



Inequality, employment and COVID-19

Priorities for fostering an inclusive recovery in BC

By Iglia Ivanova

JULY 2021



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

Inequality, employment and COVID-19

PRIORITIES FOR FOSTERING AN INCLUSIVE RECOVERY IN BC

July 2021

PUBLISHING TEAM

Shannon Daub, Joel French, Jean Kavanagh, Emira Mears, Terra Poirier

Copyedit: Sarah MacKinnon

Layout: Paula Grasdal, Susan Purtell

ISBN 978-1-77125-558-5

This report is available under limited copyright protection. You may download, distribute, photocopy, cite or excerpt this document provided it is properly and fully credited and not used for commercial purposes.

The opinions and recommendations in this report, and any errors, are those of the author, and do not necessarily reflect the views of the publishers and the funders of this report.

ABOUT THE AUTHOR

IGLIKA IVANOVA is a senior economist and the Public Interest Researcher at the BC Office of the Canadian Centre for Policy Alternatives. She has authored and co-authored numerous publications on key social and economic challenges facing BC and Canada, including poverty, economic insecurity, income inequality, low-wage work, and labour market shifts towards more precarious employment. In addition to shining a light on often neglected social and economic justice issues, Ivanova's work offers actionable solutions for building a more just and inclusive economy through public policy change.

ACKNOWLEDGEMENTS

The author would like to extend heartfelt thanks to her colleagues at the CCPA and to the three anonymous external reviewers who generously provided invaluable advice on the methodology, content and structure of this report, including Sheila Block, Shannon Daub, Alexander Hemingway, Marc Lee, David Macdonald and Katherine Scott. Thanks also to the CCPA's Emira Mears and Terra Poirier whose contributions tremendously improved the clarity of the figures in the report, and helped better reflect the complexities of racialization and gender identity within the limitations of the available source data. Their generosity and good humour during the production of this report was greatly appreciated. Thanks also to my colleagues Jean Kavanagh and Joel French for their assistance in helping ensure this report is widely read.



520 – 700 West Pender Street Vancouver, BC V6C 1G8

604.801.5121 | ccpabc@policyalternatives.ca

policyalternatives.ca

The CCPA–BC is located on unceded Coast Salish territories, specifically the lands belonging to the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and sə́ilwətaʔ /Selilwitulh (Tsleil-Waututh) Nations.

Contents

A note about data terminology.....	4
Summary.....	5
Introduction.....	13
Aggregate labour market impacts of the pandemic in BC.....	15
Pandemic shutdowns had much larger labour market impacts than previous recessions.....	15
Impact on economic activity appears to have been more muted than impact on employment.....	17
Pandemic recession impacts varied significantly by industry.....	19
Some sectors will remain vulnerable for the foreseeable future and the workers they employ will require additional supports.....	20
Despite a seemingly strong aggregate employment recovery, long-term unemployment is rising sharply.....	21
Regional differences in pandemic employment impacts persist.....	22
Pandemic impact on frontline and low-wage workers in BC.....	24
Low-wage workers experienced the largest job loss and are the slowest to recover.....	24
Racialized and female workers more likely to be in frontline jobs at high risk of infection.....	27
Intersectional aspects of the pandemic’s unequal job market impacts.....	29
The impact of the pandemic on women.....	29
Unpaid caregiving demands weighed heavily on mothers.....	33
Younger workers, particularly younger women, saw biggest employment losses...	34
Recent immigrants experienced larger job market impacts than other Canadians..	35
Racialized British Columbians experienced higher levels of unemployment and financial insecurity.....	36
Indigenous workers experienced larger employment losses and a much slower recovery in BC.....	38
Policy implications: The road ahead.....	42
Provincial policy measures that should be part of the inclusive recovery package in BC.....	44
1. Large-scale, people-centric public investments in physical and social infrastructure.....	44
2. Labour market reforms to strengthen workplace rights and make all jobs good jobs.....	46
3. Overhaul of our income and social support system to ensure adequacy and accessibility.....	47

A NOTE ABOUT DATA TERMINOLOGY

This report is based on data provided by Statistics Canada, primarily drawn from the Labour Force Survey. Because both race and gender are socially constructed (not biologically determined), terminology used to describe these constructs tends to be inconsistent and imperfect across many platforms and sources, including in the data used here. With that in mind, this table helps explain the intended meaning behind certain demographic terms used in this report while balancing that against the need to accurately represent the source data.

Statistics Canada terminology	Terminology used in this report
The term <i>visible minority</i> is defined by Statistics Canada as referring to whether a person belongs to a visible minority group as defined by the <i>Employment Equity Act</i> . The term does not include Indigenous people.	<i>Racialized people.</i>
<i>Non-Indigenous, non-visible minorities</i> refers to people who are racialized as “white”— they are neither people of colour nor are they Indigenous.	<i>White people.</i>
<i>Indigenous</i> refers to people of First Nations, Métis or Inuk identity. Also still occasionally referred to as <i>Aboriginal</i> in the Labour Force Survey. Data collected in the Labour Force Survey is for people living off-reserve.	<i>Indigenous people.</i>
Sex and gender: While the most recent 2021 Census has asked questions to differentiate between biological sex and gender identity, that differentiation was not available in the data sources used here, which ask participants for their sex only and limit the options to male and female. The spectrum of gender identity is not explicitly captured nor reflected in this data.	Because both Census 2016 and the Labour Force Survey only ask about sex and not gender identity, this effectively conflates sex (female/male/intersex) and gender (women/men/transgender/non-binary): given no other option, respondents may have also conflated the categories in order to complete the question. In recognition that both sex and gender may have been captured in the data, we have elected to use both categories as follows: Figures and tables: <i>Female</i> and <i>male</i> . Body of report: <i>Women</i> and <i>men</i> and <i>female</i> and <i>male</i> .

We recognize that these descriptors are still imperfect and do not capture the many complexities and problems with the social construction of racialization including mixed racialized identities, Indigenous identities, nor of gender identities and non-binary sexual attributes.

Summary

THE COVID-19 CRISIS HAS CAUSED UNPRECEDENTED economic disruptions and job losses, the speed and scale of which far exceeded those seen in any previous recession in the postwar era. In British Columbia 645,000 BC workers lost their jobs or the majority of their hours between February and April of 2020, a number that represents 25 per cent of all workers employed before the pandemic started.

The loss of work at that scale is exceptional, but as we move beyond the early labour market shocks of the pandemic into the many stages of recovery, it is the highly unequal impacts on different industries and groups of workers that stand out.

This report examines the impact of COVID-19 on the BC job market a year into the pandemic, breaking down workers by industry, region, sex, age, ethnicity, Indigenous identity, immigrant status, family type and presence of young children in the home to better understand the full extent of the recession's impacts and how the recovery is progressing for different groups of British Columbians. The report relies on the quantitative data available from Statistics Canada, primarily through the Labour Force Survey.

While federal and provincial government interventions were able to lessen the financial impact of the COVID-19 crisis for many individuals, the pandemic has highlighted and deepened long-standing gender, racial and economic inequalities.

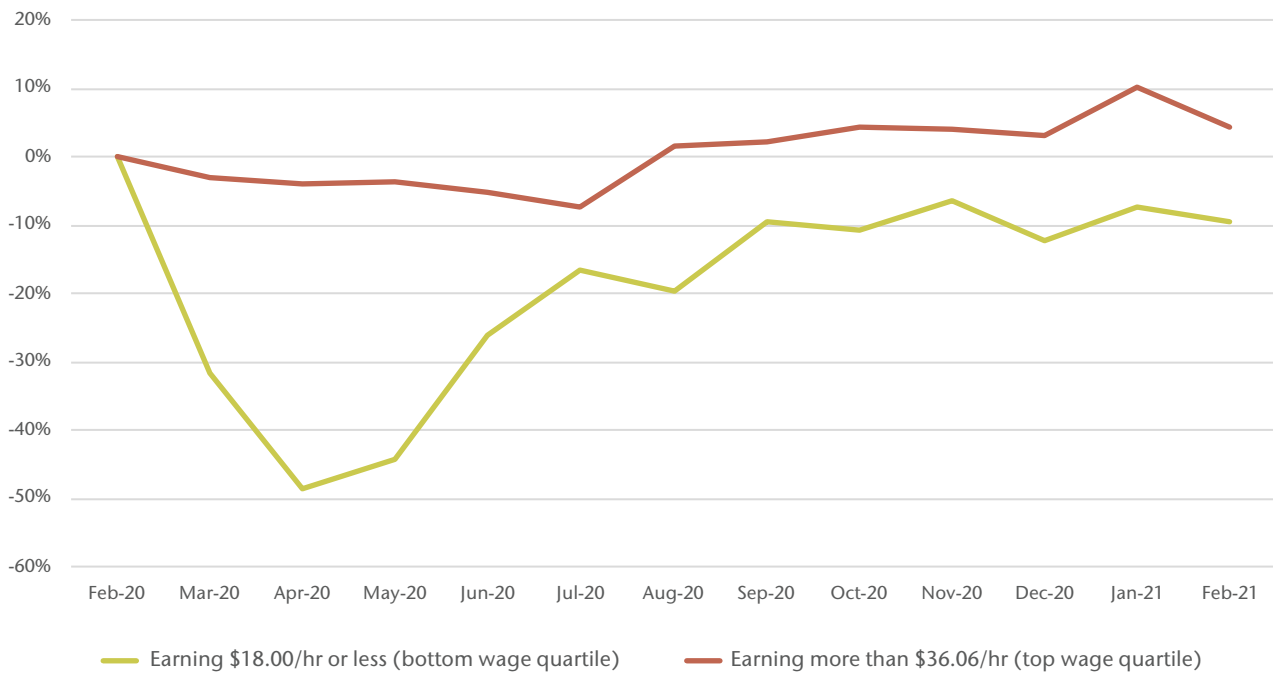
This report offers policy recommendations to address these structural inequalities and leapfrog to a more inclusive and just economy, instead of simply returning to the pre-pandemic status quo.

To date, while BC's economic recovery is proceeding at a slightly faster pace than in most other provinces and we are seeing strong aggregate employment figures, long-term unemployment—defined as being unemployed for six months or more—has risen sharply during the pandemic. As of February 2021, about one-third of all unemployed people actively looking for work in BC are long-term unemployed (33 per cent), which is slightly higher than the proportion of long-term unemployed in Canada (28 per cent).

The data show that lower-paid workers in part-time, temporary and more precarious jobs were more likely to lose their jobs, or the majority of their hours in the early days of the pandemic. These groups of workers were also more likely to be among those working in essential jobs on the front lines of the pandemic who were put at an increased risk of the virus in order to do their jobs. Notably, female, Indigenous and racialized workers are more likely to fall in the low-wage

While federal and provincial government interventions were able to lessen the financial impact of the COVID-19 crisis for many individuals, the pandemic has highlighted and deepened long-standing gender, racial and economic inequalities.

Figure A: Share of BC workers in the top and bottom wage quartiles who lost their jobs or the majority of their regular hours relative to February 2020



Note: Excludes the self-employed because they are not asked about their wages in the Labour Force Survey. Seasonally adjusted by removing average change in each category since February over the past three years.

Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF.

In addition to experiencing the highest economic disruption in the early days of the pandemic, low-wage workers are also experiencing a slower recovery.

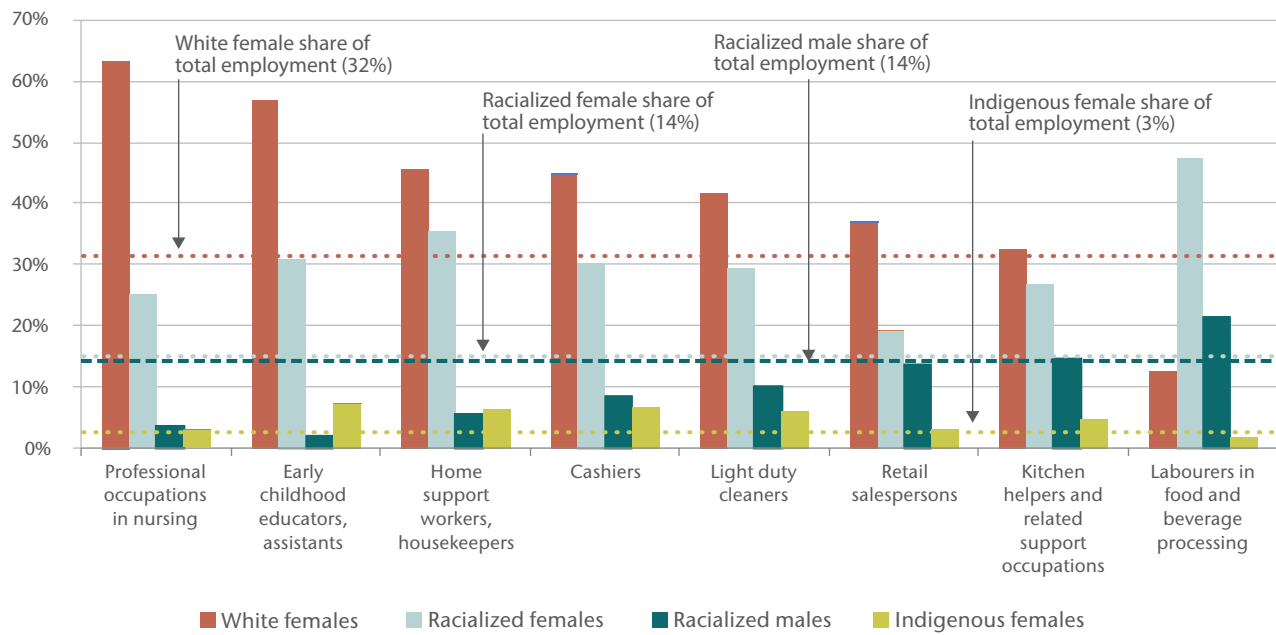
category. As Figure A shows, in addition to experiencing the highest economic disruption in the early days of the pandemic, low-wage workers are also experiencing a slower recovery.

In contrast, higher-paid workers who already enjoyed comfortable incomes and job security tended to be those who could transition to working from home and even accumulate savings as their discretionary spending decreased. Within this group of workers, those who already owned property and financial assets have seen that value increase, further worsening wealth inequalities.

This report goes beyond documenting the experiences of frontline and low-wage workers to analyze the intersectional impacts of COVID-19 job market disruptions in BC. Key findings include:

- Due to the nature of the pandemic and its workplace restrictions, workers in different sectors experienced the economic impacts very unevenly. The industries that experienced the largest declines in hours worked were accommodation and food services; arts, entertainment and recreation; educational services; mining, quarrying, and oil and gas extraction (though notably this industry is a very small employer in the province); and other services (a sector which includes personal services, repair and maintenance, domestic workers, charities and non-profit organizations). As the economy moves through the many stages of reopening, service industries that experienced larger job losses during the first wave of the pandemic have been slower to recover and will likely remain vulnerable for the foreseeable future, while industries that saw few job losses in the spring of 2020 have continued to enjoy significant employment growth.

Figure B: Female and racialized share of workers at the frontlines of COVID-19



Source: Statistics Canada, 2016 Census. Catalogue number 98-400-X2016356 and 98-400-X2016357.

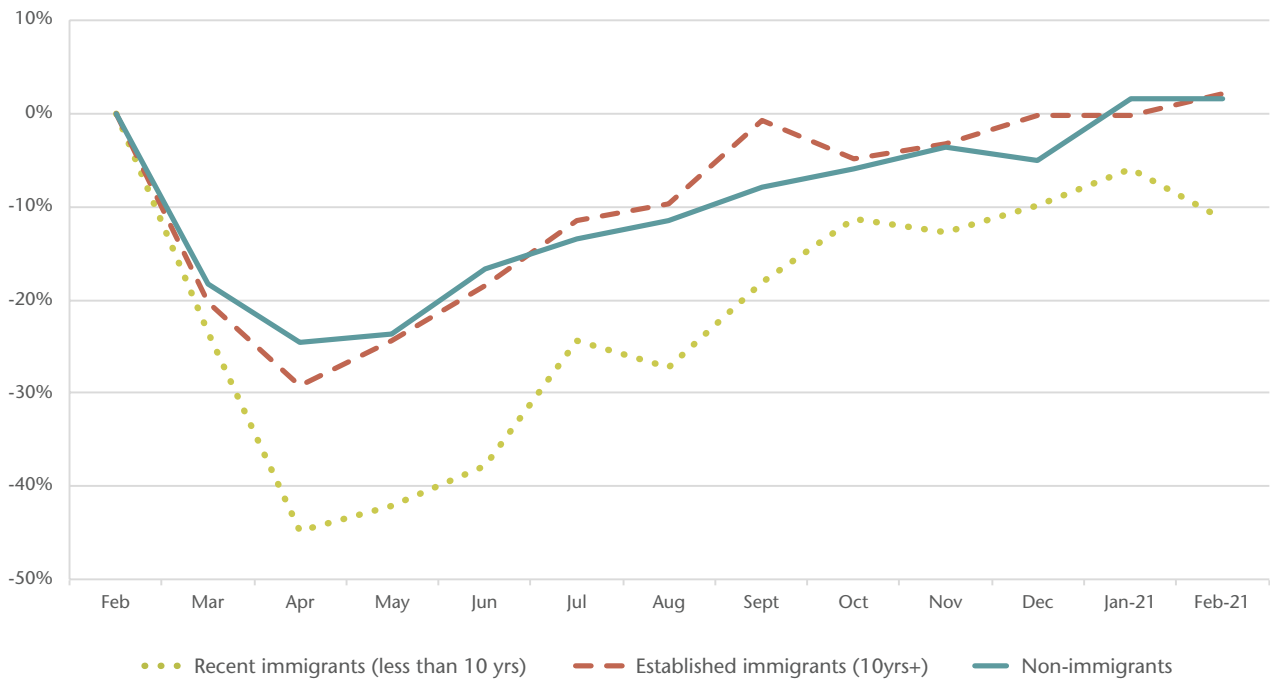
- Regional economic differences contributed to differences in the employment impact across the province. Of all jobs lost during the initial phase of the pandemic (April to June 2020) 82 per cent were in the Lower Mainland, the region that remains furthest from recovery to pre-pandemic levels of employment. The North Coast and Nechako and the Cariboo regions also saw large employment losses (14.5 per cent or more) in April to June 2020 compared to 2019, while the rest of the province fared a bit better with the Kootenays and Thompson-Okanagan registering the lowest employment losses. It is important to note that some BC regions entered the pandemic from positions of labour market strength and high job growth (e.g., Lower Mainland-Southwest, Thompson-Okanagan), while others saw a weaker job market in 2019 (e.g., Vancouver Island and Coast, Northeast), so a smaller drop in employment or recovery to pre-pandemic employment levels does not necessarily indicate a strong job market in the region.
- Women represented the majority of workers on the front lines of the pandemic in essential service and caregiving jobs that typically cannot be done from home. These jobs also tend to be filled by a disproportionately large share of racialized women. Due to the nature of this work, this means that racialized and female workers were more likely to be placed at higher risk of infection.

