenues for financing the proposed SWESP. The first option is to fund SWESP as a general federal government program, recognising that it would be in effect a subsidy for strategic seasonal sectors and not an insurance program. The second option is to fund SWESP under the EI program because the EI program is in effect funding a seasonal worker subsidy already and SWESP would be a modification of that active

⁹⁵ Note that while these workers may not be fully laid off per models outlined in the separate report on improving working conditions, they will be competing with other workers for available positions in the event that disincentives for working are removed. Another alternative is to treat each seasonal worker who is not working and receiving seasonal benefits as equivalent to 0.5 regular unemployed workers.

subsidy – one that as we will discuss might ultimately improve the balance sheet of the EI program on net.

In either case, understanding the financial implications of the SWESP proposal requires accounting for change relative to present circumstances in terms of both expenditures and revenues.

In terms of immediate expenditures, the present EI program obviously involves significant payment of EI benefits to seasonal claimants. Details of program design would determine whether expenditures under the SWESP would be as high, including most importantly the generosity of benefits. The EI program also would save some money in benefits to non-seasonal workers in rural regions as the unemployment rates of rural regions are recalculated with reduced inclusion of seasonally released workers. However, the EI program would increase benefits paid to seasonal workers whose seasonal employment does not resume after the off-season. Administratively, the revised program is likely to be somewhat more expensive to operate than EI benefits as it will require additional activities with less economies of scale, although the orientation towards employers rather than workers creates the potential for efficiencies. With all these considerations in mind, we would posit that the GOC could introduce the SWESP with little change in overall expenditures, although the reassignment of spending from the EI fund to general revenues might be of concern.

In the longer term, the SWESP might be expected to raise expenditures relative to trend. Under present policy, rural seasonal industries' poor competitiveness for workers promises to reduce their size and therefore the number of seasonal EI claimants. This comes with wider implications in terms of failing viability of rural communities and the loss of strategic sector, as outlined elsewhere. This is part of why we propose strategic criteria for determining which industries and occupations receive SWESP support, relating to exports, environmental services, food security, and cultural expression and preservation. The GOC might incur other expenditures if rural seasonal industries and their communities decline, which would be outside the scope of this project to contemplate. The SWESP can be understood therefore not as necessarily raising expenditures, but sustaining expenditures that fulfil strategic interests for Canada.

The revenue side is where we would expect greater implications from the SWESP. The program should serve to significantly increase OP by reducing disincentives for off-season employment. Raising OP employment should increase income tax revenues and EI premia paid. The program should also increase income tax revenues and EI premia paid by encouraging workers to pursue formal rather than informal employment and as noted could reasonably be accompanied by efforts to actively discourage or penalise informal employment. Finally, the program should help to raise overall economic activity by encouraging greater labour force participation, reducing EI-driven distortions in the operations of seasonal industries, and encouraging greater investment in off-season economic activities, with this further increasing government revenues.

This analysis of revenues does not consider how revenues might evolve if labour supply for rural seasonal sectors is cut off under a continuation of present trends without reform. This is beyond the scope of this report to envision, related to considerable hypothesising of what alternative economic activities might emerge in such circumstances, but it is difficult to envision how such circumstances might increase government revenues.

Altogether, these observations suggest that the proposed SWESP could be fiscally neutral or even positive on net for Federal finances.⁹⁶ Even were it not, there is solid grounds to invest in strategic sectors and communities through such a program.

One last note is that the SWESP might assist in broader EI reform goals. There is momentum for increasing the coverage and generosity of the EI program as a form of insurance, but especial resistance to doing so for seasonal recipients (IRPP Working Group, December 7, 2022). It is not clear that for seasonal workers additional generosity on top of what EI presently provides is strictly necessary, especially if these workers have incentives and support to secure off-season employment. Pursuant to earlier recommendations, this would not negate the eligibility of seasonal workers for stronger EI benefits should their seasonal employment become unavailable.

5.2 Approach 2: Reforming the present EI regular benefits model

Introducing a new program is not simple. In the meantime, or simply based on administrative or political feasibility, reforming the present EI regular benefits model may be preferable. We explore four types of reforms to the present EI system, addressing:

1. Basic program parameters such as hours requirements for EI claims entitlement, weeks of entitlement, benefit amounts, etc.
2. Policies deducting earnings or ending EI entitlement for those who resume work.
3. 'Just cause' requirements.
4. Policies around claimants' job search activities while on claim

Appendix 5 identifies program options for each of these four types of reforms. The program options are simplified, and the implementation details would affect their potential impact on participation in seasonal OP as well as their other advantages and disadvantages. The program options are also inter-related – some would be redundant or contradict each other.

A key dynamic at play is the trade-off between program costs or generosity on the one hand, and political support on the other. Policies to reduce the generosity of EI will save money for the Government of Canada and may please certain dispersed stakeholders outside of the rural Maritimes, but they will alienate concentrated blocks of stakeholders and voters within the region. Meanwhile, policies that increase the generosity of EI for seasonal workers may be popular in the region but will be costly and perhaps politically unpopular outside of the rural Maritimes.

⁹⁶ This is a testable hypothesis, as it would be relatively easy to pilot the proposed SWESP say in PEI or Newfoundland and Labrador and monitor expenditures and the income taxes and EI premia paid among residents, perhaps comparing these with trends in the other Atlantic provinces. There would be trade-offs for conducting such a pilot, however, in terms of delaying reform (the pilot would need to be implemented over multiple years to permit accurate evaluation) and administrative costs. There are also always worries that industry adaptations may be incomplete with regards to a piloted program versus a permanent change, with employers reluctant for instance to make expensive long-term investments under such circumstances.

Eliminating deductions of earnings while on claim

Changing policies around the deduction of earnings or the end of EI entitlement upon resuming work appear the most promising of all areas in terms of increasing participation in OP. This is particularly true of policies generously exempting temporary full-time and part-time work earnings from deductions as this largely eliminates the disincentive to take work in the off-season.

The major drawback of such policy changes would be that they would still require separation from the employer, and so workers would still want to leave their employer once they maximise their weeks of EI entitlement – a major hindrance to strengthening these sectors. The SWESP proposal is also more complementary with the notion of providing access to EI for seasonal workers who are not rehired into their seasonal job when expected. One more possible drawback of this policy would be the possible cost to the EI program, but from a whole-of-government perspective these costs could be mitigated by higher tax revenues due to higher aggregate wages and economic activities, and the formalization of economic activity, much the same as discussed in our analysis of the SWESP proposal.

A key advantage of this possible approach is in terms of administrative feasibility. This policy would not require developing a whole new program, although it would require a change in the program's present legislation. The EI program or provincial governments could create a program allowing seasonal workers who meet certain criteria to work while on claim without losing EI benefits. Provincial governments might even implement this change with tacit allowance from the EI Program – at least as a pilot.

As with the SWESP, it would make sense to focus specifically on regions with concentrated seasonal industries, or more specifically on seasonal industries. The potential for unintended distortions to labour market patterns are more severe in locations without strong seasonal economic patterns and with more available work. There is precedent for this kind of focusing notably with the extension of five additional weeks of benefits to reduce the number of gappers in seasonal industries. The EI Program could even create a regulatory category for seasonal employers and seasonal workers to enable access to these generous terms. This targeting would require basically the same administrative processes and considerations as we have proposed under the SWESP.

Notes on other EI reform options

Other EI reform options appear less promising or to have more risks of unintended consequences.

Changes in basic program parameters to make the EI program less generous would risk weakening the EI program in its primary function of insurance against unexpected job loss. Moreover, they are contrary to the direction of policy changes in the program, which appear set to increase program generosity in response to inadequacies that became especially apparent with the onset of the COVID-19 pandemic. The policy options in this area that nevertheless appear most on point, and most aligned with the direction of program change, would be capping the hours that can be counted in a week towards qualification for EI or shifting the basis from hours to weeks worked at a certain minimum

number of hours, and experience rating – perhaps only with regards to workers who earn incomes above a certain income threshold.

Most changes in ‘just cause’ requirements would achieve limited impact, sometimes at high levels of risk. The best options appear to be modest efforts to clarify and simplify how ‘just cause’ is defined and rethink the present emphasis on ‘just cause’ in all separations for accumulating EI entitlement.⁹⁷ The proposal in Chapter 2 to redefine seasonal layoffs as temporary separations could clearly establish the resumption of seasonal employment as ‘just cause’ for separation and/or reasonable grounds for negotiation of the duration of an employment contract.

Finally, governments seeking to reduce reliance on EI and encourage off-season employment have previously emphasised policies addressing claimants’ job searching. An increase in enforcement of these requirements would require a concomitant increase in spending on employment counselling and other active labour market policies. The notion of providing financial support for travel or moves for workers to find work to leave their EI claim has considerable appeal as well.

General notes

Ultimately, as discussed in terms of potential SWESP implications for EI, we recommend upholding regional differentiation in EI conditions between regions, although the unemployment measures used to determine differences in the EI program between regions should be adjusted to recognize the effects of EI itself on employment patterns. A person who is unemployed between their seasonal career jobs is different from someone unemployed with no promise of a job to return to. In the absence of a SWESP program, an extreme option could be not to count seasonal EI recipients as tracked and defined by the EI program as unemployed for the purposes of such calculations, but this would appear inequitable to these regions and to not acknowledge the labour market realities facing their workers. A moderate compromise might be to give 50% weight to these unemployed in the calculation of an overall unemployment rate for a region.

One other possibility worth noting once again is to grandfather in EI program changes. This would acknowledge that older workers are likely less equipped to respond to radical changes to EI given their perhaps more limited scope for career adaptation and more longstanding lifestyle habits, while also recognizing their political influence. Policies to reduce seasonal EI usage could instead focus on younger workers, including greater support and pressure to seek out and take work while on claim. Inversely, more generous treatment of earnings while on claim might focus on older workers, limiting the costs of these benefits and focusing them on those least likely to change their behaviours in ways contrary to policies’ intent. Greater generosity for older workers also makes sense because these workers are choosing whether to remain in the workforce or retire, and the age profile of the rural Maritimes are such that spurring retirements could greatly magnify labour supply constraints.

⁹⁷ Before 1993, departures without ‘just cause’ were sanctioned with reduced EI benefits. The Conseil National des Chômeurs et Chômeuses (CNC) has proposed reforms that would moderate the ‘just cause’ requirements based on comparison with policies in other jurisdictions.

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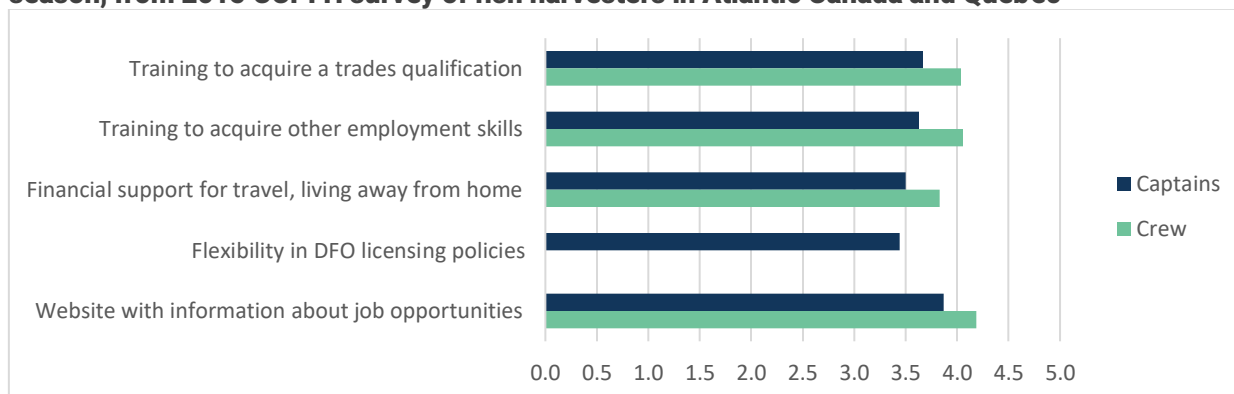
Chapter 4: Educating and training for seasonal occupational pluralism

The labour supply challenges facing rural seasonal industries in the Maritimes are not only about the number of people available, but the skills of those workers. In the AISC survey in Nova Scotia, roughly 51% of responding businesses referred to difficulty in finding qualified labour in the local area as a recruitment challenge, making this the most cited difficulty with little difference within and outside of Halifax. The second most important challenge (cited by 47% overall) was a shortage of experienced labour in the local area, with this slightly more important in Halifax than outside of Halifax.

To engage in seasonal OP often requires an individual to acquire skills for more than one field of work and have a strong baseline capacity for learning and adaptation. Education and training providers in the Maritimes have to date made few efforts to support the development of such multi-skilling, focusing more narrowly on skill sets required for careers in year-round jobs. The few exceptions have tended to be industry or worker driven, including small business owners attempting to diversify their business lines over the course of the year (e.g., fish harvesters learning how to set-up whale-watching businesses) and seasonal workers seeking training in the skills needed for an off-season job.

The CCPFH survey of fish harvesters referenced in Chapter 1 asked captain and crew in Atlantic Canada and Quebec how helpful different interventions could be to help fish harvesters gain access to employment outside of the fishing season. Results provide considerable emphasis on the kinds of informational and training interventions addressed in this chapter. Yet, at the same time a lack of qualifications to access other jobs was cited as a reason for not having an additional non-fishing job by only 5% of captains and 6% of crew who were not engaged in OP. OP can also be an approach to building professional skills – 15% of crew in the survey indicated that they pursued OP to develop or maintain status in another trade or occupation.

Figure 4.1: Helpfulness on a scale of 1 (“not helpful at all”) to 5 (“very helpful”) of different possible interventions to help fish harvesters gain access to employment outside the fishing season, from 2015 CCPFH survey of fish harvesters in Atlantic Canada and Quebec



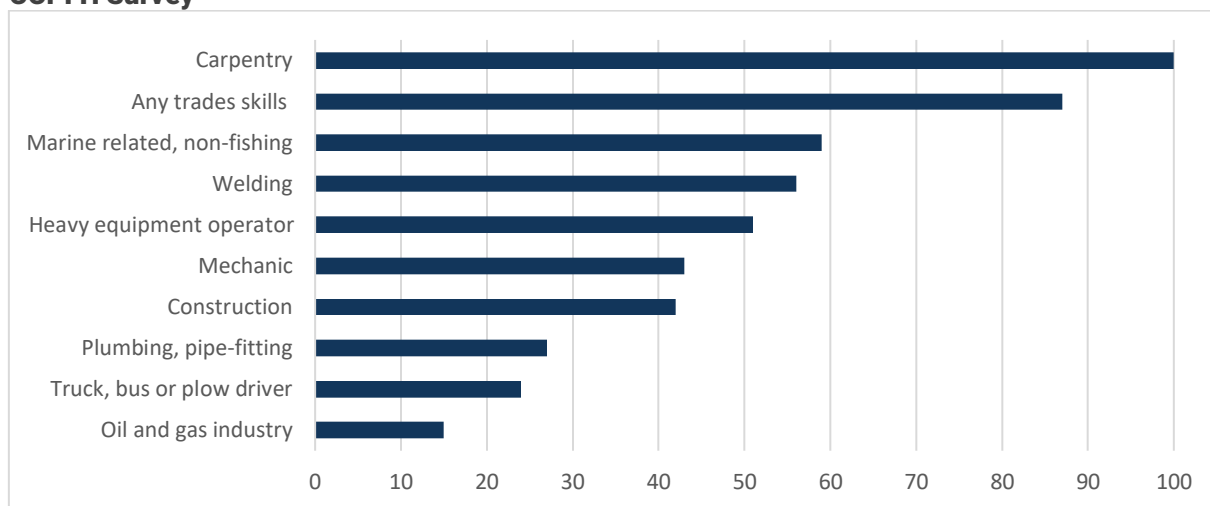
The option of “flexibility in DFO licensing policies” was only presented to captains and had to do with current limits on being able to maintain professional status while working away from the fishery for lengthy periods. This might appear to be very salient to encouraging seasonal OP, but in practice these licensing policies appear to be reasonably flexible.

Education and training needs and interests will vary based on the type of role an individual fills or is seeking to fill. Again, we can think about these roles in terms of the workforce profile categories outlined in Chapter 1:

1. Tradespeople and artisans
2. Business managers (non-technical)
3. Advanced professional and technical experts
4. Long-term low-wage workers
5. Students and recent graduates

For OP, seasonal workers likely most often find secondary jobs in fields where they have more easily transferable job skills. Thus, off-season jobs will be in the same category of work as the primary seasonal job. This was a clear pattern among fish harvesters, as shown in Chapter 1. Further to this point, Figure 4.2 indicates the frequency at which fish harvesters in the CCPFH survey mentioned different types of training as being the most useful for OP, which highlights skilled trades types of training in particular.

Figure 4.2: Number of mentions of different types of training as most useful for occupational pluralism among fish harvesters in Atlantic Canada and Quebec in the 2015 CCPFH Survey



Sometimes, however, workers will wish to move into roles in different categories, for instance using experience in fish harvesting (Category 1) to become an equipment vendor (Category 2), or producing art (Category 1) and providing language interpretation services and bookkeeping support (Category 2). Workers from Categories 4 and 5 also may wish to move into the other categories, which will typically be more remunerative. A strategy to expand OP may need to look at supporting greater worker mobility across the different categories to access more rewarding and secure employment.

This section will first briefly review evidence on the effects of unemployment on worker skills to understand the possible implications of seasonal employment patterns. Most of the section will then analyse current education and training programs to assess their relevance to supporting seasonal OP for the different categories of seasonal workers. The

chapter closes by offering recommendations addressing labour market information and career counselling, education and training programs, and financial supports for skills development.

1. Effects of unemployment on skills

Summary

Some evidence suggests that young workers' experience skill-losses while unemployed, but this does not appear to be the case for older workers. OP may therefore be an effective means of countering skill-loss for young seasonal workers.

There is an established pattern of declining earnings and employment for workers the longer they remain unemployed (Cohen et al., 2023). One hypothesised explanation for this process is that unemployment periods are "de-skilling" for workers. It merits consideration whether seasonal unemployment might be de-skilling as well. This would suggest that seasonal employment de-skills the rural labour force, while occupational pluralism would counter this effect.

The evidence supporting these patterns generally does not come from studies involving seasonal workers but provides some potentially helpful insights. Cohen et al. (2023) recently found through research in Germany and the United States that there is no evidence of measurable skills declines during unemployment spells across the total population of unemployed workers. The only skills that showed any evidence of decline were non-cognitive skills like "conscientiousness, risk tolerance, trust, patience, and reciprocity". Other studies have documented skill depreciation for young workers, however (in Cohen et al., 2023), which suggests this may be of greater concern for younger workers. Skills do tend to decline quickly upon retirement, which may be of concern when older workers pursue seasonal employment as a form of semi-retirement – as their productivity may be reduced.

Ultimately, these data suggest that skills loss is not a major concern with respect to seasonal employment. On the positive side, they also highlight how the greater propensity of younger workers to engage in seasonal OP likely counters their greater vulnerability to skills loss during unemployment spells.

2. Analysis of education and training instruments

We have not been able to find many education, training and workforce development programs specifically designed to support occupational pluralism. Instead, where such programs have addressed seasonal workers, they have either sought to improve skills for their primary seasonal occupation, or to transition them into different occupations with year-round employment. Where non-seasonal industries have sought to train seasonal workers, it has largely been to recruit them to their industries rather than help them remain in their seasonal occupations and pursue OP.

Recently, there are some signs of interest in training workers for mixed careers, driven largely by employers trying to address their labour shortages. Overall, however, education and training are largely demand driven. To date, most training providers have not identified significant demand for training to help seasonal workers develop OP careers. Any strategy to expand the supply of training for seasonal OP careers would depend on increasing the demand for such training, for instance through reforms to EI policies.

This part discusses careers advising and information, and then learning programs supported by post-secondary education (PSE) institutions, the skilled trades and apprenticeship system, and other training providers (including especially employers). It finishes by addressing government financial assistance for career development.

One theme not addressed in this report is broad skills development for employability, such as academic upgrading (GED) programs and essential skills programs. This can be very relevant to many seasonal workers and better enable them to be occupationally plural. Greater digital skills can also enhance the employability and productivity of seasonal workers, favouring their potential to participate in OP. We do not address these concerns not because they are unimportant for promoting seasonal OP, but to control our scope and recognising that their broader relevance extends well beyond OP.

2.1 Careers advising and labour market information

Summary

There have been few examples of career advising regarding seasonal OP. This relates in part to low perceived job quality in seasonal sectors. Where such advising has taken place, it has generally been driven by employers or employment services clients. Provincial agencies in PEI and New Brunswick have also worked with industry to create job boards to share information with seasonal workers about off-season employment opportunities. There is scope for further work in particular to identify competencies in different occupations and how these might translate between occupations through seasonal OP.

Formal career advising with respect to seasonal OP has been very limited. This was apparent from interviewee comments.

This is perhaps understandable with respect to workforce development offices such as Nova Scotia Works and WorkingNB Centres to the extent that they are most concerned people who are in poverty or face other significant barriers to employment. As these individuals are more likely to work in low-paying jobs, seasonal employment alone will not be very attractive – it may leave them still in poverty with low offseason EI benefits. Moreover, each occasion when these individuals are laid off and need to pass through a hiring process is an occasion for their barriers to employment to create special difficulties. At present, as discussed in Chapter 2 seasonal OP is typically an unstable form of employment when compared to year-round work, and stability of income is an essential goal of workforce development.

Post-secondary education (PSE) institutions have career offices and can provide career advice at the level of academic programs. Advising students on OP careers could be more relevant to PSE students than low-income, less educated workers facing major barriers to employment. However, as we detail in our section on PSE, training people for seasonal occupational pluralism has overwhelmingly not been on the radar of PSE institutions.

There are interesting examples where employers themselves are trying to change these patterns, especially vis-à-vis employment counsellors at workforce development offices. Although they tend to focus more on employers, sector councils in Nova Scotia have been collaborating to train employment counsellors and other NS Works staff about how the province might make optimal use of available workforce over the course of the year and provide other information on jobs available with matching skillsets.

According to interviewees, the work of employment counselling has shifted somewhat. There is less need to assist workers simply in finding job vacancies because the Internet has made this much easier. Employment counselling is increasingly focused on helping job seekers identify jobs that match their aptitudes and interests, and to succeed in their jobs. Increasing labour market information (LMI) is still important to assist in this process.

Industry also does not need to work through employment counsellors as much as it did previously, as it can reach out to employees more directly over the internet. The Tourism Industry Association of Nova Scotia (TIANS) has developed a tourism job site with information on jobs and transferrable skills, and training for job readiness. Others have also developed portals, such as the New Brunswick Community College (NBCC) in an example described in Section 2.2 of this Chapter.

Interviewees did however identify some cases of career centres and industry organizations providing counselling with respect to OP. Employment services agencies in PEI have helped workers to find off-season work in Alberta. Much counselling likely happens informally, based on connections between people working in industry and prospective industry entrants. This kind of counselling can be especially valuable, as these workers can provide a clearer sense of advantages and risks, and in many cases may provide connections that a worker needs. The Association of Industry Sector Councils (AISC) indicates that helping improve workplace mentorship is a priority.

The PEI Government has also created a Seasonal Job Registry (EY, 2019). Residents can register in the electronic database to indicate if they are available to fill short-term seasonal jobs during the summer but also throughout the year (PEI, 2023a). WorkingNB has also been very active in supporting fish plants to recruit workers in other regions across the province during the offseason, facilitating sharing of information on the workforce to identify opportunities to share workers, and also defraying some costs of transportation and accommodation. These kinds of initiatives address key LMI challenges to occupational pluralism – how difficult it can be for workers to find out about off-season employment opportunities and for employers to identify available workers. There is some evidence to support this approach, for instance in the CCPFH survey of fish harvesters in Atlantic Canada and Quebec, the most common reason for not having an additional job apart from fishing was that fish harvesters could not find other jobs – cited by 41% of captains and 46% of crew.

One further concern with respect to LMI is in terms of identifying needs for relevant education and training programs. Prospective or actual workers may not know what skills they need for different careers. As well, employers might not know what skills they need from workers. With respect specifically to seasonal OP there is also the need to identify sister sectors with overlapping skills and complementary seasons or timing. Much of this work is only in its infancy. European models of competency frameworks are a useful model for tracking competency requirements in different occupations (Williams and Savage, 2020).

