

2. INCOME SECURITY

Ensure that all Manitobans receive a sufficient income to meet their basic needs and participate fully in community life.

Income security is critical to poverty reduction and social inclusion. Manitobans should have access to enough income to live in a safe and stable home, eat healthy food, get from one place to another, use all the health services they need, and ensure someone can look after their children when they are unable to. By ensuring access to an income that can cover the cost of these needs, many more opportunities become available to help Manitobans participate more fully in the community and the economy—leading to even more opportunities to improve their wellbeing. Manitobans are able to pursue training, education, and employment opportunities when they do not have to worry about how they are going to pay for rent or food in a given month, or how their children will be cared for while they are working.

A multi-pronged approach is needed to provide Manitobans with income security. Those who are able to work should be supported to access the training and education they need to enter the labour market. Particular attention should be given to providing comprehensive supports to Manitobans with multiple barriers to employment as they transition through training into employment. Employers who hire them also need to be supported to ensure employment is sustained. Social enterprise development should be supported to create more supportive first job opportunities for Manitobans with multiple barriers. Efforts to increase employment rates for people with multiple barriers need to also ensure that people are moving into good jobs that pay living wages and offer good benefits. This can be achieved in part through minimum wage and living wage legislation and policies, as well as through strong employment standards and labour legislation. Some Manitobans are not able to access enough work hours to earn a sufficient income through employment. Others are not able to work at all. Manitoba's EIA program should provide all Manitobans who are eligible to participate in the program with enough income to meet their basic needs and participate in community life. It is clear that income security for Manitobans requires a comprehensive approach. We recommend the following actions:

Employment and Income Assistance

Manitoba's EIA program provides financial assistance to Manitobans who have no other way to support themselves or their families. The EIA program also helps those who are able to transition off of EIA and into work so they can become financially independent. Manitoba's EIA caseload has increased since 2009 from over 31,000 cases representing over 56,000 participants to over 35,000 cases representing nearly 62,000 participants.⁶⁵

In 2010, the Manitoba Ombudsman released a report based on a systemic review of the EIA program, which was triggered by ongoing community concerns related to the program.⁶⁶ The *Report on Manitoba's Employment and Income Assistance Program* included 68 recommendations to the province to help ensure the program better meets the needs of Manitobans. As part of acting on the recommendations, the Province of Manitoba released the EIA Rate Review in 2013, which compares the total incomes of EIA participants to common benchmarks of low income.⁶⁷ It found that the incomes of EIA participants are well below low-income thresholds. The review was intended to inform policy and program development and funding decisions related to the EIA program. It concludes with four recommendations for how and where future resources could be utilized to improve the incomes of EIA participants.

The EIA program should provide Manitobans with enough income to meet their basic needs and participate in community life. This is a critical piece of an effective plan to reduce poverty and social exclusion.

The EIA program should provide Manitobans with enough income to meet their basic needs and participate in community life. This is a critical piece of an effective plan to reduce poverty and social exclusion. It is critical not just for the many Manitobans who are unable to work and must rely on the EIA program for their main source of income, but also for those Manitobans on EIA who are able to transition to work and become financially independent. It is difficult to imagine how Manitobans could participate in training, education, and employment that could lead to financial independence without first having an income that is sufficient to provide access to housing, food, clothing, telephone services and other basic needs.

While the recommendations below speak to changes that should be made within the EIA system, it is important to note that there is a growing call for the EIA system to be replaced with a guaranteed annual income (GAI). A GAI could ensure a basic minimum income for all Manitobans, including the working poor, so that nobody has to live in poverty. A widely-recognized research experiment on GAI took place in Dauphin, Manitoba in the 1970s. The results revealed better health, higher graduation rates, and no significant impact on employment.⁶⁸ Its proponents argue that a GAI would generate more than enough savings through reduced administrative costs and reduced costs in other areas such as health and policing to justify the cost of implementing a GAI. Such an approach to income security would likely need strong financial support from the federal government. Keeping in mind the long-term goal of achieving a GAI for all Manitobans, we recommend the following actions to improve Manitoba's current system for income security:

2-1. Immediately establish through legislation an EIA Rate Review Committee consisting of government and community representatives.

A joint committee of community and government representatives would help ensure the effectiveness of reforms to the EIA system. This committee would be tasked with implementing the 2010 Ombudsman's report and redefining basic needs, as well as setting, reviewing, and annually updating EIA rates, among other things.