Women represented the majority of workers on the front lines of the pandemic in essential service and caregiving jobs that typically cannot be done from home. These jobs also tend to be filled by a disproportionately large share of racialized women.

Workplace exposure risks of COVID-19 combined with other economic disparities experienced by racialized workers can help explain why COVID-19 mortality rates across Canada have been more than three times higher in neighbourhoods where a high proportion of the population is racialized (25 per cent or more) than in neighbourhoods with a low proportion of racialized population (less than 1 per cent).¹

1 Statistics Canada. Age-standardized COVID-19 mortality rate compared.

Figure C: Share of BC workers who lost their jobs or the majority of their regular hours relative to February 2020 by immigrant status



Source: Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF. Seasonally adjusted by removing average change in each category since February over the past three years.

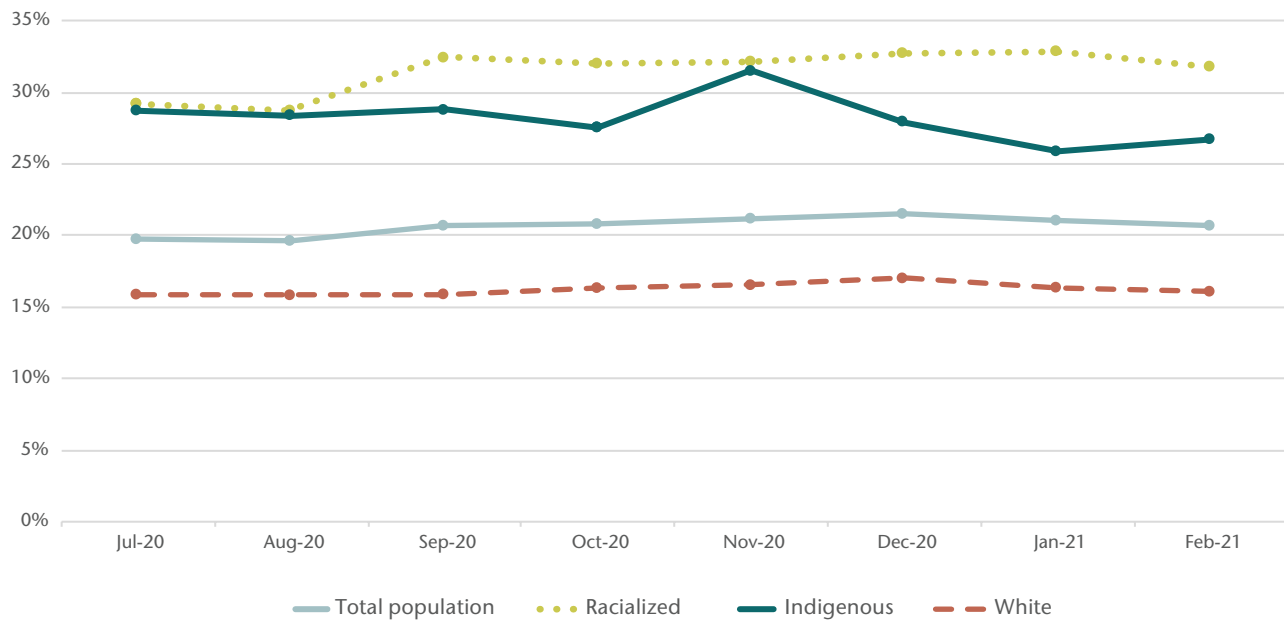
Recent immigrants have experienced larger job market impacts due to the pandemic than other Canadians and that work has not yet fully returned.

Additionally, unpaid caregiving demands following the spring 2020 closures of schools, child care programs and other services, weighed heavily on parents, especially mothers with younger children and single parents, making it more difficult for them to fully participate in paid work. The result is a substantial increase in labour market inequality among workers and families.

Notably, among women who have been impacted by the pandemic, low-income women, Indigenous and racialized women, mothers with young children (especially single mothers), recent-immigrant women and young women have been particularly hard hit.

- Young workers, aged 15 to 24, and especially young women, saw the biggest employment losses during the initial shutdown period and have been the slowest to recover both in Canada and in BC. Young BC women were particularly hard hit with 42 per cent of young women working in February 2020 losing their jobs by April 2020, compared to 31 per cent of young men.
- Recent immigrants (those who became permanent residents of Canada less than 10 years ago) have experienced larger job market impacts due to the pandemic than other Canadians and that work has not yet fully returned. Nearly half of recent immigrants who were working in BC in February 2020 lost their job or the majority of their hours by April 2020 (45 per cent), compared to 29 per cent of established immigrants and 25 per cent of non-immigrants.

Figure D: Proportion of people living in households that reported it was “difficult” or “very difficult” to meet basic household financial commitments in the last four weeks, Canada



Notes: Data for the population aged 15 to 69. Data is not seasonally adjusted.

Source: Statistics Canada, Labour Force Survey Supplement, July 2020 to February 2021, custom table.

- Overall, racialized workers in BC have been harder hit than white workers and continue to experience higher levels of unemployment as of February 2021, although the unemployment gap between racialized and white workers has narrowed during the recovery, and the gap in BC is smaller than the Canadian average. However, despite economic gains being made overall in the province during the recovery, racialized workers are more likely to experience higher levels of financial insecurity. In February 2021, nearly a third of racialized British Columbians between the ages of 15 and 69 lived in households that found it “difficult” or “very difficult” to meet basic financial commitments in the last four weeks, compared to only 17 per cent of their white peers. The overall level of financial insecurity in BC (22 per cent among the total population), as of February 2021, is the third highest in Canada, behind Alberta and Ontario (25 per cent and 23 per cent, respectively).
- Indigenous workers in BC have experienced larger employment losses and a much slower recovery. In 2020, Indigenous men experienced significantly higher unemployment in BC than any other group. While Indigenous women in BC saw a quick rebound of employment in the summer and fall of 2020, bringing their employment rates back up to nearly pre-pandemic levels by October 2020, in the later part of 2020 and early 2021, Indigenous women saw significant employment losses, with their employment rates dipping below those of Indigenous men.

The overall level of financial insecurity in BC, as of February 2021, is the third highest in Canada, behind Alberta and Ontario.

Policy recommendations

The goal of this report and its findings is to provide crucial context to understand the full extent of the ongoing impacts of COVID-19 on different groups of workers in BC. As this report shows, when planning for the ongoing stages of the recovery and beyond, it is not enough to only consider the overall economic and labour market trends in our province. In order to design effective and equitable solutions as we go forward, we must engage in intersectional analysis to better understand the nature of the challenges that different groups of workers in our province are facing so future policy interventions can be appropriately targeted to those who most need support.

The pandemic has disproportionately impacted low-wage workers, and particularly those who experience intersecting inequalities due to sex, gender, racialization, Indigenous identity, disability and other social identities. To avoid deepening poverty and marginalization among these communities and to move instead toward a resilient and inclusive economy, policy-makers must take these intersecting layers of discrimination into account.

To avoid deepening poverty and marginalization and to move instead toward a resilient and inclusive economy, policy-makers must take intersecting layers of discrimination into account.

The COVID-19 pandemic is putting BC's commitments to gender equity, anti-racism and meaningful reconciliation to the test. Creating the conditions for a different sort of prosperity—one that is not based on exclusion and marginalization—requires a more equitable redistribution of resources and power.

Fostering an inclusive and just economy in BC requires coordinated efforts of all levels of government, as well as the active participation of the non-profit sector, business and communities across the province. However, the provincial government has a responsibility to lead in developing an inclusive economic strategy as it is primarily responsible for the design and implementation of the public services underpinning the caring economy (e.g., health care and education at all levels), for regulating the labour market to ensure job quality, and for providing a social safety net of last resort. Below is a summary of the more detailed provincial public policy measures recommended in the full report.

1. Large-scale, people-centric public investments in physical and social infrastructure, especially in the care economy

- The care economy, which is currently gendered, racialized and undervalued, should be rightfully recognized as the foundation upon which the larger economy is built. In addition to capital funds to expand child care spaces, hospitals and care facilities, investments in improved staffing, levelling up wages and other reforms to fix long-standing issues in seniors care, care for people with disabilities and long-term care are all required.
- Redoubling the province's commitment to build an affordable, quality, universal child care system with well-paid workers will enable parents with young children, in particular mothers, to return to work or pursue education; will support children's healthy development; and will create good, family-supporting jobs for women.
- Significantly scaling up investments in affordable and non-market housing.
- Accelerating investments in accessible mental health and addiction support, expanding the accessibility and affordability of post-secondary education and skills training, more ambitious climate action, additional funding for digital equity, and support for non-profit organizations and charities working to meet both frontline urgent needs and working to address systemic challenges and inequities.

2. Labour market reforms to strengthen workplace rights and make all jobs good jobs

- Modernizing workplace rights and protections, and mandating regular review processes so that workplace rights legislation keeps up with rapidly changing labour markets.
- Closing the gap between the minimum wage and living wages, and closing the gap in wages and employment protections between standard (permanent, full-time) and non-standard workers.
- Strengthening the collective voice of workers in the workplace, including making it easier to unionize, in particular for workers in low-paid and precarious jobs (who tend to be predominantly female and racialized people).
- Adequately funding and staffing proactive enforcement of employment and labour rights to support the capacity to process workplace rights complaints and enforce legislation.
- Expanding access and portability of benefits that are typically based on full-time long-term employment with a single employer to reflect the realities of frequent job changes, non-standard work and self-employment.
- Promoting equal opportunities for unpaid caregivers and people with disabilities to participate in the labour market by improving flexibility provisions for all workers and increasing access to paid sick and family leave and paid vacation.
- Implementing diversity pay equity strategies, including pay transparency provisions and stronger pay equity legislation with the goal to close existing gender, race and other wage gaps.

Public policy should seek to close the gap between the minimum wage and living wages, and close the gap in wages and employment protections between standard (permanent, full-time) and non-standard workers.

3. Overhaul of our income and social support system to ensure adequacy and accessibility

- Increasing income assistance rates to the poverty line as measured by the Market Basket Measure (MBM). There is a troubling discrepancy between the standard set by the \$2,000/month CERB, and later the Canada Recovery Benefits, on the one hand and the pitifully low rate of income assistance on the other. Even with the significant April 2021 increase to \$935/month for a single adult in the “expected to work” category, income support rates and disability benefits remain vastly lower than the poverty line.
- Implementing a basic income for people with disabilities, integrating support for mental health and addictions into the program.
- Implementing a targeted basic income program for youth aging out of foster care and providing better wrap-around supports for this group.
- Increasing income support for people escaping family violence, accompanied by improved wrap-around support, in particular better access to stable housing.
- Overhauling income assistance to reduce barriers to access, enable a smooth transition between assistance to paid work and provide better support to working-poor adults.
- Introducing new financial supports for low-income renters and significantly expanding the stock of supportive and non-market housing.
- Providing publicly funded extended health care services to all low-income households, including dental and vision care, and mental health services and supports, with a medium-term plan to extend universal access to these important health services.

The COVID-19 economic recession has made clear that it is neither just nor in the social or economic interest of us all to stand by while persistent poverty and social exclusion destroy human potential. It is vitally important that in addition to providing an economic stimulus through increased public spending, recovery packages prioritize the economic security of those worst impacted by the pandemic: low-wage workers, racialized and Indigenous people, women, British Columbians experiencing poverty, and other vulnerable households, so that we rebuild a more resilient and equitable future economy.

Introduction

THE COVID-19 CRISIS HAS CAUSED UNPRECEDENTED economic disruptions and job losses, the speed and scale of which far exceeded those seen in any previous recession in the postwar era. Between February and April 2020, 645,000 BC workers lost their jobs or the majority of their hours—25 per cent of all workers employed before the pandemic started.

While all sectors of the economy and all British Columbians have been affected in some way by the pandemic, the economic and financial losses have not been equally shared—worsening existing inequalities. In fact, the highly unequal impacts on different industries and groups of workers is what makes this recession so unusual.

Although the federal and provincial governments intervened quickly and mobilized their significant resources to cushion the financial impact of the COVID-19 crisis for individuals and for businesses, the COVID-19 crisis highlighted and deepened the gender, racial and economic inequalities that our economy had tolerated for far too long. We saw more clearly than ever before that the persistent gender inequalities in households and the labour market are inextricably linked with care work, which is often undervalued and underpaid.

Many British Columbians lost their jobs or were forced to scale back their hours of work in the early months of the pandemic, in particular those employed in the low-wage and precarious hospitality, personal services and retail sectors. Others—typically the workers who already enjoyed comfortable incomes and good working conditions—were able to smoothly transition to working from home, keeping their jobs and incomes, and even realizing savings from not commuting and reduced spending on entertainment, eating out and vacations. But a significant share of BC workers who kept their jobs were not able to work from home or physically distance at their work sites (“essential workers”), and thus faced a higher risk of contracting COVID-19 and passing it on to their family members. Additionally, unpaid caregiving demands following the spring closures of schools, child care programs and other services, weighed heavily on parents, especially mothers with younger children and single parents, making it more difficult for them to fully participate in paid work. The combination of these trends has resulted in a substantial increase in labour market inequality among workers and families. At the same time, the value of housing and financial assets has increased significantly, further increasing wealth inequalities.

This report looks at the ongoing impact of COVID-19 on the BC job market and on different groups of BC workers a year into the pandemic. It reviews key economic and employment trends to track how the COVID-19 recession unfolded in BC, which sectors, communities and workers

The COVID-19 crisis highlighted and deepened the gender, racial and economic inequalities that our economy had tolerated for far too long.

This report looks at the ongoing impact of COVID-19 on the BC job market and on different groups of BC workers a year into the pandemic.

have and have not recovered, and how that compares to the national experience. The report's goal is to provide crucial context to understand the full extent of the recession's impacts and how the recovery is progressing for different groups of British Columbians, which is necessary for designing effective and equitable solutions as we look to rebuild the provincial economy. The report relies on quantitative data available from Statistics Canada. These data have limits, including the regrettable lack of data on the labour market experiences of people with disabilities or LGBTQ2S+ communities and limited data on racialized and Indigenous people in British Columbia. They can, however, identify important issues to help target future policy interventions to ensure an inclusive recovery and set the foundations of a more just and sustainable economy for BC.

This report begins with an overview of the aggregate labour market impacts of the pandemic in BC, including by industry sector and geographical region. Next, the report zooms into the experiences of frontline and low-wage workers in particular, which have been very different in the COVID-19 recession than what these groups would experience during a more typical recession. This is followed by an analysis of the intersectional impacts of the job market disruptions in BC, including by sex, age, ethnicity, Indigenous identity, immigrant status, family type and presence of young children in the home. This report concludes with a discussion of the policy implications of our findings and recommendations for key policy frameworks needed to address the structural inequalities exposed by the pandemic and leapfrog to a more inclusive and just economy, instead of simply returning to the pre-pandemic status quo.

Aggregate labour market impacts of the pandemic in BC

Pandemic shutdowns had much larger labour market impacts than previous recessions

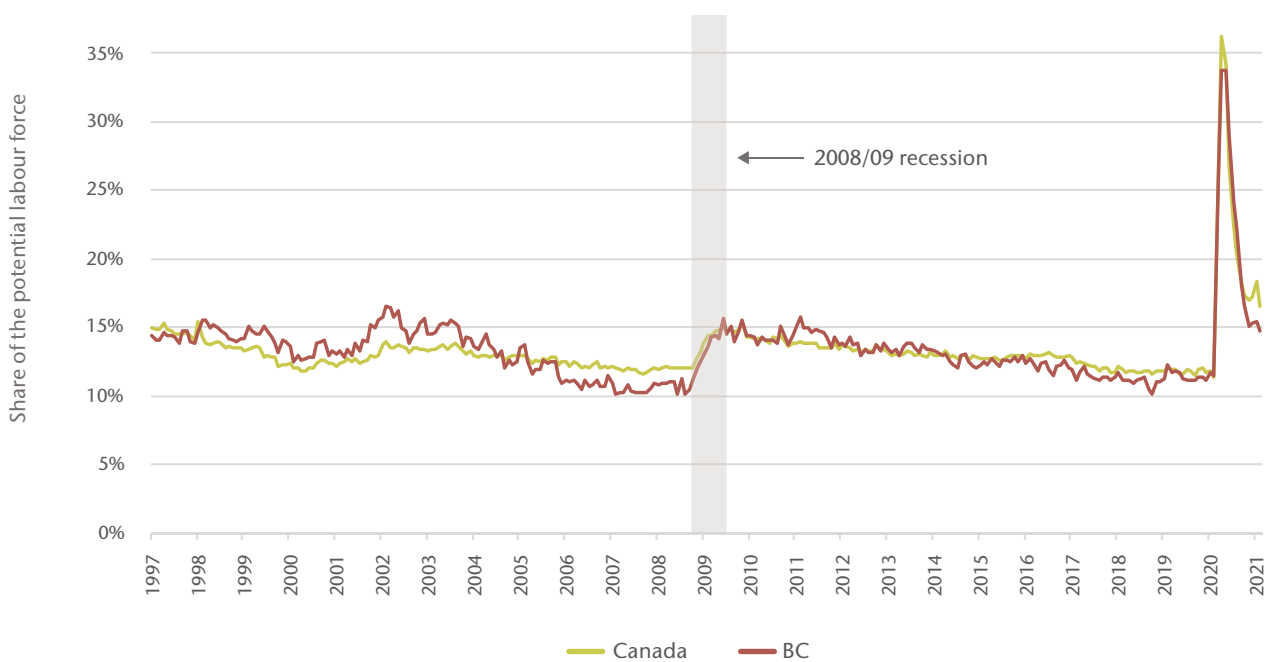
THE MANDATED SHUTDOWNS OF ENTIRE SECTORS of the economy combined with the extra unpaid caregiving demands created by the spring closures of schools, child care programs and other services, resulted in the steepest and deepest declines on record in employment² and total hours worked across the economy. Importantly, the labour market impact of the pandemic extends beyond job losses. Many workers kept their jobs, at least in the initial shutdown period, but saw significant reductions in their regular hours, either due to the shutdowns or because unpaid caregiving demands reduced their ability to work. To more completely capture the labour market impacts of the pandemic than can be done by just looking at job losses and the official unemployment rate, Statistics Canada developed a new measure they called the labour underutilization rate. The labour underutilization rate indicates the extent to which the economy, as a result of the current disruptions, is not creating sufficient employment opportunities for people. The labour underutilization rate captures the number of people who are officially counted as unemployed (i.e., want to work and are actively looking for a job), the people who want to work but have not actively looked for a job (e.g., because they believe a job in their field would not be available during the pandemic restrictions on in-person gatherings),³ as well as those who are employed but working less than half of their regular hours for reasons likely related to COVID-19, as a proportion of the potential labour force.