2.2 Public post-secondary education programs

Summary

Seasonal OP has generally not been on the radar of post-secondary education (PSE) institutions. A variety of PSE programs in the Maritimes seek to prepare students for work in seasonal occupations and industries, and several programs have adapted their timing and methods of delivery to better serve seasonal workers recognising their occupational calendar. There is considerable discussion regarding the development of micro-credentials which could be very suitable for seasonal workers interested in developing a secondary occupation. More progress has been made on recognition of prior learning (RPL), which can recognise individuals' skills and knowledge to help them pursue multiple career paths and different forms of education – a particularly compelling initiative is Facilitating Access to Skills and Talent (FAST NB) online platform in New Brunswick. Capacity constraints, inertia, and unclear student demand for this kind of programming are all barriers to better supporting seasonal OP careers.

PSE institutions are key providers of training both for new entrants and people already in the labour force. Findings from the Narrative Research Survey completed for this project in fall 2022 confirm that colleges are most important in this discussion because university graduates are significantly less likely to have seasonal jobs. Our research further indicates that PSE institutions in the Maritimes in general have given little thought to preparing learners for OP careers. This notion simply has not been on their radar, even for programs that predominantly serve rural communities and seasonal occupations. Interviewees noted that in general some programs are marketed too narrowly, such as a program focused on working with autistic children that provides skills relevant for work with children who have many other kinds of disabilities. There is still less reflection on how a program might have relevance beyond its primary targeted occupations.

Where PSE institutions do provide off-season training for seasonal workers, it is typically with the goal either of helping them improve skills for their core seasonal occupation or helping them transition to year-round employment. With this noted, this section will review PSE programming of relevance to seasonal workers and industries, potential innovations to enable these institutions to better support these workers and industries, and barriers to implementing these innovations.

PSE institutions in the Maritimes offer various programs to prepare students specifically for careers in seasonal industries and occupations. The Collège Communautaire du Nouveau-Brunswick (CCNB) offers a Marine Navigation program, while the Nova Scotia Community College (NSCC) offers programs in Tourism Hospitality and Business, and Horticulture and Landscape Technology. Universities offer agricultural programs, especially the Dalhousie Faculty of Agriculture, while Cape Breton University (CBU) and Mount Saint Vincent University (MSVU) have Bachelor of Hospitality and Tourism Management degrees – as well as shorter programs in this same field at MSVU. Certain programs can also prepare workers for year-round work with considerable seasonal variation. These include the sector specific programs outlined above, but also programs in fields like heavy machine operation. Finally, some programs can support workers for casual but well-compensated employment that might be most active in off-seasons, such as language interpretation.

One important challenge for academic programs serving seasonal workers is to align with seasonal industry calendars. Standard college programs in the Maritimes typically run for 10 months from September to June and overlap with high activity seasons in agriculture, fishing, and tourism. Interviewees notably described each year losing students from some programs when they drop-out to take on seasonal work.⁹⁸

Many colleges are undertaking significant efforts to increase program flexibility, but much work remains to be done. Certain programs have some flexibility, in some cases as much to ensure the availability of faculty as students.⁹⁹ The following are examples at the college level:

- CCNB's Marine Navigation program at the Caraquet Campus begins in late November and operates on an intensive basis. The program is 14 weeks long for those seeking a Class 4 Fishing Master qualification, and 18 weeks for those seeking a Class 3 "ticket".
- CCNB has adapted its construction programs to finish earlier in the third week of April rather than the third week of June, which reduces study time but allows students to go to work when industry most needs them.¹⁰⁰
- Holland College begins its 30-week Resident Care Worker programs in October recognizing that September is a busy month for seasonal industries.

Interviewees also indicated that colleges are developing more work-integrated learning programs where students alternate between study and the workplace. These models can help make workers available for employers throughout the year, although this targets year-round employers rather than seasonal ones. One concern is that once students find jobs, they may not return to their studies to complete the credential.

⁹⁸ Learners will of course know in advance that the semester will be ending after the start of their work season. The specific example related to losing trades students to fish harvesting and may reflect in part fishers taking trades training to support their informal offseason work. If the trades work is going to be informal, workers will naturally have less interest in completing their full program on top of having an interest in returning to fishing.

⁹⁹ Delivering programs that are adapted to seasons can have the additional advantage of enabling faculty to continue their professional work, remaining up to date with professional practice which is often a challenge but critically important.

¹⁰⁰ We note in the main report that while the construction industry has become much less seasonal across a lot of the Maritimes, it remains relatively seasonal in some places. This would include in much of Northern New Brunswick where a lot of CCNB programming is concentrated.

At the university level, CBU's three-year Bachelor of Hospitality and Tourism Management (BHTM) program has an innovative structure designed to enable longer summers of work for students. The program divides the fall in two blocks. First-year students study intensively in the first six weeks of the semester and then less intensively the rest of the term, freeing up instructor time to deliver intensive instruction for more senior students. Second and third-year students then can work in tourism until mid-October before returning to classes full-time on an intensive basis.¹⁰¹ This design enables students to work more than 540 hours over each of two internship periods. This also meets seasonal labour supply needs of the tourism industry better than a traditional September-to-April university program would allow. The Program adopted this approach when employers threatened not to take students otherwise, and when flexibility to delay internships provided CBU students an advantage in securing positions during the pandemic. CBU has also been financing a van to transport students to jobs at different locations on the island. From May through mid-October, the van leaves Sydney between 5am and 6am in the morning and picks up students at 5pm at their place of employment. CBU decides on a year-to-year basis if transportation and housing limitations make this service necessary.

When thinking about supporting OP, the major concern is providing education and training for the secondary off-season job. For such work, learners may often prefer a micro-credential obtained through a shorter program rather than undertaking longer-term studies to attain a standard credential. Micro-credentials are gaining momentum in Canadian PSE, although some jurisdictions and institutions have done more in this area than others. These credentials generally recognize the acquisition of specific competencies through shorter training programs. The Maritimes Provinces are not leaders in micro-credentialing, but some progress has been made. Among colleges, those in New Brunswick are the furthest ahead. In April 2023, Nova Scotia approved its new micro-credentials framework, which may provide clarity to enable greater institutional action.

Whatever micro-credentials have existed have tended to fall under customised training departments at most Maritimes colleges. There is a strong preference for creating micro-credentials that learners can "stack" into certificates, diplomas or degrees should they wish to do so over time, although one college we interviewed was not yet taking this approach and not envisioning its micro-credentials leading to credits. Stackability generally requires that the larger programs be competency based, credit-based¹⁰² and otherwise flexible in delivery, which is often not the case. There has also been special interest in integrating micro-credentials with work-integrated learning experiences.

Recognition of prior learning (RPL) is a means to grant formal credentials for what people already know and can do without them having to spend unnecessary time and money completing formal training and certification programs. Attention to RPL in Canada has increased of late, especially to facilitate the integration of newcomers to Canada with credentials and experience abroad. RPL is essential however when thinking about seasonal workers wishing to diversify their employment opportunities because it allows them to have their transferable skills recognised and documented for OP purposes.

¹⁰¹ This is more complex than a typical program and CBU must provide clear guidance to students to take four courses in the fall, three of which are intensives in the second half of the semester and the other ideally an asynchronous elective. CBU also ensures its core courses are available in the fall and winter semesters, so that students can time their courses for the period they judge most conducive.

¹⁰² Aside from Holland College, Maritimes colleges do not operate on a credit model which is more typical of universities.

Increasing the competency basis of PSE programs, and their breakdown into parts such as micro-credentials, credits, or other modules, is essential for enabling RPL to be effective in accelerating credential attainment. There may be special advantages for micro-credentials because colleges can make them competency-based from the start, whereas the process of shifting towards a competency basis is more complex for already established full-length programs.

The NBCC has considerable strength in applying RPL to their own programs and to the trades and other areas. It has been working to develop the Facilitating Access to Skills and Talent (FAST NB) platform based upon a model developed by the Employment and Immigration Council of British Columbia. The platform covers close to 100 occupations and enables prospective workers to participate in self-assessment of their skills. Testing can be on the level of specific tasks and workers can upload pictures or videos as evidence of acquired competencies. In some cases, the platform will connect users with online training to fill gaps in their skills that emerge from the testing, and the platform can channel newcomers into other learning and training programs. Employers can then consult information from the platform and use it to identify and recruit workers. In general, the platform is not conducting final assessments for RPL out of concern about the potential for fraud, but employers can validate workers' skills after they are hired, and the platform also connects individuals with RPL assessments at the College. The platform is also developing capacity to automate some validation. The platform is focused on immigration and has other elements particularly relevant to these users, but the long-term plan will be to facilitate job attachment and transitions between occupations amongst residents of New Brunswick. The platform has considerable scope for expansion and improvement in areas relevant to occupational pluralism.

At present, all three Maritimes provinces have dedicated considerable efforts to education and training in areas of early learning and childcare, continuing care, and healthcare. These efforts have spurred the development of more flexible programming including micro-credentials, generous financial aid, and other support (e.g., with transportation and childcare), and stronger recognition of prior learning. This suggests that with similar effort, similar progress could be possible with respect to industries of more specific relevance to seasonal rural economies.

According to interviewees, capacity constraints are one element holding back colleges from developing certain program innovations conducive to supporting OP. There are long waiting lists for many regular NSCC programs for example, as demand exceeds the College's capacity to deliver its core programs. The NSCC is also grappling with an aging workforce making it difficult to replace faculty who retire. Another college reported that their provincial government had offered additional funding to develop more micro-credentials, but the College could not take the money because it did not have sufficient capacity to follow through.¹⁰³

The historical model of program delivery also translates into rigidity in human resources models. More flexible programming requires faculty to work less conventional hours, possibly on short contracts, or in different parts of the year – whereas predictable and well-timed vacations have been a very attractive feature of work as a college instructor.

¹⁰³ Provinces are increasingly providing earmarked funding outside of core operating grants for post-secondary institutions to develop programs meeting specific labour market needs.

Faculty have often been more available in May-June when students in many traditional programs are on work placements, but this is when many seasonal industries are most active. But program delivery for seasonal industries can have advantages in making people who work in these industries available to serve as instructors, and in enabling faculty to pursue outside employment that keeps them current with professional practice.

More fundamentally, PSE institutions are demand driven and there is limited apparent demand for programs specifically targeting seasonal OP. A chicken and egg dynamic is at play, as colleges could foster some demand by creating and marketing relevant programs. However, for colleges with regular programs that are full or that they are struggling to fill, it is hard to envision adapting programs to serve a very uncertain seasonal worker market.

2.3 Skilled trades and apprenticeship

Summary

Apprenticeship agencies regulate the skilled trades in each Maritime province. Few trades are directly focused on seasonal occupations in the Maritimes, but many are very relevant to seasonal industries or have complementary skills with important seasonal work. There is a long history of seasonal workers engaging in skilled trades work in the off-season, frequently under-the-table. Factors discouraging seasonal workers from pursuing trades training for OP careers include loss of EI benefits when working formally, and significant barriers to successful apprenticeship completion. Expanded recognition of prior learning (RPL) and competency-based trades training could make apprenticeship more appealing for seasonal workers, as could micro-credentials – although there has been considerable resistance towards enacting this last option.

Colleges provide programs in the skilled trades, but they are not the lead vehicle for trades training in their respective provinces. Instead, Nova Scotia has the Nova Scotia Apprenticeship Agency (NSAA), while the Apprenticeship and Occupational Certification Branch of the Department of Post-Secondary Education, Training and Labour oversees the skilled trades in New Brunswick, and Skills PEI oversees apprenticeship in PEI.

Each province regulates skilled trades under its own legislation, with the number of active trades at 76 in New Brunswick, 66 in Nova Scotia, and 52 in PEI. Red Seal trades qualify certified workers to work anywhere across Canada – there are 54 Red Seal trades in total. Based on provincial legislation, trades may be voluntary or compulsory. In compulsory trades, every worker must be a journeyperson, be a registered apprentice, or hold another form of work permit. The following are the compulsory trades in the Maritime provinces.¹⁰⁴

1. Autobody and Collision Technician – NS
2. Automotive Service Technician – NB, NS, PE
3. Boilermaker – NB, NS

¹⁰⁴ The Automotive Service Technician Trade includes subcategories of Steering, Suspension and Brakes in New Brunswick, and Service Centre Technician in Nova Scotia.

4. Bricklayer – NB, NS
5. Construction Electrician – NB, NS, PE
6. Mobile Crane Operator – NB
7. Oil Heat System Technician – NB, NS
8. Plumber – NB, NS, PE
9. Refrigeration & Air Conditioning Mechanic/Technician – NB, NS
10. Sheet Metal Worker – NB, NS
11. Sprinkler Fitter – NB, NS
12. Steamfitter/Pipefitter – NB, NS, PE
13. Truck and Transport Mechanic – NS

Agricultural equipment technician and Landscape Horticulturalist are the only apprenticeable trades specific to seasonal industries in the three provinces.¹⁰⁵ There are no trades specifically relevant to the fishing industry or tourism.

However, many other skilled trades are very useful and sometimes essential to seasonal industries. For example, the Red Seal Cook trade is key to the tourism sector, while machinists are well prepared to handle the array of equipment used for cultivation on a farm or in an agricultural or seafood processing operation. Moreover, skilled trades can be especially conducive to seasonal OP. A machinist working on a farm will be well prepared to participate also in machinist work in the off-season, not only on their own farm equipment and that of other farmers, but also on non-farm equipment in other workplaces. Red Seal cooks in tourism operations similarly have more options for off-season work.

Additionally, workers in seasonal industries such as farming and fish harvesting often develop skills in carpentry, welding, machinery, and electrical systems on-the-job as they operate and maintain production equipment.

This point connects to the significant extent of trades work in the informal economy, often done by seasonal workers. There is a long history of farmers and fishers working in home building and renovation over the winter, for example. As noted in Chapter 3, EI amplifies the incentives for this kind of informal work. If a fisheries or farm worker registers as an apprentice for their off-season trade work, they cannot do under-the-table work and have these hours recorded for their apprenticeship. As discussed in Chapter 3, there are important risks with regards to safety for these workers and their clients – this is for instance why electrician is a compulsory trade. Some interviewees suggested widespread informal homebuilding work might have contributed to the extensive damage from the 2022 hurricane in the region due to houses not being built to code, and informal work can reduce the protection of insurance in the event of such damage.

There are other factors that can make trades training less attractive for seasonal workers seeking off-season work. Firstly, there are generally low completion rates in trades training, notably in Nova Scotia. In 2019-2020 (pre-pandemic), pass rates were under 55% for exams in the following trades which include some of the most important trades by apprentice count (NSAA, 2022):

¹⁰⁵ Nova Scotia and PEI also have a Farm Technician trade.

- Automotive Service Technician Level 1 (35%)
- Boilermaker Level 1 (50%)
- Carpenter Level 1 (34%)
- Construction electrician Level 1 (51%) and Level 2 (54%)
- Cook Level 1 (44%) and Level 3 (49%)
- Instrumentation and Control Technician Level 2 (50%)
- Metal Fabricator (Fitter) Level 2 (14%)
- Welder Level 1 (33%)

Pass rates have if anything been trending down in Nova Scotia. They are especially low among members of equity communities, according to interviewees.

Apprentices also may not complete due to a lack of incentives in non-compulsory trades. After basic course work and a certain length of time on the job, employers may offer journeyman wages to apprentices who then may see little to gain from completing the program even if it is important for the industry.

One other challenge is simply the sheer number of hours required to become certified in various trades. To become a fully certified Carpenter, Construction Electrician or Machinist, for instance, requires 7,200 hours of apprenticeship work, or 180 weeks of work at 40 hours per week (NSAA, 2023). A Welding ticket requires 5,400 hours or 135 weeks. Accumulating these kinds of hours is challenging for any worker, but perhaps much more so for seasonal workers who do other work for part of the year. Earnings for much of this work can also be very low or even negligible, especially when working in lieu of claiming EI as noted in Chapter 3.

Based on extended observations of fish harvesters and farmers, the more common pattern for seasonal workers to become journeymen is not concurrent, but sequential. Younger workers can leave fishing or farming for extended periods to acquire trades qualifications, and then return to when they have sufficient capital to set-up or purchase their own enterprises. These workers are then fully qualified to practice their trades outside their main production seasons. The challenge with this model is that it removes the workers from the seasonal industry, often for several years and often also away from their home regions.

One interviewee noted that a seasonal worker could register as an apprentice to work in the off-season in a compulsory trade and this would be legitimate, even though it would take them much longer to accumulate hours towards their ticket. There is some debate as to whether this would be in the interest of the industry, however, as one challenge for training enough tradespersons can be the number of apprenticeship positions available and the required ratios of apprentices to journeymen. The ratio for construction electricians is only two apprentices for each journeyman mentor. Some interviewees suggested that there would be no difficulty having enough journeymen to supervise more apprentices, while apprenticeship agencies can adjust ratios if needed and might do so to facilitate an OP strategy. One interviewee also noted that receiving seasonal workers might help to fill out apprentice classroom training in certain periods.

One possible solution for seasonal workers to obtain a trade certification would be through recognition of prior learning (RPL) if they are indeed acquiring relevant

competencies in their seasonal occupation as noted above. There are rules for the number of work hours required before an applicant can challenge the exams to qualify, which generally amount to 1.5 times the total required apprenticeship hours or more. This only heightens the hours requirement barrier just discussed. For instance, to challenge a Carpenter, Construction Electrician or Machinist exam someone would have to have worked 270 weeks of forty-hour-per-week work in the trade. In practice, even though a farmer or fish harvester might do some work involving carpentry, machinery, or welding work, this is likely a small part of their seasonal industry job and therefore not a lot of hours acquired.

Trades programs are shifting to a greater focus on competencies which could be assessed for purposes of RPL. The NS boatbuilding industry has been creating programs to do accelerated recognition of competencies of workers from other industries and occupations who have skills transferable into boatbuilding. This is built on the fact that the industry's two trades – Marine Service Technician and Boat Builder – are both competency-based and therefore conducive to RPL. The industry is setting itself up to do apprenticeship training during the off-seasons of other sectors – especially fish harvesting.

The CWB Group is an international industry-supported private sector organisation that provides welding certification, management systems registration and training services (CWB Group, 2023). Some consider its welding ticket more significant in the trade than the Red Seal, and it can be achieved through a challenge process. However, limited experience and the secondary nature of a seasonal worker's practice of welding, for instance, will often limit the part of the trade they will learn. Workers may learn to do certain welding positions (say horizontal) using metal inert gas (MIG), but not other positions or using other approaches that would be expected for full professional competency. RPL alone does not permit this worker to progress greatly towards a certification.

This last point brings up the perhaps more salient solution for enabling seasonal workers to complete trades work in the off-season with proper training and credentials – which is through the development of subtrades, and micro-credentials. It is possible to breakdown non-compulsory trades into subtrades which an individual can exercise with a high level of competency without learning the full scope of the trade.¹⁰⁶ The Carpenter trade has among the widest scope and has been a key focus for this idea. In Nova Scotia, an industry led study and consultation process previously generated a tentative agreement to partition the Carpenter Red Seal qualification into four subtrades: drywall, framing, foundations, building envelope (roofs and walls), and finish carpentry. Ultimately, however, the NSAA did not approve the creation of these subtrades. The Cook trade also has a broad scope. Furthermore, interviewees indicate that in practice many tradespeople do end up focusing their career work within a specialised area rather than exercising the full scope of their trade.

The NSCC has recently received permission to develop micro-credentials in non-compulsory trades fields and the NBCC has introduced a 12-week micro-credentialling for

¹⁰⁶ There is special interest in enabling newcomers to enter subtrades also, because many newcomers may be seeking to more quickly attain a credential that can provide them a higher standard of living, and especially where this is connected to RPL. Practices may be more similar across countries in some parts of a trade relative to others, with this matching up well with a subtrade.

up to three welding tickets. FAST NB is also helping to connect workers with subtrade roles in non-compulsory trades.

There has been a lot of demand from employers for training in subtrade. Opposition has come from organized labour, some trades trainers, and apprenticeship agencies, based on concerns about reducing negotiating power for workers by reducing their scope of work, and de-skilling trades-dependent industries. Shifting to a more competency-based model of trades training and ensuring subtrades are stackable might help mitigate some of these concerns by providing workers with more flexibility to further advance their training or to bridge into different trades. There may also be scope to grant workers more legal rights to participate in further training so that employers cannot lock them into lower-paying subtrades on an indefinite basis. The challenge is to address these concerns but reduce the impacts of occupational licensing as a barrier to entry into a trade or profession (Kleiner and Kruger, 2009) – especially in construction industries that are strategically essential for tackling housing shortages.

2.4 Other training opportunities

Summary

Sector councils and other employer associations have been developing their own worker training initiatives in response to labour shortages. Many of these initiatives are focused on attracting young people, or members of equity groups. Very few of these initiatives are specifically focused on promoting seasonal OP, although some might do so more incidentally.

Trades training and public PSE institutions (especially colleges) are essentially publicly funded supplements or structures for learning that employers need and might otherwise have to provide themselves. Historically in Canada, our college system especially has served to offset low employer investment in worker training compared with other jurisdictions. As labour shortages become more acute and require quicker training to upskill or adapt the skills of workers, some interviewees emphasised industry frustration with the perceived slowness of government training policies and PSE institutions. According to interviewees, industries and their sector councils have been expanding their training activities to fill in the gap although often in collaboration with public agencies and training institutions.

Micro-credentials offer a pathway for public PSE providers to deliver short training programs with accredited learning and stackability into larger credentials. Otherwise, short training programs are available on a widespread basis from private providers or through the customised training or continuing education offerings of public PSE institutions. Customised training and some provincial training funding programs respond to industry demand.

However, employer organizations and especially sector councils are developing more of their own training programs.¹⁰⁷ The Nova Scotia Boatbuilders Association has organised

¹⁰⁷ The agriculture industry is in fact the lead provider of industry training in PEI.

modules, and short-term courses delivered together with employers to try to attract workers with transferable skills from other sectors, tied into the off-season apprenticeship training strategy discussed earlier. TIANs is training people in small and medium enterprises (SMEs) to use automated booking systems and facilitating mentorship for small business operators on how to meet higher quality standards. Other sector council training programs were the only initiatives identified in this research directly seeking to facilitate occupational pluralism. A PEI Agriculture Sector Council program involves training school bus drivers who have Class 3 licenses to handle farm vehicles with manual transmissions. The Nova Scotia Fisheries Sector Council and TIANs are working together on another program to encourage and support fish harvesters to run tourism operations outside their fishing seasons.

Some programs focus specifically on attracting young people to work in an industry providing a mix of work experience and mentorship. The Nova Scotia Tourism Human Resource Council (NSTHRC, 2023) *Serve It Up* program enables Grade 10 and 11 high school students to have paid culinary employment under the supervision of a Red Seal Cook. Participants also receive three cooperative education credits and 300 hours credited to becoming a Journeyperson Cook if they pursue the trade.

Team Food Island in PEI offers scholarships of respectively \$1,000 or \$2,000 to high school and PSE students who respectively work at least 250 or 500 hours in seafood processing, agriculture, or aquaculture. These scholarships are in addition to the students' wages. The program is funded by the industry sectors and the PEI Government, and is run by the PEI Agriculture Sector Council, the PEI Aquaculture Alliance, and the PEI Seafood Processors Association. It also aims to enable mentorship of the participating students, all with the goal to encourage students to consider long-term careers in the relevant sectors. Interviewees expressed considerable optimism about the program, but one interviewee also reported survey findings showing that few participants ultimately envision careers in the sectors but instead view the program as an experience and an opportunity to earn a higher income. No such program to our knowledge specifically aims to encourage long-term OP.

Many different programs have emerged to help attract workers from under-represented groups to the skilled trades and improve the quality of skilled trades training. For instance, in New Brunswick MAP Strategic Workforce Services (2023) delivers the New Brunswick Mentor Apprentice Program (NBMAP) to help improve the quality of mentorship for apprentices, New Boots: Progressing Women in Trades and the Skilled Trades Exploration Program (STEP) to support women in non-traditional skilled trades, and First in Trades (FIT) to support Indigenous apprentices in building trades. These kinds of programs might be adapted to support seasonal OP involving the trades.