2-2.A. Immediately implement a transparent mechanism for redefining basic needs in EIA legislation and for setting, reviewing, and annually updating EIA rates that are based on the actual cost of purchasing those basic needs.

The province's EIA Rate Review says that many EIA participants receive a sufficient income to meet their core daily basic needs as defined by EIA legislation. However this definition does not account for things such as telephone and internet services, recreation, and transportation. The EIA Rate Review acknowledges the connection between these services and social inclusion. The 2010 Ombudsman's *Report on Manitoba's Employment and Income Assistance Program* recommended expanding the definition of basic needs to include some of these services.⁶⁹ The Province of Manitoba should work with the community through the EIA Rate Review Committee to redefine the legislated definition of daily basic needs to include: telephone service, recreation, transportation, and other basic amenities including food, clothing, shelter, essential health services, and utilities. By adopting a more inclusive definition of basic needs, the province can help ensure that EIA participants have adequate financial resources to access the services they need to move out of poverty, find employment if they are able to work, and become financially independent.

The 2010 Ombudsman's report recommended that the province be more transparent and accountable in the way that EIA rates are set. It called for a "formal, documented process for reviewing and making recommendations for periodically updating basic and shelter rates...and other income assistance allowances in a logical and equitable manner."⁷⁰ The province should work with the community through the EIA Rate Review Committee to develop a transparent

By adopting a more inclusive definition of basic needs, the province can help ensure that EIA participants have adequate financial resources to access the services they need to move out of poverty, find employment if they are able to work, and become financially independent.

mechanism in legislation for setting, reviewing, and annually updating EIA rates that are based on the actual cost of purchasing redefined basic needs. For example, EIA rates could be based on cost estimates of goods and services that are used to calculate measures of low income such as the Market Basket Measure, the Modified Market Basket Measure, or the Acceptable Living Level.⁷¹

It is important to note that there are several other benefits that are available to low-income Manitobans who are not receiving EIA, such as the Manitoba Child Benefit and the 55 Plus Program. The province should work with the EIA Rate Review Committee to be transparent and accountable in the way these benefit levels are set.

2-2.B. Increase EIA rates for all categories to the rates set in 2-2.A within two years and annually review and update rates to ensure they do not fall behind increases in the cost of living.

Manitoba's EIA rates have remained virtually unchanged in the last twenty years. The province has instead introduced new benefits available to low-income Manitobans both on and off EIA, enhanced earnings exemptions, implemented asset exemptions and has reinstated other sources of financial support that had once been clawed back from EIA participants.⁷² The monthly federal and provincial benefit income for single adults on EIA in Manitoba was \$677 as of July 2014.⁷³ Average private market rent for a bachelor suite in Manitoba was \$556.⁷⁴ That leaves the individual with \$4.23 per day each month for all other expenditures. These benefits provide single adults with an annual income of \$8,124. This is 41 percent of the poverty line based on the Low-Income Cut Off–After Tax, which was \$19,774 in 2013.⁷⁵ A single adult with a disability on EIA receives an annual income that is 54 percent of the poverty line.⁷⁶ Single parent families with two children and two-parent, two-child families on EIA live with incomes that are 60 percent and 70 percent of the poverty line.⁷⁷ These incomes are inadequate if the EIA program is to contribute to poverty reduction and social inclusion.

A pension-like program for Manitobans with severe, prolonged disabilities would help ensure Manitobans do not have to experience a lifetime of poverty because they are unlikely to participate in the labour market due to a disability.

The province's Strategy for Sustainable Employment and a Stronger Labour Market recognizes the important role EIA plays in helping Manitobans meet basic needs and participate fully in community life to the greatest extent possible.⁷⁸ However, it is clear that current EIA rates are not fulfilling this role. The Province of Manitoba's EIA Rate Review acknowledges that EIA participants receive incomes that are below established low-income thresholds which take into account the cost of purchasing goods that could be considered important for social inclusion. The province should begin to increase EIA rates now and annually review and update rates to ensure they do not fall behind increases in the cost of living.

It is important that EIA rates be increased in a way that ensures participants do not lose income when they transition into employment. The province's EIA Rate Review recommends increasing financial transfers to EIA participants through higher benefits outside of EIA, which would also be available to support low-income Manitobans who are not eligible for EIA, such as many of the working poor. The Rent Assist benefit provides an example of this approach because it is available to Manitobans on and off EIA. This portable approach would also need to be taken to implement a guaranteed annual income that would be available to all low-income Manitobans. These income-tested portable benefits can help ensure that EIA participants are better off when they transition into work. Furthermore, they help provide income security to low-wage workers who live below the poverty line despite having found employment.