Many workers kept their jobs, at least in the initial shutdown period, but saw significant reductions in their regular hours, either due to the shutdowns or because unpaid caregiving demands reduced their ability to work.

2 Throughout this report, employment refers to the number of people who had a job or were self-employed during the reference week of the monthly Statistics Canada Labour Force Survey. Therefore, a decline in employment refers to a decline in the number of people who reported having a job or being self-employed (measured either in number of people or in percentage terms).

3 This latter group is excluded from official unemployment counts.

Figure 1: Labour underutilization rate, BC and Canada



Source: Statistics Canada, Labour Force Survey (custom tabulation). Seasonally adjusted. Data up to February 2021.

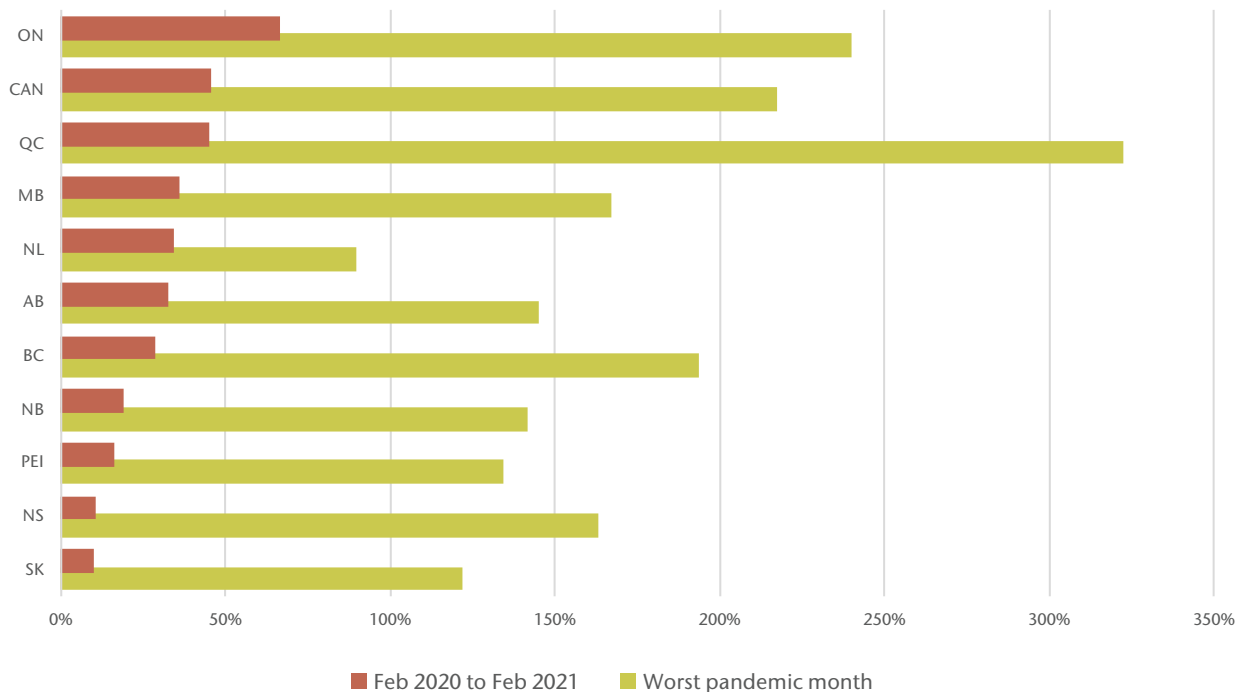
The pandemic shutdowns caused labour underutilization to spike to over 33 per cent.

Figure 1 shows that in two short months, the pandemic shutdowns caused labour underutilization to spike to over 33 per cent, meaning that more than one-third of the potential labour force in both BC and Canada wanted to work but was either not able to find work or working fewer than half of their usual hours. Note that the levels of labour underutilization in the spring of 2020 were nearly three times higher than usual for both BC and Canada, representing a much larger spike than what we saw during the 2008/09 recession. BC experienced similar levels of economic disruption and employment loss as the Canadian average for the first part of the pandemic but had a slightly faster jobs recovery starting in the fall of 2020, likely because BC experienced lower COVID-19 infection rates and deaths in the first and second waves of the pandemic than a number of other provinces (partly due to imposing strict restrictions in the first wave).

Notably, the BC recovery stalled as of November at 15 per cent labour underutilization, while recovery in the rest of the country took a step back in December and January, as stricter restrictions and business closures imposed to prevent infection in the second wave of the pandemic in Ontario and elsewhere led to a worsening of the Canadian job market situation.

Headlines focusing only on employment numbers show a strong jobs recovery in BC, with total employment numbers only 0.6 per cent lower in February 2021 than a year earlier—compared to a Canadian average of 3.1 per cent lower employment—and the second strongest performance in Canada after Nova Scotia. However, when labour underutilization is taken into account, the BC recovery does not seem quite as impressive, ranking in the middle of the pack in Canada (Figure 2). Given the unique impacts of the COVID-19 recession on the job market, including on hours worked and on availability of jobs in certain sectors, it is particularly important to consider broader indicators than simply the number of people employed to assess the extent of the recovery.

Figure 2: Labour underutilization increase by province, Feb 2020 to Feb 2021 and worst month of the pandemic



Note: The worst month of job loss compared to February 2020 was May 2020 for Ontario and April 2020 for all other provinces and nationally.
 Source: Statistics Canada, Labour Force Survey Supplementary Indicators (custom tabulation). Seasonally adjusted.

Impact on economic activity appears to have been more muted than impact on employment

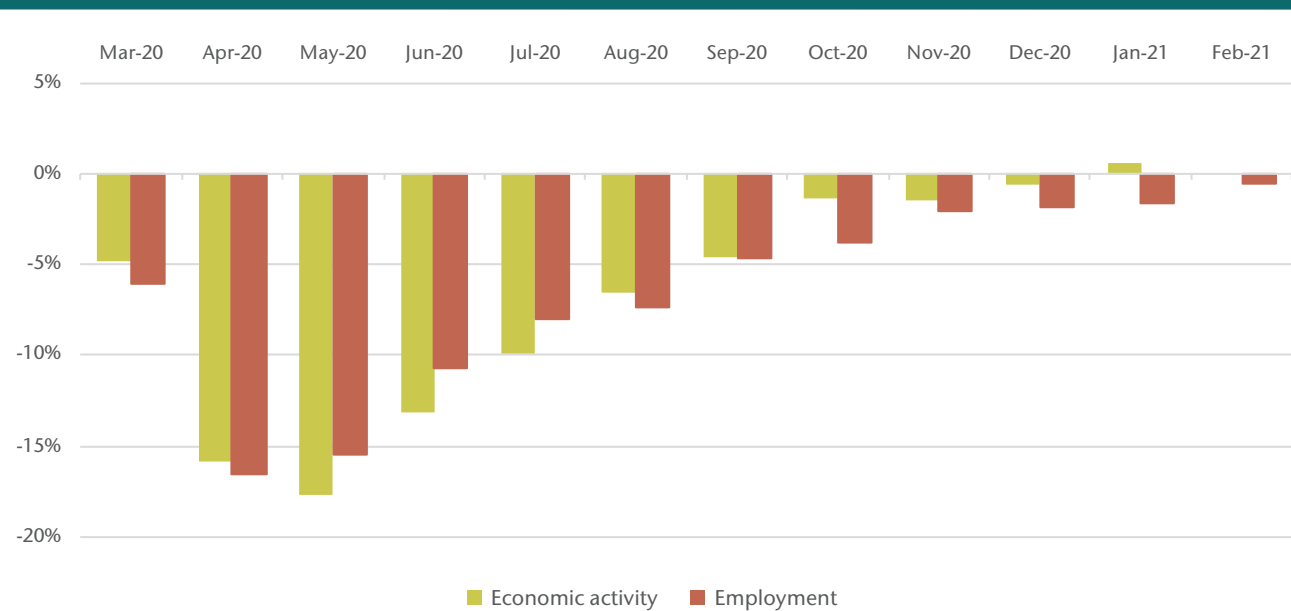
Analysis by Statistics Canada shows that in the initial shutdown period, reductions in monthly GDP were slightly higher than declines in employment, suggesting that the federal measures intended to help businesses to keep their employees on payroll despite significant economic disruptions were working.⁴ However, this trend did not continue and in fact might have reversed over the fall, when measured declines in economic activity compared to the same month a year ago were slightly lower than corresponding declines in employment, suggesting that GDP recovered faster than employment.

The economic impact of the pandemic was not felt equally across the country, and BC experienced a smaller decline and a stronger rebound in economic activity than many other provinces where tighter restrictions were put in place to contain the virus or where infection rates during the first wave of the pandemic were higher and restrictions lasted longer. The BC economy (as measured by real gross domestic product or GDP) contracted by 3.8 per cent in 2020, the largest decline for nearly 40 years (since the 1982 recession) but significantly lower than the Canadian average of 5.3 per cent and less than half of the decline recorded in neighbouring Alberta (-8.2 per cent, the worst

BC experienced a smaller decline and a stronger rebound in economic activity than many other provinces.

4 Statistics Canada, COVID-19 in Canada: A One-Year Update on Social and Economic Impacts. (Ottawa: Statistics Canada, March 2021), 29, <https://www150.statcan.gc.ca/n1/pub/11-631-x/11-631-x2021001-eng.htm>.

Figure 3: Declines in economic activity and employment in BC, relative to the same month a year ago



Note: Economic activity measured using the PCA-based index. Data was only available up to January 2021 at the time of publication.
 Source: Statistics Canada. Table 36-10-0633-01 and 14-10-0287-01. Seasonally adjusted.

Labour market supports for workers may need to be in place longer than supports for the business sector.

in Canada).⁵ Until 2020, Statistics Canada only produced estimates of provincial economic activity annually, and with nearly a year lag, but the COVID-19 crisis required timely data to design policy and assess its results, so Statistics Canada developed new experimental measures of monthly provincial and territorial economic activity.⁶ While their development is still ongoing, these measures provide another important indicator of how provincial economies were affected by the pandemic disruptions and how economic activity declines compare to employment declines.

Statistics Canada analysis shows that as of September 2020, Manitoba, Yukon and Nunavut were among the least-affected economies, while Alberta, Saskatchewan and Ontario saw the largest declines in economic activity.⁷ By September 2020, the BC economy was one of the less severely impacted economies alongside New Brunswick, Nova Scotia and Québec. By January 2021, the latest available data at the time of publication, BC's aggregate economic activity was back to levels recorded a year earlier. In fact, it was 0.6 per cent higher than in January 2020. However, as Figure 3 shows, economic activity has rebounded somewhat faster than employment (which itself rebounded faster than labour underutilization).⁸ It is not uncommon to see the labour market recovery lag the recovery of economic activity post-recession, but this trend suggests that labour market supports for workers may need to be in place longer than supports for the business sector.

5 Source: Statistics Canada, Tables 36-10-0402-02 and 36-10-0434-02.
 6 Nada Habli et al., *Experimental Economic Activity Indexes for Canadian Provinces and Territories: Experimental Measures Based on Combinations of Monthly Time Series* (Ottawa: Statistics Canada, 2020), <https://www150.statcan.gc.ca/n1/pub/11-633-x/11-633-x2020003-eng.htm>.
 7 Statistics Canada, *COVID-19 in Canada*.
 8 Source: Statistics Canada, Table 36-10-0633-01. The PCA-based index (PCA: principle [sic] component analysis) is used for this analysis because it was identified as the most promising of the experimental indexes by Ryan MacDonald, the Principal Researcher with Statistics Canada behind the new indexes in a CUBE webinar on February 22, 2021. Note that the PCA-based index for Newfoundland and Labrador was too unreliable to be published.

Pandemic recession impacts varied significantly by industry

The lockdowns required to protect public health during the spring of 2020 created deep economic disruptions across BC and Canada. Since provinces imposed different restrictions, there were significant differences across the country in how different industries were affected. BC's economy was hit hard by the initial pandemic lockdowns, with BC experiencing the third largest drop in total hours worked in the spring of 2020 (after Newfoundland and Labrador, Québec and Prince Edward Island).⁹

BC's worst affected industries in terms of declines in hours worked were accommodation and food services; arts, entertainment and recreation; educational services; mining, quarrying, and oil and gas extraction (though notably this industry is a very small employer in the province); and other services, all of which saw reductions in excess of 45 per cent in hours worked relative to their respective baselines (the average from 2017 to 2019 for that month). A number of other industries were also severely impacted, seeing losses greater than 30 per cent (real estate, rental and leasing; administrative support, waste management and remediation; information and cultural industries; and transportation and warehousing). Construction; retail trade; health care and social assistance; manufacturing; and professional, scientific and technical services saw medium impacts (loss of 10 per cent to 30 per cent) while wholesale trade, public administration, finance and insurance, and utilities saw total hours worked reduced by only 7 per cent or less, and some even registered gains (utilities).

Smaller firms were more severely affected than larger ones, and firms with fewer than 20 employees saw the largest reductions in employment and hours worked in almost every industry.¹⁰

The federal government stepped in quickly with supports for both individuals and businesses, including the Canadian Emergency Wage Subsidy (CEWS), intended to prevent large-scale layoffs.¹¹ As a result, the actual employment losses were smaller than the declines in actual hours worked in BC in nearly every industry.

In terms of employment, there are considerable differences in how industries have been affected by the pandemic. Figure 4 shows that generally, industries that experienced larger job losses during the first wave of the pandemic have been slower to recover, while industries that saw few job losses in the spring of 2020 have continued to enjoy significant employment growth. As of February 2021, the industries that were farthest away from their pre-pandemic employment levels included construction, accommodation and food services, agriculture, and business, building and other support services. Although other services and information, culture and recreation were among the hardest hit by jobs and hours losses in the initial phase of the pandemic, they have seen a somewhat stronger recovery than the other hardest-hit sectors.

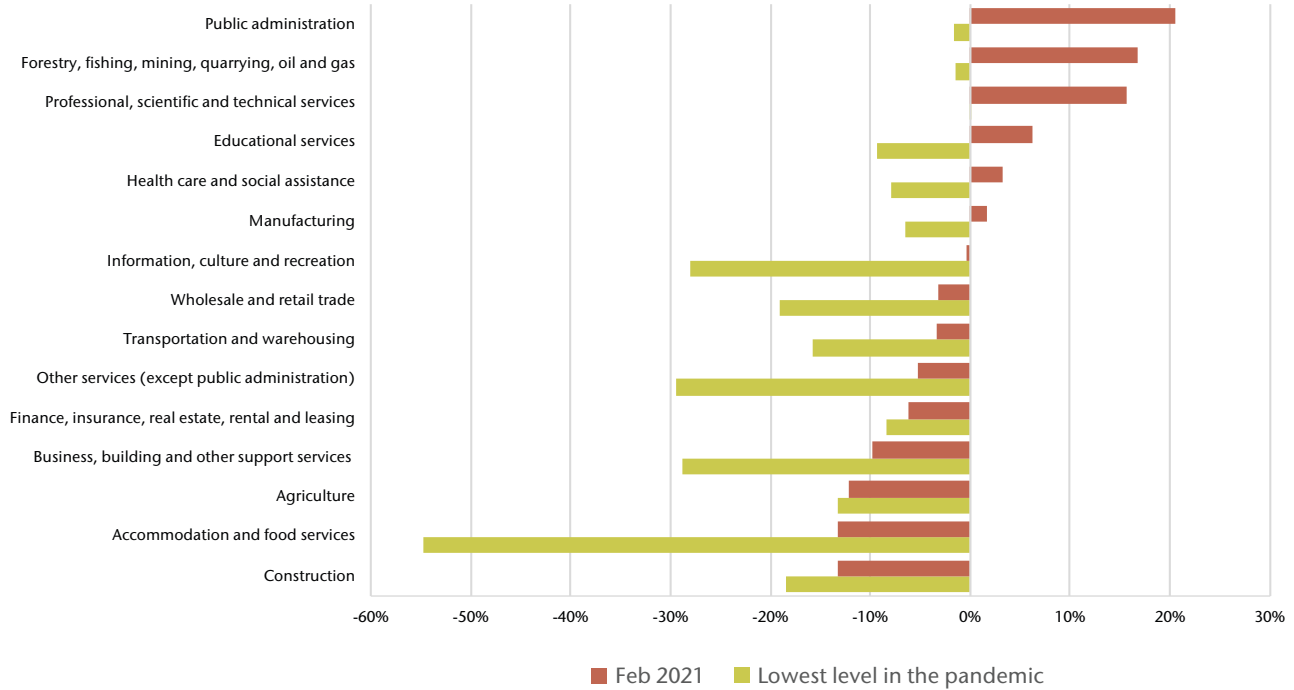
BC's worst affected industries saw reductions in excess of 45 per cent in hours worked relative to their respective baselines.

9 Douwre Grekou, "How Did the COVID-19 Pandemic Affect the Hours Worked in Canada? An Analysis by Industry, Province, and Firm Size," *Economic and Social Reports* 1, no. 1 (2021), <https://doi.org/10.25318/36280001202100100005-ENG>.