Finally, there are programs provided by workforce development agencies. The Prosper Program in PEI offers on-going employment coaching and mentoring for adults receiving income assistance or disability supports, as well as clients of the Employment Development Agency and the Immigration and Refugee Services Association of PEI. This coaching includes a ten-week employment skills development component. Recipients must work in agriculture, tourism, fish processing and construction to help address job shortages in these areas. There are also benefits from the program in terms of income assistance, discussed separately in the report focused on EI and income supports. Again, this program does not envision supporting OP, and if participants do not find full-time

year-round work through the program or end up in higher skilled seasonal roles it is uncertain that they are much further from poverty than being on income assistance. Another interviewee spoke of Employment Resource Centres previously providing health and safety courses for seasonal workers interested in off-season employment in the oil sands.

2.5 Financial assistance for career development

Various federal and provincial funding programs support workers to participate in training with relevance to seasonal OP. These include mechanisms under EI, provincial skills development programs, PSE student financial assistance (SFA) programs, and other programs focused on supporting apprentices especially.

Employment insurance benefits and skills development programs

Summary

A variety of programs help individuals to finance training, with the goal of reducing their long-term reliance on EI. Individuals may receive permission to complete training while on EI benefits, i.e., without having to seek and accept employment, and they may receive additional government funding for study-related and living costs – the latter generally through federally funded but provincially administered Labour Market Development Agreement (LMDA) programs. The LMDA programs in the three Maritime provinces operate quite distinctly, as for instance the Nova Scotia program is more targeted at a narrower number of adults requiring support with shorter programs, whereas the PEI program is much less targeted and provides considerable resources to younger adults pursuing more traditional PSE programs. The primary programs have not sought deliberately to promote seasonal OP, although the Nova Scotia program at least nods to this possible goal. New Brunswick has created special programs, however, focused on encouraging seasonal workers to take-up or secure off-season employment, seemingly with mixed success.

EI and skills development programs are the most relevant to seasonal workers interested in developing skills for an OP career. This is because they are specifically focused on EI recipients and reducing uptake of EI benefits and might naturally achieve their goals by helping seasonal EI recipients to develop off-season employment.

There are various rules surrounding the collection of EI while undertaking training.¹⁰⁸ These seek to ensure the potential loss of EI benefits does not discourage participation in training, in the way we have documented that it can discourage participation in seasonal OP. Claimants of EI regular or fishing benefits may participate in full-time training if they declare this to Service Canada and show that they are unemployed, able, and willing to work, and actively looking for suitable employment. These claimants must be ready to

¹⁰⁸ In addition to benefits noted here, EI is well established as the income source for apprentices while they are in their classroom learning periods.

work if they receive a job offer, including adjusting or cancelling their training plans if needed. Otherwise, there are provisions for claimants to receive permission to participate in training while on EI, without having to be available for work or to look for work. Service Canada may provide permission, but only to long-tenured workers who have received fewer than 36 weeks of EI regular and/or fishing benefits in the previous five years and paid at least 30% of the maximum annual EI premium in seven of the preceding ten years – which would exclude most seasonal workers. Provinces typically have two types of programs:

- An EI benefits for training program (EITP): A program that exclusively provides permission for EI claimants to receive EI while undertaking full-time training – this is called the Fast Forward Program (FFP) in Nova Scotia, and Career Connect in PEI. New Brunswick does not operate this as a formal program, but nevertheless provides some referrals for WorkingNB clients to claim EI benefits while studying.
- A skills-upgrading program (SUP): A program providing financial support for training in addition to permission to receive EI – this is called Training and Skills Development (TSD) in New Brunswick, the Skills Development (SD) program in Nova Scotia, and Training PEI in PEI.

The SUPs are provincially operated but funded by the Government of Canada under Labour Market Development Agreements (LMDAs). The focus of these programs is to reduce reliance on EI, and ESDC evaluates programs' effectiveness on this basis.

EI benefits program recipients obviously must be eligible for EI claims. Meanwhile, under the LMMA, SUP recipients must meet the following requirements: have a current EI claim, a previous EI claim whose benefit period ended, or received benefits under the EI emergency response benefit within the previous 60 months, or have been employed with gross insurable earnings of \$2,000 or more annually in at least five of the previous ten years. Otherwise, eligibility requirements for both types of programs can be set provincially, and requirements in the Maritimes provinces are indicated in Table 4.1.

Table 4.1: Individual eligibility requirements set by provinces for EI training benefits and training support programs

Province	EI benefits programs or equivalent	Skills upgrading programs
New Brunswick	Out of high school for at least 12 months, and have an approved employment action plan may receive Section 25 referrals	At least 24 months of LFA* and an Employment Action Plan developed with a WorkingNB Employment Counsellor.
Nova Scotia	At least 24 months of LFA*	At least 36 months of LFA*; ¹⁰⁹ a Return to Work Action Plan (RTWAP) developed with a Case Manager at a Nova Scotia Works Employment Services Centre validating that a skills development program is necessary; have completed a documented and comprehensive three-month job search.
PEI	EI claimants with at least 12 months of previous LFA and a plan to achieve employment goals developed with a case manager	

*LFA refers to periods working full-time or actively looking for full-time work.

A key difference in requirements between provinces is obviously in terms of months of LFA. The shorter LFA period tends to orient the PEI program more towards younger workers, while inversely longer LFA requirements orient Nova Scotia's programs more towards older recipients. The younger profile of Training PEI beneficiaries means that while perhaps most applicants come into the program following seasonal employment, these are generally not long-term seasonal workers.

Weeks of EI benefits are not a condition for eligibility to the TSD or the SD Programs, whereas Training PEI does require that applicants have weeks of EI benefits much the same as for Career Connect.¹¹⁰ There is a clearly established pattern of workers' work terms ending just in time for them to be able to take up Career Connect for their fall studies (StatsCan, 2018).¹¹¹ In fact, the PEI programs' design aims to allow beneficiaries to study for the first year of a program and accumulate EI eligibility to be able to apply again for support during their second year.¹¹² This method is becoming more difficult as falling unemployment rates increase the hours required for EI eligibility, potentially necessitating part-time work while studying to accrue additional hours.

These basic eligibility criteria alone do not dictate whether seasonal workers could receive support to develop an OP career. This is largely left for programs to decide. For Training PEI, a desire to pursue long-term seasonal work could be the basis for rejecting an application as ineligible. Meanwhile, the SD Program explicitly indicates that most

¹⁰⁹ This requirement is reduced to 24 months of labour force attachment for persons who identify as Indigenous, African Nova Scotian, visible minorities, persons with disabilities, or recent immigrants (persons who entered Canada within the past five years and who are eligible to work in Canada).

¹¹⁰ Training PEI recently allowed applicants with less than 13 weeks of EI benefits permission to be eligible. However, such recipients cannot access the support for dependent care and travel available to other recipients.

¹¹¹ New Brunswick operated a similar program, NB-EI Connect, which operated similarly but was abruptly cancelled in June 2022 (Sturgeon, 2022). Provincial officials indicated that the program did not align with federal requirements.

¹¹² In Nova Scotia, a person would have to work at least two years and be laid off to apply again for the FFP. They can only receive FFP as long as their EI benefits last.

seasonally unemployed individuals are not eligible because they have employment to return to, but also that such workers may be eligible if training:

- Lengthens the period of seasonal employment, decreasing the layoff period
- Provides skills leading to year-round employment
- Provides skills necessary for alternate work in the off-season
- Prevents job loss in situations where the worker's normally held job is changing substantially while they are unemployed, and they will need new skills to secure a return to work.

These priorities reflect the emphasis of the LMDAs on reducing EI reliance. To what extent the SD Program is supporting seasonal workers to achieve these objectives is unclear.

Additionally, the SD program does not support all eligible candidates. The SD Program must prioritise candidates for its limited resources and may turn away eligible applicants based on resource prioritisation,¹¹³ their previous education (those with more education are less likely to receive support), or an assessment of the individual's likelihood of resuming take-up of EI benefits. This last criterion especially may pose a barrier to seasonal applicants.

The TSD Program in New Brunswick also may have to choose between candidates but does so more informally. Clients do not apply for the program, instead they engage in employment counselling with WorkingNB, and WorkingNB representatives determine if the program is a tool that they wish to use to support a client, based on their employment goals, education, transferable skills, and the labour market need for the occupation of interest. WorkingNB representatives therefore do not choose between candidates for support but instead provide support on a case-by-case basis, and once they have allocated all possible spaces the program would expect to be out of spaces – making for something of a first-come-first-served structure.

The design of the programs tends to support recipients pursuing different kinds of education, as outlined in Table 4.2, outlining recipients and their training provider types.¹¹⁴ The PEI programs are most oriented towards supporting traditional PSE students.

¹¹³ While eligibility for EI benefits is not an eligibility criterion, it can affect selection between candidates based on resource prioritisation.

¹¹⁴ Data obtained from the programs in question.

Table 4.2: Recipients and profiles of recipients in EI benefits programs and skills upgrading programs by province

Province	EI benefits programs	Skills upgrading programs
New Brunswick		In total, 1,200 new recipients enrolled in the program in 2019-2020. Most programs are provided by public and private colleges, and programs may only be up to 24 months in duration.
Nova Scotia	In 2019-2020, 738 FFP recipients received support to pursue 483 non-university programs and 292 university programs.	In total, 914 recipients in 2019-2020, with the NSCC delivering 464 supported courses, universities only 10 supported programs, and others with private providers.
PEI	There are between 1400 and 1900 recipients per year, most of whom pursue university programs.	Between 500 and 600 recipients per year, most of whom attend Holland College, while some attend private career colleges or study at off-island institutions. ¹¹⁵

Again, the Nova Scotia programs seem most adapted to supporting seasonal OP. The SD Program is targeted generally at short courses which the Nova Scotia Assistance Program (NSSAP – discussed later in this section) cannot presently fund – 133 funded courses in 2019-20 were shorter than 100 days.¹¹⁶ Meanwhile the most common FFP short-training programs related to fishing, construction, continuing care assistant, adult learning, business, heavy equipment operators, health-related and trucking – many fields of relevance to seasonal workers and prospective OP workers based on our research. The TSD Program in New Brunswick has provided some support for micro-credential style programs, usually as strategic initiatives, while there is no history of Training PEI supporting the acquisition of micro-credentials.

The processes of applying for these programs affect their suitability for seasonal workers looking to develop an OP career. In PEI, individuals can begin the application process for programs when they have an expected layoff date, meeting with a case manager and reviewing options, and they must receive approval for the program before it starts. This acknowledges that application deadlines are often well in advance of start dates. Applicants may submit their final application for the program once they are unemployed. Turnaround times for approving applications are reportedly quick.

Similarly, candidates for the FFP in Nova Scotia can begin the short application in advance of an anticipated layoff and applications are generally completed within a week at the most. The SD Program may be the most inaccessible given the requirement for a RTWAP and a three-month job search. However, it appears that this three-month job search could be in a prior off-season and separated by seasonal employment, as there is no limit on the relevant application period. Basically, seasonal workers would have to

¹¹⁵ Only in one case have they supported an intensive program at the University of Prince Edward Island (UPEI) in a priority field.

¹¹⁶ Data obtained from the programs in question.

work with a career counsellor well in advance to be able to use most of these programs to benefit in the off-season of their primary seasonal occupation.

In New Brunswick, as noted previously, there is no application process. Everything depends on the relationship between the client and a WorkingNB employment counsellor. Clients cannot receive funding if they have already begun training.

The SUPs are built based on a fixed amount of money from the Government of Canada. The more people supported the less money each recipient can receive, while the more money per recipient the fewer people can be supported. Training PEI emphasizes coverage, supporting between and does not turn away applicants unless they are ineligible, but is typically less generous in the benefits provided to recipients. The TSD also opts for wider participation and lower average benefits. By contrast, the SD Program in Nova Scotia does turn away eligible applicants but is much more generous per participant, as shown in Table 4.3.

Table 4.3: Support for tuition, living costs, travel, and childcare among Maritimes skills upgrading programs

Program	Tuition	Living costs	Travel	Childcare
New Brunswick – TSD Program	Up to \$4,000 per year with 50% minimum participant contributions	Only for those whose EI benefits exhausted – up to \$350 per week	\$0.30/kilometre to a maximum of \$600/month	Up to \$150/week per child for full-time childcare, or up to \$75/week per child for after-school care.
Nova Scotia – SD Program	Up to \$10,000 per year, with minimum participant contributions of \$200/ month	Ensures participants meet the Low-Income Cut-Off (LICO), regardless of whether they receive EI benefits	\$0.40/kilometre for travel over 30 kilometres per day (up to \$200/week)	Childcare support of \$100 per week per child (to a maximum of \$500 per week)
PEI – Training PEI	70% of costs up to \$9,000	Only for those with exhausted EI benefits - \$200/ week or \$300/week for recipients respectively with or without children	For those travelling over 50 kilometres per day	\$170/week per child under two, \$135/week per child aged 3 and 4, \$55/week per child for part-time care, or \$90/ week per child aged 5-12 for full-day care

Partially to make up for the lower level of financial support, and given administrative constraints, Training PEI does not claw-back any work earnings of recipients. Similarly, the TSD and SD Programs do not claw-back earnings of beneficiaries while in the program, possibly unless recipients transition from EI onto a living allowance. Those receiving EI benefits will of course lose EI benefits from working while studying, however.

Other LMDA career development programs also allow provinces to grant permission for participants to receive EI support. These programs support work-based career development.

Provincial self-employment programs provide financial support and counselling to unemployed persons who aspire to be entrepreneurs during their first year of operation.¹¹⁷ The programs provide access to EI benefits as well as living allowances once EI benefits are exhausted.¹¹⁸ Criteria for eligibility follow the basic LMDA criteria, as well as provincial nuances. In PEI, criteria are akin to those under Training PEI and Career Connect, but additionally require completion of a specific application, suitability assessment, business plan and proof of investment or financing. Recipients in PEI must devote at least 35 hours per week to implementing their business plan (PEI, 2023b). In Nova Scotia, applicants must also have an employment assessment and RTWAP, and invest \$3,300 or the full amount less than this personally in the business (NS, 2023).

Wage programs could also conceivably support seasonal workers to develop off-season employment. Workplace Connections in New Brunswick, the Job Creation Partnership (JCP) in Nova Scotia and Work Experience PEI – For Job Seekers function similarly to the other LMDA programs described here, basically paying the wages for unemployed workers to gain work experiences of up to 52 weeks to build their employability. These payments can take the form of EI benefits supplemented by JCP funds when they expire or if they are too low under a similar model as for the SD Program. The JCP generally does not aim to support seasonal workers in gaining off-season work experience, but more to provide initial experience for individuals who have not broken into the job market much at all. Work Experience PEI appears more open to assisting a seasonal worker to develop year-round work.

In 2018 and 2019 New Brunswick piloted an Employment Assistance Service Program (EASP) specifically to assist seasonal workers in the Restigouche-Albert EI Economic Region affected by the “black hole” of exhausted EI benefits prior to resuming their seasonal work. Those who i) lived in the region, ii) had been employed in the previous years in agriculture, forestry, tourism, or fishing, iii) were capable of performing work, iv) were ready to return to work at the beginning of their season, and v) had developed an action plan with employment counsellor were eligible for following benefits:

- Academic upgrading (GED) and workplace essential skills training.
- Work exposure placements in not-for-profits and/or private sector enterprises.
- Financial aid for up to seven weeks.

In practice, workers who reached out to WorkingNB Centers were referred to the program. Ultimately, take-up was just 136 workers over two years, including only 37 in the second year. Reasons for this limited success likely relate to the program targeting of Category 4 lower skilled workers with job opportunities providing limited marginal income benefits relative to off-season receipt of EI.

The Seasonal Labour Connection Program in New Brunswick is another similar effort focused on seasonal workers, although it resembles less these other skills development programs and places greater emphasis on LMI as discussed elsewhere. It does provide a

¹¹⁷ Training PEI and Career Connect also are open to supporting self-employment, but training is occupation-specific, and employment is more typically the intended outcome. The SD Program does not allow applicants to pursue training for self-employment.

¹¹⁸ Living allowances are approximately \$500 per week in Nova Scotia. In NS there is other assistance in exceptional circumstances relating to dependent care, disability needs, tuition costs, transportation, and accommodation. PEI's living standard is \$393.75 per week, with EI benefits topped up to this amount.

\$115/week living allowance for participants who must travel over 100 kilometers for off-season work.

Student financial assistance

Summary

Student financial assistance (SFA) programs tend to focus support on full-time students, longer PSE programs, and youth recently graduated from high schools. These patterns tend to make these programs less suitable for supporting adults interested in developing off-season work as part of a seasonal OP strategy.

SFA is the other mechanism for financially supporting workers to pursue training. It is most relevant to young people transitioning from secondary school into higher education, and less adapted to supporting OP among workers already embarked on seasonal careers.

Responsibility for SFA in Canada is shared between the Government of Canada and the provinces, but provinces administer the funds.¹¹⁹ SFA programs calculate student costs to study and live while studying relative to their resources and provide support through loans or grants to fill the gap. Programs must be delivered by a designated institution and must be PSE programs and not, for instance, pre-training programs or programs to meet requirements for licensing or accreditation after completion of a degree, certificate, or diploma.

There are some ways in which the Maritimes SFA programs are well adapted to supporting seasonal workers who might wish to develop their seasonal careers or off-season career options. On the positive side, SFA rules are flexible in terms of when students begin their studies so they can accommodate programs that begin at different points of the year. SFA programs are ill adapted for many of the kinds of training that might best support rural seasonal OP, however. This is because:

- Provincial SFA programs focus support on full-time students. The Government of Canada provides up to \$10,000 in loans in total for part-time studies (the loan balance may not exceed \$10,000 at any point), plus a grant for students with dependents. Exclusively part-time programs cannot be funded however, they must be available on a full-time basis.
- Educational programs must be 12 weeks in length (within a 15-week period) to be eligible for student financial assistance which precludes micro-credential programs. The Ontario Student Assistance Program (OSAP) has developed a mechanism to enable funding of micro-credentials – i.e., shorter programs. Even were they eligible for funds, a challenge with more intensive programs is that there are weekly caps on maximum available student financial aid, and so it is likely that shorter programs that concentrate costs would have a lower share of those costs covered.

¹¹⁹ We are focused here on need-based student financial aid available to students in all levels of PSE. We are not discussing support for graduate studies, nor specialised support for persons with disabilities.

- SFA programs were designed principally to support youth proceeding into PSE shortly after leaving high school. The programs can have some difficulties accommodating older learners, who may for instance have higher costs to carry while studying for their households.¹²⁰ Various efforts have sought to mitigate these challenges, including the Canada Student Grant for Students with Dependents, adjustments in the assessment of needs and resources over time, and access to appeals processes.

These challenges further indicate why skills development programs may be better adapted to helping long-term seasonal workers to develop OP careers.

SFA also acts as a backstop for the skills development Programs above, provided the type of training pursued is eligible for SFA. This backup role is principally because EI and LMFA funds are non-repayable, whereas SFA comes through a mix of non-repayable grants and repayable loans. Training PEI and the SD Program will inform the provincial SFA programs when they are supporting learners, and learners must report EI income to SFA programs if applying for assistance. In New Brunswick, TSD applicants will often apply for SFA first so they can meet the TSD requirement of financing at least 50% of their tuition fees, then after securing TSD they will go back to the SFA program if their costs still exceed their resources. Skills development program moneys count in the resources calculation for SFA. If these resources do not meet the learner's costs, then SFA programs will provide additional money to make up the difference.

Other financial supports

Summary

Additional programs provide financial support for training. Targeted programs for residential care workers, early childhood educators, and similar occupations experiencing serious labour shortages illustrate what is possible when tackling shortages is prioritised. Financial supports for apprentices might also be adapted in the future to specifically support seasonal OP careers in the trades.

A few other financial support programs for training might have relevance to seasonal occupational pluralism.

Additional programs under employment departments or SFA programs in the Maritimes which seek to support training in priority occupations. For instance, the Resident Care Worker Support Program and the Healthcare Priorities Pilot Program in PEI offer generous support to students in these fields, to help tackle labour shortages. These programs are primarily notable in what they signal about Governments' ability to invest where it considers labour shortages to be most urgent.

Federal and provincial governments also provide financial support for apprentices. These include funding for employers who hire first-year apprentices, grants, and tuition rebates

¹²⁰ Appeals processes can provide some flexibility to accommodate the distinct needs of mature learners.

for apprentices themselves (in some cases contingent on them completing a stage in their apprenticeship process), tax deductions,¹²¹ and loans (NB, 2023). Additional support can be available to support under-represented groups in apprenticeship. None of these programs are especially relevant to seasonal workers interested in OP, as distinct from any other apprentice. They could provide a model for supporting apprenticeship participation among workers interested in pursuing seasonal OP, however.

3. Recommendations

There is considerable scope to enhance education and training to better support seasonal OP. We envision measures relating to strategy development, labour market information and career counselling, PSE institutions, skilled trades training, and financial support for education and training.

Yet, it must be noted that increasing education and training opportunities can only go so far and other measures are likely required first to stimulate demand, namely improving the quality of seasonal employment and addressing EI disincentives to engage in seasonal OP, as recommended in Chapters 2 and 3. Restricting possibilities of informal work in the skilled trades could also help raise demand for training.¹²²

3.1 Strategy development

The overall worker training universe – community colleges, apprenticeship systems and financial support programs – does not currently show much interest in OP and has limited impacts in encouraging and supporting greater OP, for the simple reason that greater OP has not been a strategic priority or significant pathway for meeting labour force development objectives. The basic reality is that neither employers nor employees have been pressing for changes to existing policy and program structures to promote OP options, at least until quite recently. As a result, not much groundwork has been done to identify new strategies and program models to advance participation in OP through education, training, and apprenticeship.

Necessity is the mother of innovation. To the extent that industry leaders in relevant sectors and policy makers in government and in education and training institutions are beginning to seriously explore new strategies to meet the looming labour supply crisis in strategically important rural-seasonal industries, the time may be right to bring these stakeholders together to review the evidence on OP and consider whether new approaches are needed and feasible.

We would therefore propose that an appropriate umbrella organization such as a network of community colleges, undertake to organize a regional conference on rural labour force renewal challenges, bringing together education and training leaders, government policy-makers, and industry leaders. This conference should enable participants to review

¹²¹ There are also student and graduate tax credits depending on the province.

¹²² The power of public policies to drive demand for PSE programs which providers can respond to is well illustrated by Transport Canada training requirements for Fishing Master IV or III for anyone who wants to be a skipper on a fishing boat. This has driven the development of Marine Navigation programs with high uptake among younger fish harvesters.

evidence of the rural labour force renewal challenge and the potential role of OP in addressing it, and then to consider ways for our education, training, and apprenticeship systems to play a much greater role in encouraging and facilitating expanded participation in OP. The resulting strategy could inform the specific design of many other activities envisioned in this report.

3.2 Labour market information and career counselling

There is considerable scope to improve labour market information and career counselling in support of seasonal OP.

LMI efforts should focus on understanding and measuring the skills required for 1) seasonal occupations and 2) priority jobs that seasonal workers could fill in their off seasons. Provincial Ministries of education or labour could take the lead in mapping the competencies involved in both categories of occupations. Having this information could enable the better identification of jobs compatible with seasonal OP, more efficient RPL, and the development of targeted education and training programs to fill gaps between occupations.

A further measure would be to develop new databases to connect seasonal workers with employers seeking to hire for short-term employment. As noted, PEI has already introduced such a database as has New Brunswick in the fish processing sector. Key challenges are to expand and deepen these initiatives. The FastNB initiative provides a model for a more sophisticated connecting database that also would enable seasonal workers to learn about skill needs, verify their own skills and communicate their skills to employers. It is likely that any such platform would work best not as a standalone focused on seasonal workers, but as a seasonally focused part of a broader system of support.

We would further recommend where possible the compulsory enrolment of seasonal workers in these databases. This could occur as a requirement for receiving EI as a seasonal worker, or support under the proposed Seasonal Worker Employment Support Program (SWESP) discussed in Chapter 3. Any such initiative would need to be carefully designed to protect individuals' privacy.

These databases should also provide information on education and training opportunities available to help individuals develop OP careers. Education and training providers would need to provide considerable support towards marketing the database and their relevant programs.

Education providers and industry organisations could use the resources above to develop improved career guidance. Collaborative programs involving high schools, colleges, and employers could be especially valuable. A special emphasis could go to direct advising by practitioners so that prospective workers can understand the advantages and challenges of pursuing a seasonal OP career.