2-3. Establish a separate pension-like basic income support program for Manitobans with severe and prolonged disability.

In 2009, Greg Selinger spoke at a poverty reduction forum about his intention to provide Manitobans on long-term disability with a pension option that would be annually increased to re-

flect changes in the cost of living. He wanted to provide Manitobans on long-term disability with a long-term approach to income security that would not preclude them from participating in the paid labour market. In 2013, the Province of Manitoba released its EIA Rate Review report which recommended that the government prioritize a separate pension-like program for Manitobans with severe, prolonged disability.⁷⁹ Such a program could help ensure that Manitobans do not have to experience a lifetime of poverty because they are unlikely to participate in the labour market due to a disability. It would also help reduce administrative costs as EIA caseworkers would no longer need to undertake regular reviews to determine ongoing eligibility for EIA benefits. While the federal government should provide funding to support this program and ensure it is available across Canada, some provinces already have similar programs without federal participation. The Province of Manitoba can begin by developing eligibility criteria and screening for participation in a new pension-like basic income support program. The new program should be designed in a way that ensures nobody loses access to related benefits they received before the program was introduced. It should also provide recipients with an amount that is at least equal to what is received under the current Canada Pension Plan disability benefit.

Jobs

An effective poverty reduction plan provides employment opportunities that increase the incomes of people who live in poverty. Labour is one of the most important assets that low-income people can use to improve their wellbeing. However, many people who live with low incomes face multiple barriers to employment.

First Nations people in Manitoba (off-reserve) continue to have lower employment and labour market participation rates compared to non-Aboriginal Manitobans. The unemployment rate for First Nations people is more than three and a half times the rate for non-Aboriginal Manitobans.⁸⁰ The legacy of colonization and ongoing systemic racism contributes to a variety of barriers (lower completion rates to formal education, discriminatory hiring practices, substance abuse issues and more) that prevent some Aboriginal Manitobans from accessing and succeeding in employment.⁸¹

Newcomers in Manitoba experience slightly higher unemployment rates than Canadian born residents. Rates were highest among immigrants arriving in the last five years at 9.7 percent in 2013, a percentage change increase of almost 30 percent since 2009. Unemployment rates decrease as more time is spent in the country and rates for established immigrants (10+ years) are even lower than rates for Canadian born residents.⁸² The immigrant population in Manitoba faces numerous challenges accessing employment including, a lack of Canadian work experience, poor English language skills, and difficulties with qualifications recognition.

Unemployment data for persons with disabilities have not been available since 2006. Data from this time shows that Manitobans with disabilities have higher unemployment rates and lower employment and participation rates than Manitobans without disabilities.⁸³ Some Manitobans face severe and prolonged disabilities that prevent them from working. However, most Manitobans with a disability are able to work but face barriers such as inaccessible education and training programs, systemic discrimination, and workplaces that fail to accommodate their needs.

The Province of Manitoba states that employment is the best way out of poverty. It must follow-up on this statement by ensuring that low-income Manitobans can access good jobs regardless of the barriers they face. We recommend the following actions:

2-4. Provide immediate funding for the initial set up and operating costs of a Labour Market Intermediary in Winnipeg and in the North to be designed and delivered with Aboriginal community organizations to improve labour market outcomes for multi-barriered Aboriginal job seekers.

There are many initiatives in Manitoba providing education, training, and supports to multi-barriered job seekers. The transition from training to employment can be very difficult with some clients requiring ongoing access to supports once employed. Furthermore, practitioners in community-based training programs explain the transition is not always linear. Some job seekers may need to access services from multiple organizations before they are prepared for employment. Others might find employment right away, but then fail to sustain that employment and need to access additional supports or training before becoming employed again. In many instances, often due to being inadequately resourced, community-based organizations do not have the capacity to continue to serve clients after they transition out of their programming. As a result, many clients lose access to the supports they need and fall off their path to sustained employment.