10 Grekou, "How Did the COVID-19 Pandemic Affect the Hours Worked in Canada?" 9.

11 The program had some significant design flaws, making it poorly targeted and resulting in public subsidies paid to companies that had healthy enough balance sheets to increase dividend payouts and top executive compensation. See, for example, Michael Smart, "Boos for CEWS," *Finances of the Nation* (blog), September 20, 2020, and Victor Ferreira and Kevin Carmichael, "FP Investigation: As CEWS Flowed in, Dividends Flowed Out," *Financial Post*, December 10, 2020.

Figure 4: Employment gain/loss by industry, BC Feb 2021 and lowest level in the pandemic



Note: Data is seasonally adjusted. The lowest level in the pandemic is the largest decline in employment for each industry between the months of March to June 2020 relative to February 2020. Employment gain/loss in February 2021 is the year-over-year change in employment from February 2020. The industry “Utilities” is not shown. It is the smallest industry in BC when it comes to employment, employing only 0.6 per cent of workers in February 2020. There was no employment decline in that industry during the pandemic, instead it saw rapid expansion with February 2021 employment 29 per cent higher than baseline. This represents an increase of only 4,400 jobs (increasing its share of employment to 0.8 per cent of workers in Feb 2021).

Source: Author’s calculations based on data from Statistics Canada. Table 14-10-0355-01.

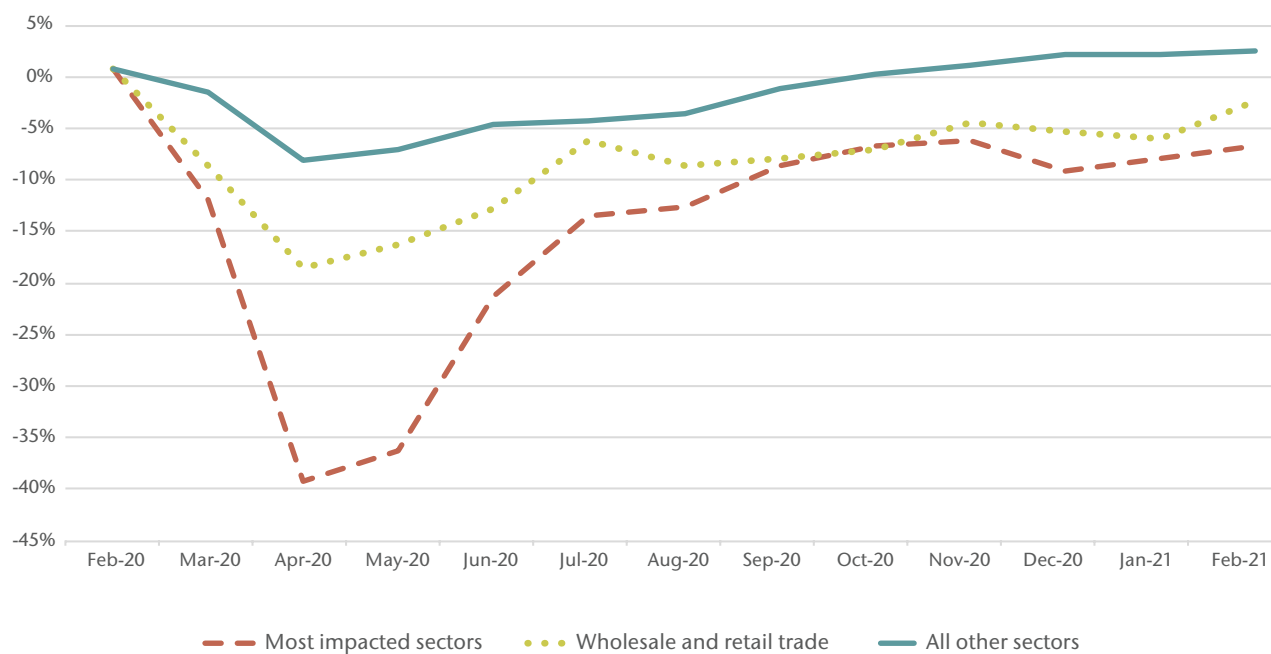
Some sectors will remain vulnerable for the foreseeable future and the workers they employ will require additional supports

While in a typical recession jobs tend to be impacted more evenly across sectors and the recovery generally proceeds at similar speed, this has not been the case with the pandemic crisis.

While in a typical recession jobs tend to be impacted more evenly across sectors and the recovery generally proceeds at similar speed, this has not been the case with the pandemic crisis. To better capture the different recovery paths of different industries, it is useful to separately track employment in the most impacted sectors—the ones based around large indoor gatherings, travel and close physical proximity to others, including accommodation and food services; information, culture and recreation; and other services (Figure 5). Wholesale and retail trade stands out as a sector that falls in between the most and least impacted sectors, since some segments of it are considered essential and have seen increased activity and employment during the pandemic, while others have been severely impacted by the decline in international trade and the closure of malls and other non-essential retail.

With additional restrictions imposed during the second wave of the pandemic late in 2020, employment in the most impacted sectors took a dip in December 2020 and has remained significantly below pre-pandemic employment levels. Employment in wholesale and retail trade

Figure 5: Change in employment relative to February 2020, by industry group, BC



Note: The most impacted sectors are: accommodation and food services; information, culture and recreation; and other services.
 Source: Statistics Canada. Table 14-10-0355-01. Seasonally adjusted.

also declined slightly, while employment elsewhere in the economy continued expanding at a slow but steady pace and has fully recovered to its pre-pandemic levels (Figure 5).

These trends are likely to continue as we battle the next wave(s) of COVID-19. Even with a vaccine, it is clear that most tourism-related industries, as well as those that rely on large in-person gatherings, such as the entertainment, arts and culture sectors, will not be able to operate at full capacity for quite a while, until international travel and tourism resumes. With vaccinations proceeding at different paces globally, and access to vaccines delayed in the Global South, it seems highly unlikely that international travel will return to pre-pandemic levels within a year. These sectors, and the workers they employ, will continue to require targeted supports to weather the economic storm with minimal long-term scarring effects.

Despite a seemingly strong aggregate employment recovery, long-term unemployment is rising sharply

The number of long-term unemployed workers—those unemployed for six months or more—has risen sharply since September 2020, which indicates that many of the workers who lost their jobs in the initial lockdown have not been able to find work even though they are actively looking. Note that workers who stop looking for work, for example, because they believe a job in their field would not be available during the pandemic restrictions on gatherings, are not included in the official unemployment statistics and thus not counted as long-term unemployed.

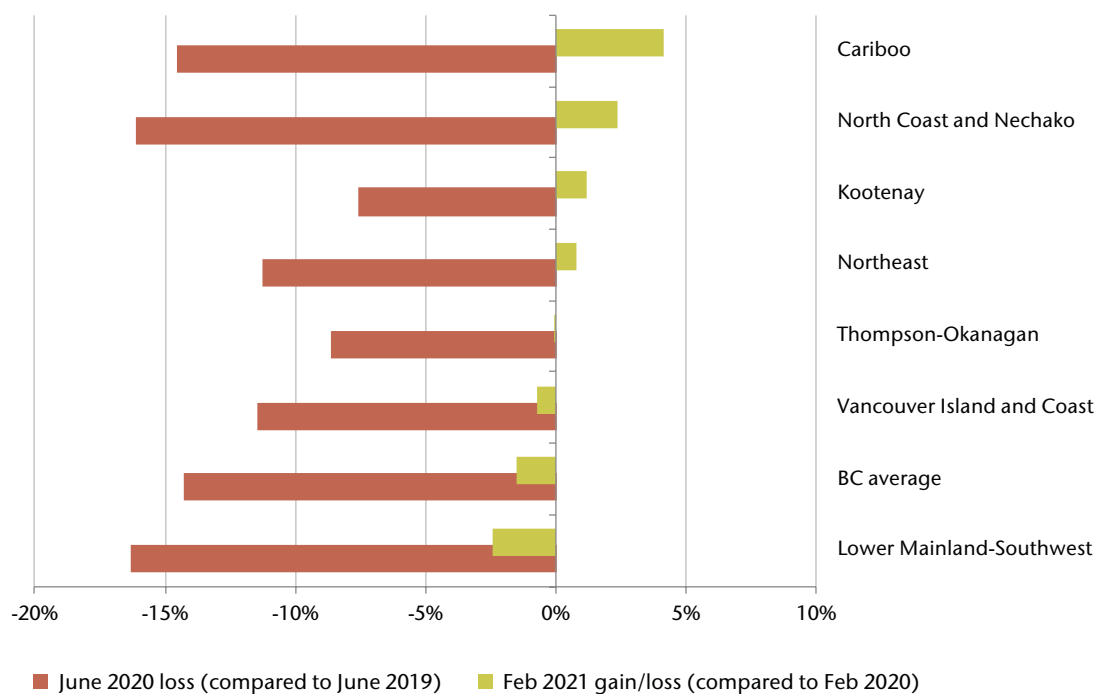
As of February 2021, 64,600 BC workers were experiencing long-term unemployment, an enormous increase from the 2019 average of 15,500 long-term unemployed. About one-third of all unemployed people actively looking for work in BC are long-term unemployed (33 per cent), which is slightly higher than the proportion of long-term unemployed in Canada (28 per cent).¹² This is a concern because Canadian research shows that a significant portion of permanently laid-off workers (20 per cent or more) see their real earnings decline by at least 25 per cent five years after losing their jobs.¹³

Regional differences in pandemic employment impacts persist

Although BC did not have different regional pandemic lockdowns and restrictions, unlike some other provinces, the economic impact of the pandemic differed across the province, due to differences in the sectoral composition of regional economies.

Fully 82 per cent of all jobs lost during the initial phase of the pandemic (April to June 2020) were in the Lower Mainland, a region that only accounted for 64 per cent of provincial employment

Figure 6: Employment gain/loss by region



Note: Data is only available as a three-month moving average (to smooth monthly fluctuations, which can be caused by small sample sizes in some of the regions rather than actual trends), unadjusted for seasonality.

Source: Statistics Canada. Table 14-10-0387-01 and Table 14-10-0393-01.

12 Source: Statistics Canada Table 14-10-0342-01. Seasonally adjusted.

13 Ping Ching Winnie Chan, René Morissette, and Hanqing Qiu, "COVID-19 and Job Displacement: Thinking about the Longer Term," *StatCan COVID-19: Data to Insights for a Better Canada*, June 10, 2020.

in the year before the pandemic. This is not surprising considering that the region is reliant on tourism dollars from international travel, which was drastically reduced during the pandemic, and is home to much of the provincial arts, culture and recreation sector, and other services, which were significantly disrupted during the pandemic.

The North Coast and Nechako and the Cariboo regions also saw large employment losses (14.5 per cent or more) in April to June 2020 compared to the same period in 2019, while the rest of the province fared a bit better with the Kootenays and Thompson-Okanagan registering the lowest employment losses (Figure 6).

As of the three-month period ending in February 2021, a number of regions had fully recovered the jobs lost since the pandemic started, including the Cariboo, North Coast and Nechako, Kootenay and Northeast. Thompson-Okanagan was virtually at last year's level of employment (-0.1 per cent) and the Vancouver Island and Coast region was down only 0.7 per cent. The Lower Mainland job market remains the farthest from recovery to pre-pandemic employment levels, with 2.5 per cent fewer jobs than a year ago (41,500 jobs).

However, some BC regions entered the pandemic from positions of labour market strength and high job growth (e.g., Lower Mainland-Southwest, Thompson-Okanagan), while others were already starting to see a weaker job market in 2019 (e.g., Vancouver Island and Coast, Northeast), so a smaller drop in employment since the start of the pandemic does not necessarily indicate a strong job market in the region. As the recovery takes hold, it will be important to monitor regional economic differences and ensure that investments intended to boost the economy reach all regions of the province and in particular those whose job markets are weaker.

As the recovery takes hold, it will be important to monitor regional economic differences and ensure that investments intended to boost the economy reach all regions of the province.

Pandemic impact on frontline and low-wage workers in BC

Low-wage workers experienced the largest job loss and have been the slowest to recover

Female, Indigenous and racialized workers are more likely to be in the bottom wage quartile and to have experienced the brunt of the economic disruptions from the pandemic.

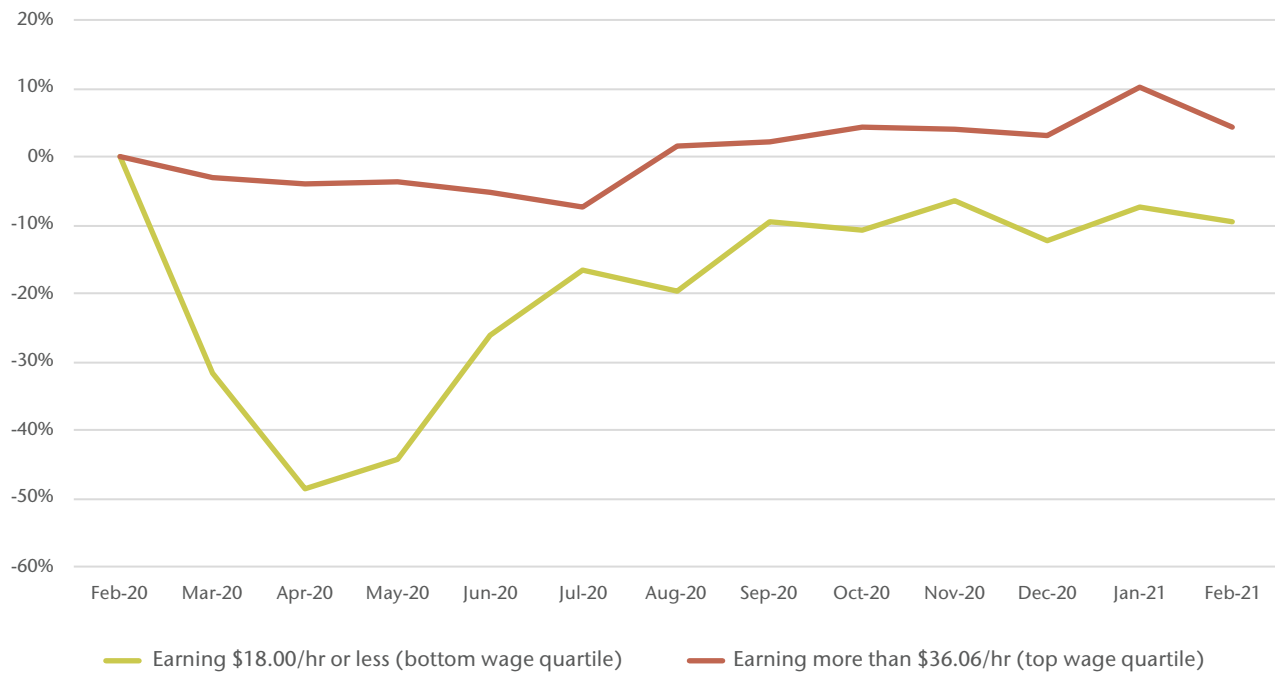
The COVID-19 recession hit low-wage workers particularly hard. Half of BC workers in the bottom wage quartile employed in February 2020 (i.e., those earning \$18 per hour or less), lost their jobs or were working less than half of their regular hours in April 2020 (49 per cent) as shown in Figure 7.¹⁴ This represented 41.4 per cent of workers in the bottom wage quartile losing their jobs and 7.3 per cent losing more than half of their hours, and included 52 per cent of women and 45 per cent of men in this earnings bracket.

For those in the top quartile of earnings—employees with wages higher than \$36.06 per hour—only 4 per cent lost their jobs or more than half of their regular hours by April 2020, and the worst drop they experienced was 7 per cent in July. Notably, by the end of summer, workers in the highest wage quartile had fully recovered, while recovery in the lowest wage quintile has largely stalled since September and 10 per cent of these workers had not regained their jobs or were working less than half of their regular hours as of February 2021.

Notably, female, Indigenous and racialized workers are more likely to be in the bottom wage quartile and to have experienced the brunt of the economic disruptions from the pandemic, while white male workers are more likely to be in the top earnings quartile, which has largely weathered the pandemic with minimal losses.

¹⁴ Statistics Canada came up with the measure of workers who lost their jobs or more than half of their regular hours in March 2020 to capture the unique job market impacts of COVID-19. Alongside labour underutilization, which is only released at the provincial level and not for various subgroups of workers, this measure is the best way to capture the number of workers affected by the employment disruptions of the pandemic, while other measures, such as the decline in total hours worked (used in the earlier section), are better for capturing the impact of the pandemic on aggregate economic activity.

Figure 7: Share of BC workers in the top and bottom wage quartiles who lost their jobs or the majority of their regular hours relative to February 2020



Note: Excludes the self-employed because they are not asked about their wages in the Labour Force Survey. Seasonally adjusted by removing average change in each category since February over the past three years.

Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF.

The highly unequal experiences of lower- and higher-paid workers during the COVID-19 pandemic is not typical of previous recessions in Canada, which have generally involved much more similar employment losses across all wage levels.¹⁵ The deep losses experienced by low-wage workers can be explained by the vastly unequal impact of COVID-19 restrictions on different industries (outlined earlier in the report) and the fact that the industries worst affected by the restrictions, and those that are slowest to recover, are also the lowest-paying industries in BC (and Canada). Four of the five lowest-paying industries in BC saw the largest pandemic-related job losses in the spring of 2020, while four of the five highest-paying industries saw the smallest job losses (Table 1). Additionally, lower-paying industries tend to employ disproportionately more female and racialized workers, in particular in the lower-paying occupations that have suffered the biggest losses.

Further, Statistics Canada data show that workers with lower wages are the least likely to hold jobs that can be done from home, which has resulted in sustained work interruptions and disproportionate financial impacts on already financially vulnerable low-wage workers.¹⁶ While federal supports like the Canada Emergency Response Benefit (CERB) and CEWS, and one-time provincial supports like the BC Emergency Benefit for Workers, may have provided some relief

Workers with lower wages are the least likely to hold jobs that can be done from home, which has resulted in sustained work interruptions and disproportionate financial impacts on already financially vulnerable low-wage workers.

¹⁵ Statistics Canada, *COVID-19 in Canada*.

¹⁶ Derek Messacar, René Morissette, and Zechuan Deng, "Inequality in the Feasibility of Working from Home during and after COVID-19," *StatCan COVID-19: Data to Insights for a Better Canada*, June 2020, <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00029-eng.htm>.