Finally, it will be critical to engage with employers around all efforts to understand and promote seasonal OP. Sector Councils and their equivalent are essential actors in enabling employer engagement and training and enabling many of the education and training initiatives envisioned.

3.3 Post-secondary education institutions

We envision PSE institutions as critical actors in delivering education and training programs in support of seasonal OP careers. They have the capacity and the profile with learners to develop and market seasonal OP careers as a conscious career strategy. To do this, they will have to become more flexible and engage more closely with employers.

Provincial governments and PSE institutions should explore possibilities for pilot academic programs that will enable young people to enter seasonal OP careers. These could be either unified programs, or mechanisms of credit recognition towards programs supporting complementary careers. Such approaches offer among the best avenues for raising the profile of seasonal OP careers and providing young people with a diverse skillset. PSE institutions ideally would also work closely with industry in organising these programs around work seasons and to offer strong work-integrated learning (WIL) components. The programs would require strong collaboration between departments within PSE institutions or at different PSE institutions to create a coherent curriculum. They could be targeted towards domestic students but also international students and facilitate or even guarantee access to post-graduate employment especially for the latter to facilitate their permanent settlement.

PSE institutions or other training providers such as sector councils should also pilot targeted training programs for seasonal workers to fill gaps between competencies required for complementary seasonal occupations and other priority occupations, as determined through the competency mapping exercise recommended earlier. These programs could ideally take the form of micro-credentials and involve strong RPL components. A very interesting target population for such a program could be temporary foreign workers (TFWs) presently working in the region and interested in permanent settlement, although this would require authorisation and collaboration from relevant GOC agencies.

PSE institutions should also further explore how they can align program delivery with seasonal industry labour demands. Students are an important source of labour for seasonal sectors, and very dependent on seasonal employment income to finance study and living costs. Greater alignment of academic calendars with rhythms in the economy could help strengthen the regional economy and make PSE studies in the region more attractive. This could also facilitate greater participation of instructors in seasonal OP, helping maintain instructors' real-world professional skills and raise their incomes. PSE institutions should explore other means of supporting instructor participation in OP as well, especially in the skilled trades and other programs training students to pursue seasonal careers.

Finally, accrediting bodies such as the Maritime Provinces Higher Education Commission (MPHEC) and provincial authorities should require evidence of support for off-season employment when accrediting academic programs targeted towards seasonal careers such as tourism or fish harvesting.

3.4 Skilled trades training

The apprenticeship programs in the three Maritime Provinces are essential in sustaining a skilled labour force but are somewhat inflexible and not well-adapted to our emerging world of critical long-term labour shortages. Key concerns relate to the number and types of programs offered and the responsiveness of program design and delivery to employer and employee needs, especially when it comes to supporting rural-seasonal industries and expanding OP participation rates among seasonal workers. New and innovative approaches are needed.

Apprenticeship agencies across the Maritime provinces could help meet critical labour supply challenges by developing strategies to make it possible for many more seasonal workers to gain greater access to trades training in programs geared specifically to their seasonal patterns of work and their transferable competencies. This would link again with the competency mapping exercise, which should identify seasonal occupations that are most complementary to specific key trades and identify steps to facilitate entry and ultimately the certification of seasonal workers in these trades. Dimensions could include improving the competency basis of the trades in question and RPL and organising trades training around seasonal work schedules and patterns. Another element could include integrating reflections on the potential for seasonal OP into programs supporting the entry of under-represented equity communities into the trades.

Apprenticeship agencies should also introduce certified subtrades at least in Carpentry, and possibly in other trades categories identified by the relevant employer groups. These subtrades should have accelerated credentialing processes and be targeted specifically towards seasonal workers to help them join the formal home-building workforce and help tackle the housing shortages affecting the Maritime provinces. Apprenticeship agencies and colleges should also explore avenues for micro-credentials in the Welder, Cook, and Machinist Trades for their possible relevance to seasonal workers in other sectors.

Given the serious demographic challenges facing this strategically important sector, fish harvesting in the Maritimes requires a formal program to attract and quickly and efficiently integrate large numbers of new entrants, many of them perhaps international immigrants. We would recommend the development of a comprehensive apprenticeship training and certification regime geared to this specific industry. Newfoundland and Labrador has operated a comprehensive working model for nearly 30 years which the Maritime provinces could emulate.

Finally, provincial governments should explore opportunities to legislate a right to participate in further training for workers who receive subtrades credentials. This could be an important step to ensure workers are not locked into subtrades and can later train for a full trade, and to mitigate the risk of deskilling of the workforce.

3.5 Financial support for education and training

Lastly, funding supports for learners need to align with the needs of individuals interested in pursuing seasonal OP careers.

The primary obvious mechanism for supporting seasonal workers to pursue education and training to develop OP careers is through access to EI benefits and LMDA funding. This is already envisaged under LMDA programs in Nova Scotia although not prioritised. The GOC and provincial governments should explicitly authorise inclusion in these programs of seasonal workers interested in developing off-season employment. They should also adjust the programs so that seasonal workers can plan to use them ahead of time when they know they will be separating from their employer at the end of their working season. Programs would need to ensure they are well targeted to supporting adult learners from rural communities, in terms of adequate provision for living costs, transportation, and childcare.

There should be support for self-employment avenues for engaging in seasonal OP. This should take place through the LMDA programs, providing income, advice, and possibly supplementing capital investments on the model of present entrepreneurial support programs, allowing workers to combine wage employment and self-employment. The Maritime provinces should also explore program opportunities to help seasonal businesses to diversify their activities and be active for more of the year. As noted earlier, Sector Council initiatives in Nova Scotia have done this successfully for instance by supporting fish harvesters to offer tourism experiences.

Provincial governments should also consider how they can improve provincial student financial assistance programs to better assist seasonal workers in pursuing education and training to develop seasonal OP careers. This can take the model of supplementing funds provided under LMDA programs, but also providing direct assistance for micro-credentials.

Finally, these funding tools should be used to support the pilot programs at colleges that we envisioned earlier. Governments might also consider providing additional financial support for learners to back the skilled trades seasonal OP strategy.

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Chapter 5: Enabling immigration of workers for rural-seasonal industries

Growing labour shortages at the regional and national levels in Canada are largely the result of population decline and aging. The population size and age profile of those in Canada can only be changed over a very long time horizon. Immigration is therefore an essential means of quickly altering the demographics of a population to raise labour supply.

This Chapter considers the potential for increasing immigration of rural-seasonal workers, with a special focus of course on promoting seasonal OP. However, we take the view immigration has secondary potential for addressing labour supply challenges through seasonal OP when compared with our proposals for improving job quality, EI reform, and perhaps even education and training.¹²³ Immigrants will be most successful and most attracted to seasonal OP when positioned within a supportive institutional framework.

This Chapter focuses on newcomers obtaining permanent residency (PR) in Canada based on their potential to provide skilled labour or business investment. This form of immigration, called *economic immigration* provides a direct lever for addressing specific labour shortages. The other two major forms of immigration are family immigration, where newcomers obtain PR to join already settled relatives, and resettlement of refugees fleeing persecution, torture, or death in their home country.

In addition to permanent immigrants, temporary immigrants also play a significant role in the Canadian economy, accounting for 4% of total employment in Canada in 2019 (StatsCan 2022a). Certain sectors are especially dependent on temporary immigrants, including seasonal industries such as agriculture and fish processing. Tourism and agriculture also rely to some extent on foreign students and working holiday visas for seasonal labour supply.

Permanent immigration to Canada, especially economic immigration, often actually follows a two-step process, whereby individuals obtain temporary residency, and then subsequently PR. In 2021, temporary worker transitions to PR accounted for 42% of total PR admissions and 64% of PR admissions in the economic category, up from respectively 18% and 30% in 2018 (IRCC, 2022). This spike relates to the pandemic, as Immigration, Refugees and Citizenship Canada (IRCC) made it easier for temporary residents in Canada to obtain PR when fewer new immigrants were able to come from abroad. However, the overall pattern was evident prior to the pandemic, as the rate of transition from temporary to PR increased by 27% from 2017 to 2019.

Given the significance of two-step immigration, and the share of the workforce made up of temporary residents, the Chapter will first discuss temporary residency programs. Then it will discuss pathways to PR, before concluding with more specific analysis of findings with regards to seasonal employment and occupational pluralism.

¹²³ Note that this chapter does little to address immigrant settlement supports and education and training in general. Education and Training are addressed in Chapter 4.

1. Temporary residency pathways

There are two primary programs that allow foreign citizens to come and work in Canada temporarily: the Temporary Foreign Worker Program (TFWP) and the International Mobility Program (IMP) (IRCC, 2022). Temporary Foreign Workers (TFWs) tend to come from developing countries, whereas IMP workers tend to come from advanced economies. We will discuss each of these programs in turn.

1.1 The Temporary Foreign Worker Program

Summary

The TFWP is designed to fill temporary labour and skills shortages that cannot otherwise be met with domestic labour supply. It enables TFWs to work within Canada for a limited period, usually for a specific employer, provided that a Labour Market Impact Assessment (LMIA) indicates that doing so would have a positive or neutral impact on the Canadian labour market. Certain sectors such as agriculture may recruit TFWs more easily and have greater flexibility in their use. Common TFWP occupations include general farm workers and greenhouse workers, cooks, food service supervisors, fish plant workers, and labourers in food processing – all occupations of relevance to at least one or more of the Maritimes' primary seasonal industries.

The TFWP is designed to fill temporary labour and skills shortages that cannot otherwise be met with domestic labour supply. It enables TFWs to work within Canada for a limited period, usually for a specific employer.

The TFWP has five major streams, as described in Table 5.1. These streams have certain limitations. Under the low-wage stream, can only provide up to 20% of workers at a specific work location and is not available for certain sectors in high unemployment regions, while the caregiver stream has an annual cap of 2,750 principal applicants per stream (GOC, 2023a).¹²⁴ The Global talent stream also requires referral from designated partners, such as provincial ministries.

¹²⁴ ESDC will not process LMIA applications for positions in accommodation and food services, and retail trade, in regions with annual unemployment over 6%, for example (Kachulis and Perez-Leclerc, 2020).

Table 5.1: Primary streams of the Temporary Foreign Worker Program by worker characteristics and limitations

Stream	Worker characteristics
High-wage	Hourly wages above provincial or territorial median
Low-wage	Hourly wages below provincial or territorial median
Primary agriculture	Workers in the Seasonal Agricultural Workers Program (SAWP) ¹²⁵ and TFWs in on-farm primary agricultural work, covering occupations that are lower-skilled (e.g., general farm labour, greenhouse and nursery workers) and higher-skilled (e.g., farm managers and supervisors).
Caregiver	Temporary employment positions for care of children (Stream 1), or for care of individuals with high medical needs (Stream 2). There are also distinctions between high and low-wage caregivers which dictate the length of work permits.
Global talent	Category A for “unique and specialised positions”, and Category B for jobs under ESDC Global Talent Occupations List (includes computer and information systems managers, mathematicians and statisticians, web designers and developers).

To recruit TFWs, employers must undertake a LMIA from Employment and Social Development Canada (ESDC), which will authorize the employer to recruit TFWs if it finds that doing so would have a positive or neutral impact on the Canadian labour market – i.e., that the TFWs will not increase unemployment of Canadians. The TFWP includes some limits or caps on the number of TFWs who may work in a particular sector or region, with the goal of preventing wage suppression or displacement for Canadian workers. Employers must pay \$1,000 per worker and LMIA approvals are valid for 18 months, up from nine months as of April 2022. The approvals are granted only to individual employers and there is no mechanism at present for sector or association based LMIAs.

Once an LMIA is approved, prospective TFWs must apply to IRCC for a work permit. Work permits are usually employer specific. The SAWP allows workers to change agricultural employers based on the same work permit if all the employers in question have LMIAs. The workers in question must consent to the transfer, but transfers are typically organised by the employers. These transfers can only be between agricultural employers. In practice, this sharing is common. There has also been more flexibility for pooling of skilled trades workers amongst employers in unionised environments, with unions providing some assurance against abuse.

Processing times for LMIAs can pose a significant challenge (Khan, October 27, 2022). Average processing times vary. As of December 2022, they were 36 business days for the low-wage stream and 34 businesses days for the high-wage stream, but just 10 business days for the Global Talent Stream and 11 business days for the Seasonal Agricultural Worker Program (GOC, 2023b). The Government of Canada (GOC) has been investing to reduce LMIA processing times. Workers can apply for additional work permits once in Canada if they wish to change jobs for a subsequent season, but interviewees indicate that processing times for these work permits at present are longer than for LMIAs.

¹²⁵ The Seasonal Agricultural Workers Program (SAWP) is built around bilateral agreements with Mexican and Caribbean governments. Foreign workers may come to Canada to engage in planting and harvesting seasons of up to eight months per year. TFWs under the SAWP sign standard employment contracts that cannot be altered.

In addition to the LMIA requirement, other measures seek to discourage employer reliance on TFWs:

- For the high-wage stream, employers must develop a transition plan describing activities to recruit, train and retain Canadians and permanent residents to reduce reliance on the TFWP, and must report on the results of previous plans in the event of subsequent applications for an LMIA for the same work location and position.
- For the Global Talent stream, employers must develop a Labour Market Benefits Plan with ESDC that demonstrates the employer's commitment to activities with positive and lasting impact on the Canadian labour market through different benefits. Mandatory benefits include creating jobs for Canadians and permanent residents or increasing skills and training investments for Canadians and permanent residents. Complementary benefits can include enhancing partnerships with local PSE institutions and implementing policies to support hiring of under-represented groups. ESDC conducts annual progress reviews of the plans.

In other sectors, however, TFWP policies do much less to discourage reliance on TFWs, notably where dependency on these workers is highest. Beyond having their own streams, there are more relaxed requirements for workers in agriculture and caregiving roles. The low-wage stream 20% cap, for instance, does not apply to on-farm primary agricultural positions and caregiving positions in private household or healthcare facilities. Nor does it apply to low-wage positions in seasonal industries which do not operate for more than 270 calendar days – a nod specifically to fish processing industries.¹²⁶ Employers are also exempted from the transition plan requirement for the high wage stream for workers in caregiving and primary agriculture operations.

There is considerable year-to-year variation in TFW admissions to Canada. Numbers peaked in 2009, fell and then again peaked in 2013 before falling back again (Lundy, November 8, 2022). Numbers have been rising again since 2017, albeit without yet reaching previous highs. The agricultural stream is the largest by far, accounting for 312,000 positions approved between 2017 and 2021, compared to 93,000 positions in the high-wage stream and 89,000 in the low-wage stream. Growth certainly continued in 2022, although final statistics are not yet available (Lundy, October 31, 2022).

General farm workers and greenhouse workers are the most common roles approved through LMIAs (Lundy, November 8, 2022). The next most common roles, under the low-wage stream, are for cooks (17,508 approved between 2017 and 2021), food service supervisors (13,871 approved), fish plant workers (11,991 approved), and labourers in food processing (7,603 approved). There has been a particular rise in intake of TFWs in the restaurant industry.

¹²⁶ This was increased from 180 days in April 2022. In the same reform wave, the cap was increased to 30% for one year in seven sectors with chronic labour shortages, including hospitality.

1.2 The International Mobility Program

Summary

The International Mobility Program (IMP) allows employers to hire temporary workers without requiring an LMIA. Post-graduation work permits (PGWPs) are the most common source of workers under the IMP program, and a key avenue for two-step immigration to Canada. These are open work permits.

The International Mobility Program (IMP) allows employers to hire temporary workers without requiring an LMIA, in support of broader economic, social and/or cultural goals, or where there are reciprocal benefits to Canada.

Post-graduation work permits (PGWPs) are the most common source of workers under the IMP program. Basically, upon graduation international students at Canadian post-secondary education (PSE) institutions are eligible to remain in the country on an open work permit. For students in programs of less than two years' duration, work permits correspond to the length of the program of study. For students in programs of two or more years' duration, permits are for three years. PGWP holders represented 31% of all work permit holders in Canada in 2021 (IRCC, 2022).

PGWPs are the key avenue for two-step immigration to Canada. In 2021, 39% of all new permanent residents in Canada had previously held one or more study permits (IRCC, 2022). Among these 157,000 individuals, 88,000 transitioned directly from PGWPs. Almost three-quarters of all PGWP holders transition to PR within five years of obtaining this type of work permit.

Other IMP workers in Canada can apply for work permits in cases where an LMIA is unnecessary based on broader economic, cultural, or competitive advantages for Canada or reciprocal benefits for Canadians and permanent residents in the sending country. IMP work arrangements may also be based on international agreements, be intra-company transfers, or include youth work-exchange programs. About half of non-PGWP IMP workers in Canada have open work permits and half have employer-specific work permits.

2. Permanent residency pathways

This section addresses pathways for PR. It will first describe federal economic immigration streams, then the Atlantic Immigration Program (AIP) and finally the provincial nominee programs (PNPs).

Specific pathways to PR are more important in the Maritimes than across the rest of Canada. Among permanent residents who were admitted between 2010 and 2020, economic immigrants represented 71% of those living in the Maritimes as compared to 58% across Canada.¹²⁷ This is largely because compared to other provinces the Maritimes has fewer past immigrants who would attract family migrants. Of perhaps even greater note, PNPs accounted for almost half (48%) of permanent residents in the Maritimes

¹²⁷ These data are in the year 2020.

compared to just 17% across Canada. PNPs, as well as the AIP, enable the Maritime provinces to be more attractive for immigrants on procedural grounds. The hope is that immigrants who enjoy initial procedural advantages will remain permanently in the Maritimes after they obtain PR.

2.1 Federal economic programs

Summary

There are three primary federal high-skilled immigration programs: the Canadian Experience Class, the Federal Skilled worker Program, and the Federal Skilled Trades Program. Each program has minimal requirements related to education and work experience, but slots are ultimately assigned competitively based on a Comprehensive Ranking System which emphasises most especially formal educational credentials, language proficiency, and Canadian work experience. Additional smaller streams operate to facilitate PR for temporary residents based on the program they have used to be able to work in Canada temporarily, including a time-limited Temporary Resident to Permanent Resident pathway targeting recent international graduates and essential workers during the pandemic, and certain pathways for TFWs including the Agri-Food Immigration Pilot.

This section will first discuss the general economic streams for attaining PR. Then it will discuss a set of recently introduced programs targeting specific, smaller groups.

General economic streams

The largest share of economic immigration federally takes place through the “big three” federal high-skilled programs: the Canadian Experience Class, the Federal Skilled Worker Program, and the Federal Skilled Trades Program. In 2021, these programs admitted 34% of all immigrants to Canada.

The Canadian Experience Class and the Federal Skilled Worker Program both target workers at skill TEERs 0, 1 and 2, corresponding respectively to management occupations, completion of a university degree (or several years of experience at TEER 2) and completing a college-level PSE program of two-to-three years’ length or apprenticeship training of two-to-five years (or several years of experience at TEER 3) (El-Assal, 2021).¹²⁸ The Canadian Experience Class also requires workers have at least one year of skilled work experience in Canada within a three-year period.

¹²⁸ TEER 2 also includes occupations with supervisory or significant safety responsibilities such as firefighters or police officers. TEER 3 is completion of a PSE program of less than two years at a college, institute of technology or CEGEP or similar apprenticeship training. TEER 4 is completion of secondary school or different forms of equivalency, and TEER 5 indicates short work demonstration with no formal educational requirements. This is a shift from a comparable previous structure of Skill levels 0, A, B, C and D.

The “big three” programs are key avenues for IMP residents in Canada to access PR. IMP residents obviously have advantages for the Canadian Experience Class since they are actively gaining Canadian experience, however 67% of the 645 principal applicants who obtained PR in 2019 through the Federal Skilled Trades Program also had previously held work permits in Canada. Twenty-seven percent of the 2010-2019 cohort of international students who gained PR by December 2020 across Canada did so through the Canadian Experience Class, while 6% did so through the Federal Skilled Worker Program (Dennler, 2022).

In June 2022, IRCC introduced changes to facilitate PR application for temporary residents which are anticipated to continue for the foreseeable future. Applicants are no longer required to remain in Canada while their applications are being processed and may have extended open work permits while waiting for their PR applications to be finalised, while family members from outside of Canada who are included in a principal applicant’s PR application will be eligible for open work permits.

Importantly, the criteria outlined above are minimal requirements. Those interested in obtaining PR apply through the Express Entry online system. If they meet the minimal requirements, they are scored based on the Comprehensive Ranking System (CRS) which generates a rank of applicants within an Express Entry pool. A minimum points score is generated for each round of invitations that takes place (GOC, 2023d). Appendix 6 provides a detailed overview of the CRS, which emphasises most especially formal educational credentials, language proficiency, and Canadian work experience.

Those invited based on their points to apply for PR must do so within 60 days (GOC, 2023c). This application process is largely about validating documentation and providing final approval of PR, as well as processing required fees.

Special streams

Additional smaller streams operate to facilitate PR for temporary residents based on the program they have used to be able to work in Canada temporarily. Many of these are focused on transitioning temporary residents into PR.

During the pandemic, there was a time-limited Temporary Resident to Permanent Resident pathway introduced targeting recent international graduates and essential workers (IRCC, 2022). As noted previously, this sought to facilitate permanent settlement at a time when it was difficult for newcomers to come to Canada directly. Close to 24,000 new permanent residents were admitted in 2021 using this pathway, with further plans for 40,000 more in 2022 and 32,000 more in 2023. The pathway addressed over 130 essential occupations at various skill levels, such as healthcare, caregiving, agriculture, manufacturing, service industry, trades and transportation. In terms of skill levels, principal applicants have been 4% at NOC 0, 8% at NOC A and 44% at NOC B, followed by 32% at NOC C and 11% at NOC D.

IRCC has also created targeted pathways for TFWs to obtain PR:

- As of 2020, the three-year Agri-Food Immigration Pilot offers a pathway to PR for TFWs in the agriculture and agri-food sector who have intermediate and lower-

skilled levels (NOC B, C and D). The pilot has specifically intended to address labour shortages in industries such as meat processing, greenhouse and mushroom crop production and livestock raising.

- As of 2019, the Interim Pathway for Caregivers enabled certain individuals who had worked as in-home caregivers, as well as their families, to obtain PR.¹²⁹

2.2 The Atlantic Immigration Program

Summary

The Atlantic Immigration Program (AIP) allows designated employers to nominate workers who they wish to hire for an accelerated PR process. A ground-breaking dimension of the AIP has been the inclusion of intermediate skilled economic immigrants who had never previously had a direct pathway to PR. The Atlantic Immigration Pilot upon which the AIP is based appears to have been very successful in retaining newcomers in Atlantic Canada.

The AIP is an employer-driven program, unlike the Federal Economic streams. The AIP allows employers to nominate workers who they wish to hire for an accelerated PR process. Employers must be designated by the provincial government of the province where relevant employees would work. Conditions for designation include working with a settlement service provider organisation to help candidates and their families access settlement services, meeting certain training requirements, etc. There is no cost to becoming designated. Once designated, an employer may hire skilled workers and graduates of Atlantic Canadian PSE institutions for positions that are full-time and at least one year in duration (permanent for TEER 4 category positions).

The AIP built upon the 2017 to 2019 Atlantic Immigration Pilot. That program admitted 4,141 individuals to Atlantic Canada in 2019 and 5,634 in total over the three years (IRCC, 2020). Sixty-two percent of newcomers came through the high-skilled program, 31% through the intermediate skilled program and 8% through the international graduate program, while 18% worked in NOC 0 and A occupations (approximately present TEERs 0 and 1), 46% at NOC B occupations (roughly present TEER 2) and 36% at NOC C (roughly present TEER 3) occupations. Most (67%) had previously held temporary resident status. The most common occupations of newcomers were food service supervisors (473), transport truck drivers (325), cooks (264), other customer and information services representatives (154), and fish and seafood plant workers (138).

A key ground-breaking dimension of the AIP has been the inclusion of intermediate skilled immigrants (TEER 3). This is the first instance in recent history where a direct pathway to PR has been open for economic immigrants at this skill level.

Of special interest, the Atlantic Immigration Pilot appears to have been very successful in retaining newcomers in Atlantic Canada. As of February 2020 (just before the outbreak of the pandemic), 90% of surveyed AIP principal applicants reported living in Atlantic

¹²⁹ Candidates must have a valid work permit and a year of work experience in Canada as a home childcare provider/support worker and meet other language and education requirements.

Canada. Retention rates by province are higher for the AIP than for PNP principal applicants in the first year, although not necessarily in the second year.