Recent research suggests that this gap in services can be addressed by a community-designed and delivered Labour Market Intermediary (LMI) with a mandate to support multi-barriered job seekers and employers to ensure a successful transition into employment.⁸⁴ An LMI would leverage the existing training services offered by educational institutions and employment development organizations in the neighbourhood and have the capacity to direct clients to the full range of services available to them. The LMI would also develop enduring relationships with employers and unions when relevant, in order to connect clients to jobs when they are ready, and to act as a liaison between employers and organizations in the neighbourhood. Finally, the LMI would employ and assign caseworkers to clients to ensure that multi-barriered job seekers have access to consistent and ongoing supports no matter where they are on their employment path (e.g. further training at a community-based organization, or working in the private sector).

Budget 2014 introduced Manitoba Works! a three-year initiative that enables four community-based organizations providing training and job placement services to offer comprehensive supports to job seekers and employers for up to six months once a link to employment is made. This initiative is similar to an LMI approach but it can be scaled up more efficiently through the development of an actual LMI. Rather than funding multiple employment development organizations to provide ongoing supports during the transition from training to employment, a community-based LMI would be centralized (by building capacity in a single Aboriginal community-based organization) to administer these supports and provide jobseekers and employers with access to comprehensive resources for as long as required.

The Province of Manitoba can provide more low-income Manitobans with access to good jobs regardless of their circumstances by funding the initial set up and operating costs of an LMI in Winnipeg and in the North. The province should partner with employment development organizations serving Aboriginal people, and other stakeholders to design and deliver the LMIs. These LMIs would focus on, but not be limited to, serving multi-barriered Aboriginal job seekers given the over-representation of Aboriginal people among those who are unemployed and living with low incomes. An Aboriginal-focused LMI would provide cultural reclamation programming to Aboriginal clients and cultural competence training for employers in recognition of the impact this has on improving employment outcomes for Aboriginal people. Once established, other funding partners, such as the federal government and crown corporations, can be called upon to financially support the LMI—a mechanism for achieving their equity hiring objectives.

It is important to acknowledge that there are other population groups in Manitoba, such as immigrants and refugees, who face unique challenges in accessing relevant and meaningful employment opportunities. Challenges may include language and skills recognition issues, low levels of education and literacy, acculturation issues, and the need to cope with trauma.⁸⁵ While some work has already been done to explore the potential for a newcomer-serving LMI in Winnipeg, further research is needed to determine whether or not this would be an appropriate mechanism to improve labour market outcomes for newcomers.

2-5. Commit resources to ensure the Manitoba Social Enterprise Strategy is fully implemented by 2020 in order to create more jobs for people with barriers to employment.

Social enterprises are non-profit businesses that aim to achieve social outcomes, such as jobs for people with barriers to employment. Social enterprises that provide training and job opportunities for multi-barriered job seekers contribute also to poverty reduction, crime reduction, a more inclusive economy, an increased tax base, and reduced costs associated with health, justice, and other social services.⁸⁶

Manitoba has a strong and growing social enterprise sector, particularly in Winnipeg, that is providing supports, training, and jobs for people who tend to be shut out of the labour market (e.g. people with disabilities, people who have a criminal record, or people with low educational attainment). The sector provides an important first job experience that can be used as a stepping stone toward other employment opportunities in the private labour market.

The Province of Manitoba has provided a variety of supports for social enterprise development over the years. Most recently, Budget 2014 committed to working with social enterprises to create a comprehensive strategy to grow the sector.⁸⁷ The Social Enterprise Strategy is expected to be complete by 2015 and stakeholders will be looking for a resourced commitment in Budget 2015 to begin implementation of the Strategy.

One outcome of the Strategy that can be implemented immediately without a budgetary implication would be for the Province of Manitoba to integrate Community Benefit Clauses (CBC) in all of its procurement policies and practices. This can help ensure that government spending maximizes training and job opportunities for people with barriers to employment.

The Province of Manitoba purchases many goods and services that can be provided by social enterprises that generate community benefit by providing jobs for people with barriers to employment and reducing dependency on the social welfare system. The Province of Manitoba has taken steps to provide social enterprises with more opportunities to provide goods and services for government projects, particularly around housing. These opportunities have been provided on a case by case basis by negotiating direct contracts with non-profit social enterprises and should continue to be provided where it makes sense.

But this practice is not based in procurement policy. Current government procurement policies do not require the added value generated by social enterprise to be taken into account when deciding who to purchase from or contract with. If procurement policies and practices valued community benefit on top of price and quality, more purchases and contracts could shift toward social enterprises and other business models that generate community benefit. The resulting growth in these businesses would scale up their positive impacts and create more training and job opportunities for people with barriers to employment.