Table 1: Median hourly wage, proportion of female workers and biggest employment loss during the pandemic, by industry in BC

	Biggest employment loss during pandemic	Median wage, 2019	Female workers as share of total employment, 2019
Accommodation and food services	-55%	\$15.00	58%
Other services (except public administration)	-30%	\$22.25	57%
Business, building and other support services	-29%	\$19.34	49%
Information, culture and recreation	-28%	\$24.04	45%
Wholesale and retail trade	-19%	\$18.00	48%
Construction	-18%	\$28.65	15%
Transportation and warehousing	-16%	\$26.10	25%
Total employees, all industries	-14%	\$25.00	48%
Agriculture	-13%	\$18.46	46%
Educational services	-9%	\$29.70	69%
Finance, insurance, real estate, rental and leasing	-8%	\$27.40	52%
Health care and social assistance	-8%	\$24.50	80%
Manufacturing	-7%	\$26.44	27%
Public administration	-2%	\$35.00	50%
Forestry, fishing, mining, quarrying, oil and gas	-1%	\$36.00	17%
Professional, scientific and technical services	0%	\$30.22	43%
Utilities	20%	\$41.00	27%

Source: Author's calculations based on data from Statistics Canada Table 14-10-0355-01, Table 14-10-0064-01 and Table 14-10-0023-01. Wages below the overall BC median are indicated in a darker shade.

over the last year, going forward we are likely to see some sharp increases in income inequality, particularly if temporary layoffs among low-wage workers become permanent job losses.

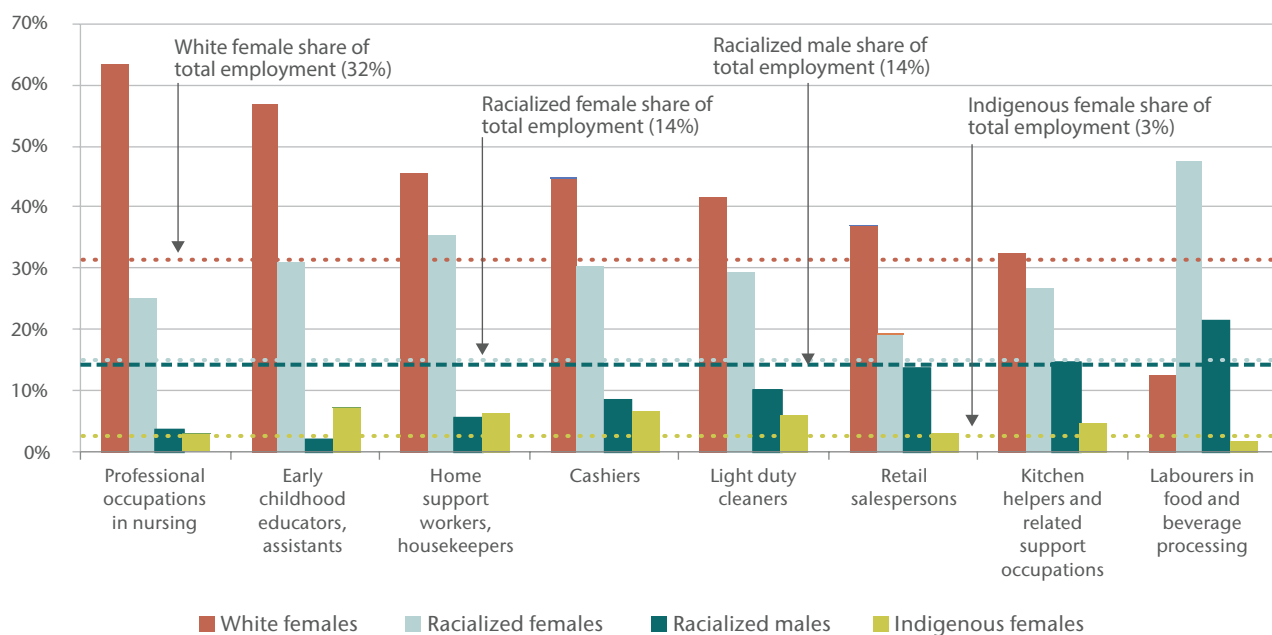
Racialized and female workers more likely to be in frontline jobs at high risk of infection

Canada’s labour market is gendered and colour-coded, and BC is no exception. Women were at the front lines of the pandemic, containing infection, treating the sick and providing essential care and support as unpaid caregivers and paid care workers in the public and private sectors. Women make up the vast majority of staff in BC’s primary health care and long-term care systems, as Figure 8 shows. More than 90 per cent of BC nurses are women, as well as 87 per cent of home support workers and housekeepers, although women only account for 49 per cent of workers in BC. Women make up the majority of workers in a number of other essential occupations that cannot be performed from home, including early childhood educators and assistants, cashiers, light-duty cleaners, labourers in food and beverage processing, and retail salespersons.

Pandemic frontline occupations also tend to be filled by a disproportionately large share of racialized women. Figure 8 shows that racialized women are overrepresented in all of the occupations listed (relative to their representation in the workforce), and in particular in occupations in food and beverage processing, where 47 per cent of the workers are racialized women, compared with 14 per cent of all workers in BC. White women are also overrepresented in nearly all of the occupations listed, but not in food and beverage processing, and a similar pattern is visible among Indigenous women. Racialized men, in contrast, are overrepresented only in occupations

Workplace exposure risks of COVID-19 combined with other economic disparities experienced by racialized workers can help explain why COVID-19 mortality rates across Canada have been more than three times higher in neighbourhoods where a high proportion of the population was racialized.

Figure 8: Female and racialized share of workers at the frontlines of COVID-19



Source: Statistics Canada, 2016 Census. Catalogue number 98-400-X2016356 and 98-400-X2016357.

in food and beverage processing, and much less so than racialized women. Note that we must rely on 2016 Census data for these statistics because, until last July, Statistics Canada did not collect disaggregated employment data for racialized workers in the monthly Labour Force Survey. The 2016 Census represents the most recent data available, which can at least give us an approximate snapshot of the extent to which certain groups of workers are over- or under-represented in different occupations in BC's labour market.

Thus, racialized and female workers bore the brunt of the pandemic in two distinct ways: they were overrepresented in sectors that are most likely to suffer job losses from the pandemic, as well as in frontline jobs at high risk of infection. Statistics Canada's Labour Force Survey Supplement shows that in January 2021, a large majority of Canadians who were employed or wanted to work were concerned about getting COVID-19 in the workplace (43 per cent).¹⁷ Concern was highest among those in jobs that cannot be done from home, including workers in health care and social assistance (58 per cent), educational services (55 per cent), retail trade (50 per cent), transportation and warehousing (47 per cent), and accommodation and food services (47 per cent).

Workplace exposure risks of COVID-19 combined with other economic disparities experienced by racialized workers can help explain why COVID-19 mortality rates across Canada have been more than three times higher in neighbourhoods where a high proportion of the population is racialized (25 per cent or more) than in neighbourhoods with a low proportion of racialized population (less than 1 per cent).¹⁸ Although BC has had a much lower overall COVID-19 mortality rate, the mortality rate was more than ten times higher in the most racialized neighbourhoods than in the lowest-proportion ones (5.6 per 100,000 vs. 0.5 per 100,000) compared to three times higher in Ontario and Québec.

17 Statistics Canada, "COVID-19 in Canada: A One-Year Update on Social and Economic Impacts." Data not seasonally adjusted.

18 Statistics Canada. Age-standardized COVID-19 mortality rate compared.

Intersectional aspects of the pandemic's unequal job market impacts

The impact of the pandemic on women

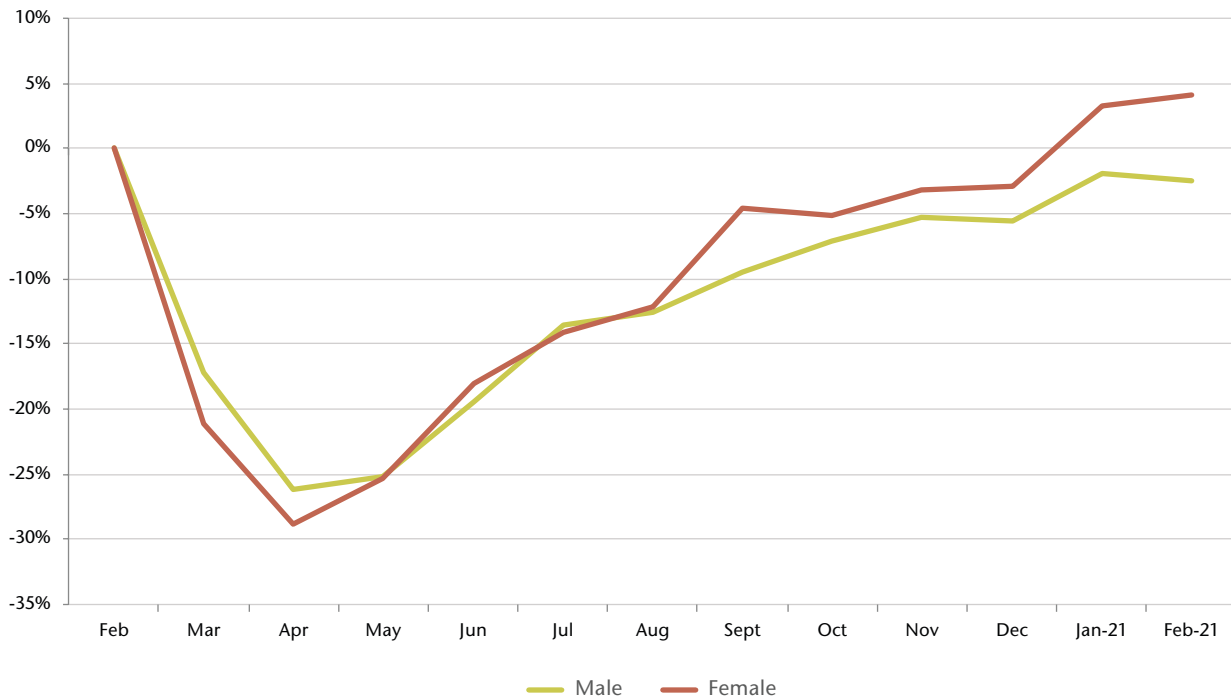
The pandemic disruptions have been particularly hard on women in Canada, with women being more likely than men to lose their jobs or more than half of their regular hours during the early lockdowns across the country, leading to the COVID-19 recession being referred to as a “she-cession.”¹⁹ Lower-income women who experience intersecting inequalities based on race, disability, citizenship status, and other social identities were particularly hard hit. There are three reasons why women were more severely affected. First, the sectors hardest hit by the economic shutdown in the first wave and restrictions during the second wave of the pandemic were sectors that employ more women than men (accommodation and food services; arts, culture and recreation; and other personal services, like hairdressing). Second, unpaid caregiving demands following the spring closures of schools, child care programs and other services weighed heavily on women. Third, women are overrepresented among non-standard jobs, including part-time and temporary positions, which were the most likely to be eliminated when the pandemic hit. In total, over 340,000 women in BC lost their jobs or the majority of their regular hours by April 2020, representing nearly one-third of all women working in February 2020. The losses in employment and hours were somewhat lower for men.

In BC, women’s recovery picked up speed as schools opened in September, exceeding the recovery experienced by men (Figure 9). This is different from what we see in the national data, where women’s recovery is slightly slower than men’s, and both have largely stalled in the fall, with January bringing further losses in jobs or majority of hours worked for both men and women, but especially for women. This is likely due to the stricter second-wave restrictions in other provinces,

Lower-income women who experience intersecting inequalities based on race, disability, citizenship status, and other social identities were particularly hard hit.

¹⁹ This pattern is unusual for Canadian recessions, which have typically involved more men losing their jobs and more women entering the workforce to supplement their family’s income.

Figure 9: Share of BC workers who lost their jobs or the majority of their regular hours relative to February 2020 by sex



Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF. Seasonally adjusted by removing average change in each category since February over the past three years.

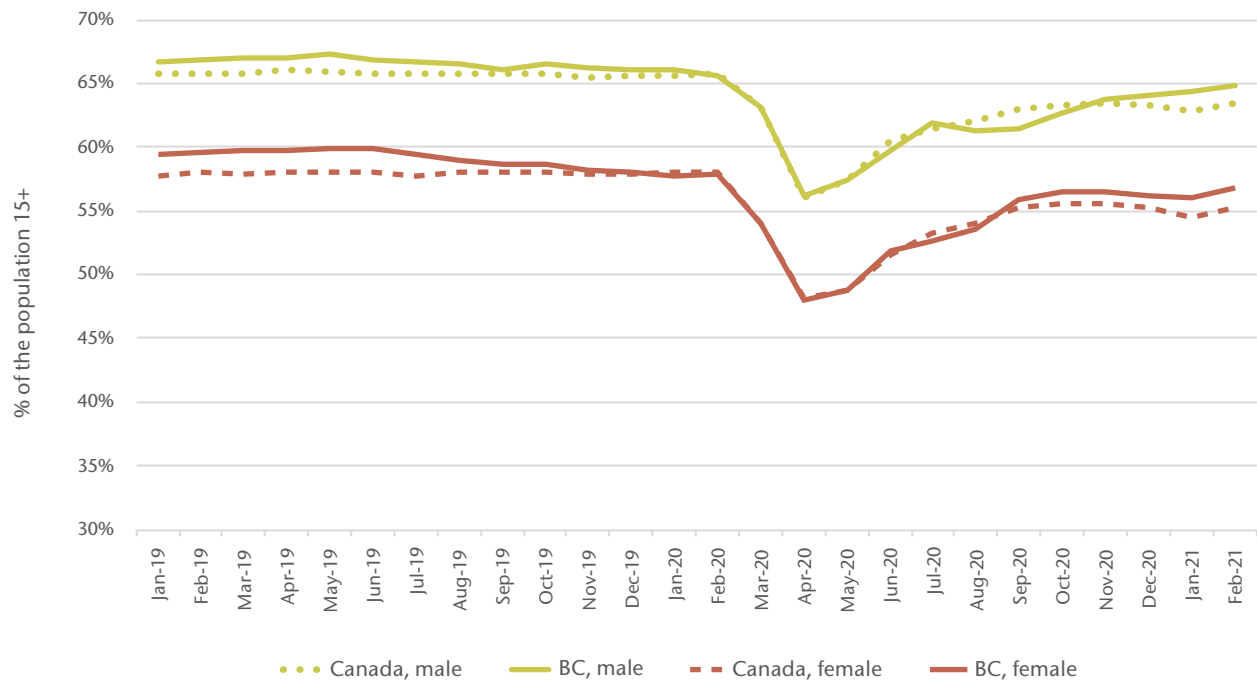
Women are overrepresented among non-standard jobs, including part-time and temporary positions, which were the most likely to be eliminated when the pandemic hit.

in particular in Ontario, where non-essential businesses were shuttered in December and schools closed to in-person instruction for the month of January.

Although, on aggregate, women in BC seem to have recovered to February 2020 levels of jobs and hours worked, it is important to keep in mind that in February 2020 there were still significant gender gaps in BC's job market and the provincial job market was already showing some signs of softening before the pandemic started. In addition, the working-age population in BC has increased over the last year, meaning that returning to the same number of jobs and hours worked represents a slight decline in the employment rate (the share of total population that has a job).

Figure 10 shows that while the recovery for women (and men) is proceeding a bit faster in BC than in Canada as a whole, employment rates for both men and women in BC remain well below 2019 levels and women are further behind when it comes to regaining their place in the labour market than men. As of February 2021, the employment rate of female workers in BC was 56.8 per cent—1.1 percentage points lower than in February 2020 and 3.1 percentage points lower than the high it reached in the summer of 2019. The gaps in BC's employment rate for male workers are smaller: their employment rate reached 64.8 per cent in February 2021—0.8 percentage points lower than in February 2020 and 2.5 percentage points lower than the high it reached in May 2019. BC will need 68,000 more jobs for women and 53,000 more jobs for men to return to the employment rate highs of 2019.

Figure 10: Employment rate for male and female adults age 15+, BC and Canada



Source: Statistics Canada. Table 14-10-0287-01. Seasonally adjusted.

Notably, women in BC are a lot more likely to work part-time rather than full-time compared to women in any other province (30.1 per cent of BC working women are part-time compared to a Canadian average of 25.5 per cent and a low of 18.4 per cent in New Brunswick).²⁰

Importantly, even among women we have seen greatly unequal economic impacts of COVID-19. Low-income women, Indigenous and racialized women, mothers with young children (especially single mothers), recent-immigrant women, and young women have been particularly hard hit.

Among workers in the lowest wage quartile (earning \$18.00 per hour or less), women experienced much deeper employment and hours losses, and a slower recovery than men (Figure 11). A similar trend is present among workers in the highest wage quartile (earning more than \$36.06 per hour), though losses were much smaller than for lower-wage workers and the recovery more complete (Figure 12). These patterns are largely due to the occupational segregation of men and women, as well as to the extra unpaid caregiving responsibilities created by the pandemic, which are weighing more heavily on women.

In Canada, racialized women have been disproportionately impacted by the pandemic,²¹ and it is likely that the situation is similar for BC, but Statistics Canada does not currently publicly release provincial-level data on racialized (or immigrant) workers' labour force outcomes by sex or gender.

Among workers in the lowest wage quartile, women experienced much deeper employment and hours losses, and a slower recovery than men.

20 As of February 2020, women in the Atlantic provinces were least likely to work part-time, then women in Québec and Ontario, followed by Saskatchewan at the Canadian average, with Alberta and Manitoba posting higher levels of part-time work than the average but lower than BC. Source: Statistics Canada, Table 14-10-0287-01.

21 Katherine Scott, *Women, Work and COVID-19. Priorities for Supporting Women and the Economy*. (Ottawa: Canadian Centre for Policy Alternatives, March 2021).

Figure 11: Share of BC workers in the bottom wage quartile who lost their jobs or the majority of their regular hours relative to February 2020 by sex



Note: Excludes the self-employed because they are not asked about their wages in the Labour Force Survey. Seasonally adjusted by removing average change in each category since February over the past three years.

Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF.

Figure 12: Share of BC workers in the top wage quartile who lost their jobs or the majority of their regular hours relative to February 2020 by sex



Note: Excludes the self-employed because they are not asked about their wages in the Labour Force Survey. Seasonally adjusted by removing average change in each category since February over the past three years.