2.3 Provincial nominee programs

Summary

The Government of Canada (GOC) allocates a certain number of spaces each year for provinces to nominate newcomers for PR to meet economic needs in each province. Provinces have considerable flexibility in who they can nominate under their PNP, and many programs have shifted recently to tackle skills shortages in the trades or other occupations by admitting more candidates with lower levels of formal education. Improving retention rates has been essential for the Maritime provinces to secure higher numbers of provincial nominees from the GOC, and the number of PNP spaces have increased in recent years along with retention rates by certain measures, although not others.

PNPs operate based on agreements between the GOC and each province. The GOC allocates a certain number of spaces each year for provinces to nominate newcomers for PR to meet economic needs in each province. PNPs have a variety of streams and tend to focus on candidates who are entrepreneurs, highly skilled, or in high demand occupations. PNPs are the most significant single pathway by which international students have achieved PR, accounting for 30% of 2010-2019 international students who achieved PR across Canada by December 2020 (excluding the Quebec Skilled Worker program) (Dennler, 2022). PNPs have shifted recently to admit more candidates with lower levels of formal education, seeking to tackle skills shortages in the trades or other occupations.

The longstanding challenge with Maritimes PNP programs has been to retain newcomers once they have obtained PR. Improving retention rates has been essential for the Maritime provinces to secure higher numbers of provincial nominees from the GOC – there would be little point in providing more PNP spaces to provinces if they are not retaining the newcomers they nominated. One-year retention rates improved significantly in all Maritime provinces from 2017 to 2020, although similar improvement is not apparent in five-year retention rates (StatsCan, 2022b). The number of PNP spaces in the Maritimes has increased significantly in recent years, partly in recognition of rising retention rates but also as overall intake of new immigrants has increased across Canada.

3. Analysis

This analysis section first provides general reflections on temporary residency streams and seasonal work before considering newcomer challenges specifically relating to rural communities, seasonal work, and occupational pluralism. Then it considers the TFWP in depth, before finishing with a discussion regarding immigration policies present emphasis on education levels.

3.1 General reflections on permanent residency streams and seasonal work

Summary

PR pathways generally target candidates for year-round full-time work. Federal agreements for all the Maritimes PNPs and the AIP do not allow prospective immigrants to apply for PR based on seasonal job offers. The Agri-Food Immigration Pilot also requires full-time non-seasonal employment. Candidates for the Canadian Experience Class need only accumulate 1,560 hours of skilled work experience, but year-round work provides more assurance of time accumulation than seasonal work – especially when only 30 hours per week can be counted.

Directly or indirectly, the various programs that provide pathways to PR generally aim at candidates obtaining year-round full-time work.

Federal agreements for all the Maritimes PNPs and the AIP do not allow prospective immigrants to apply for PR based on seasonal (or part-time) job offers, although some PNP streams are based not on job offers but on experience, akin to the Canadian Experience Class. This matters in particular given, as noted earlier, that PNPs account for almost half of newcomers to the region.

To be eligible for the AIP, a hiring organisation also cannot recruit or hire workers for the purpose of establishing a pool of candidates that can be later transferred or contracted out to separate businesses for staffing purposes. This means that employers cannot share these workers.

The Agri-Food Immigration Pilot requires that immigrant applicants have at least one year of full-time, non-seasonal agri-food work experience under the TFWP, and an indeterminate, full-time non-seasonal job offer in an eligible occupation. These restrictions are especially noteworthy given the seasonal nature of much agricultural work in Canada and appear to reflect a deliberate policy encouraging agricultural operations to operate year-round, as well as possibly to avoid admitting workers who will rely on seasonal EI.

The Canadian Experience Class is a better fit for seasonal and occupationally plural work since candidates must simply have accumulated one year (1,560 hours) of skilled work experience in Canada in the three years prior to applying, regardless of the number of jobs in which this experience was accumulated. There is a prohibition on counting hours above 30 in one week, which may disadvantage seasonal sectors with intensive work schedules in high seasons. The FSWP and FSTP have similar policies. Yet, while these policies allow foreign workers to accumulate experience in seasonal industries to be able to access PR, interviewees indicate that in practice temporary workers in Canada tend to prefer full-time year-round work wherever possible. In essence, prospective permanent residents are eager to fulfill requirements for PR quickly, and a year-round job provides greater assurance of time accumulation for PR than a seasonal job. Seasonal jobs can therefore struggle to attract temporary residents even when pay is relatively high.

3.2 Newcomer challenges relating to rural communities, seasonal work and occupational pluralism

Summary

At present, many newcomers prefer not to live and work in rural communities due to a mix of real and perceived disadvantages. Many of these disadvantages relate to dimensions of job quality discussed in Chapter 2, but which are often more acute for newcomers than for longstanding residents.

Aside from considerations relating to PR stream policies, interviewees suggested that newcomers may often not be very interested in the kinds of rural seasonal work that are the focus of this study. This would include non-economic immigrants, or family members accompanying primary economic immigration candidates, who of course nevertheless may be seeking employment.

Interviewees suggested that factors specifically relevant to newcomers include:¹³⁰

- Preferences to live in urban communities with established immigrant communities, more support services (settlement agencies, etc.), and more diverse opportunities for all family members – especially in families that might want to live closer together than is typical of non-immigrant families.
- Preferences to live in urban communities for lifestyle reasons due to bias in immigration system towards recruitment of immigrants from major urban areas in developing countries.
- Concerns about employment security, given challenges in many hiring processes including language and cultural differences and vulnerability to discrimination.
- Unique challenges for immigrants in developing the social connections needed to navigate rural job markets and find diverse employment opportunities over the course of the year.¹³¹
- Increasingly serious challenges finding affordable housing in proximity to employment opportunities – some newcomers may first find a place to live, and then a workplace convenient for where they are living.
- Difficulties in obtaining and financing transportation to work in rural settings, especially in terms of upfront costs of purchasing a vehicle, or acute time pressures making it infeasible to spend more time in transit.

Multiple interviewees from immigrant settlement agencies suggested that newcomers are more likely to participate in concurrent multiple jobholding than non-immigrants, but statistical data for Canada does not appear to support this view (Hira-Friesen, 2014). Seasonal occupational pluralism (OP) poses still more challenges, given its heavy reliance on long-term social connections, as described in Chapter 2, which immigrants will require time and might have to overcome conscious or unconscious bias to develop.

¹³⁰ One interviewee suggest also that some might want the transition to Canada to also entail a transition into perceived higher status occupations in an office, even if they have strong and remunerative skills for instance in the trades.

¹³¹ As discussed in Chapter 2, seasonal employment is relatively insecure. Social capital provides much of the security workers can enjoy, and new immigrants often lack these kinds of connections.

There has been a significant increase in immigrants settling in rural communities in recent years, and settlement services for rural residents have expanded through on-line delivery. Nevertheless, these challenges remain important.

3.3 Temporary foreign workers

Summary

Rural seasonal employers in the Maritimes have difficulties making the most of TFWs partially due to administrative barriers, high local unemployment rates posing a barrier in the LMIA process, and limitations on employers' ability to share TFWs. The Government of Canada is considering changes to TFWP policies to facilitate greater sharing of TFWs and other supports for seasonal employers, as well as to avert and address abuses. Ultimately, however, the TFWP can only be a partial solution at best for the challenges facing the rural Maritimes because TFWs do not contribute to the growth in permanent populations that is needed to sustain public services such as schools and healthcare facilities. More pathways into permanent residency, and more avenues to bring in TFWs and their families together, could amplify the benefits of the TFWP.

TFWs are helping many rural-seasonal employers address critical labour supply challenges by providing certain categories of workers where none are available locally. This is a short-term angle on the program, which this section addresses first, before then turning to longer-term reflections on population growth.

LMIA's consider the availability of local workers, based in part on the local unemployment rate. As discussed in Chapter 3, in communities reliant on seasonal employment insurance (EI) usage, the unemployment rate is an unreliable measure of labour availability. By exaggerating job-seeking unemployment, the EI program may therefore further reduce labour supply by restricting employers' access to TFWs.

Of perhaps greater salience, the TFWP could better support rural-seasonal industries if employers were more able to share workers within and across sectors and occupations. As noted above, agricultural employers can share TFWs if they have LMIA's, but they cannot share workers with non-agricultural employers unless the workers obtain new work permits (Kachulis and Perez-Leclerc, 2020). Once in Canada, TFWs can apply for new work permits to take other jobs with LMIA-holding employers, but it is difficult to see how many can do this without support. Historically few TFWs have changed employers through this kind of mechanism. In many cases, TFWs are working long hours and have limited access to tools, information, and skills to be able to find and apply for other job opportunities.

Employers have expressed clear interest in being able to share workers more readily, including notably fish processors and agricultural producers in the Maritimes. The GOC is responsive to this and seeking to facilitate transfers of TFWs between employers within the same sector. Budget 2022 (GOC, 2022) committed the GOC to introduce a Trusted Employer Model to facilitate recruitment of TFWs for employers "who meet the highest standards for working and living conditions, protections, and wages in high-demand

fields”. It also committed to a new foreign labour program geared to the specific needs of agriculture and fish processing businesses. IRCC and ESDC also released a notice of intent in 2019 about introducing an occupation specific work permit for TFWs in the primary agriculture stream and low-wage streams of the TFWP, although interviewees suggested that this proposal was not well received. Little attention still has gone to facilitating transfers between different sectors or different occupations which is common among Canadian residents who engage in seasonal OP.

Difficulties in changing employers can also make TFWs vulnerable to abuse. Beyond their obvious harm, experiences and the risk of abuse may make workers less interested in PR. The GOC introduced the open work permit for vulnerable workers in 2019 as a transitional measure to provide a pathway for TFWs to leave abusive situations and find new employment in any occupation, without requiring an LMIA.¹³² TFWs holding an employer-specific work permit who experience abuse or are at risk of abuse in their jobs are eligible. Staff at the TFWP are also concerned that transitions between employers could amplify risk of abuse, however. Ultimately, the principal means of mitigating abuse is through enforcement, in which the GOC has been increasing its investment.

The TFWP formally addresses only labour shortages that are *temporary*, but in practice implicitly recognises some labour shortages as *permanent* or structural.¹³³ Of course, temporary workers can also be needed to provide labour when there are inadequate workers available, willing, or capable of completing the work locally, making this program useful for facilitating transitions in industries. There is little intrinsic harm to workers in allowing them to make relatively high earnings in Canada on a temporary basis without seeking PR, if that is their objective and they are protected against abuse. However, by generally failing to contribute to the growth in permanent populations that is needed to sustain public services such as schools and healthcare, the program can only be a partial solution at best for the challenges of rural industries and their communities.

One employer interviewee described how they have recruited TFWs who know each other from their home communities and have assisted a number to settle permanently in Canada. Some of these former TFWs have continued to work for that employer and stayed in the local community, while others have moved to other parts of Canada. According to the employer, the ones who stay are well accepted in the area, with local employees in that company attending community events hosted by the newcomers. This example speaks to the potential for the TFWP to facilitate population growth in rural Maritimes communities by attracting newcomers who can settle together with people they know from their home communities. Developing stable attachments to local employers is also key. Recent policy changes allowing TFWs and their spouses to remain in Canada on open work permits while applying for PR also will help enhance the benefits of the TFWP.

¹³² Research suggests that when TFWs experience difficulties such as social isolation, labour standards violations, or loss of skills, effects linger even if workers transition to permanent resident status (Goldring and Landolt, 2012).

¹³³ This resembles how the EI program formally only insures workers against unexpected unemployment, but in practice is a predictable income support for seasonal workers.

3.4 Program focus on the highly educated

Summary

Canadian immigration policy places a strong emphasis on recruiting highly skilled immigrants. For instance, the Comprehensive Ranking System accords 54% of possible points in federal immigration streams entirely or in part based on formal education levels, and 35% based entirely or in part on language competencies closely correlated with formal educational attainment. However, seasonal workers are largely less formally educated. At least the AIP and provincial nominee programs have allowed some newcomers with lower formal skill-levels to gain PR. Policy changes to admit more immigrants with lower levels of formal education should be pursued with care, as these would represent a significant break with Canada's policy model.

One final, but nevertheless crucial, consideration relates to the historic emphasis of Canadian economic immigration on high levels of formal education and training. As we have noted, most pathways to PR have admitted only economic immigrants with at least two-to-three years of college-level education/five-to-seven years of apprenticeship training. However, in Atlantic Canada seasonal work disproportionately engages workers with less formal education as indicated in Chapter 1.

The CRS criteria (see Appendix 6) used for the federal PR streams in the Express Entry system radically emphasise education levels and language competency. In fact, out of 895 possible points (excluding points from provincial nomination), 53.6% are based entirely or in part on formal education levels, while 34.6% are based entirely or in part on language competencies which are closely correlated with formal education levels (Daley and Min Hu, 2019; Isphording, 2015).¹³⁴

To simplify this analysis, a single person with only secondary schooling would be unable to earn 350 points in the CRS or 39.1% of total competitive points outside of provincial nomination, without even considering their language levels.¹³⁵ A single person with fluent basic language competency, i.e. CLB 4 (CanadaVisa, 2023), across the board in only one official language would immediately lose out on 186 points or 20.8% of total competitive points outside of provincial nomination, not accounting for skill transferability implications.

More specific examples provide a clearer picture still:

- A single person with high-school education, CLB 4 language competency, two years of work experience in Canada, no usable arranged employment,¹³⁶ and the best possible performance on other variables outside of provincial nomination (especially age and foreign work experience) would receive only 232 points.

¹³⁴ This figure underestimates the importance of language as it does not account for the four ways to obtain up to 50 points based on skill transferability, because the maximum points obtainable are only 100. We count NOC TEER 0 Major group 00 arranged employment as education related.

¹³⁵ This assumes such an individual could not receive NOC TEER 0 Major group 00 arranged employment.

¹³⁶ Arranged employment may not include a seasonal offer of employment.

- Keeping all characteristics constant but changing the education level to a college credential would enable someone to receive up to 390 points.
 - Finally, increasing language skills to “adequate intermediate” (CLB 7) in English, a person could optimally receive 449 points, while the equivalent person with skills only in French would obtain 484 points.

Since July 2022, when the pandemic has been essentially over as a major factor, the lowest acceptable points was 490 for an unspecified invite.¹³⁷ Obviously, it is very difficult for workers with the kinds of skill profiles we would expect for most seasonal work to pass through federal immigration pathways, except perhaps under the Federal Skilled Trades program which admitted applicants with scores below 300 in 2017 and 2018.

In this context, the AIP has been ground-breaking in enabling less educated migrants to access PR. Provincial nominee programs are also increasingly allowing workers with less formal education to apply for PR to fill priority labour shortages.

There are possible risks in increasing lower skilled immigration, however. Economic evidence suggests that immigration does not reduce the aggregate earnings of native workers and can in fact raise their earnings, but it does affect the distribution of earnings amongst native workers.¹³⁸ Canada’s emphasis on higher educated immigration has reduced wages for workers in skilled occupations that receive more of those immigrants, which has reduced inequality. Expanding immigration of less formally educated workers could have the opposite effect by reducing wages at the bottom of the income scale and consequently increasing economic inequality. Another area of concern relates to the potential effects of lower-skilled immigrants on automation and productivity. There is modest but growing evidence that increasing immigration of low-skilled workers reduces innovation and specifically automation in production in relevant sectors.¹³⁹ In seasonal sectors specifically, we can extrapolate that this may also hinder the development of year-round operations, most especially when workers are available under programs such as the TFWP.¹⁴⁰

Ultimately, the evidence does not recommend greatly expanding low-skilled immigration for occupations where greater availability of labour is likely to discourage automation, longer production seasons and other measures to enhance productivity, such as in a lot of food processing work. What this evidence does suggest is that Canada would be wise to

¹³⁷ In February 2021, the Canadian Experience Class issued invitations to a group which included lowest ranked candidates at 75 points, because the program was desperate to offer PR to temporary residents in Canada when it was not possible to bring people into the country from abroad.

¹³⁸ Edo et al. (2020) provide a useful overview of economics research on the impacts of immigration. They highlight the aggregate finding of nil or modest positive effects of immigration on native earnings, but also widely discussed distributional effects. On the wages side, various studies suggest that influxes of immigrants into a specific occupation will tend to reduce wages in that occupation in the short-term, especially in lower skilled occupations. This does not necessarily mean wages fall for native workers, as the new immigrants may be the only ones to accept these lower wages.

¹³⁹ With regards to the effects of low-skilled immigration on technology investment, a recent quasi experimental study in Denmark found that a one percentage point increase in the share of non-Western migrants decreased probability of robot adoption by 7% (Mann and Pozzoli, 2022). As well, an older study focused on Germany in the 1990s and 2000s found that one additional worker per 1,000 manual and unskilled workers reduced automation innovation by 0.05 patents, with the effect confined to industries containing many low-skilled workers (Danzer et al., 2020).

¹⁴⁰ Still, Canada may wish to maintain certain economic activities that cannot compete in a globalised market while paying dramatically higher wages to attract local workers and have limited prospects for automation, most especially in agriculture, and there may therefore be a permanent need for foreign workers in these sectors.

permit greater immigration of workers with lower levels of formal education but nevertheless important skills for seasonal occupations of special need, such as in agriculture. This supports employer-based applications under the model of the AIP, as employer applications can permit analysis of the circumstances of the employer potentially bringing in workers to avoid negative effects.

4. Recommendations

Immigration is a promising pathway for increasing labour supply and the population base in the Maritime Provinces. Presently, however, immigration programs are not designed and operated to address the more basic and long-term labour supply and population challenges facing rural regions.

The most obvious avenue for newcomers who wish to work in rural-seasonal occupations to obtain PR is through the AIP and provincial nominee programs which allow immigrants to obtain PR with lower levels of formal education and language competency. Provincial-Federal agreements and policies around this program will need to change, however, as for instance seasonal workers are presently banned from programs that are based on secured offers of employment.

Yet, emphasising PNPs and the AIP alone presents significant downsides. There are limited numbers of spaces in these programs. Highly educated workers for urban year-round jobs are highly valuable and Canada has a track record of successfully supporting their settlement, so the Maritimes should not reduce the number of newcomers it is bringing in who fit this profile. Furthermore, there is greater inherent risk in allocating the limited number of PNP and AIP spaces to rural-seasonal workers because Canada and the Maritimes do not have a strong track record of settling lower skilled workers in rural-seasonal careers – we cannot know what share of these workers might settle permanently in the Maritimes or maintain long-term careers in rural-seasonal industries once they obtain PR, or how many may face long-term labour market difficulties. The GOC should provide additional intake spaces to the Maritime provinces for rural seasonal workers, rather than requiring them to only use spaces otherwise through the PNPs and the AIP. The Agri-Food Immigration Pilot and the Temporary Resident to Permanent Resident pathway provide models for what might be possible, although again they would need to be adapted to accept seasonal workers. The GOC should also increase funding to support settlement services for rural-seasonal workers.

Additionally, two temporary residency programs hold significant potential as avenues for increasing the numbers of permanent residents for rural regions: the PGWP and the TFWP. In both cases, an array of measures would be needed to facilitate settlement and seasonal careers.

As noted earlier, the PGWP is an increasingly important pathway to eventually apply for PR in Canada. Building on this pattern, new PSE programs could train international students for highly remunerative occupationally plural rural careers and then connect them with employers, following through on recommendations in Chapter 4. Assurance of employment and a pathway to PR could make such programs much more attractive. Moreover, these students could be incentivised from the start to pursue OP careers

because they will not be eligible for EI at least until they have PR. The GOC and provincial governments, PSE institutions and employer associations could collaborate to develop such programs.

A smaller policy change would reduce the disadvantages of seasonal work that discourage PGWP holders from working in seasonal sectors. We recommend allowing temporary residents to count more hours of work per week towards requirements for applying for PR under the Canadian Experience Class if they work in a seasonal sector rather than a non-seasonal sector. This could mitigate PGWP holders' concerns that such jobs provide less assurance of being able to meet the hours requirements to apply for PR within reasonable time periods.

With respect to the TFWP, we would further recommend closer collaboration between employers, industry associations and sector councils, immigrant settlement agencies and immigration authorities to make better use of the TFWP to bring in TFWs and their families and help those who choose to stay to transition into PR. Beyond the changes to PR streams discussed earlier, efforts could include community-focused recruitment, making work permits available for family members who can work in priority sectors such as long-term care, and providing access to training programs for TFWs to develop seasonal OP careers. Within the context of ongoing policy changes, the TFWP should also allow greater sharing of workers among approved employers in different sectors, such as between fish processing operations and farms, and provide TFWs with longer-term seasonal contracts over consecutive years to secure labour supply for employers and make it easier for the TFWs to plan and take necessary steps to achieve PR.¹⁴¹

Lastly, GOC and provincial efforts to recruit immigrants should deliberately recruit more from communities that are more like the rural Maritimes, as opposed to large metropolitan cities of the developing world. This could involve adjustments to the Express Entry system to grant more points based on workers having a job offer from a rural employer, having work experience in a rural industry, or having completed their secondary schooling outside of a major metropolitan area.

¹⁴¹ This is not a comprehensive treatment of possible changes in the TFWP to help increase labour supply for seasonal sectors of the economy, which would extend beyond the scope of this project focused on seasonal OP.

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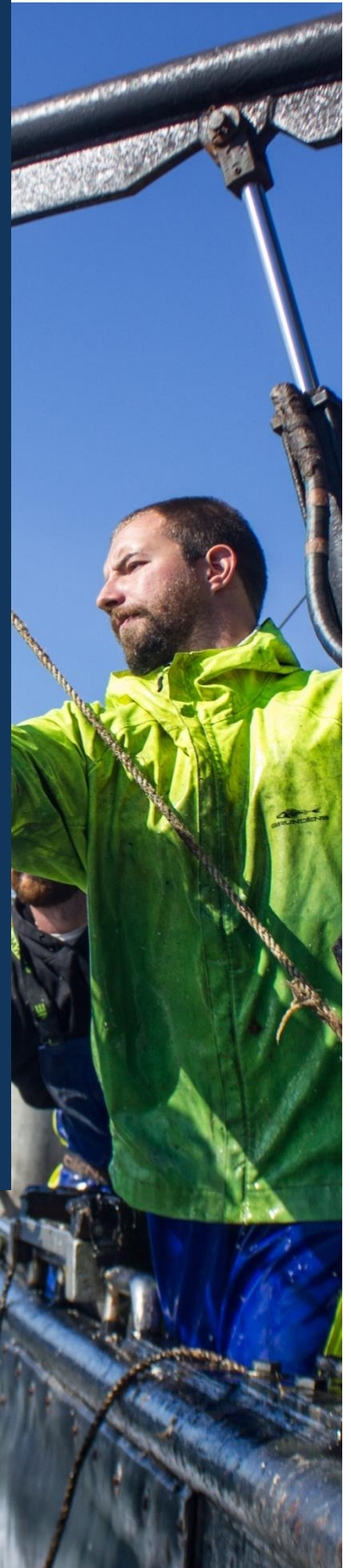
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Appendix 1: LFS Seasonality measurement

The LFS builds from a basic structure emphasizing employment in the prior week, and so for each job the respondent reports participating in, the survey asks:

Q240: Is ...'s job *[at name of employer]* permanent, or is there some way that it is not permanent? (e.g. seasonal, temporary, term or casual)

FOR THOSE WHO SAY YES TO Q240 – Q241: In what way is *his/her* job not permanent? (options are: seasonal job; Temporary, term or contract job (non-seasonal), casual job, and other – Specify)

This framing appears biased to under-report the share of the workforce that is seasonally employed because:

- Employees may not associate work temporary, term or contract work with “seasonality” even if the opportunity is for a particular season, such as students working in a bar over the summer
- workers who combine seasonal work with other employment in other parts of the year may not consider this other work to be “seasonal”, or
- workers may have a job throughout the year but take on additional hours in peak seasons.

The LFS questionnaire is available at:

https://www23.statcan.gc.ca/imdb/p3Instr.pl?Function=getInstrumentList&Item_Id=250620&UL=1V&

Appendix 2: Multiple jobholding

The Labour Force Survey (LFS) tracks multiple jobholding through the following yes/no questions:

- Q100: Last week (meaning between Sunday and Saturday), did *PERSON* work at a job or business? (regardless of the number of hours)
- IF NO – Q101: Last week, did *PERSON* have a job or business from which *he/she* was absent?
- IF YES TO Q100 or Q101 – Q102: Did *he/she* have more than one job or business last week?
- IF YES TO Q 102 – Q103: Was this a result of changing employers?