Manitoba has a strong and growing social enterprise sector, particularly in Winnipeg, that is providing supports, training, and jobs for people who tend to be shut out of the labour market (e.g. people with disabilities, people who have a criminal record, or people with low educational attainment).

2-6. Include and achieve targeted training and hiring of groups identified in the Province of Manitoba's Employment Equity Policy for all infrastructure projects that are supported by public funds.

The province has demonstrated leadership by integrating equity hiring and training for large-scale infrastructure projects like the Red River Floodway and Manitoba Hydro development projects in the North. These models should be improved upon and utilized more frequently in future infrastructure projects. One way to achieve this would be through the use of Community Benefit Clauses (CBCs). CBCs enable the province to award bids on publicly-funded projects based on the consideration of community benefit in addition to price and quality. Given their significant social value, social enterprises are well positioned to capitalize on the use of CBCs in projects they have a capacity to work on. Private sector employers who are better positioned to take on large infrastructure projects can also capitalize by demonstrating community benefit. For example, private sector employers would be awarded points for demonstrating in their tender, plans to integrate targeted training and hiring of local equity-seeking groups, which could include working with social enterprises and providing apprenticeship opportunities to their employees.

It is worth noting that a Labour Market Intermediary (LMI) would provide a cost-effective and efficient mechanism through which equity employment and training objectives of large-scale infrastructure projects can be met. An LMI would be able to develop long-term relationships and the institutional knowledge that is needed to ensure relevant partners can successfully implement targeted training and employment in various projects.⁸⁸

2-7. Address the barriers immigrants face when getting their qualifications recognized in Manitoba.

Manitoba's immigration policies are bringing skilled immigrants into Manitoba with the intention that they will make a long-term contribution to the labour market. However, agencies report that many immigrants to Manitoba have to go through a long, difficult, and expensive process to have their qualifications recognized so that they can work in the field they have been trained in. The Province of Manitoba has supported comprehensive gap training and bridge programs that provide immigrants with an opportunity to upgrade their skills and acquire job search skills, English as an additional language training, and job placement supports. Agencies report that wait lists are high for some of these programs and some immigrants end up having to start from scratch as a result of being out of professional practice for too long. Gap training and bridge programs need to be better supported so that immigrants can access the training they need to accelerate their entry into Manitoba's labour market.

The Province of Manitoba has partnered with the federal government to fund Recognition Counts, an initiative that provides micro-loans to low-income skilled immigrants to help relieve the financial burden that can come with skills upgrading. As of August 31, 2014 close to \$1,020,000 in loans have been disbursed among 115 clients. The program, delivered by SEED Winnipeg in partnership with Assiniboine Credit Union and the Province of Manitoba, also offers financial and career counseling to assist immigrants with obtaining employment in their field of expertise. The Province of Manitoba should follow up on its policies that bring more skilled immigrants to Manitoba by scaling up support and providing multi-year funding for initiatives like Recognition Counts that help eliminate the barriers skilled immigrants face to accessing employment.

2-8. Adjust government-wide benchmarks for representation of employment equity groups in Manitoba's Employment Equity Policy to reflect changes in population and labour force data and set a goal to meet adjusted benchmarks within the civil service and publicly owned institutions by 2020. Priority should be given to achieving benchmarks within management positions.

Gap training and bridge programs need to be better supported so that immigrants can access the training they need to accelerate their entry into Manitoba's labour market.

Public sector employment is an important source of jobs—providing good incomes, benefits, and opportunities for career advancement. All levels of government must make a more concerted effort to employ individuals from under-represented groups including Aboriginal people, visible minorities, women, and persons with disabilities.

We commend the province for setting equity targets and measuring progress. As of March 2014, women comprised 54.5 percent of the civil service, which surpassed the goal of 50 percent. The Province of Manitoba has also surpassed its goal to have visible minorities make up 8 percent of the civil service. In March 2014, visible minorities comprised 9 percent of the civil service, up from 4.9 percent in 2008. Progress has also been made toward meeting targets for Aboriginal people and persons with disabilities. Aboriginal people comprised 13.8 percent of the civil service, which almost reaches the goal of 14 percent and is up from 11.9 percent in 2008. Persons with disabilities comprised 4.9 percent of the civil service, which brings representation closer to the target of 7 percent and is up from 2.9 percent in 2008. While good progress has been made, the province has not met any of its equity targets for senior management positions within the civil service, meaning women, Aboriginal people, persons with a disability, and visible minorities continue to be under-represented in higher paying positions. It is important to note that equity benchmarks have not been revised since 2003/04. Benchmarks should be revised to reflect the most recent population and workforce data in Manitoba.