Source: Author's calculations based on data from Statistics Canada, Labour Force Survey PUMF.

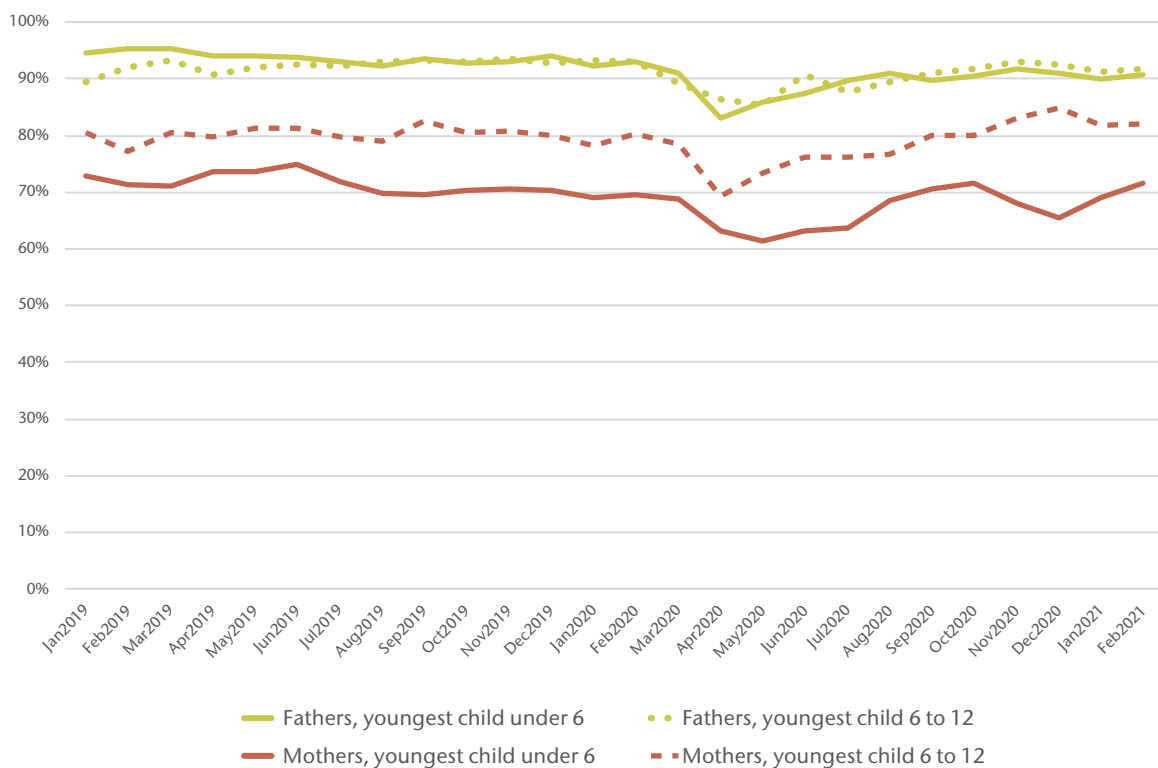
Unpaid caregiving demands weighed heavily on mothers

The closures of schools, child care centres and other services in the initial pandemic lockdowns weighed heavily on the parents of young children and, in particular, on mothers. In BC, the biggest losses in jobs and hours worked for most demographic groups happened in April but parents of children under 6 experienced their biggest losses in May.²² Among working parents with children under 6, 28 per cent of mothers and 20 per cent of fathers lost their jobs or the majority of their hours in May. The impacts were a little lower for parents of older children, but mothers still saw larger employment and hours losses than fathers. Since then, BC parents have seen a faster recovery than parents in some other parts of Canada and we do not observe the same gender gaps in the pandemic recovery of parents in BC that have been documented in the Canadian data.²³

Further increasing BC mothers' participation in employment through investment in affordable, quality child care should remain a priority during the recovery.

Figure 13 compares the employment rates for mothers and fathers in BC by age of their youngest child, focusing on parents with children under 12, the group for which child care responsibilities are greatest and would present the biggest barriers to work. By February 2021, mothers with young children (under 12) in BC had fully recovered to February 2020 employment rates, while fathers still had slightly lower employment rates than pre-pandemic.

Figure 13: Employment rate for parents by sex and age of youngest child, BC



Source: Statistics Canada, Labour Force Survey, Custom Tabulation. Data is not seasonally adjusted.

22 Ivanova, "Eight charts that show highly unequal impact of COVID-19 on BC workers."

23 Scott, *Women, Work and COVID-19*.

That said, it remains the case that fathers in BC have similar employment rates regardless of the ages of their children, which are higher than the employment rates for mothers, while mothers with school-aged children are much more likely to be employed than mothers with children under 6. Given that BC mothers with young children had lower rates of employment than the Canadian average pre-pandemic, a recovery to February 2020 levels is not sufficient to close the gender gap in employment. Further increasing BC mothers' participation in employment through investment in affordable, quality child care should remain a priority during the recovery.

Among BC fathers, those with children under 6 remain furthest away from their pre-pandemic employment rates a year later in February 2021 (2 percentage points lower), while among mothers, this group has seen an increase of 2 percentage points in their employment rate compared to pre-pandemic. Although mothers with children under 6 and those with children 6 to 12 had recovered to pre-pandemic employment rates, it is notable that their employment rates remain considerably below the rates these groups experienced in mid-2019 (3 percentage points lower) and significantly lower than the employment rates of fathers with similarly aged children in BC (19 percentage points lower for those with children under 6 and 10 percentage points lower for those with children 6 to 12).

As of February 2021, young women accounted for nearly all net employment losses in BC since the pandemic began.

At the national level, single mothers with young children under 6 saw the largest drops in actual hours worked during the pandemic and by December 2020 were still working 39 per cent fewer hours than in February, while single mothers with children 6 to 12 were working 12 per cent fewer hours. Mothers in two-parent families had recovered even more of their hours.²⁴ Data limitations preclude a detailed analysis of the pandemic employment impacts experienced by BC mothers in different family types. The available data suggest that BC parents do not seem to have experienced lasting employment effects from the early pandemic disruptions in the spring and summer of 2020, though pre-existing gender gaps remain, especially when it comes to the employment of mothers with young children, including both single mothers and mothers in two-parent families.²⁵

Younger workers, particularly younger women, saw biggest employment losses

Young workers, aged 15 to 24, and especially young women, saw the biggest employment losses during the initial shutdown period and have been the slowest to recover both in Canada and in BC. Young BC women were particularly hard hit with 42 per cent of young women working in February 2020 losing their jobs by April 2020, compared to 31 per cent of young men, and between 10 per cent and 14 per cent for core-age workers (ages 25 to 54) and older workers (age

²⁴ Scott, *Women, Work and COVID-19*, 18.

²⁵ In BC, single mothers experienced larger employment losses than mothers in two-parent families in the spring of 2020 but saw a faster recovery in the fall. Single mothers with children under 6 have fully recovered to their pre-pandemic employment rates and in fact saw a significant growth in employment, exceeding the employment rates of mothers with young children in two-parent families by February 2021. Single mothers with children 6 to 12 have seen their jobs recovery reverse in the fall of 2020 and a larger gap open up between their employment rate and the employment rate of mothers with children 6 to 12 in two-parent families. These numbers, however, should be interpreted with caution because the population of single mothers in BC in the Labour Force Survey dropped by one third between February 2020 and February 2021, with a 46 per cent decline in the number of single mothers with children 6 to 12 and a 40 per cent decline of single mothers with children under 6. It seems unlikely that the number of single mothers in BC changed that significantly in a year, and a lot more likely that single mothers were less likely to respond to the Labour Force Survey during the pandemic, making employment comparisons by family type potentially unreliable in BC.

55 and over).²⁶ As of February 2021, young women accounted for nearly all net employment losses in BC since the pandemic began (94 per cent) despite representing only 7 per cent of jobs pre-pandemic. In total, 14,200 out of 15,100 net job losses were among young women.

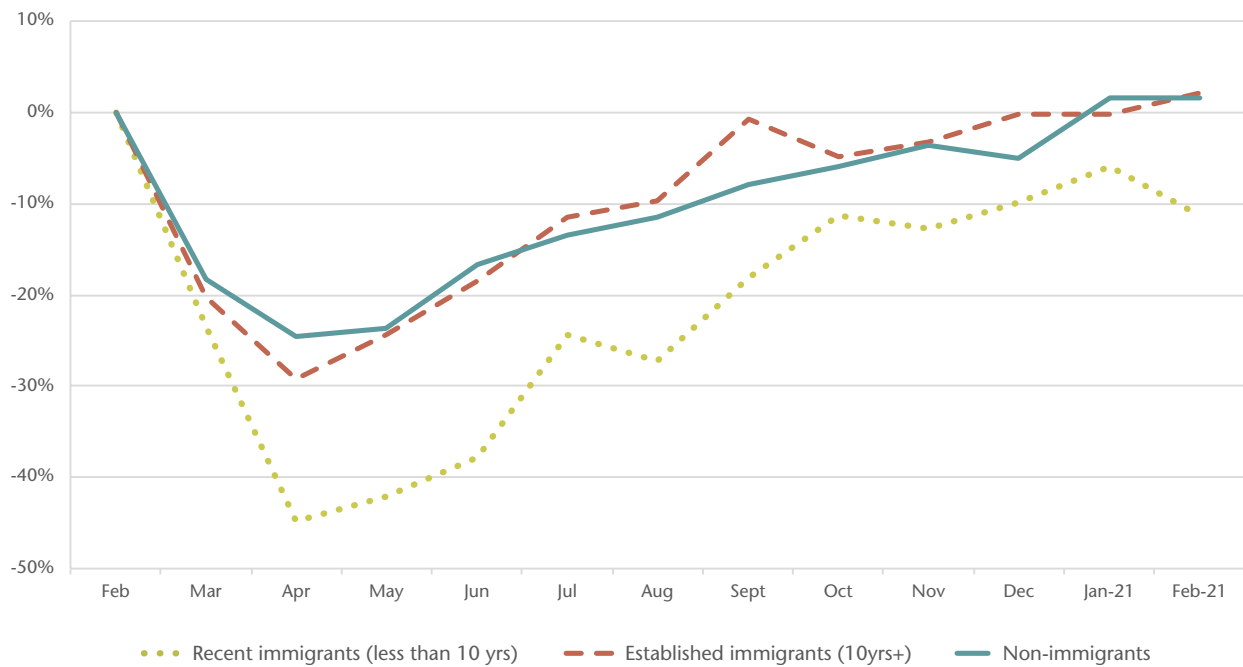
The permanent “scarring” effects of starting a career in a recession have been well documented, and they last a lifetime. The International Labour Organization has warned that the “exclusion of young people from the labour market, given the long-lasting impacts, is one of the greatest dangers for society in the current situation.”²⁷

Recent immigrants experienced larger job market impacts than other Canadians

Job losses and reductions of hours were particularly high for recent immigrants (those who became permanent residents of Canada less than 10 years ago) and they have yet to regain their lost ground (Figure 14). Nearly half of recent immigrants who were working in BC in February 2020 lost their job or the majority of their hours by April 2020 (45 per cent), compared to 29 per cent of established immigrants and 25 per cent of non-immigrants. As of February 2021, about 11 per cent of recent immigrants working pre-pandemic were still jobless or working less

Nearly half of recent immigrants who were working in BC in February 2020 lost their job or the majority of their hours by April 2020.

Figure 14: Share of BC workers who lost their jobs or the majority of their regular hours relative to February 2020 by immigrant status



Source: Source: Author’s calculations based on data from Statistics Canada, Labour Force Survey PUMF. Seasonally adjusted by removing average change in each category since February over the past three years.

26 Source: Statistics Canada. Table 14-10-0287-03. Seasonally adjusted.

27 International Labour Organization (ILO), “ILO Monitor: COVID-19 and the World of Work. Fourth Edition,” Briefing note, May 2020, https://www.ilo.org/global/topics/coronavirus/impacts-and-responses/WCMS_745963/lang--en/index.htm.

than half of their regular hours, while both established immigrants and Canadian-born citizens (non-immigrants) had fully recovered from the labour market losses of the pandemic. Further, we know that a large share of recent immigrants in BC are racialized and that many of the ones who did not lose their jobs or hours are working in jobs that have high risk of exposure to COVID-19.

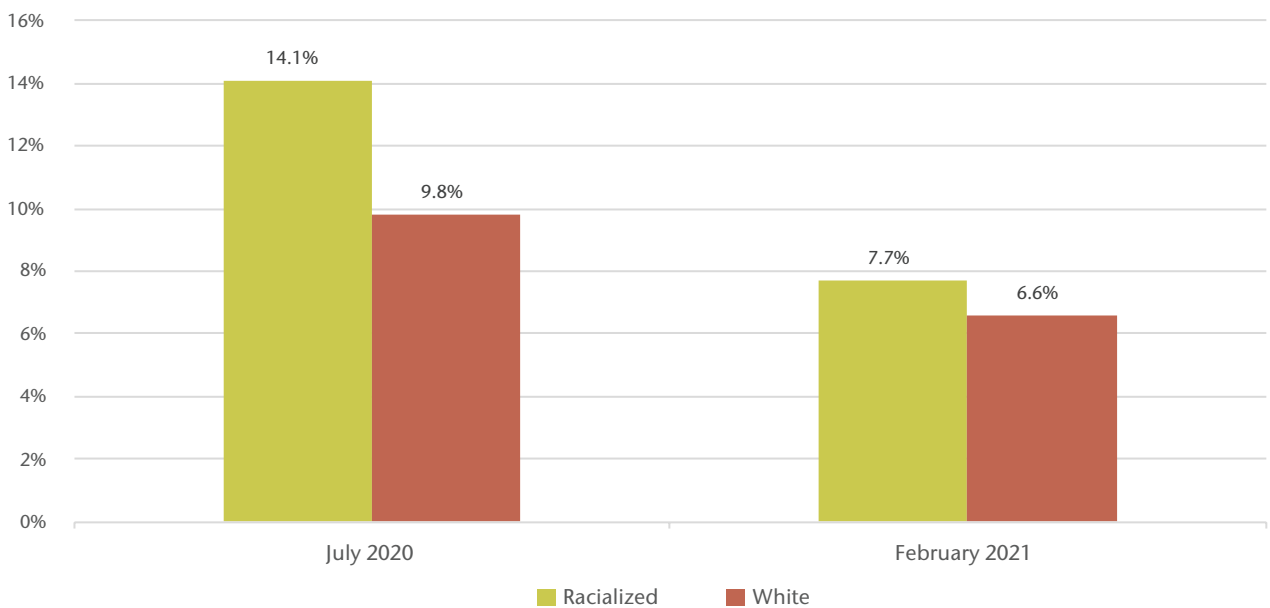
Racialized British Columbians experienced higher levels of unemployment and financial insecurity

Racialized workers are more likely to be employed in low-wage jobs with few, if any, benefits.

Statistics Canada only began collecting disaggregated data by racial identity in the Labour Force Survey as of July 2020, so data are unfortunately not available from the early months of the pandemic when job market disruptions were most severe. However, the data that are available indicate that racialized workers in BC have been harder hit than white workers and continue to experience higher levels of unemployment as of February 2021 (Figure 15). These patterns are evident in all Canadian provinces and recent Statistics Canada research shows that racialized workers are also more likely to be employed in low-wage jobs with few, if any, benefits. While the unemployment gap between racialized and white workers has narrowed during the recovery, and the gap in BC is smaller than the Canadian average, the unequal labour market outcomes of racialized British Columbians remain a concern that needs to be addressed to tackle racial injustice in our communities.

Canadian statistics also show that as of February 2021, Arab, Black and Southeast Asian workers experienced the highest unemployment rates, 40 to 60 per cent higher than those of white workers. While such data are not available at the provincial level, similar patterns are likely present here.

Figure 15: Unemployment rate by racialized identity group, BC



Note: Data for the population aged 15 to 69. Data are not seasonally adjusted.

Source: Statistics Canada. Labour Force Survey Supplement, July 2020 to February 2021.

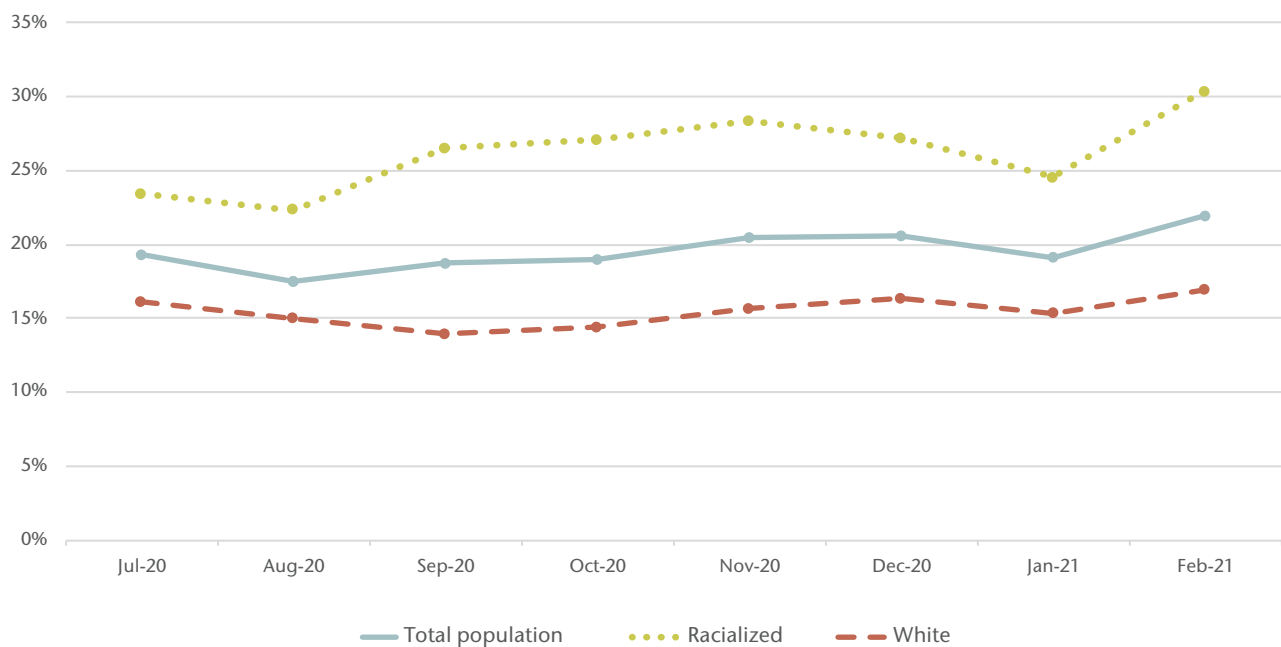
In addition, racialized workers experience higher levels of financial insecurity despite any economic gains made so far in the recovery. The seemingly strong jobs numbers in BC and the continuing federal supports available to the unemployed are clearly not sufficient to alleviate the financial difficulties experienced by many British Columbians, including a disproportionately large share of racialized workers (Figure 16).