Multiple job holders are recorded as having said yes to Q102 but not to Q103.¹ There are two major challenges with these data when it comes to measuring occupational pluralism. Firstly, an employee may be occupationally plural on a consecutive, but not a concurrent basis. Thus, they may work in no weeks or very few weeks in two jobs at once, instead transitioning in working solely in one job to solely in another. Secondly, it is obvious how to answer Q102 if one had more than one job at the time, but in the following circumstances it may be unclear:

1. If one had one job and had a business, should one say yes? One may not have more than one job or business, but only one of each.
2. If one has a business, one may indefinitely have the business, although they may not do work for that business from one week to the next. This means that if a respondent navigates issue a) above by saying yes because they have a job and one or more businesses, this may not reflect their actual circumstances because their business(es) may be inactive. For someone with no job but multiple businesses, they may respond yes to the question even if all these businesses are inactive or only one is active.

Based on these issues, we must understand the LFS as a troubled measure of multiple jobholding and occupational pluralism. Nevertheless, it is the most common cited measure of relevance to this study and so we will briefly review its findings.

Participation in multiple jobholding

The rate of multiple jobholding in Canada was 5.8% in 2019 (examining this date to avoid simply measuring distortions related to the COVID-19 Pandemic), and much the same in Atlantic Canada (~5.5%).² This was higher than the US rate of 5.1% in that year,³ and well

¹ There are later follow-up questions regarding work at the respondent's "other job", focused on whether they were an employee or self-employed, and the number of hours worked in the reference week.

² This is based on a custom analysis undertaken in support of this project by Michael Haan, Taylor Paul, and Elena Draghici of the University of Western Ontario. Publicly available data are at: <https://www150.statcan.gc.ca/n1/pub/14-28-0001/2020001/article/00011-eng.htm>

³ Source: <https://fred.stlouisfed.org/series/LNS12026620#0>

above the EU-27 rate of 4.2%.⁴ Multiple job holding had been trending up in Canada from 2012 to 2019, which was also true in the United States and to a lesser extent the EU.⁵ Rates fell markedly in 2020 in both Canada and the US with a partial recovery in 2021 – there was much less movement in the EU.⁶

In the Maritimes, the rate of multiple jobholding was higher (5.7%) in urban areas than in rural areas (5.0%) from 2018-2021, with all these figures holding basically stable relative to 2006-2009. At the provincial level, the largest share of workers hold multiple jobs in Prince Edward Island, equal to 6.5% from 2018 to 2021. The next highest share of workers with multiple jobs were in Nova Scotia (5.8%), and the lowest share in New Brunswick (4.9%). Nova Scotia is the one province where the rate of multiple jobholding is practically equal in rural and urban areas.

The share of workers in multiple jobs in the Maritimes was basically stable between 2006-2009 and 2018-2021, with some modest growth in urban areas overall. Multiple jobholding expanded the most in PEI, as the share of workers reporting multiple jobs increased by 0.8 percentage points (13%). Overall shares of workers in multiple jobs were basically stable in the other two provinces over the period of interest, based on stasis in urban areas, as well as an increase in rural areas in Nova Scotia and decline in rural areas of New Brunswick (both by 0.7 percentage points).

The following data address the probability of participating in multiple jobholding based on individual characteristics, using multiple regression analysis. Data are for Atlantic Canada as a whole, though we focus on Maritimes provinces data where applicable. Data focus on rural areas unless otherwise explicit. All these figures are based on comparison to a base rate, such as that among persons aged 15-19 for age-related variables, and only differences that are statistically significant at 95% confidence are noted.

Probability of participating in multiple jobholding is 5% higher in urban areas than in rural areas. In both urban and rural area, the probability of participating in multiple jobholding is highest in PEI, followed by Nova Scotia, respectively 25% and 12.5% higher than in New Brunswick in rural areas.

The likelihood of participating in multiple jobholding varies between different age groups, but not in a linear fashion. Thus, in rural areas it is comparatively high for those aged 20-24 (35% higher than for those aged 15-19 to provide a baseline) and those between the ages of 40 and 49 (~30% higher), is not as high for those between the ages of 25-29 and

⁴ Source: <https://ec.europa.eu/eurostat/data/database>

⁵ The European LFS measures multiple jobholding similarly to the Canadian LFS, based on the “existence of more one job or business” in a reference week. In the United States, the Current Population Survey (CPS) also measures whether individuals had more than one (job/job or business) in the prior week, although it earlier gauges separately if the person owned a business. Canada is not alone in its approach to (mis)measuring multiple jobholding.

⁶ In the United States, a new measure of multiple jobholding has recently emerged using administrative data. The measure tracks multiple jobholding in a quarter for workers who held one job for the full-quarter (i.e. reporting employment in a same job in the preceding and subsequent quarters, assuming therefore that they held this job for the full quarter). Comparing these results from those obtained from the CPS measure of multiple jobholding (equivalent to Canada’s LFS measure, this new approach finds a higher share of persons in the US are multiple jobholders (7.8% in Q1 of 2018) than indicated by the CPS (5% in the same quarter), and that this rate has been increasing in the new measure by 1 percentage point from 1996 Q2) even as it declined in the CPS (by 1.1 percentage points in the same period). Still, it seems likely that the new measure is under-counting the share of workers holding multiple jobs over the course of the year not merely due to job changes. There are other critiques of CPS-measured rates of multiple jobholding in the US and their evolution over time, based on rotation of different samples within the survey. As much as one quarter of measured decline in multiple jobholding in the US may relate to measurement bias.

50-54 (~12% higher), is lower still for those aged 30-39 and aged 55-59, and is lowest of all for those age 60-64 (22% lower than among those aged 15-19). We might posit from this pattern that multiple jobholding is lower in the most intensive child-rearing years, and then for those approaching retirement age.⁷

Patterns based on marital status may support an association with child-rearing age. Basically, compared to those who are married or widowed, those who are single, separated and divorced are much more likely to participate in multiple jobholding (by 26%, 47% and 56% respectively), as to a lesser extent are those in common-law relationships. These patterns are broadly sharper in rural areas than in urban areas.

Students are less likely to hold multiple jobs than non-students, by 49% among full-time students and by 21% among part-time students.

Likelihood of engaging in multiple jobholding increases in rural areas with each level of educational attainment, from less-than-high-school, to high school (by 40%), to college (by an additional 10 percentage points), and finally to university (when likelihood of participating in OP is 61% higher than among those with less than high school). This pattern also applies in urban areas except there is no difference in OP participation between those with college and university credentials.

The highest rates of multiple jobholding in rural areas are in the occupations of art, culture and sport (59% higher), followed by: business, finance and administration; and education, law, social and government service (about 20% higher than the base comparator).⁸ The lowest rates are in: natural resources; manufacturing and utilities; and trades, transport and equipment (occupations 20% to 30% lower than the base comparator). Based on industry, the highest rates are in other services (60% higher than the comparator), followed by: education, health and social assistance (39% higher); public administration; professional, management and administration; and recreation and food (all about 20% higher).⁹ The lowest rates are in: mining, oil, utilities and construction (36% lower); manufacturing (20% lower) and primary industries.

Working conditions for multiple jobholders

Multiple job holding appears to reflect more insecure employment. Multiple jobholding is much (2.4 times) more probable for those working part-time than full-time, and is also more probable for those in temporary work (by 12% in rural areas), although not more probable among those in seasonal work (except at 90% confidence). Those holding multiple jobs are more likely to report that their hours may vary from week-to-week by some 15%.

⁷ These patterns are reasonably similar in urban areas. There is no difference in the likelihood by gender of participating in multiple jobholding either in rural or urban areas.

⁸ The comparison occupation group is management.

⁹ The comparison industry is primary industries.

Appendix 3: Methodological notes for Employment Insurance scenarios

All scenarios use Eastern Nova Scotia as their reference point. The unemployment rate in this EI region was 11.8% at the end of 2022.

Full-time weeks are simplified as 40 hours per week and part-time weeks as 29 hours per week.

Elements of the EI program taken into consideration:

- Entitlement to weeks of EI benefits based on hours
- Best weeks required
- Maximum weekly benefit amounts
- The high-income clawback
- The one-week waiting period

Other assumptions:

- We operate on a 52-week year, assuming the worker will resume their seasonal employment at the end of that year. We do not account for the possible variation in the start of the workers' primary seasonal employment from year-to-year. We do not account for any possible carryover value of accumulated EI entitlement from one year to the next. This may understate the value earned by workers in the year in question, but they can only collect these benefits by not working at a later point when the same considerations would apply.
- It is possible to work part-time in the waiting week before beginning a claim, but 50% of these earnings are deducted from benefits with this spread over the first three weeks of claim receipt. We assumed no part-time work in the waiting week to limit this complication. We similarly did not consider any other complications relating to possible severance pay.
- We assumed no workers would submit a claim only to receive one week of employment insurance benefits. Workers must receive at least two weeks of EI benefits under Scenario Package 1.
- We do not account for the five-week extension of max benefits that is currently in operation until October 2023, although we do note the effects of this extension in text.

Taxes: Scenarios apply Federal and provincial (Nova Scotia) income tax brackets for 2022 accounting for the basic exemption only.

According to Statistics Canada, the average commute duration by car, truck or van in Cape Breton in 2021 was 17.6 minutes. Our calculations assume that the average commuting speed was 60 kilometres per hour. We assumed that work schedules were divided across five days for full-time workers and four days for part-time workers, and that

all work occurs at the work site. We use GOC automobile allowance rates for commute costs, which equal 55 kilometres after the first 5,000 kilometres on a vehicle.

Appendix 4: Comparing best options for supporting seasonal workers while encouraging occupational pluralism

Criteria	Option 1: Seasonal Worker Employment Support Program	Option 2: Full exemption from EI deductions for seasonal workers working while on claim
Economic distortions	Potentially minimal distortions based on program design because amount of benefit for workers can be only loosely connected to the actual weeks worked.	Requirement for separation to become eligible for EI remains in place, creating incentives to distort contracts and employments to maximise EI benefits. Risk of increased distortion due to higher attractiveness of EI benefits without deductions.
Worker income security	Can be designed to complement other proposed policies to improve the quality of seasonal employment, for instance by providing access to EI for workers who lose their primary seasonal employment.	Seasonal workers would have limited access to EI in the event of losing their seasonal employment because they would have used their EI in the off-season.
Policy flexibility	Standalone policy creates flexibility in design to meet the needs of seasonal sectors and to balance program risks.	Ties the seasonal worker subsidy to the much larger EI program, limiting policy flexibility in both initiatives to meet their purposes.
Administrative feasibility	Would require the development of a new program and significant alterations to the EI program. Would require build-up of program capacity to evaluate applications and audit claims under the program.	Would not require developing a new program from whole cloth, but still substantial changes to the EI program including legislation. Will require build-up of program capacity to evaluate applications and audit claims under the program
Political considerations	Unpredictable and therefore potentially high risk. Effective communication of the intent and implications of the changes would be critical. Has both potential upside and downside. Grandfathering clauses could be essential.	Documented difficulties enforcing policies relating to separation with cause and off-season job searches. Would have limited political risk within the Atlantic region, but some risk of political backlash from other regions.

Green marks where one option is clearly advantageous relative to the other on a particular criterion. Yellow indicates a key area of risk or uncertainty.

Appendix 5: Options for EI reform by type, potential impact in promoting occupational pluralism, advantages, and disadvantages

Type	Options	Potential impact	Advantages	Disadvantages
General program parameters	Increase work hours required to be eligible for EI and/or reduce weeks of EI coverage relative to hours worked	Moderate to high – depending a great deal on the extent of these changes	<ul style="list-style-type: none"> - Reduces weeks of disincentive to work and increases weeks of incentive to engage in seasonal work - Reduces EI expenditures 	<ul style="list-style-type: none"> - Will weaken the EI program as an insurance against unexpected job loss - Could reduce the attractiveness of work in seasonal sectors - Would increase the number of gappers who are living on low incomes and extend these gap periods
	Reduce maximum weeks of EI benefits	Modest to negligible	<ul style="list-style-type: none"> - Reduces weeks of disincentive to work 	<ul style="list-style-type: none"> - Will weaken the EI program as an insurance against unexpected job loss - Maximum weeks of EI benefits are not very relevant to regular seasonal workers due to the total lengths of time required to qualify for these weeks combined with the length of these maximum periods, which would exceed one year - Could reduce the incentive to work in seasonal sectors
	Reduce benefit amounts	Moderate to high	<ul style="list-style-type: none"> - Reduces disincentive to work 	<ul style="list-style-type: none"> - Will weaken the EI program as an insurance against unexpected job loss - Could reduce the incentive to work in seasonal sectors - Could put a share of people receiving EI into poverty
	Set a lower maximum benefit amount	Moderate to high focused on higher earners	<ul style="list-style-type: none"> - Reduces disincentive to work 	<ul style="list-style-type: none"> - Will weaken the EI program as an insurance against unexpected job loss - Could reduce the incentive to work in seasonal sectors - Could put a share of people receiving EI into poverty

Type	Options	Potential impact	Advantages	Disadvantages
	Increase the claw-back rate on benefits for higher income earners	Possibly modestly counterproductive but cost-saving	<ul style="list-style-type: none"> - Saves costs of EI payments with little effect - Likely will have little effect on labour supply in seasonal industries and occupations at this higher income level 	<ul style="list-style-type: none"> - Will weaken the EI program as an insurance against unexpected job loss for higher income earners
	Increase the number of best weeks used in EI benefits calculation	Moderate	<ul style="list-style-type: none"> - Marginally increases incentive to work for additional set of weeks 	<ul style="list-style-type: none"> - May marginally weaken the EI program as an insurance against unexpected job loss early in a worker's period of employment - Could reduce incentive to work in sectors with very short seasons
	Cap the number of hours in a week that can count towards EI or shift to a count of weeks worked with a minimum number of hours	Modest	<ul style="list-style-type: none"> - Reduces incentive for intensified production in seasonal sectors and resulting perverse effects 	<ul style="list-style-type: none"> - Could reduce incentive to work in sectors with very short seasons - Might specifically reduce EI benefits for lower earning beneficiaries
	Experience rating EI premia – making premia higher for workers whose employees make more EI claims	High – depending on the rate	<ul style="list-style-type: none"> - Strong disincentive to regular use of EI 	<ul style="list-style-type: none"> - May effectively end regular seasonal EI usage, negatively affecting labour supply for seasonal industries - Would increase costs and reduce EI service for those most vulnerable to layoff
	Experience rating EI premia – making premia higher for employers who make more EI claims	High – depending on the rate	<ul style="list-style-type: none"> - Discourages employers from hiring seasonal workers who will rely on EI 	<ul style="list-style-type: none"> - May effectively end regular seasonal EI usage, negatively affecting labour supply for seasonal industries - Might negatively affect hiring of workers most likely to be laid off, barring protections for vulnerable workers
	Prohibit Supplementary Unemployment Benefit (SUB) agreements for seasonal employers	Modest given small number of workers with SUB agreement	<ul style="list-style-type: none"> - Reduces benefits and therefore the disincentive to work while on claim 	<ul style="list-style-type: none"> - May hinder the ability of certain seasonal employers to attract and retain employees

Type	Options	Potential impact	Advantages	Disadvantages
WWC Deductions	Allow seasonal workers in certain EI regions to take temporary full-time and part-time work contracts while on claim without losing EI benefits	High – mostly eliminates disincentive for formal off-season work	<ul style="list-style-type: none"> - Maintains EI incentive to work in seasonal industries - Off-season employment operates based on straight-forward labour market dynamics 	<ul style="list-style-type: none"> - Does not address incentive of EI to separate workers from primary seasonal employer at a particular time (concern applies to all WWC deduction options and hence not repeated) - High cost
	Allow seasonal workers in certain EI regions to take temporary full-time and part-time work contracts while on claim with progressively scaled deductions of earnings	Moderate to high – greatly mitigates disincentive for off-season work depending on the scale of deductions	<ul style="list-style-type: none"> - Maintains EI incentive to work in seasonal industries - Depending on scale of deductions, mostly normal operations of off-season labour market 	<ul style="list-style-type: none"> - Moderately high cost
	Eliminate any deductions of earnings for part-time work while on claim for seasonal workers	Modest – only eliminates disincentive to work part-time	<ul style="list-style-type: none"> - Maintains EI incentive to work in seasonal industries - Encourages part-time work while on claim 	<ul style="list-style-type: none"> - Creates a distortionary incentive to work part-time but not full-time - Moderate cost
	Reduce the deduction for earnings while working part-time while on claim	Modest – only partially reduces disincentive to work part-time. Depends on the deduction rate.	<ul style="list-style-type: none"> - Maintains EI incentive to work in seasonal industries - Modestly encourages part-time work while on claim 	<ul style="list-style-type: none"> - Workers will still need to separate from their primary seasonal employer to become EI eligible. Availability of EI will therefore still dictate patterns of work in seasonal sectors. - Creates a distortionary incentive to work part-time but not full-time - Modest cost
	Fully exempt a higher amount of earnings for part-time work while on claim	Modest – only reduces disincentive to work part-time up to a point	<ul style="list-style-type: none"> - Maintains EI incentive to work in seasonal industries - Modestly encourages part-time work while on claim 	<ul style="list-style-type: none"> - Creates a distortionary incentive to work part-time but not full-time, and possibly to only work part-time in a limited fashion - Modest cost

Type	Options	Potential impact	Advantages	Disadvantages
‘ Just cause’ requirements	Eliminate the requirement for seasonal workers to provide ‘just cause’ for job separation	Modest to possibly counterproductive	- Reduces the complexity involved in using EI for seasonal workers	- Entirely breaches the concept of EI as an insurance program against unexpected layoff - High cost
	Eliminate the requirement for seasonal workers to provide ‘just cause’ for job separation when resuming a suspended claim	Modest	- Reduces the complexity involved in using EI for seasonal workers - Does not drastically breach the concept of EI as an insurance program against unexpected layoff	- May create some greater unpredictability in labour supply for off-season workers - May increase EI benefits weeks when disincentives to work apply - Modest cost
	Allow seasonal employers and workers to take into account EI when negotiating employment contracts	Modest with modest risk of being counterproductive	- Reduces the risk and extent of fraud and increases trust in government - Permits efficient and predictable optimization of work contracts and EI benefits	- Entirely breaches the concept of EI as an insurance program against unexpected layoff - May increase EI benefits weeks when disincentives to work apply - Moderate cost
	Allow workers to accumulate hours across jobs even when they do not claim ‘just cause’, requiring only ‘just cause’ for the last separation preceding an EI claim	Modest to possibly counterproductive	- Reduces the administrative complexity of having to prove cause for all separations	- May increase EI benefits weeks when disincentives to work apply - Modest cost
Seeking employment while	Cease to require that seasonal workers seek employment while on claim	Modest to possibly counterproductive	- Eliminates fraud and increases trust in government - May make seasonal industries modestly more attractive by making EI more attractive	- Breaches the concept of EI as an insurance program against unexpected layoff - May modestly reduce take-up of off-season work to the extent that current requirement is having an effect

Type	Options	Potential impact	Advantages	Disadvantages
	Increase enforcement of requirement for seasonal workers to seek employment while on claim	Modest	<ul style="list-style-type: none"> - Reduces fraud and increases trust in government - May increase off-season labour supply 	<ul style="list-style-type: none"> - May cause significant frustration to users where there are limited jobs available in their communities - May make seasonal industries less attractive by making EI less attractive - Moderate-to-high-cost option
	Increase support for seasonal workers to secure employment while on claim	Modest to moderate	<ul style="list-style-type: none"> - Can help to mitigate difficulties of securing off-season employment 	<ul style="list-style-type: none"> - Alone does not address the EI benefits disincentives to off-season work - High-cost option
	Provide a targeted subsidy for costs associated with moving for work while on claim or to leave EI	Uncertain depending on the amount of the subsidy and other factors	<ul style="list-style-type: none"> - Targeted to address a key challenge for resuming employment, aggravated by the carbon tax 	<ul style="list-style-type: none"> - Costly to provide a sufficient subsidy to be effective - Only addresses one of the disincentives to off-season work

Appendix 6: Express entry ranking system points

Those interested in obtaining PR apply through the Express Entry online system. If they meet the minimal requirements, they are scored based on the Comprehensive Ranking System (CRS) which generates a rank of applicants within an Express Entry pool (GOC, 2023d). A minimum points score is generated for each round of invitations that takes place. An individual may receive up to 1,200 points. These are come from three different areas, each of which have maxima.

Core/human capital factors and spouse or common law partner factors are together the first of these areas and can account for up to 500 points. These emphasise applicants who are younger, have more advanced education, have the strongest official language proficiency, and have maximum Canadian work experience

	Max points			Note
	W/O SP	W/ SP	SP	
Age	110	100		Maximum value of between 20-29 years of age and declining values above or below that by 5 or 6 points per year
Level of education	150	140	10	Maximum value with Doctoral level degree, declining by 10% increments for primary applicants to Master's degree, bachelor's degree, one-year degree, and valued just 20% for secondary diploma and 0% for less-than-secondary school
Official language proficiency	160	150	20	Accounts for a primary official language and for primary applicant's skill in the second official language if applicable. Based on Canadian language benchmarks across reading, writing, speaking, and listening, with maximum at CLB 10 (CLB 9 for second language) and reaching 0 at less than CLB 4.
CAN work experience	80	70	10	Maxes out at five years of work experience or more, with half points for at least one year.

The second part, focused on skill transferability, interacts some of the same measures as used in the first part above. Applicants may receive up to 100 points for the section, obtainable through different combinations of factors.

- Up to 25 points depending on a combination of educational credential with CLB 7 or higher in all four abilities (reading, writing, speaking, and listening) for the first official language, or up to 50 points with CLB 9 or higher.
- Up to 25 points depending on combination of educational credential with one or more years of Canadian work experience, or up to 50 points for two or more years of Canadian work experience.
- Up to 25 points for foreign work experience (maxed out at three years or more) and CLB 7 or higher in all four abilities (reading, writing, speaking, and listening) for the first official language, or up to 50 points with CLB 9 or higher.
- Up to 25 points for foreign work experience and one or more years of Canadian work experience, or up to 50 points for foreign work experience and two or more years of Canadian work experience.

- Up to 25 points for a certificate of qualification in a trade occupation plus CLB 5 or more in all first official language abilities, or up to 50 points for certificate of qualification plus CLB 7 or more in all four first official language abilities.

Finally, it is possible to obtain up to 600 additional points. These are as indicated in the following table in declining order of importance. The provincial or territorial nomination is practically a guarantee of a sufficient score to apply. Thus, leaving aside this element, the relevant maximum score for this section is 295.

Additional points criteria	Max points
Provincial or territorial nomination	600
Arranged employment in NOC TEER 0 Major group 00	200
Arranged employment in NOC TEER 1, 2 or 3, or any TEER 0 other than Major group 00	50
Scored NCLC 7 or higher on all four French language skills and scored CLB 5 or higher on all four English skills	50
Post-secondary education in Canada – credential three years or longer	30
Scored NCLC 7 or higher on all four French language skills and scored CLB 4 or lower in English (or didn't take an English test)	25
Post-secondary education in Canada – credential of one or two years	15
Brother or sister living in Canada who is a citizen or permanent resident of Canada	15

Appendix 7: Background paper on Employment Insurance, immigration, and occupational pluralism

Prepared by Martha MacDonald

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Introduction

Review of how EI polices interact with seasonal Industries in the Maritimes and how these may or may not promote OP.

Seasonal work has a long and controversial relationship with EI. Seasonal workers were originally excluded from UI. In 1946 they were allowed to collect benefits providing they had at least 12 weeks in non-seasonal employment. In 1955 'seasonal benefits' were introduced, payable from January 1- April 15. In 1971 this was restricted to self-employed fishers, with the benefit period extended from Nov. 1 to May 15. All other seasonal workers were eligible for Regular benefits, as of 1971 (Figure 3, ESDC, 2022). Since that time, various UI/EI parameters have been adjusted to reflect the needs of seasonal work. For example, the Variable Entrance Requirements (VER) were introduced when it was proposed to increase eligibility to 20 weeks, which would rule out most seasonal works and was vigorously opposed by Atlantic politicians. At other times, changes have been introduced to specifically *discourage* seasonal claims – for example the short-lived intensity rule in 1996 which reduced the benefit rate for those with repeat claims. Yet, on the other hand, some changes have been made to *facilitate* seasonal claims – for example, the pilot projects discussed below related to 'gappers' who run out of benefits before the next season starts, and the use of 'best weeks' to calculate benefits. Seasonal work has a disproportionate role in EI discourse, despite the relatively small % of employment that is seasonal, according to the Labour Force Survey (2% nationally, Statistics Canada Table 14-10-0072-01).