Wages

Employment will not provide a pathway out of poverty if jobs do not pay an income that brings individuals and families above the poverty line. All Manitobans working full time, full year should earn enough income through employment to live above the poverty line. However, far too many Manitobans are working for wages that are not high enough to lift them and their children out of poverty, even when in full-time positions, despite regular increases to the minimum wage. More than 46,000 Manitobans earn minimum wage, the majority of whom are over the age of 20 and female.⁸⁹ The 2014 minimum wage of \$10.70 per hour provides a full-time minimum wage earner with only approximately \$20,865 annually, leaving them \$2,996 below the before-tax poverty line (based on the 2013 LICO—before tax). A single parent with one child earning minimum wage is worse off, living \$8,841 below the poverty line.⁹⁰ More than 40 percent of minimum wage earners are working full time.⁹¹ The Province of Manitoba must ensure that all Manitobans receive a wage that keeps them above the poverty line. We recommend the following actions:

2-9. Incrementally increase the minimum wage per hour to the Low-Income Cut Off—Before Tax (LICO-BT) for a one parent, one child household by 2020, and index annually to the LICO-BT.

The Province of Manitoba has increased the minimum wage from \$6.25 per hour in 2001 to \$10.70 in 2014. Annual increases have ranged between .25 cents and .50 cents, with the majority of increases on the lower end of the range. Incremental increases over the last decade and a half have been welcomed, they have not been enough to bring full-time minimum wage earners to the poverty line.

As of October 2014, the minimum wage was 67 cents per hour short of what is required to bring a two-parent, two-child household to the LICO-BT (the 2013 poverty line), assuming that both parents work full time all year. A single parent with one child, working full time all year is \$4.53 per hour short of what is needed to live at the poverty line

Manitoba's minimum wage has increased from \$6.25 in 2001 to \$10.70 in 2014. While this increase is welcome, it is not enough to bring full-time minimum wage earners to the poverty line.

Single parent households are much more likely to live in poverty compared to households with two-parents and two children. Incremental increases to the minimum wage to a level that will ensure single parent households can live above the poverty line will also close the gap for households with two parents and two children and one-person households. The Province of Manitoba should increase the minimum wage to the poverty line for one-person households by 2017, and to the poverty line for single parent households by 2020. It is worth noting that this 2020 target would provide a living wage (defined below) to households with two-parents and two children, but it is \$1.81 short of a living wage for single-parent households.

It is argued by some that rather than concentrating on minimum wage increases, the province should increase the basic personal tax exemption. While tax measures are needed to assist lower income earners, the cumulative effect of increasing the exemption for everyone results in a loss of much needed tax revenue to pay for government programs that help low-income Manitobans. Net income is only one part of the family income equation. The province provides other tax credits and transfers such as Rent Assist that effectively boost a family's income. These credits and transfers could be put in jeopardy from the loss of revenue that would occur if every Manitoban benefitted from a personal tax exemption. The importance of income tax credits and transfers and government-funded services for low-income families is further demonstrated in the calculation of the living wage.

2-10. Within two years, introduce living wage legislation to ensure that all Manitoba government employees are paid a living wage⁹² and that the evaluation criteria for all requests for proposals take into account whether or not employees are paid a living wage.

A living wage is the hourly wage rate at which a household can meet its basic needs, based on the actual costs of living in a specific community. It is calculated after government transfers have been added to the household income and after deductions have been subtracted. Stronger government programs can shift certain costs off the shoulders of individual families, effectively lowering the living wage.

The Canadian Centre for Policy Alternatives has developed a methodology for calculating the living wage that has become a model used across the country.⁹³ At least 25 communities in Canada have calculated their local living wage using its approach. Based on this methodology, the 2013 living wage for a two-parent, two-child family in Manitoba is \$14.07 per hour.⁹⁴

Living wage policies have been implemented in over 140 American cities, counties and universities.⁹⁵ Many British public sector employers have signed living wage agreements affecting direct and contract employees.⁹⁶ In 2010, the City of New Westminster and the Township of Esquimalt in British Columbia passed living wage policies affecting direct and contracted employees.