In February 2021, nearly a third of racialized British Columbians between the ages of 15 and 69 lived in households that found it “difficult” or “very difficult” to meet basic financial commitments in the last four weeks, compared to 17 per cent of their white peers. Comparable statistics for Indigenous people living off-reserve in BC are not reported because small sample sizes result in high month-to-month variability that makes the data difficult to interpret. However, national-level data reveal that Indigenous people have experienced much higher levels of financial insecurity than white Canadians during the pandemic, though somewhat lower than those of racialized Canadians (Figure 17).

Notably, the overall level of financial insecurity in BC (22 per cent among the total population) is among the highest in Canada. Only Alberta and Ontario report higher levels of financial insecurity in February 2021 (25 per cent and 23 per cent, respectively).

In February 2021, nearly a third of racialized British Columbians between the ages of 15 and 69 lived in households that found it “difficult” or “very difficult” to meet basic financial commitments in the last four weeks.

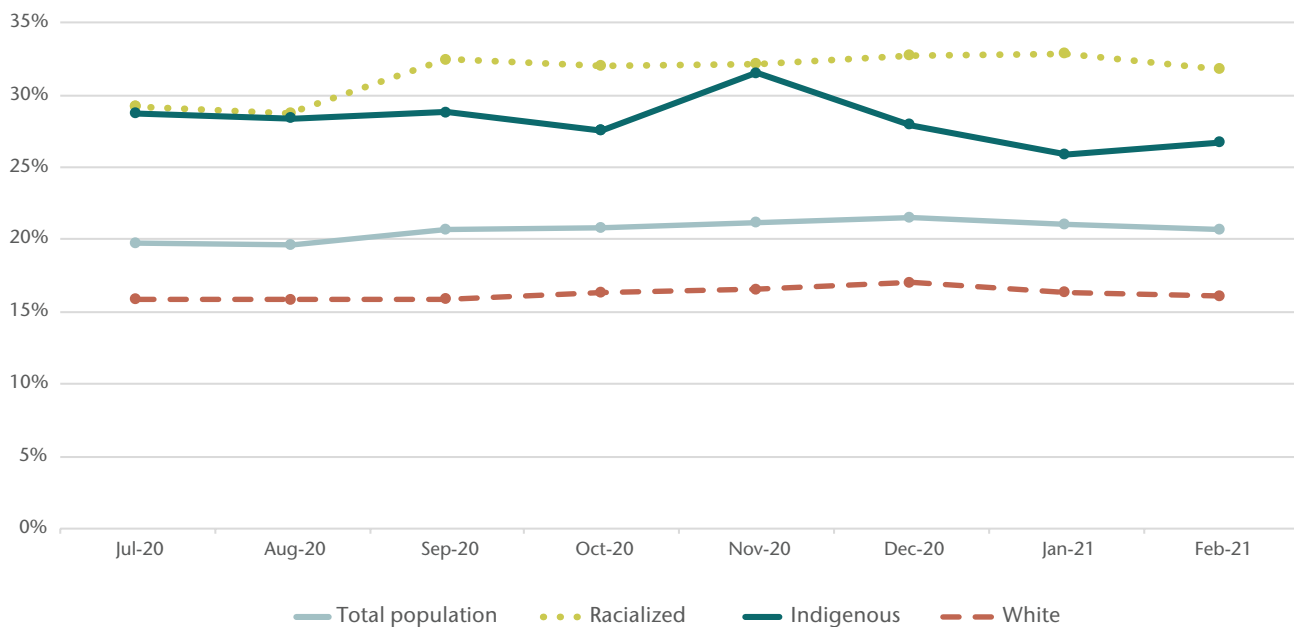
Figure 16: Proportion of people living in households that reported it was "difficult" or "very difficult" to meet basic household financial commitments in the last four weeks, BC



Notes: Data for the population aged 15 to 69. Total population includes Indigenous people. Data are not seasonally adjusted. Comparable statistics for Indigenous people are not reported because small sample sizes result in high month-to-month variability that makes the data difficult to interpret.

Source: Statistics Canada, Labour Force Survey Supplement, July 2020 to February 2021, custom table.

Figure 17: Proportion of people living in households that reported it was “difficult” or “very difficult” to meet basic household financial commitments in the last four weeks, Canada



Notes: Data for the population aged 15 to 69. Data are not seasonally adjusted.

Source: Statistics Canada, Labour Force Survey Supplement, July 2020 to February 2021, custom table.

Indigenous workers experienced larger employment losses and a much slower recovery in BC

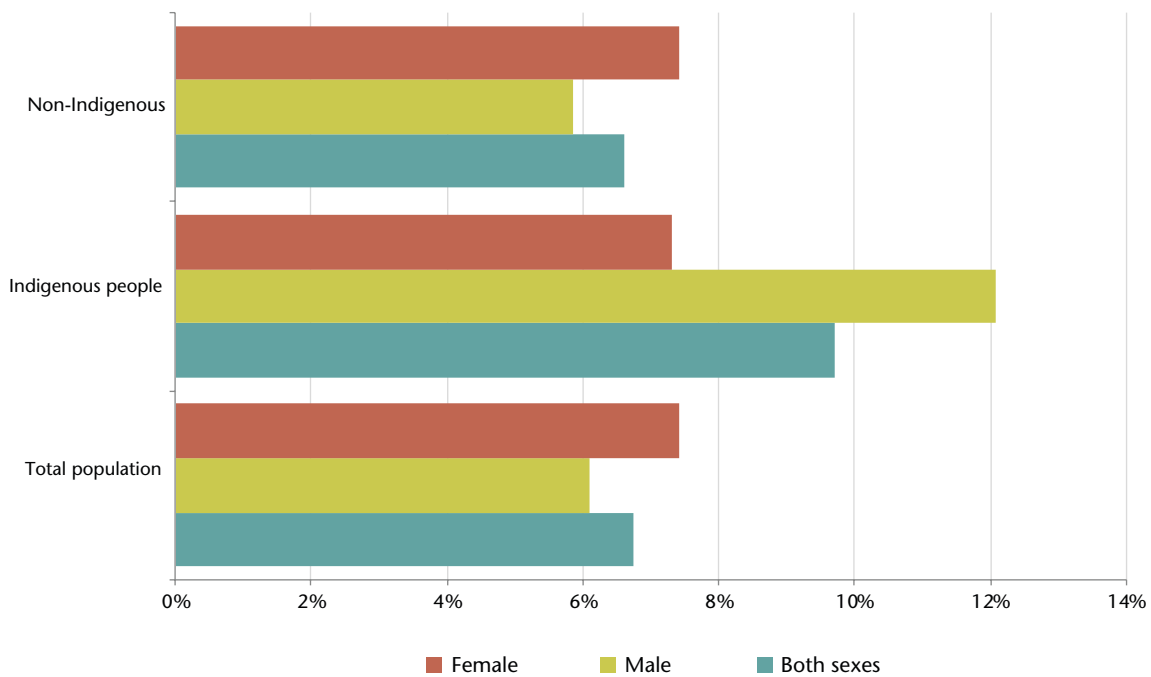
Recent research based on crowdsourced survey initiatives has documented stronger negative impacts of the pandemic on Indigenous people in Canada, including on their ability to meet financial commitments and essential needs, in particular among Indigenous women.²⁸ These disproportionate impacts of the pandemic on Indigenous people have been linked to longstanding and persistent socioeconomic inequalities experienced by Indigenous communities.²⁹

Indigenous workers living off-reserve in BC saw much larger employment losses than non-Indigenous workers over the year 2020 (9.7 per cent vs 6.6 per cent). Figure 18 shows that employment losses were significantly higher among Indigenous men than among any other group. This pattern is specific to BC, as national data reveals that Indigenous people living off-reserve in the

28 Paula Arriagada et al., “Economic Impact of COVID-19 among Indigenous People,” *StatCan COVID-19: Data to Insights for a Better Canada*, July 14, 2020, <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00052-eng.htm>.

29 Paula Arriagada, Tara Hahmann, and Vivian O’Donnell, “Indigenous People Living in Urban Areas: Vulnerabilities to the Socio-Economic Impacts of COVID-19,” *StatCan COVID-19: Data to Insights for a Better Canada*, June 23, 2020, <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00023-eng.htm>.

Figure 18: Employment loss in 2020 by Indigenous identity and sex, BC



Note: Employment loss is the percentage decline in the number of people working in 2020 compared to 2019.
 Source: Statistics Canada. Table 14-10-0364-01.

provinces lost about the same share of employment as non-Indigenous people (in fact, a little less) with Indigenous women seeing much larger losses nationally than men.³⁰

Statistics Canada does not publish monthly statistics on the job market outcomes of Indigenous people as part of their regular data releases but data obtained through a custom request show reasons to be concerned for Indigenous people’s employment opportunities going forward. Figures 19, 20 and 21 show that in BC, Indigenous workers living off-reserve experienced somewhat larger declines in their employment rate than non-Indigenous workers and they have been considerably slower to recover. Similar trends of low employment rebound among Indigenous workers have been documented nationally.³¹

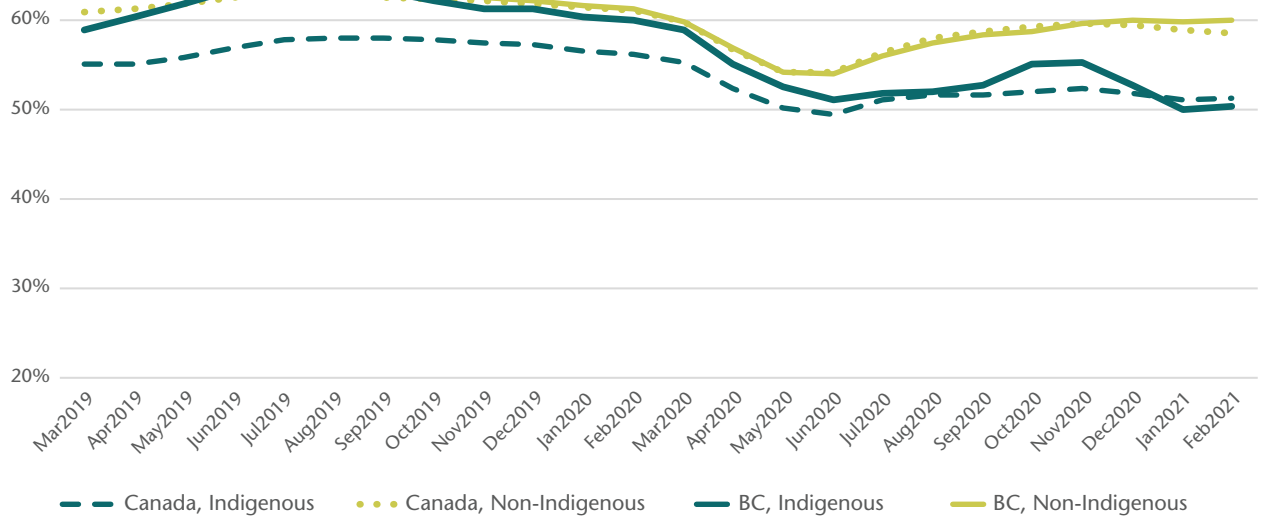
Notably, during much of 2019, the Indigenous employment rates were on par with the non-Indigenous employment rates for both men and women in BC, while in Canada, the Indigenous employment rates were significantly lower, with the gap being particularly large for Indigenous men in Canada. However, the pandemic seems to have reversed the employment gains made by Indigenous workers living off-reserve in BC and brought their employment rates down to levels

Disproportionate impacts of the pandemic on Indigenous people have been linked to longstanding and persistent socioeconomic inequalities experienced by Indigenous communities.

30 Statistics Canada’s Labour Force Survey does not collect data on-reserve, which means that unfortunately we only have data on the labour market outcomes of Indigenous people living on reserve once every five years when the Census is conducted. This is a glaring blind spot in basic data collection in places that we know from Census data are some of the lowest-income communities in the country.

31 Amanda Bleakney, Huda Masoud, and Henry Robertson, “Labour Market Impacts of COVID-19 on Indigenous People: March to August 2020,” *StatCan COVID-19: Data to Insights for a Better Canada*, November 2, 2020.

Figure 19: Employment rates by Indigenous identity, Canada and BC

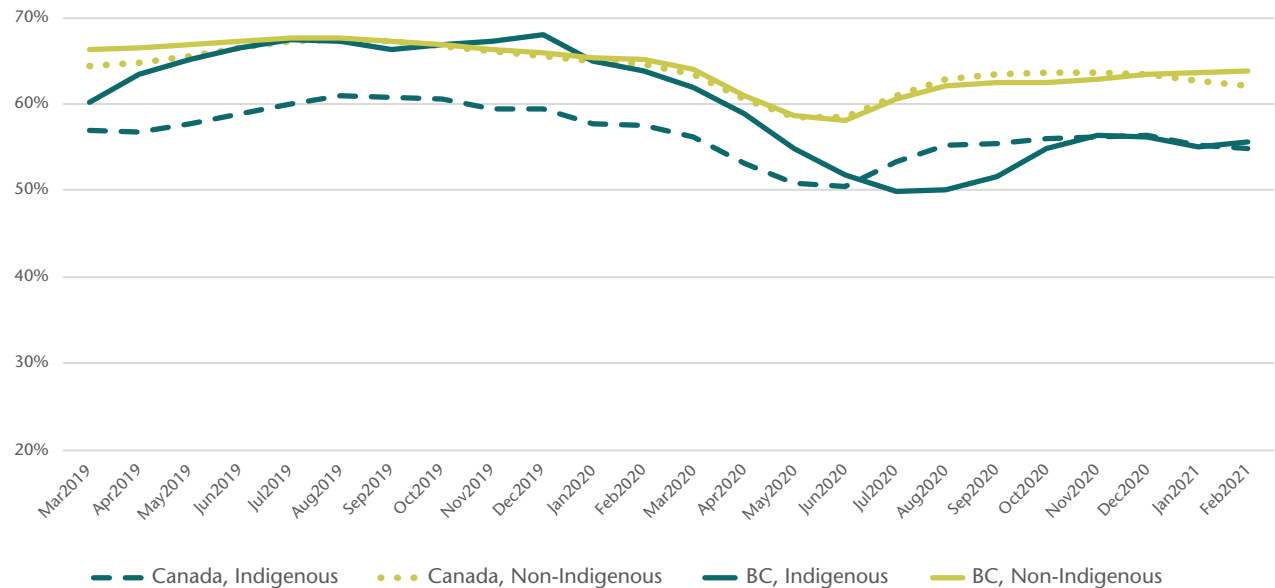


Note: Data are presented as three-month moving averages to smooth monthly fluctuations, which may be caused by small sample sizes rather than actual trends. Data are not seasonally adjusted.

Source: Author's calculation based on data from Statistics Canada, Labour Force Survey, Custom Table: Labour Force Survey estimates by occupation, National Occupational Classification 2016, Aboriginal identity, age and sex, monthly, unadjusted for seasonality. Reproduced and distributed on an "as is" basis with the permission of Statistics Canada.

on par with those for Indigenous workers across Canada, much lower than those for non-Indigenous workers. While Indigenous women in BC saw a quick rebound of employment in the summer and fall of 2020, bringing their employment rates back up to nearly pre-pandemic levels by October 2020, in the later part of 2020 and early 2021, Indigenous women saw significant employment losses, with their employment rates dipping below those of Indigenous men. As of the three-month period ending in February 2021, the employment rate of Indigenous women in BC was 45 per cent, significantly below pre-pandemic rates of 57 per cent and even dipping below the national average employment rate of Indigenous women.

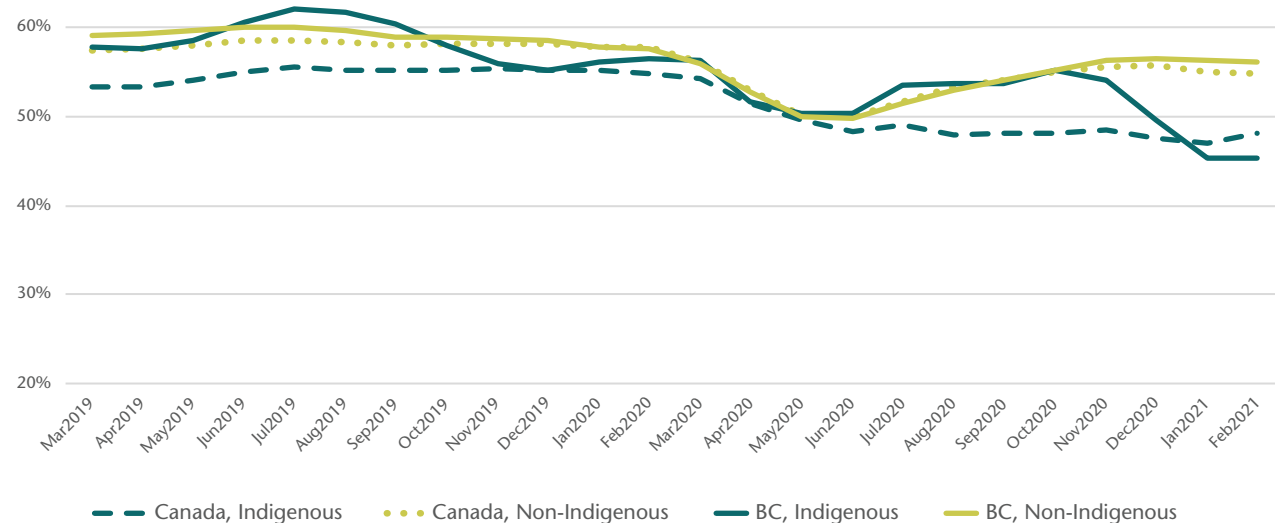
Figure 20: Employment rates by Indigenous identity, males, Canada and BC



Note: Data are presented as three-month moving averages to smooth monthly fluctuations, which may be caused by small sample sizes rather than actual trends. Data are not seasonally adjusted.