In terms of work incentives, the discourse has often focused on getting people out of seasonal work by making it harder to qualify, or lowering the entitlement (weekly benefits, duration). Discussions of training also typically focus on moving people into FTFY employment. Beyond the basic EI parameters affecting eligibility, benefits, and weeks of entitlement, other elements have been introduced that have relevance for seasonal workers, in particular the working-while-on claim (WWC) provisions and the gap provisions that address the exhaustion of benefits before the new season begins. These have been introduced through a series of pilot projects intended to test the impact upon work incentives.

Major reforms to UI/EI are infrequent, notably the 1971 and 1996 revamps. In between, the parameters are tinkered with, or pilot projects introduced, leaving the key parameters unchanged. Since 1996, the most fundamental change has been the adjustment in the benefit calculation to reflect 'best weeks' of earnings, rather than average earnings over the entire eligibility period. Little has changed in either eligibility or duration. We are now in the midst of another once-in-a-generation rethink of EI. This has been spurred by the experience of COVID, which exposed flaws in the current program, many of which had been raised in the literature over the years but failed to gain traction. In the current EI review everything is up for grabs, including whether regional unemployment rates should matter, how precarious work of various types can be better protected, and the adequacy of weekly benefits and weeks of entitlement. Furthermore, during COVID temporary changes were introduced to all these parameters.

Section 1 - Review of how EI policies interact with seasonal industries, in relation to OP

Regular Benefits:

Eligibility:

Eligibility is determined by hours worked in all jobs over a qualifying period. Variable entrance requirements (VER) based on the UR in the relevant EI Economic Region have existed since 1977 (Bill C-27). The number of hours required currently ranges from 420 in high unemployment regions (>13%) to 700 in low (6% or less). A seasonal worker in most of the Maritimes could qualify with about 10 weeks of FT work, but in a low UR region this rises to about 17 weeks. Note that the use of hours is meant to recognize and encourage multiple job holding.

Weekly benefits:

Weekly benefits are calculated by average insurable earnings over a number of 'best weeks.' The number of best weeks (the divisor) varies with the UR, ranging from 14-22. Again, this helps seasonal workers in high UR regions. The benefit rate is 55% of average insurable earnings in those weeks up to maximum benefit of \$638/week. This maximum is based on 55% of the current Maximum Insurable Earnings (\$60,300) divided by 52 weeks. The benefit formula encourages working more hours until the maximum benefit is achieved. But weeks also matter, since if you qualify with fewer weeks of work than the divisor (say you get 420 hours in 10 weeks in a high unemployment region) your earnings will be averaged over 14 weeks (divided by 14). Hence, seasonal employers know they need to provide 14 'good' weeks of work.

Weeks of entitlement:

The length of your claim is determined by both hours worked and UR. The number of weeks ranges from 14-45. (see table at <https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/benefit-amount.html>). The incentive is to work more hours, including at multiple jobs either sequential or concurrent, to maximize the weeks of entitlement. Seasonal workers in high UR regions who qualify with relatively few hours (say 420 for a 10-week season of FT work) would get a maximum of 26 - 32 weeks, depending on the UR, not necessarily enough to see them through to the next season. As discussed below, this has led to a series of pilot projects regarding 'gappers'. Note that there is also a waiting period of one week before benefits start (this used to be two weeks). This is meant to be a deterrent, similar to the deductible in regular insurance.

Changes during COVID:

During COVID EI proved inadequate as an income replacement program. The use of the UR in every parameter makes no sense when the job loss is unrelated to the UR. Many precarious workers were unable to qualify (a known issue which was highlighted by the pandemic). Furthermore, the benefit levels for many workers were lower than those under the relief programs such as the Canada Economic Recovery Benefit (CERB) and the subsequent Canada Recovery Benefit (CRB). During the first wave of COVID, EI applications were redirected to the more generous CERB (\$500/week) and no new EI claims were established between April 1 and Sept. 27, 2020. This was followed by two rounds of temporary changes to EI.

First phase (Sept. 27, 2020-Sept. 25, 2021): Eligible hours were set at 120 for all (with a 300-hour credit provided to bring it to 420), the minimum benefit was set at \$500, and the minimum weeks of entitlement was set at 26 weeks. In effect, a minimum UR of 13.1% was used to calculate entitlements (including using 14 weeks as the divisor in calculating average earnings). In addition, the waiting period was waived. Maximum weeks were extended from 45-50.

Second phase (Sept. 26, 2021- Sept. 24, 2022): Eligibility hours were kept at 420 for all (no VER) However, weeks of entitlement varied with the UR, with a minimum of 14-26 weeks, depending on the UR. The minimum benefit was lowered to \$300 to match the CRB until Nov. 20, 2021 and then reverted to the standard calculation using 14-22 'best weeks'. Under the COVID rules only the last separation was evaluated for "just cause", meaning workers could change jobs for whatever reason and have the hours count toward EI eligibility. Furthermore, money received as part of a job separation did not affect EI benefits. The one week waiting period was reinstated. Premium rates were also frozen at the 2020 level for 2021 and 2022.

	Regular EI Before/after Covid	COVID 1 9/27/20 to 9/25/21	COVID 2 9/26/21 to 9/24/22
Eligibility	420-700 hours	120 (+300 hr credit)	420
VER	yes	no	no
Waiting period	1 wk	no	1 wk
Weekly benefit	55% of av. insurable earnings No min.	55% of av. insurable earnings Min \$500	55% of av. insurable earnings Min \$300 till Nov 2021
Divisor (#best weeks)	14-22	14	14-22 after Nov 2021
# weeks benefits	14-45	26-50	14-45

These changes constituted a pilot of sorts. The simplification of job separation rules has implications for OP. Under the current rules you can accumulate hours across jobs (multiple ROEs) but each job has to have ended for 'just cause', meaning you can't quit a job to try something better, as might characterize an OP strategy.

Fishing benefits (from 2016 CCPFH report, updated):

EI Fishing Benefits are for self-employed fishers. Fishers are the only category of self-employed workers eligible for EI benefits (other than special benefits). Some rules differ, while others are the same as for Regular benefits. The main differences are that eligibility is based on earnings not hours of work, and there are fixed periods for both eligible work and receiving benefits, as described below. As with Regular EI, there is a variable entrance requirement, as the earnings required to qualify depend on the unemployment rate. Also, as with Regular benefits, fishers are expected to be available for work. However, this is limited to fishery work, including work supporting the fishing enterprise. They can accept part-time employment, but they are not required to accept non-fishing work and, indeed, must be careful not to jeopardize their 'fisher' status in terms of both licensing and EI rules.

Eligibility:

The qualifying period (QP) for accumulating fishing earnings is 31 weeks before the benefit period, which can start October 1 for a winter claim based on summer fishing or March 1 for a summer claim based on winter fishing. Thus, the earliest date for the QP to start is March 1 (summer fishing) or Sept. 1 (winter fishing).

As with Regular benefits, the amount of work needed to qualify for benefits depends on the unemployment rate in the EI Economic Region (VER). Fishers need earnings from fishing of \$2,500 to \$4,200 depending on the unemployment rate (\$2,500 applies with an UR of more than 13% and \$4,200 applies when the UR is $\leq 6\%$; <https://www.canada.ca/en/services/benefits/ei/ei-fishing/eligibility.html>). These earnings levels have not changed since 1996. The rationale for having variable entrance requirements in EI (likelihood of losing a job varies with the UR) has nothing to do with conditions in the fishery.

As noted, there are two separate qualifying and claim periods for fishing benefits. Thus, fishers are allowed to make both a summer and a winter claim ('double claims'). The winter qualifying period (during which you accumulate fishing earnings) corresponds to the winter fishing season, for which the benefit claim period can start in April, and the summer qualifying period corresponds to the summer fishing season, for which the benefit period can start in October. Thus, you could fish in the summer, claim EI in the fall, then fish again in the winter and claim EI in the spring. This is more common (and possible) in some fisheries/regions than others. According to the 2020/2021 EI Monitoring and Assessment Report (Canadian Employment Insurance Commission 2022), focusing on pre-COVID data for FY019-20, 43% of fishers who received Fishing benefits made both summer and winter claims. About 42% made only have a summer claim. Note that fishers can claim Regular EI instead, if they are paid as employees.

Weekly Benefits:

The same replacement rate and MIE are used for Fishing as for Regular benefits. Average insurable earnings from fishing are calculated by dividing total fishing earnings in the 31-

week qualifying period by the minimum divisor based on the unemployment rate in the EI region, regardless of the actual number of weeks spent fishing. The minimum divisor ranges from 14 (when the unemployment rate is $>13\%$) to 22 (when it is $\leq 6\%$). *Thus, the same fishing earnings give rise to different average earnings (and thus benefits) depending on where you live.*

Note that average earnings from wage employment (using the last 26 weeks of earnings in the qualifying period) are added to the fishing earnings (the calculation of average non-fishing earnings also is subject to the minimum divisor). Thus, non-fishing employment earnings increase EI benefits (though if you have enough wage earnings to make a Regular claim you are not eligible for Fishing benefits). According to the 20220/2021 EI Monitoring and Assessment Report, using FY2019-20 data, over 80% of fishing claimants in the Maritimes received maximum benefits, and the average benefit is higher than for Regular EI claimants and regular seasonal claimants. While in theory the ability to combine income from fishing and non-fishing work supports OP, it seems that most people eligible for fishers EI have little need to take on additional work to increase their benefits. However, it is important to note in 2019 of all fish harvestors receiving EI benefits, 55% and 66% received Regular benefits in NS and NB respectively. On the other hand, in NL and PEI only 5% and 20% were on Regular EI (Rick has reference).

Weeks of entitlement:

The duration of Fishing benefits is up to 26 weeks within a specific 37–38-week period for each claim (starting October 1 for summer or April 1 for winter). A benefit period is established for each claim. Fishers don't have to be looking for work *if they are doing activities related to fishing* (working on gear, training...); otherwise, they must be available for fishing-related work, including with another enterprise. The average duration for those with one claim in a year was 23.4 weeks, compared to 38.3 weeks for those with two claims (2019-20).

Changes during COVID:

Temporary measures for fishing claims established between September 27, 2020 and September 25, 2021, allowed claimants to establish a fishing claim based on their earnings used to establish a fishing claim in 2018 or 2019 (in summer or winter as applicable) if higher than their earnings in the present summer or winter qualifying period. (Canadian Employment Insurance 2022: 112). Fishers were also allowed to switch to fishing benefits even if they qualified for regular benefits because of the hours credit. This flexibility is helpful in terms for supporting OP. The required insurable earnings were \$2,500 (usually associated with UR over 13%) and the earnings divisor was 14 weeks. Fishing benefits were also subject to the same minimum benefit (\$500) and maximum insurable earnings threshold as Regular benefits. In Phase 2 the program retained the \$2500 minimum earnings but reverted to using the variable divisor to calculate weekly benefits and lowered the minimum benefit to \$300, as with Regular EI.

	Fishing EI Before/after Covid	COVID 1 9/27/20 to 9/25/21	COVID 2 9/26/21 to 9/24/22
Eligibility	\$2500-4200 fishing earnings during qualifying period	\$2500 Could use earnings in 2018 or 2019 if higher than current period	\$2500
VER	yes	no	no
Waiting period	1 wk	no	1 wk
Weekly benefit	55% of av. insurable earnings No min.	55% of av. insurable earnings Min \$500	55% of av. insurable earnings Min \$300 till Nov 2021
Divisor for calculating av insurable earnings	14-22	14	14-22 after Nov 2021
# weeks benefits	26	26	26

Additional provisions and pilots that have implications for seasonal workers and OP (Regular benefits, except where noted):

Working while on claim (WWC):

Any income security program creates potential work disincentives. There is a large theoretical and empirical literature on this, especially regarding the structure of welfare programs. At the extreme, if program eligibility ends with employment, the implicit marginal tax rate on earnings is 100%. Of note, however, is that the impact is not just based on income considerations. Labour supply theory in economics emphasizes that work choices are based on both income and the value of non-work time – while the latter is usually referred to as ‘leisure’, it includes productive activities such as domestic work, childcare and education/training. Thus, individual responses to the structure of income benefits varies with circumstances and goals. People may still choose employment even if the benefit is completely forfeited. Or they may choose unemployment because they have other priority uses of their time.

There have been various attempts within EI to allow working while on claim without a total loss of benefits. Note that this only applies to part-time work, as you don’t get any EI for weeks that you work FT. These rules apply to all EI claimants, however, as noted above, those claiming fishing benefits have to also be mindful of not jeopardizing their status as fishers with the work they do while on claim. Parameters that reduce the 100% implicit tax on earnings while on claim include the earnings threshold at which the benefit reduction begins (exemption level), and the rate at which benefits are reduced above this threshold. In terms of the former, the threshold can be expressed as a flat amount (first \$100), or as a percentage of the benefit. In the 1996 EI reform the WWC rules ignored \$50/week of earnings or 25% of weekly benefits, whichever was higher. Beyond that, benefits were reduced dollar for dollar with earnings (100% tax rate). This encouraged work up to the exemption level but not beyond, and the share of claimants WWC dropped (from 58 to 51

percent) between 1997-2005, as did the average number of weeks worked on claim, dropping from 10 to 6 (Busby, Lluís and McCall 2021).

Since 2005, a series of pilot projects has tested alternative models, including:

- raising the threshold to \$75 or 40% of EI, first in high UR regions then in all regions (2005-2012);
- eliminating the exemption threshold and reducing benefits by 50% for each dollar earned until earnings reach 90% of claimants weekly insurable earnings, after which benefits were reduced dollar for dollar (2012-13);
- allowing claimants to choose between the two models (2013-18);
- making the 50% and 90% rule permanent while allowing those who had already chosen the pre 2012 model to continue to do so (see Busby, Lluís and McCall, 2021, Table 1 for summary of pilots).

As of August 2021, there is only one rule for all: benefits are reduced by 50% of earnings up to 90% of your average insurable earnings. Above this, earnings are deducted dollar for dollar. The principle for the maximum amount is that you should not make more from working plus EI than you made qualifying for EI.

There have been several evaluations of these various pilots (see ESDC 2018 for summary of ESDC evaluations; Busby, Lluís and McCall 2021). As far as I could tell, all the data analysis is of Regular claimants, though focus group participants may have included both.

- Moving from an exemption threshold to ignoring a % of earnings raised the average number of weeks worked on claim to between 11 and 12.
- The pilot evaluations found that seasonal workers predominated among those who worked while on claim (56% in 2018-9, down from 60% in 2006-7).
- Busby et al (2021) note that the previous rule of exempting a certain amount of earnings worked better for those working at low hours/earnings work, while the current rules make those who take higher hours/earnings jobs better off. They found that under the old rules claimants mostly worked up to the earnings threshold (p. 15); under the new rules the probability of WWC increased overall.
- The ESDC evaluation noted that focus group participants in 2014 preferred the rule exempting a certain amount of earnings, as they only expected to be able to find 1 or 2 days of work per week and perceived that under the new rules they were working for 50% wages. Similarly, the ESDC evaluation (2018) noted that employers in industries such as fishing, construction and hospitality found it easier to get workers for one or two days after the first pilot raised the exemption level, while with the use of the 50% rule, employers found it challenging if they could only offer a few hours/days of work. The days on offer weren't enough to outweigh the impact of the perceived '50% wage' penalty.

While one interest in the literature is whether more generous WWC provisions encourage workers to transition to permanent jobs, as they build work experience, it has been difficult to evaluate this. It seems that for recurrent users (like seasonal workers) the provisions in the pilot projects encouraged more claimants to work while on claim, and to take jobs with more hours and higher earnings. While this is good for OP, it is not

necessarily the desired outcome from the perspective of those who favour reducing EI dependence (and by implication out of seasonal work). As Busby et al conclude “This is not desirable if it only delays these claimants’ transition to more stable jobs and artificially props up local economies that are dependent on seasonal work.” (2021: 21). However, from the point of view of seasonal employers and the communities dependent on them, the objective should not be to simply increase full year full time (FYFT) employment. Busby et al conclude that the best model would be a blended one that includes an earnings exemption as well as a modest clawback beyond that threshold. This recommendation is in line with programs in Finland and France and findings in international comparisons (p. 20). Given the findings of the WWC evaluations, it seems that this mixed approach would be best to maintain work incentives in a variety of situations in terms of the OP options available.

Note that the WWC provisions apply only to working PT while on EI. If you work FT as part of an OP strategy you don’t get EI for those weeks. However, you can keep your claim open and defer those weeks (until the end of the 52-week entitlement period), or you can reactivate the claim when you finish the work

(<https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/apply.html#h2.02>). Also, the hours worked count toward a new claim, as you accumulate ROEs. The 2021 Monitoring and Assessment Report indicated that those who worked while on claim (either FT or PT) had higher incomes than those who did not (\$673 compared to \$490; Table 26). *Thus, the work incentive is not so simple as just looking at the EI forfeited each week one works.* Clearly many claimants choose to work for the extra income and future EI eligibility.

Note: See impact on benefit exhaustion rates also. There are two types of exhaustion - you can use up all the weeks of entitlement, called regular entitlement exhaustion; or you can run out of the 52-week period during which your benefits can be paid, called benefit period exhaustion. If you take FT work that defers your claim (e.g., keep an open claim) you risk the latter. For example, if you are entitled to 32 weeks of benefits that has to happen within the 52-week claim period (See Gary and Leonard, 2022 for some stats related to the ‘Gapper’ pilots discussed below).

Seasonal workers and Gappers:

One concern with EI has been the issue of seasonal workers using up their weeks of benefits before the new season starts. Pilot projects in 2004, 2006, 2010 and 2018 addressed this by adding 5 extra weeks entitlement in certain conditions. The first three pilots targeted high UR regions. Evaluations of the first three found that only 5% of those who got extra weeks were seasonal. Therefore, the last (Pilot 21) introduced a mechanism to particularly target seasonal workers (seasonal claimants in the selected high UR regions were individually identified based on past claims).

The ESDC evaluation of Pilot 21 (ESDC 2022) used 2019 data, the last year before the pandemic. In that year about 30% of claimants were considered seasonal. Seasonal claimants tended to be older, have higher weekly benefits and to be more likely to work in construction, educational services, and agriculture, forestry fishing and hunting industries compared to non-seasonal. Seasonal claimants were more likely to work 50 or more hours per week, hence their higher benefits. The evaluation found a work disincentive,

with the extra weeks of entitlement resulting in lower work time subsequently, suggesting workers adjusted their work behaviour to the extra weeks of benefits available.

Furthermore, most of those who qualified for the extra weeks would not have been gappers. The Pilot project was supposed to end in October 2022 but has been extended to October 2023, despite the negative findings of the evaluations regarding the difficulties of limiting it to the intended group (seasonal workers), inequities between those in targeted and non-targeted regions, and ongoing opposition to measures that encourage EI dependence among seasonal workers (Gray and Leonard 2020).

Treatment of income from a job separation:

As noted, Income received when leaving a job can affect your EI benefits. Examples include vacation pay, severance pay, which are treated as earnings and thus affect the calculation of your insurable earnings. They can also affect the timing of when your claim starts. While this aspect is not widely discussed in the literature on EI, it came up during COVID and those earnings were ignored temporarily. This adds a layer of complexity that may discourage some claimants from trying to engage in OP.

'Just cause' for leaving job:

You are only eligible for EI if your job loss is for 'just cause'; in particular, you are not eligible for EI if you quit your job. This has relevance for using multiple jobs to qualify for EI, as you would have to show just cause for each one. This hampers the ability to combine jobs in a way that suits you, including taking jobs temporarily before your main seasonal job starts, or moving to a better job. The issue is really flexibility around OP. As noted, this was dropped during COVID, given the multitude of ways COVID could affect work behaviour.

High income clawback:

Similar to OAS, there is a clawback provision for EI benefits at tax time (for all types of claimants).

If your 2022 income from all sources exceeds \$75,375 you will be required to repay 30% of the lesser of:

- *your net income in excess of \$75,375, or*
- *the total regular benefits, including regular fishing benefits, paid in the taxation year*

This creates an incentive to keep total income below the threshold, which could potentially deter OP. This only applies to recurrent EI users, such as seasonal workers, as you are exempt if you had less than one week of benefits in the last 10 years. While this is a potentially significant OP disincentive, it really depends on the income distribution of seasonal workers. The recent evaluation of EI pilot programs for seasonal employees

(ESDC April 2022) reported average total income of seasonal claimants in 2019 of \$49,461, far below the threshold.

EI SUB Agreements:

A lesser-known program within EI is the Supplementary Unemployment Benefit Program. These are agreements that are registered with EI whereby employers agree to supplement EI benefits for a group of employees who are unemployed due to a temporary work stoppage, training, or illness, injury, quarantine (this is a separate program from the top-ups allowed for caregiving benefits such as Parental). It essentially means employers can top up benefits while employees are on EI without triggering the WWC deductions. The top-up plus EI benefits can be up to 95% of the employee's normal weekly earnings. The plan specifies the expected time of the return to work; there is no minimum or maximum period, though presumably the employer would expect the worker to be entitled to EI for the period specified. The worker must follow all EI rules, including being available and looking for work; they are also subject to WWC provisions for any other work they undertake. SUBs allow seasonal employers to support workers in the offseason at less cost than keeping them on payroll. However, it is costly for employers, given that for workers earning below the MIE they will be paying about 40% of normal weekly earnings if they do the maximum top-up (higher if the worker earns more than the MIE). Technically the employee is not supposed to do any work for the SUB employer during the stoppage, though in practice this is not enforced. In terms of OP, the worker is free to take on other work, but there would be little incentive, given they receive EI plus the top-up. But it is one way of retaining key workers, especially in the context of labour shortages. I could not find any stats on SUB agreements.

EI Review:

A review of EI was launched in December 2021, noting the issues that had arisen with COVID. According to the Liberal Platform, 'we will bring forward a vision for a new and modern EI system that covers all workers, including workers in seasonal employment, and which is simpler and more responsive for both workers and employers.'

Two rounds of consultations with stakeholders were held in 2021-2022. The list of considerations included 'access to EI, simplifying EI, self-employed and gig workers, life events, seasonal work' (Backgrounder). Phase 1 included an online survey, written submissions from stakeholder organizations and targeted stakeholder roundtables. Phase 2 included 12 more targeted stakeholder roundtables and written submissions from over 90 individuals and organizations. Documents produced thus far include a Backgrounder and reports from the two rounds of consultation. Other think tanks have produced their own reports related to the review (IRPP Working Group Report 2022; Yalnizyan, Gellatly and Ritchie, 2021).

Implications for seasonal work and OP:

Seasonal work (employers and employees) was well represented in the consultations and the reports. Relevant considerations include the future of the VER, treatment of the self-employed, adequacy of benefits and duration, and incentives to work and training. As noted above, these issues came to the fore during COVID and resulted in the temporary measures that effectively eliminated the VER and set minimums for both benefits and duration.

Phase 1 of the consultations included an online survey and focus groups with various organizations. The report (ESDC April 2022) indicated that 9% of survey respondents worked in seasonal industries and 34% of the organizations consulted represented seasonal workers or employers. As well, two of the targeted roundtables focused on seasonal work.

62% of survey respondents wanted a standard entrance requirement across the country, ending the VER. The debate is around the level to set so that it is achievable for seasonal workers, but not a work disincentive. It is interesting that there seemed to be little discussion of the ways the UR currently enters the calculation of benefits or duration. For most seasonal workers and firms in the Maritimes, raising the level beyond 420 would be problematic, though from an OP perspective it would encourage taking additional work to qualify.

Another consideration in the Phase 1 report is the treatment of self-employed work. Interesting in term of OP is a discussion of situations where workers combine wage employment and self-employment.

These types of workers receive income from a job where they are an employee in a traditional employer-employee relationship, and also receive income from some form of self-employment. To help support evolving work conditions, many stakeholders said any future program should be flexible enough to accommodate their access to EI benefits – perhaps by lessening the “availability for work” requirements within EI.

