

McJobs Ain't Makin' Us McHappy

Youth Presentation to the Minimum Wage Board

Current Climate

The harsh effects of trade liberalization on the economic standing of people around the world has been well documented; sweatshops, forced labour, and diminishing access to essential services that cripple an individual's capacity to provide for themselves and their families. Aboriginal people, women, people of colour, youth, people with disabilities and others seeking equality are the hardest hit by the new global economy. Trade deals such as the WTO, NAFTA, and the proposed FTAA, effectively mirror the disturbing trends around the world, directly impacting marginalized and equity seeking groups in Canada. Globalization has firmly entrenched income disparity worldwide.

Across the country we are seeing the increase of privatization eroding public services that once hall marked Canada as "the greatest country to live in". With this erosion comes less and less stable, secure, and well paying jobs. Instead, the new global economy has translated into more service sector jobs across Canada. Though the service industry is booming, workers employed there are facing severe violations of their rights.

Aboriginal people, youth, immigrant workers, women, workers with disabilities and workers of colour face the most barriers in the job market and are over represented in the low paying, service industry jobs. Due to the consumption-based nature of service industry, there is high demand for workers to pass through the golden gates of flipping burgers, serving customers, stocking shelves, and cleaning up with a smile. Chain stores, franchise restaurants and global retailers are popping up in small, rural, large and urban communities across the country. With this alarmingly fast pace of development also comes worker dissatisfaction, disrespect of workers rights and high turn over. Labour in these jobs is often sold at minimum wage and lower.¹

According to Statistics Canada report, *Recent youth labour market experiences in Canada*, the onset of the 1990-92 recession caused youth labour market outcomes to deteriorate considerably compared to the 1980's. In addition to the difficulties stemming from macroeconomic conditions, young workers face continuing problems getting access to well-paid, entry-level jobs in the goods sector and certain service industries.

¹ Ng, Roxanna, PhD. Homeworking: Home Office or Home Sweatshop? Report on Current Conditions in Toronto's Garment Industry. UNITE. 1999.

The Canadian Council on Social Development *Background Paper on Youth Employment 2001* states that recovery for young workers from the recession has been a slow and tentative process leaving the employment rate in 1999 more than 5 percentage points below the 1989 level (73.7% compared to 68.1%). The paper on youth employment goes on to say that the recession, combined with cuts to Employment Insurance, forced many middle-aged and older workers with more skill and experience to accept low paying, low skilled, entry level jobs. This relegated young workers to minimum wage jobs.

Many young workers are students seeking part-time and/or summer jobs allowing them to combine school and work. But given the sharp increase in the costs of post secondary education, the jobs most youth can expect to hold do not provide wages that enable youth to provide for themselves. Since many service industry jobs pay minimum rate, youth are finding themselves in a difficult financial and work situation.

Youth in Saskatchewan

Saskatchewan has the sixth lowest minimum wage in Canada. The minimum wage has not increased in two years even though the cost of living rose 3.4% last year and is slated to increase by 3.5% in 2001.² People between the ages of 15 to 24 account for 70% of all minimum wage earners in Saskatchewan. Of youth earning minimum wage, 41% are students who are subject to both the costs of necessity and education. Aboriginal youth, young women, immigrant youth, young workers with disabilities and young people of colour are more likely to hold minimum wage or lower paying jobs. We believe that these issues and the solutions are interrelated. The Minimum Wage Board has an obligation to make recommendations that improve the quality of life for all minimum wage earners.

Youth at Work

Youth over populate minimum wage paying, low skill, part-time, precarious jobs. Youth often are exploited by employers who do not uphold their end of the Labour Standards Act. The value of

their work is not respected with fair wages, job security and decent hours. Kate Beingessner, a young worker from Regina says, "because [we] are young, employers think they can walk all over us. And we can't help it because we need our low paying jobs because they are all we can get. And most of us don't know our rights because no one told us, so something we don't know gets us treated like crap. There are lots of bad employers, and a lot of people need work. The cycle is never ending".

The social devaluing of young people's labour leaves many workers with no choice but to earn minimum wage. It is assumed that minimum wage and low paying jobs are of little importance and thus often temporary. This attitude allows employers to disregard other working rights under the Labour Standards Act as well. Katie Wolfe, a young worker and high school student from Weyburn states, "all workers feel like they are in a temporary job and they feel like they can bring themselves up by the straps of their boots. But, in all reality young workers find themselves having to kiss butt only to be screwed around by a boss who ignores everything about minimum wage and labour standards". This sense of frustration is wide spread among young workers in Saskatchewan.