Source: Author's calculation based on data from Statistics Canada, Labour Force Survey, Custom Table: Labour Force Survey estimates by occupation, National Occupational Classification 2016, Aboriginal identity, age and sex, monthly, unadjusted for seasonality. Reproduced and distributed on an "as is" basis with the permission of Statistics Canada.

Figure 21: Employment rates by Indigenous identity, females. Canada and BC



Note: Data are presented as three-month moving averages to smooth monthly fluctuations, which may be caused by small sample sizes rather than actual trends. Data are not seasonally adjusted.

Source: Author's calculation based on data from Statistics Canada, Labour Force Survey, Custom Table: Labour Force Survey estimates by occupation, National Occupational Classification 2016, Aboriginal identity, age and sex, monthly, unadjusted for seasonality. Reproduced and distributed on an "as is" basis with the permission of Statistics Canada.

Policy implications: The road ahead

The pandemic has made clear how much of our economy relies on unpaid labour—mostly shouldered by women—as well as on the undervalued jobs in female-dominated industries disproportionately staffed by racialized people.

ALTHOUGH THE ECONOMIC RECOVERY IS PROCEEDING a bit quicker in BC than elsewhere in Canada, as the analysis presented in this report reveals, the encouraging top-level statistics hide important inequalities that will become a roadblock to an inclusive recovery unless explicitly addressed. Even before the pandemic, there was increasing recognition that our economic system is leaving too many people behind and endangering the future of the planet, but the COVID-19 crisis brought these issues into even sharper focus.

The COVID-19 recession has disproportionately impacted low-wage workers, and particularly those who experience intersecting inequalities due to sex, gender, racialization, Indigenous identity, disability and other social identities. These impacts will continue to worsen unless the recovery plan takes these intersecting layers of discrimination into account—not only to avoid deepening poverty and marginalization among these communities but to ensure that the plan sets the foundation for a resilient and inclusive economy.

The pandemic has made clear how much of our economy relies on unpaid labour—mostly shouldered by women—as well as on the undervalued jobs in female-dominated industries disproportionately staffed by racialized people. Caregiving demands continue to affect women’s ability to fully participate in the workforce, especially women with young children and single mothers, and this must be addressed.

Youth unemployment remains high, and concerns about the long-term scarring impacts of the recession on youth (in terms of permanently lower lifetime earnings) weigh on the prospects of an inclusive recovery. High levels of long-term unemployment, financial insecurity (especially among low-wage workers) and sector-specific challenges, including the need for targeted supports for workers in those sectors, need to be closely monitored in the coming months and addressed through active policy interventions. Pandemic-induced job losses will likely have long-lasting consequences, especially for younger workers and those permanently laid off.

The COVID-19 pandemic is putting BC’s commitments to gender equity, anti-racism and meaningful reconciliation to the test. For example, substantive progress cannot be made in achieving gender equality in the labour market until inequalities in unpaid care work are tackled. We need to end the undervaluing of unpaid care work and better share the burden of care work between

women and men, as well as between families and the state through expanding the public provision of care services, such as child care, seniors' care, and support for people with disabilities and those with serious illness.

The historic federal commitment to building a universal system of affordable, quality, not-for-profit child care and early education across Canada made in Budget 2021 is exactly the type of transformative investment in the care economy that can usher a more inclusive recovery. Unfortunately, federal budget commitments to other areas of the care economy, while positive, did not quite meet the transformational bar, but rather represent marginal improvements to the status quo.

In fact, both the federal and BC budgets tabled in April 2021 included some promising forward-looking investments but overall remained narrowly pandemic-focused, funding additional measures to support individuals, businesses, and communities through the ongoing public health crisis and delaying more fundamental economic and social recovery measures to next year or later. And while the federal budget explicitly committed to consultation on potentially transformative policy initiatives such as EI reforms, designing a new disability benefit and developing national standards on long-term care, if significant social policy reforms are being actively considered in BC, these were not indicated in the 2021 provincial budget.

As more comprehensive recovery plans are being developed to launch once the pandemic is contained, BC and Canada face a unique opportunity to transform our economy to be more dynamic, resilient and inclusive and to improve well-being on a large scale instead of simply returning to the pre-pandemic status quo. The changes needed match the scale and urgency of what we experienced post-World War II with the creation of the welfare state.

Creating the conditions for a different sort of prosperity—one that is not based on exclusion and marginalization—requires a more equitable redistribution of resources and power. This will take a combination of:

1. Large-scale, people-centric public investments in physical and social infrastructure, especially in the care economy.
2. Labour market reforms to strengthen workplace rights and make all jobs good jobs.
3. Overhaul of our income and social support system to ensure adequacy and accessibility.

These investments, public service improvements and regulatory reforms must be designed and evaluated with a lens of prioritizing the economic security of those worst impacted by the pandemic: low-wage workers, racialized and Indigenous people, women, British Columbians experiencing poverty, and other vulnerable households.

An inclusive recovery will require new policy frameworks, improved jurisdictional collaboration across all levels of government, and ongoing meaningful engagement with those directly affected by policy changes throughout the regular policy development, implementation and evaluation processes.³² The good news is that the pandemic crisis has already pushed governments in these directions and we have seen some impressive examples of fast and effective federal-provincial collaboration, significant policy innovation and greater openness to more than pro forma engagement with diverse stakeholders at all levels of government. The crisis reminded us that our governments are capable of being nimble and responsive to people's needs, and that when existing social protections, such as unemployment insurance, are proven inadequate, it is

BC and Canada face a unique opportunity to transform our economy to be more dynamic, resilient and inclusive and to improve well-being on a large scale instead of simply returning to the pre-pandemic status quo.

³² The latter is also recommended by the BC Basic Income Panel in their final report to government.

possible to design new, better ones from scratch instead of just tinkering around the edges of a broken system with minor incremental changes. Building on these lessons from the pandemic, and further deepening collaboration across levels of government, is crucial for transforming our pre-pandemic economy, which left so many people and communities behind.

Fostering an inclusive and just economy in BC requires coordinated efforts of all levels of government, as well as the active participation of the non-profit sector, business and communities across the province. However, the provincial government has a responsibility to lead in developing an inclusive economy strategy as it is primarily responsible for the design and implementation of the public services underpinning the caring economy (e.g., health care and education at all levels), for regulating the labour market to ensure job quality, and for providing a social safety net of last resort.

Provincial policy measures that should be part of the inclusive recovery package in BC

We can no longer afford to stand by while persistent poverty and social exclusion destroy human potential and undermine our economy and society.

If we have learned one thing from the pandemic, it is that the economy is made of people and that without supporting their health and well-being it is impossible to have a functioning economy. The truth is, we need the talents, creativity and experience of all British Columbians to address the major challenges of our time. We can no longer afford to stand by while persistent poverty and social exclusion destroy human potential and undermine our economy and society. It is vitally important that in addition to providing an economic stimulus through increased public spending, the recovery package prioritizes these aims.

1. Large-scale, people-centric public investments in physical and social infrastructure

In addition to the ambitious program of physical infrastructure investments included in BC's fall 2020 Recovery Plan and Budget 2021, BC urgently needs large-scale investment in social infrastructure, that is to say in the systems of care and education that enable us to have a healthier and more inclusive economy and to strike a better balance between paid work and personal, family and community care.

The care economy, which is currently gendered, racialized and undervalued should be rightfully recognized as the foundation upon which the larger economy is built. Social infrastructure investments include not just the capital funds for new child care spaces, hospitals, long-term care facilities, and affordable and non-market housing for vulnerable communities, but also the operating funds to properly staff and run these crucial programs, including earmarked funding for training to expand the care economy workforce and for appropriate compensation (including living wages and benefits) to end the systematic undervaluing of care work and tackle the notorious recruitment and retention problems in these sectors. BC Budget 2021 included some important commitments to training additional health care workers and early childhood educators, modest wage increases in the significantly underpaid child care sector, as well as significant new funding to expand mental health and addiction services and tackle the opioid crisis. These represent a start in better supporting the care economy but fall short of the scale required to be truly transformative.

In addition to strengthening BC's social infrastructure, planned investments in affordable and non-market housing must be scaled up significantly, as must investments in climate action and

digital equity, including further expanding access to broadband internet in rural and remote areas and on First Nations reserves, as well as investment in programs that help low-income households afford internet service and digital devices.

Specific policy measures include:

- Investments in improved staffing, levelling up wages and other reforms to fix long-standing issues in seniors care and care for people with disabilities, especially but not only, long-term care, to ensure all British Columbians are able to live and age with dignity. While the BC government has extended the single-site order in long-term care for the time being, it would be important to fully implement the commitments made in the 2020 election platform with regards to levelling up wages in the sector, bringing supporting services back in house, and expanding access to home support and home care.
- Redoubling the BC government's commitment to build an affordable, quality, universal child care system to enable parents with young children, in particular mothers, to return to work or pursue education; to support children's healthy development; and to create good, family-supporting jobs for women. This will require expediting negotiations with the federal government to unlock the newly announced federal funds and accelerate BC's progress on building a universal, affordable public child care system, including by significantly expanding capacity. This should be done through supporting a buildout of public and not-for-profit child care spaces, turning many more existing licensed child care programs to \$10-a-day sites than what was outlined in BC Budget 2021, continuing to improve affordability by capping fees in other programs and scaling up the fee reduction program, and bringing fairness to wages for early childhood educators through a province-wide wage grid.
- Continuing to significantly scale up funding for expanded and more accessible mental health and addiction supports to bring these crucial services to everyone who needs them across the province, including a large-scale expansion of safe and affordable housing, in addition to fast-tracking efforts to decriminalize possession of illicit drugs, to more effectively tackle the opioid crisis.
- Investment in expanding the accessibility and affordability of post-secondary education and training programs beyond the short-term pandemic measures announced in BC Budget 2021, so that all adults who want to can upskill and find meaningful, family-supporting work. This would help not only the people whose jobs or hours have been negatively impacted by the pandemic, but also those who are at risk of being displaced by automation, as well as those who were already struggling to find a good job (or any job) before COVID-19 (i.e., adults in the "expected to work" category of income assistance).
- Increased, multi-year funding for charities and non-profit organizations so they are adequately resourced to both meet urgent needs and to work to address systemic challenges and inequities. This includes a wide range of organizations that, for example, support women experiencing domestic violence, provide community-based mental health and addiction services, raise the voices of marginalized groups such as sex workers, and many others responding to a myriad of community needs across BC every day.

The care economy, which is currently gendered, racialized, and undervalued should be rightfully recognized as the foundation upon which the larger economy is built.

These investments can and should be leveraged to create good, family-supporting jobs in the public sector for traditionally undervalued, underpaid and underutilized workers including women, recent immigrants and refugees, Indigenous people, racialized British Columbians, people with disabilities and other groups who have been disproportionately impacted by the pandemic.

2. Labour market reforms to strengthen workplace rights and make all jobs good jobs

To curb the labour market inequalities increased by the pandemic, it is imperative to supplement the traditional approaches of (limited) redistribution through taxes, transfers and public services with an agenda of increasing the equity of the “pre-distribution” in the job market. As the BC Basic Income Panel observed in its final report “for all that we can do to support people with money and services, improving their lives by making jobs better is perhaps the most direct approach to creating a more just society.”³³

Labour market reforms can prevent further wage polarization and improve the quality of all jobs—in hours, pay and job characteristics. Work in the post-pandemic economy must support personal dignity by strengthening workers’ voices in the workplace and enabling them to provide for themselves and their families, while also affording time for leisure, care for others and community participation.

Although the BC NDP 2020 election platform included some important commitments to “bring forward improved rights and benefits for all working people,” these were largely missing from BC Budget 2021.

Specific policy measures that should be implemented in BC include:

- Modernizing workplace rights and protections, and mandating regular review processes so that workplace rights legislation keeps up with rapidly changing labour markets. This would include reviewing the large number of exclusions from the rights and protections provided by the Employment Standards Act, addressing misclassification of employees as independent contractors, and setting a floor of a minimum set of rights for workers who are not considered employees, including a mechanism to recover unpaid wages, compensation for unjust dismissal, advance notice of their hours, equal pay for equal work and a guarantee to earn at least the minimum wage.
- Closing the gap between the minimum wage and living wages, and closing the gap in wages and employment protections between standard (permanent, full-time) and non-standard workers.
- Strengthening the voice of workers in the workplace, including making it easier to unionize, in particular for workers in low-paid and precarious jobs (who tend to be predominantly female and racialized people). Sectoral bargaining models of union organizing could provide precarious, temporary and low-paid workers in small worksites—some of the workers who have suffered the biggest losses in the COVID-19 recession—with a collective voice and viable access to union representation. Unionization has been linked to reducing wage inequalities and improving working conditions, reducing gender and racial pay inequities and promoting opportunities for people with disabilities.
- Adequately funding and staffing proactive enforcement of employment and labour rights. Concerningly, the budget for the Ministry of Labour saw no increases in the 2021 provincial budget to boost capacity for enforcement despite current long backlogs in processing workplace rights complaints.
- Expanding access and portability of benefits that have traditionally been based on full-time long-term employment with a single employer to reflect the realities of frequent

Labour market reforms can prevent further wage polarization and improve the quality of all jobs.

33 David Green, Johathan Rhys Kesselman, and Lindsay M. Tedds, *Covering All the Basics: Reforms for a More Just Society. Final Report of the British Columbia Expert Panel on Basic Income, 2021*, 16, https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Final_Report_BC_Basic_Income_Panel.pdf.

job changes, non-standard work and self-employment. Benefits, such as statutory holidays, paid time off for vacation or illness, extended health and retirement savings plans and long-term disability insurance, are critical for the personal and financial security of BC workers, yet an increasing number of workers do not have access to them.

- Promoting equal opportunities for unpaid caregivers (primarily women) and people with disabilities to participate in the labour market by improving flexibility provisions for all workers (e.g., introducing rights to refuse overtime work and rights to request a more flexible schedule or reduced hours of work as in New Zealand) and increasing access to paid sick and family leave and paid vacation.
- Implementing diversity pay equity strategies, including pay transparency provisions and stronger pay equity legislation with the goal to close existing gender, race and other wage gaps. Modernize and proactively enforce pay equity legislation to reflect best practices globally. Promote broader workplace diversity and inclusion policies, including transparency in gender and race representation in high-paying fields, in management positions and on corporate boards, and require employers to develop action plans to close gaps.

These reforms will have the added benefit of significantly reducing racial and gender inequalities in the job market.

3. Overhaul of our income and social support system to ensure adequacy and accessibility

BC's current income assistance and social supports system for the non-employed and those in need because of limited resources is fundamentally broken. A recent detailed analysis by the BC Basic Income Panel confirms what advocates have been saying for over a decade: it is not a system per se but a patchwork of programs that is complex to navigate, unnecessarily hard to access due to structural and administrative barriers, and provides inadequate support to people who are often in dire need.³⁴ Further, the extensive, frequent and inconsistent (among various programs) eligibility testing strips those seeking support of their dignity.

Although the BC Basic Income Panel made a number of specific and actionable recommendations for system reform both over the short- and the medium-term, the provincial government seems to have chosen to delay any action on that front until at least next year (if at all) judging by their absence from BC Budget 2021. Homelessness, food insecurity and access to affordable transportation also remain priority issues to tackle in a sustained way beyond the time-limited pandemic relief infusions of funds in these areas.

Specific recommendations for reforming BC's income and social support systems include:

- Increasing income assistance rates to the poverty line as measured by the Market Basket Measure (MBM). There is a troubling discrepancy between the standard set by the \$2,000/month CERB and later the Canada Recovery Benefits on the one hand, which happens to be very close to the poverty line as measured by the revised 2018 MBM for urban areas in BC, and the pitifully low rate of income assistance on the other. Even with the significant April 2021 increase to \$935/month for a single adult in the "expected to work" category, income support rates and disability benefits remain vastly lower than the new standard set by the CERB for what is considered adequate to live on.

BC's current income assistance and social supports system for the non-employed and those in need because of limited resources is fundamentally broken.

34 David Green, Johathan Rhys Kesselman, and Lindsay M. Tedds, *Covering All the Basics*.

Recovery strategies must ensure that the new jobs supported with public funds pay decent wages and provide good working conditions and benefits.

- Implementing a basic income for people with disabilities, integrating support for mental health and addictions into the program.
- Implementing a targeted basic income program for youth aging out of foster care and providing better wrap-around supports for this group.
- Increasing income support for people escaping family violence, accompanied by improved wrap-around support, in particular better access to stable housing.
- Overhauling income assistance to reduce barriers to access, enable a smooth transition between assistance to paid work and provide better support to working-poor adults.
- Introducing new financial supports for low-income renters and significantly expanding the stock of supportive and non-market housing.
- Providing publicly funded extended health care services to all low-income households, including dental and vision care, and mental health services and supports, with a medium-term plan to extend universal access to these important health services that are currently left out of Canada's public healthcare provision.

The deeply unequal employment impacts of the pandemic have worsened BC and Canada's long-standing income and wealth inequalities. In addition to promoting job creation with a particular focus on sectors that employ the types of workers who suffered the worst labour market impacts of the pandemic, recovery strategies must ensure that the new jobs supported with public funds pay decent wages and provide good working conditions and benefits, and that BC has the social and physical infrastructure to support a dynamic and inclusive economy.



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office

CCPA-BC Office
520 – 700 West Pender Street
Vancouver, BC V6C 1G8
604.801.5121
ccpabc@policyalternatives.ca
policyalternatives.ca/offices/bc

The Canadian Centre for Policy Alternatives is an independent, non-partisan research institute concerned with issues of social, economic and environmental justice. Founded in 1980, it is one of Canada's leading progressive voices in public policy debates.

The CCPA-BC is located on unceded Coast Salish territory, including the lands belonging to the x^wməθk^wəyəm (Musqueam), Skwxwú7mesh (Squamish) and sə́lilwətaʔ /Selilwitulh (Tsleil-Waututh) Nations.



living wage
employer