The discussion of seasonal work reiterated the importance of those sectors to the economy and the importance of EI. Regarding OP,

there were also suggestions that more resources should be invested in helping to equip workers in seasonal industries to find work off season. Suggestions included helping workers develop skills for off-season jobs and offering more flexibilities for accepting short-term work while on EI.

While the report reiterated the rationalization that jobs are hard to find in the offseason, hence the need for EI to fill the gap, it also included some comment on labour shortages.

Employers cautioned about potential labour shortages in seasonal industries. Specifically, any program change should not reduce the incentive to work. Within seasonal industries, there is an expectation that workers will return year after year. To maintain this pattern, and to help guard against labour shortages, they

recommended strengthening existing measures such as the Working While on Claim provisions in the EI program.

In line with OP, some participants supported

...measures such as promoting greater labour mobility within Canada and supporting workers in finding seasonal jobs beyond the season they typically work. Meaning a worker who works a summer job could also have the opportunity to work during the fall, winter or spring in other lines of work.

The Phase 1 report also highlighted the need for more support for training. The report noted participants wanted more flexibility and incentives to support training. Support for training was the number one response given in the survey to how EI could better support individuals 'returning to sustainable employment.' Sustainable employment is code for FYFT work.

The Phase 2 report noted consistencies with what they heard in Phase 1. The report noted agreement on three aspects, all relevant to OP.

- *the government making financial contributions to ease the costs of modernizing EI*
- *increasing flexibilities for how much an EI claimant can earn while receiving EI benefits (Working While on Claim)*
- *ensuring coordination between:*
 - *EI Part I (which provides for passive income support through benefits for people temporarily out of work), and*
 - *EI Part II (which provides for active employment benefits and support measures to enable unemployed people to return to work)*

Phase 2 probed more into the issue of self-employment, but there seemed to be no consensus on a separate benefit for the self-employed. However, there was interest in ways EI could better support 'mixed employment', in terms of some recognition of self-employed time for EI qualification and greater flexibility to supplement EI benefits with self-employment (by relaxing the requirement to be 'available for work', for example). An important point made regarding seasonal work is the difficulty in defining seasonal work (as was found in the pilot projects related to seasonal work). One suggestion was to identify seasonal layoff on the ROE. The report noted that employers and workers generally recognized the need for longer duration of benefits for seasonal workers (as tried in the pilot projects).

Neither report talks specifically about Fishing benefits, though fishery organizations were well represented in the roundtables that were held, especially the Maritime provinces roundtables in Phase 1 and the seasonal work roundtables in Phases 1 and 2.

In general, the trend in the discussions of EI reform is toward a common entrance requirement. There is also an emerging consensus on the need for flexibility around working while on claim. Access to training also comes up, but the narrative is typically around moving workers into higher skilled or more FT jobs, rather than enabling them to

successfully pursue OP strategies. Interestingly, none of the reports on reform mention the high-income clawback, so perhaps that is not relevant to most EI claimants.

EI and likely trends in rural Maritimes in next one-to-two decades:

Most discussions of seasonal work and EI in the rural Maritimes focus on a context of high unemployment. The greater reliance on EI (and more generous benefits in high UR regions) is rationalized by the lack of demand in the off season. However, rural areas are not immune to the labour shortages that are being experienced overall in Canada, largely driven by demographic shifts as the baby boomers exit the labour market (APEC March 2022). APEC found “There are currently only six young people entering rural labour markets for every ten retirees, compared with eight young entrants in the six larger cities” (APEC March 2022). Vacancy rates have been rising across the region, with the highest rates in rural NS and NB. The UR has been falling in the last several years across the region. However, it is possible to have both labour shortages and high UR, as there are issues of job matching. This can be due to overlapping seasons, with little opportunity in the off season, or it can reflect the unattractiveness of some types of work (agricultural work and, increasingly, fish processing, for example). Vacancy rates are high across the spectrum of industries and skill levels (APEC March 2022). Even sectors where the number of positions may not be increasing still have to replace retiring workers.

The vacancy rate is particularly high in Accommodation and Food Services, an industry that is important and largely seasonal in many rural Maritime communities. In a study of the labour challenges in this industry in Atlantic Canada, APEC estimated the industry will need over 29,000 new workers by 2030, 70% of which are needed to replace retiring workers (APEC July 2022). The occupations in this industry with the highest demand are kitchen support worker, cleaners and cooks. Apec found that about 34% of employment in the Accommodation and Food Services is rural. The industry is highly seasonal and has higher than average EI usage. APEC (July 2022) outlines several strategies that could help address the looming shortages in the sector, including labour supply strategies (use of international students, temporary foreign workers), market alignment strategies (higher monetary and nonmonetary benefits, such as housing), and skill development. Nowhere does the report raise the question of OP or possible synergies between the accommodation industry and other seasonal industries. The number one emphasis in the report is on immigration policies, concluding “Government must take steps to allow accommodations companies to access foreign workers easier and quicker.”

Another recent APEC report focussed on seasonal employment and labour shortages (APEC Feb 2022). It examines trends in seasonal variation and notes a sharp decrease in seasonality in the Atlantic region over the past three decades, though it has levelled off since 2014. They estimate that 63% of the region’s seasonal workers are in rural areas. Interestingly, it notes that the traditional primary industries do not account for the most seasonal workers – construction, manufacturing (including food processing), accommodation and food services, and culture and recreation each have higher numbers of seasonal workers than the agriculture, forestry and fishing industries. A brief discussion in this report of EI and seasonal work recognizes that industries rely on EI, but also repeats the refrain that seasonal workers should be encouraged to retrain for full

year work. “While income support remains important, labour market policies need to facilitate appropriate transitions for individuals, employers and communities.”

One trend over the years has been for seasons to lengthen in some sectors, whether it be in groundfish processing or in tourism. Note: APEC finds seasonality has actually increased in fish processing, with the shift to a shellfish-based fishery (APEC Feb 2022). A more recent trend is for the interprovincial migration patterns to change (APEC March 2022). For example, the western resource downturn and COVID seriously impacted the pattern of ‘working away’, which had been a mainstay for rural Maritime communities for many years. We are also seeing more in-migration to rural areas, fostered by COVID but likely to continue. Furthermore, the pace of immigration into the region and the retention rate have strengthened, aided by the Atlantic Immigration Pilot Project. APEC expects these demographic shifts to continue.

In terms of OP one needs to think about the different type of opportunities that might exist to supplement one’s main seasonal job. It could be working away, as generations have done in the off season (lake boats, for example, or more recently oil and gas). Many emerging opportunities that might work with OP are highly gendered, such as trucking and carework as the population ages. Rural workers, employers, and families have proven very adaptable as conditions change.

In terms of EI, there are broad calls to simplify the program. It is likely that the VER will be replaced by a set number of hours. The VER has favoured seasonal workers in this region, given the traditionally high UR, thus opening it up to change is unsettling. However, COVID set the eligibility bar at the low end (420 hours), so it is possible that there will be little change for this region. Indeed, the VER was only introduced when an attempt to raise eligibility to 20 weeks led to an outcry from employers in this region – this would occur again if eligibility hours were to be set too high. Other simplifications may include reducing the role of the UR in the calculation of weekly benefits and length of claim and setting minimum benefits and weeks of duration. Note that such measures would move it more in the direction of a GAI, with an earnings-based component on top. The simpler the parameters the less need there is to fine tune work patterns (for both employer and employee) to fit with EI. There is also an expectation that either the earnings replacement rate (now 55%) or the Maximum Insurable Earnings level (now \$60,300) will increase. It is interesting to note that most of the recommendations in my 2005 report to HRDC on seasonal work and EI (MacDonald and Phipps, 2005) have been implemented, including eliminating the new entrant/re-entrant (NERE) requirements, moving to ‘best weeks’ of earnings, and improving the working while on claim provisions. In general, seasonal work seems to be viewed less negatively now, which is good news.

Section 2 - Profile of how EI benefits work in seasonal industries in the region

ESDC Administrative data:

The main source of data on EI use is the ESDC administrative program data, which is used for the annual monitoring and assessment reports and other evaluations. I am unsure

about access to the raw data (used to have to apply). One can glean a certain amount from the published tables but may not be able to get the desired breakdowns.

Examples of data related to EI use in the region, focusing on seasonal recipients, from recent EI Monitoring and Assessment (MandA) reports:

- % of empl that is seasonal (LFS 2021): 2% Canada. Vs 4.5% Atlantic
- % of Regular EI claimants that are seasonal (2020/2021 EI MandA report; FY2019-2020; fell during COVID):

CANADA	30%
PEI	51.9%
NS	39.8%
NB	48%

- Seasonal claims accounted for 28% of total regular EI benefits paid in FY2019-20.
- % of seasonal claimants that have at least one week of work while on claim (FY 2021; 2020/2021 EI MandA Report, Table 24):
 - 60.4% compared to 45.9% of non-seasonal
 - Average weeks of WWC (seasonal WWC): 12 weeks
- The 2019/2020 EI MandA report included a background report on trends in having multiple ROEs to establish a claim (2000-2018). They found this represented about 35.8% of all claims (stable). More common for men, younger workers and those in construction. For 30% of the claimant with multiple ROEs they are all from one employer. Those with multiple employers were more likely to have sequential rather than concurrent jobs. While this data does not separate out seasonal workers, it is relevant to the discussion of OP.

Additional profile data on seasonal claimants from the Evaluation of Pilot Project 21 (ESDC 2022) in 2019 for all regions:

- Number of seasonal claimants: 412,500 (30% of Regular claimants)
 - Average employment income: \$38,236 vs \$38,815 non-seasonal (Figure 4)
 - Average hours/week: 49.6% work >40 hours per week vs 38.2% non-seasonal (Figure 5)
 - Average EI benefit: \$7371 vs \$2495 non-seasonal (Figure 4)
- In the targeted regions (which include most of the Maritimes) seasonal workers have the following profile (Table 1):
 - Number of seasonal claimants: 154,900 (about 50% of Regular claimants)
 - Gender: 68.5% male
 - Average hours of insurable employment: 1,212
 - Average employment income: \$33,000
 - Average EI benefit: \$9,500

- Average weeks entitlement (including extra weeks under the pilot): 35.3
- Average weekly benefit: \$487
- Industry distribution (Figure 6):
 - 26% work in construction
 - 12.4% in manufacturing (includes fish processing)
 - 1.1% in agriculture, forestry, fishing, hunting
 - 5.6% in accommodations and food services
 - 7.3% educational services
- From the evaluation of Pilot 18 (using 2013 data when no pilot was in place):
 - % of seasonal claimants who are gappers: about 10%, and for most it is not a recurrent event.

Statistics Canada data:

Statistics Canada publishes monthly data on EI use, using administrative data from ESDC. Data on claimants and benefits can be broken down by province EI region, gender, age and census metropolitan region, depending on the table. There does not seem to be anything on seasonal recipients.

Haan's data are also relevant, focusing on rates of OP (see Haan's brief report to the project). These rates are:

- Higher for men than women (is this due to market opportunities, or to family constraints?)
- Lower for married workers
- Lower for parents
- Lower for older workers

Thoughts re profiles:

I am not convinced the charting method is the best way to demonstrate the incentive effects. The graphs focus on the income options available for different levels of work time, but do not include the personal factors that would influence the choice. As basic labour supply theory shows, labour supply decisions relate both to the income options and to personal situation (for example, other earners in household, children, goals). The latter seem evident in Haan's findings above.

However, with caveats, the income option graphs can be useful to demonstrate the key parameters (e.g., for WWC the difference between a threshold beyond which earnings are ignored vs a % of earnings that are ignored – these have different incentives depending on earnings levels). See Busby et al for an example (2021: 23, Figure 4).

Regarding scenarios, the averages above might help. They could be augmented by taking some info from other sources:

From 2020/2021 EI MandA report:

Average benefit seasonal regular claimant (Annex 2.8.3, FY 2019-20 before Covid)

Male:	\$521
Female:	\$462
PEI	\$470
NS	\$487
NB	\$487

Average actual weeks duration: (Annex 2.8.2)

Men	17.9
Women	15
PEI	24.2
NS	22.6
NB	22.4

Working while on claim, seasonal claimants (Table 28, 2019-20 FY)

- % of weeks worked in claim: 30.5%
- Av # of weeks: 12.1

Fishing benefits (Annex 2.9.3 FY 2019-20)

Average benefit

Male	\$532	
Female		\$515
PEI	\$545	
NS	\$538	
NB	\$546	

Average actual weeks duration: (Annex 2.9.)

Men	20.5
Women	22.2
PEI	19.1
NS	20.1
NB	20.2

Note: if 2 claims the average is 38.3 weeks

Section 3 – Literature related to EI

Immigration policy, EI, and OP:

Immigration is touted as the main solution to labour shortages in Canada. This includes both programs for permanent residency, run by IRCC, and programs for temporary workers, housed in ESDC. The connection with EI (and OP) comes up in a couple of ways.

- TFWs pay into EI and are hypothetically eligible, but it is difficult to qualify. They may be under a permit that ties them to one employer, hence they are not 'available for work'.
- The Express Entry immigration streams for permanent residency (PR) value FTFY work in terms of how they count experience or job offers. For example, in the Skilled Trades stream you must have a FT job offer of at least one year; in the Skilled Worker stream you only get points for an arranged job if it is 'not seasonal.' Clearly, the goal is to admit those who are most likely to be financially independent and not rely on support like EI.
- The skill levels, or occupations, that count in the streams for PR privilege those with post-secondary qualifications. Thus, most employers facing labour shortages in rural areas can only use the TFW programs.

Overall, the economic streams in the national program use a human capital approach weighted towards higher skill levels, whether in the Skilled worker, Skilled trades, or Canadian Experience streams. In terms of the points system, formal post-secondary training counts, as does work experience only in certain occupations (with further restrictions around hours). The provincial nominee programs and the Atlantic Immigration Program are more demand-driven, responding to labour shortages, but again restricted to certain occupations and hours.

The Atlantic Immigration Program (AIP), formerly the Atlantic Immigration Pilot Program, which is an innovative demand-based (employer driven) program to respond to labour shortages, *specifically disqualifies seasonal jobs*. On the positive side, the program moves the skill bar lower than the Express Entry programs (Skilled Worker, Skilled Trades, Canadian Experience) under IRCC, including occupations like truck driving and food services (NOC C). The previous NOC categories of O, A, B, C, D have been replaced as of Nov. 2022 with TEER 0, 1, 2, 3, 4. While only TEER 0, 1, 2, and 3 are accepted for the Express Entry streams for counting work experience, the AIP includes TEER 4.

Seasonal work is generally relegated to the temporary foreign worker programs, which have taken various forms over the years and have several streams currently – high wage and low wage; Global Talent, caregiver, seasonal agriculture worker, agricultural. In general, the requirements are stricter for the low-wage stream. Furthermore, 'low wage' is deeply gendered, especially when it comes to caregiving work. Indeed, low wage work is often assumed to be low skilled. The use of TFWs has ballooned in recent years. After some tightening of rules after controversies a few years ago, the current trend is towards

making the use of TFWs easier (increasing length of stay, reducing the frequency or need for LMIA's, increasing the amount of work allowed for international students....).

Pathways from the temporary permits to permanent residency are also important. The Live-in Caregiver program was the first to add a PR pathway, following considerable research and activism. The main pathway now is through the Canadian Experience Class though, as noted, only certain kinds of experience count (occupations in TEER 0-3; self-employment does not count; PT work or multiple jobs count if they add up to the FTFY equivalent). Another challenge for transitioning to PR is that TFWs are not eligible for settlement programs, including language training. During COVID temporary pathways were opened to help meet the immigration quotas and fill 'essential' jobs. These have now ended.

An important area to think about is how OP can help change the dominant narrative about seasonal work in our immigration policies. For example, joint sponsorship by multiple employers might be an option. More emphasis on family work patterns that create financial independence is also relevant, as discussed below. In terms of EI, immigrants who settle in the rural communities of interest will be replacing those who are leaving the workforce (retirements, outmigration), not creating an *added* burden on our income security programs. If EI is to continue to be a part of the seasonal work solution, we must replenish the workforce - largely (as in other sectors) through immigration.

Family strategies, OP and EI:

EI is a program designed for individual workers. Workers pay into it and the eligibility criteria and benefit rules are tied to individual work experience and behaviour. It is not family income tested (with the exception of the Family Income Supplement top-up). Labour Force Survey data is also collected on individuals. However, decisions about work are taken in a family or household context. There is considerable work in feminist economics critiquing the neoclassical model of the lone utility maximizing individual striding through the labour market. Furthermore, in this literature attention is paid to both paid and unpaid work that contribute to well-being. Various terms are used to capture this – one is 'provisioning' (Power, 2004); another is 'livelihood strategies'. The focus is on the package of activities by various family members that sustains the family.

In my own research I have applied this in the rural Atlantic context in terms of understanding, for example, adjustments to economic restructuring in traditional resource sectors. The original idea of OP focused on the individual who might work a 'seasonal round', perhaps combining fishing in the summer with woods work in the winter. However, as was pointed out by feminist scholars, this often ignored the largely unpaid work of women in supporting fishing enterprises and engaging in other subsistence activities. In my own fieldwork through the 1990s and early 2000s I observed that OP for the *individual* had perhaps decreased because of specialization and regulation. As noted in a report done for HRDC on seasonal work and EI (MacDonald and Phipps, 2005):

Technological change has lead to an increase in specialization in rural industries as well as urban – the season in fish plants, for example, extended into almost year round employment during the 1970s and 80s. Marshall (1999) found a notable

decrease in seasonality within traditional seasonal industries from 1976-1997. In addition, rural as well as urban families face higher cash needs in today's economy. Another factor is that the seasons for many rural alternatives coincide more than in the past (woods work used to be a winter activity but now occurs in the summer also; tourism overlaps with the fishing season...). Furthermore, resource access policies may restrict the ability of individuals to engage in other work (full-time fishers, for example, must limit their non-fishing work in order to maintain their FT status). As a result of these changes, there is a tendency for individuals to be more specialized in their work than in the past.

However, OP for the *family* had become more important, especially in terms of the combination of paid work that enabled the family to 'get by' (MacDonald et al, 2006). There is often an anchor job that keeps the family in the community. In a fishing family it may or may not be the work of the fisher – it may be the spouse's job at the hospital or nursing home. Such a fisher will react to incentives differently than one whose family is more dependent on fishing income. Related studies taking a family approach to OP have been done on off-farm work (Belinda Leach...). The extent to which *individuals* pursue OP depends on the family situation – not just the unpaid work of childcare that can be done in the off-season, but the paid work of the spouse. If one spouse is 'working away', for example, that will seriously constrain the work options of the remaining spouse.

How might this perspective inform this project? On the data side, tax data or census data may allow one to look at the family combination of jobs/earnings (though this is likely too much for this project). In terms of EI, the extent to which it is worthwhile to work while on claim will partly depend on the work situation of the spouse. Regarding immigration, what do we know about the work of the spouses of those who come via PR streams? The AIP puts some onus on employers to help settle families, not just the individual. Assuming the primary applicant comes for a FTFY job, do/can spouses help replenish the seasonal labour force in rural communities? The focus shifts to policies that support *families* in their attempt to 'get by' in a rural economy, which calls for flexibility above all.

International comparisons:

In terms of comparison, one should look both at EI for seasonal workers and the overall social safety net that underpins family wellbeing, regardless of type of work. In terms of the latter, generous universal child benefits are an important tool, as is the tax system. In our 2005 report on seasonal work and EI, we drew attention to poverty alleviation in Canada compared with other countries, with the Nordic countries standing out (MacDonald and Phipps, 2005). Service provision is also important (childcare, healthcare) in enabling people to get by. In this context, the role of EI is of less singular importance in supporting rural seasonal workers, employers and communities. Furthermore, Nordic countries are characterized by a commitment to full employment and active labour market policies that may better support rural economies (Grady and Kapsalis, 2002). They also note a trend toward less seasonality in the traditional resource industries due to technology.

In terms of EI, the recent review of the pilot project on seasonal claimants (ESDC, 2022) found that Canada is unique in targeting seasonal claimants. Most countries do not

distinguish between seasonal and non-seasonal workers, as long as the eligibility criteria are met (with the notable exception of several US states that try to exclude seasonal workers). The study notes that most countries do not use hours worked to determine eligibility, but rather weeks worked (as previously under UI) or earnings (as with Fishers EI). Grady and Kapsalis (2002), comparing the treatment of seasonal work in Canada and the Nordic countries, state that the self-employed are covered in Nordic countries. Also, Canada's income replacement rate and duration of benefits are lower than in the Nordic countries. However Nordic countries make more use of training programs to get people back to work. Occupational pluralism was not discussed in this comparative report.

Busby, Lluís and McCall (2019: Table 4) summarize work provisions for UI recipients and their impact in selected other countries. Their focus is on permanent reemployment – they distinguish between a lock-in effect (staying with short term or part-time employment) and a stepping stone effect (moving to permanent employment). They report a flat earnings threshold or one that is a % of the benefit in most US states. In Denmark workers can receive partial benefits for 30 out of 104 weeks. In Finland there is a flat threshold with a 50% clawback above that, while France has a flat threshold and 30% clawback rate. Germany has a flat threshold with 100% clawback, while in Austria one loses all benefits if earnings exceed a flat amount. In the latter, those who take on marginal employment to stay under the threshold tend to get locked in. In general, they find the best results in terms of leading to permanent employment are from the programs with the most generous WWC provisions.

Note: Please see the report I did in 2017 on the Fish Harvester OP project, where I did a fuller discussion of international programs. I checked for updates and found that the programs I described had not changed.

Income supports and labour force participation:

The question of the work incentive structure of income security policies has been well researched in the economics literature. The basic neoclassical income-leisure models of the labour supply focus on both income and substitution effects of income supports. The income effect is understood to have an unambiguously negative impact on work (one can purchase more of all goods, including 'leisure'), while the substitution effect works in the opposite direction, as the individual responds to the higher value of time spent at work. Payments that are a flat amount regardless of time spent working create a pure income effect, meaning one works less in response. Payments that vary with time worked (like wage subsidies, or the WWC 50% provision) create both income and substitution effects, so the net impact on work depends on various factors that affect how one values income vs time (including family situation and level of wages). This approach is used to demonstrate the 'welfare wall', where individuals may be worse off if they leave welfare for work. It is used to compare program parameters that might have better incentives – hence the earned income tax credit and programs that reduce the 100% implicit tax on earnings if one starts to work. This approach has been used to illustrate impacts of EI, GAI, wage subsidies and many other policies. The empirical literature tests the impact of various policies/parameters on labour force behaviour (both participation and hours of work). The various econometric studies of the EI WWC provisions use this approach. Many studies have focused on women, whose labour force participation has traditionally

been more variable. Studies tend to find significant differences for single vs married women (Koebel and Schirle, 2016). While the findings usually support the hypothesized work incentive, the size of the response is most relevant. The fact that there is a small negative work incentive is not a reason to throw out a program. It's really a matter of fine-tuning the (dis)incentives.

In terms of quasi-experimental literature, there was a basic income experiment, Mincome, conducted in Manitoba from 1974-78. This has been revisited in the last couple of years in light of renewed interest in a GAI (Simpson, Mason and Godwin, 2017). The labour supply impacts were modest. Other longer-term impacts were also considered. Forget (2011) found positive health outcomes. There was also an increase in high school completion. A short-term focus on employment incentives misses the longer-term benefits that might result. There were similar findings in a welfare experiment in BC and NB in the 1990s, called the Self-Sufficiency Project, where clients in the 'treatment' group received generous earnings supplements if they exited welfare for full-time work. It was found that the treatment group invested less in education than the control group, resulting in worse long term job prospects (Riddell and Riddell, 2012). The findings of both these experiments draw attention to how those on income support use their time in productive ways. It is important to keep these longer-term outcomes in mind when discussing the possible negative work incentives (short-term) of a program like EI. This evidence supports making EI more flexible in terms of training. It also demonstrates that FT work is not necessarily better in terms of long-term prospects.

An interesting type of research situates a specific income security policy like EI in the broader context of a country's overall welfare regime. For example, one country might in general have a strong base of universal income support, on which is layered a more targeted means-tested program, while a second country might only have the targeted program. The findings from one such study showed that countries with stronger universal programs also had better means-tested programs and higher poverty alleviation (Nelson, 2004). This might be relevant in considering how Nordic countries have managed to better support seasonal work. Any specific income supports are on top of a strong welfare state foundation.

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