Youth, Poverty and Minimum Wage

In 1990 the service industry accounted for \$4,170,000,000 of Saskatchewan's GDP and \$5,249,000,000 in 1997.³ In the first quarter of this year, sales in the retail section of service industry alone have increased 2.1 per cent, to \$2.5 billion.⁴ According to one young worker, "these sectors thrive because of the work done by minimum wage earners. It is disheartening that those who work in the service industry earn minimum wage and live in poverty while their labour sustains an industry worth billions of dollars".

The poverty line for an individual in Saskatchewan is \$15, 341 and for a family of four it is \$28, 869. A person making minimum wage working full time makes \$12, 480 annually. In this province, 18.7% of youth live in poverty. First Nations, Métis people Women, people of colour, workers with disabilities, and youth are more likely to live and work under the poverty line. This

² Saskatchewan Bureau of Statistics, Monthly Statistical Review.

³ Saskatchewan Bureau of Statistics, "Saskatchewan Gross Domestic Product at Factor Cost, by Industry," <http://www.gov.sk.ca/bureau.stats/pea/rngdpin1.pdf>, July 11, 2001.

⁴ Saskatchewan Economic and Cooperative Development, "Economic Statistics," <http://www.gov.sk.ca/econdev/whatsnew/econstat.shtml>, July 11, 2001.

disproportionate effect is known as the feminization and racialization of poverty. The minimum wage as it stands “facilitates exploitation” according to Sochitl Alfaro, a student at the University of Regina. We should not be aiming for mere survival rates, rather for working poor to be able to lead healthy, secure and fulfilling lives.

Youth and Post-Secondary Education

Tuition rates and the cost of living keeps increasing while the minimum wage remains stagnant. Students are left to work for low wages while their costs increase. This has lead many to take on staggering debt loads. Many are caught in the awkward cycle of having to choose between work and school. Should a young person cut down his/her class load in order to pay off some of the debt, or should (s)he continue to accumulate debt to finish a post-secondary degree.

Today's young working students enter the labour market full time with a large debt already on their shoulders. We asked 21 young people between the ages of 15-25 how increasing education debt impacts their lives:

- “As educated young adults who are beneficial in sustaining society, this is an unfair burden to place on young workers. It causes more stress which results in lower productivity and satisfaction in personal working lives.” - Suzy Zimmer, a student at the University of Saskatchewan.
- “Going to school and working -- be it full time or part time -- puts a lot of pressure on youth. It is really hard because the school's demands and work's demands are two different loads. It is hard to bear.” - William Akok, student at the University of Regina and a recent immigrant to Canada from Sudan.

Not all young people are able to afford post secondary education. If they are left to fund their own way, the service sector and other minimum wage or low paying jobs most available to them, do not facilitate their desire to attend.

Recommendations

Given the economic and social impacts outlined in this paper, and given the disproportionate impact faced by youth, Aboriginal workers, women, people of colour, and workers with disabilities it is time for progressive change. The Minimum Wage Board should seek to increase the minimum wage to an acceptable level. We recommend the following:

- Raise the minimum wage to the poverty line immediately (\$7.40 an hour).
- Increase the minimum wage to 75% of the industrial wage by 2004.
- Commit to an annual consultation process with diverse minimum wage earners to ensure the decisions made are meeting the needs of all workers.
- A research project that evaluates the impact an increased minimum wage has on the standard of living of aboriginal people, youth, single parent families, people of colour and other equality seeking groups.
- Have equitable representation on the minimum wage board. Specifically members from the aboriginal, youth, single income, people of colour, immigrant people, persons with disabilities, and the lesbian, gay, bisexual and transgendered communities.

The current social and economic climate facing young workers has left them ill equipped to live sustainable lives. Young workers who pursue post-secondary education have few options beyond minimum wage jobs to pay off debts and make ends meet. Numerous statistics prove the current minimum wage is well below the poverty line. As government is in place to address the well-being of its citizens, it is important for the Minimum Wage Board to adequately address the needs of Saskatchewan's diverse minimum wage workforce. The recommendations above, compiled from the experiences of 21 diverse young people, will help offset the current systemic barriers facing many young workers.

Submitted by the Solidarity WORKS! crew:

Mickeyas Abej, William Akok, Sochitl Alfaro, Kate Beingessner, Nicholas Bonokoski, Amanda Freistadt, Natasha Goudar, Tabitha D. Handley, Tara Hubich, Daniel G. Johnson, Chrystal Kruszelnicki, Trevor Ledoux, Sofia Marner, Tricia Mathew, Kelly Milne, Nrinder N. K. Nann, Kathy Somers, Katie Wolfe, Suzanne Zimmer

Solidarity WORKS! is collective of union and non-union workers under the age of 26.

McJobs ain't makin' us McHappy!

"It is evident that young people are facing a tough time in the labour market, where "McJobs" are becoming careers and where low wages, poor benefits, and unpredictable hours have become the norm."

(Tara Hubich, young worker in Regina)