The Province of Manitoba is connected to a large number of workers in Manitoba—those it employs directly and those employed by businesses that the province purchases goods and services from. The province can prevent and alleviate severe financial stress for these workers and their families by lifting them out of poverty and providing a basic level of economic security through living wage legislation. Such legislation would ensure that all government employees are paid a living wage, and that the evaluation criteria for all requests for proposals take into account whether or not employees are paid a living wage, with the goal of all Manitobans having a living income. It would allow the government to demonstrate leadership and set an example for other employers in the private sector to emulate on a voluntary basis. There are many examples of employers around the world who have already taken the initiative to pay their workers a living wage, including Winnipeg-based Assiniboine Credit Union.

A living wage is the hourly wage rate at which a household can meet its basic needs, based on the actual costs of living in a specific community. It is calculated after government transfers have been added to the household income and after deductions have been subtracted.

Employment Standards and Legislation

Manitoba unions play a strong role in providing employment and income security to workers. The ability of unions to protect workers is directly related to the strength of the legislation that governs their rights and obligations. The province, therefore, has an important role to play in allowing unions to effectively do their job. However, there is a constant friction between employers and unions as they try to influence the province to either weaken or strengthen labour legislation. To protect workers, legislation constantly needs to be monitored, enforced, and strengthened.

Most workers in Manitoba are not union members and do not enjoy the added protection unionized workers do. Non-unionized workers are covered by provincial employment standards and occupational health and safety legislation. This legislation sets out the minimum requirements that employers must meet and protects workers from unfair labour practices. The legislation promotes 'decent work,' which the International Labour Organization defines as work that provides "income and employment security, equity and human dignity."⁹⁷

Some workers in Manitoba do not benefit from employment standards and occupational health and safety legislation leaving them more vulnerable to exploitation, job insecurity and fewer benefits. This includes self-employed persons, independent contractors, volunteers working for a charitable or political organization, individuals who are working as part of a rehabilitation or therapeutic program, and individuals, many of whom are students who are involved in a time-limited training or work experience program of the provincial or federal government, a school board, or a private sector employer. A variety of other workers are entitled to only some employment standards including many agricultural workers, fishers, and even some professionals and managers.

The Province of Manitoba has made some important changes to legislation regarding employment standards, occupational health and safety, and labour law in recent years. In addition, the province granted seasonal agricultural workers access to healthcare coverage in 2013. Despite this progress, more remains to be done. We recommend the following actions:

2-11. Immediately increase the protection of all workers from unfair labour practices.

Increasing protection from unjust treatment in the workplace is critical to preventing individuals from falling into poverty. Most vulnerable are non-unionized workers because they do not have anyone to advocate on their behalf and because they only benefit from minimum employment standards related to minimum wage, hours worked, paid vacation, and termination among other things. A comprehensive package of protection for workers would require the Province of Manitoba to put in place a process of appeal for non-unionized workers who believe that they have been wrongfully dismissed from employment. This would allow non-unionized workers to have their case heard by an appeal board with procedures similar to grievance-arbitration procedures in collective agreements and the power to order reinstatement and compensation.

Improved protection would also come from allowing for automatic union certification when 50 percent plus one of potential union members sign membership cards. Automatic union certification currently requires 65 percent of potential union members to sign membership cards, up from 55 percent prior to the 1990s. Unionized workers would benefit from increased protection if legislation were to be introduced to prohibit the employment of replacement workers during labour disputes, whether it be during a strike or a lockout. This protection is particularly important for locked out workers whose employers prevent them from coming to work.

2.12. Immediately improve the Employment Standards Code to better protect vulnerable workers and introduce stronger measures to proactively monitor and enforce the Code.

Manitoba workers could be better protected by improvements to the Employment Standards Code that increased vacation entitlement from two weeks to three. This would provide a better work life balance, especially for parents who require additional time off to care for children. Furthermore, it would bring Manitoba in line with some other provincial jurisdictions. Other improvements to the Code would address the need to protect jobs (mostly women's) from disappearing while they are on parental leave and extend the period within which jobs are protected from 12 months to 18.

Attaining recognition of workers' rights in the Employment Standards Code is one thing, having them respected is another. Better enforcement of the existing Employment Standards Code is required. The Province of Manitoba has increased proactive workplace inspections of employment records throughout Manitoba and has broadened the spectrum of workplaces it visits. Further increases to the number of proactive inspections along with the investigations triggered by anonymous and third-party complaints will require an increase in officers and inspectors.