

Accountability of the Canadian Employment Insurance Commission (CEIC)

Issue

The Employment Insurance (EI) program has been a tool developed and administered by the Government of Canada to enable stability as it relates to employment, labour market participation and the skills upgrading to maintain the relevancy of broad skill bases throughout the Canadian labour pool.

The Employment Insurance program, in its current form and without appropriate business representation is not fully meeting the needs of the primary contributors to its funding, the businesses and employers in Canada.

Background

The administration and use of the EI program has long been criticized as a contributor to persistent barriers impeding labour market mobility in Canada from jurisdictions with high unemployment to jurisdictions with high demand for labour. The recent imposition of the Canada Job Grant (CJG), operational July 1, 2014, by the federal government onto provincial and territorial governments charged to deploy and administer labour market development and training is another example of the dysfunctional approach the federal government pursues to solve labour market challenges. Employers are asked to continually and increasingly, fund programs to solve labour market issues they already provide funding to resolve. The federal government has yet to demonstrate proportional value for deployment of funds already collected to solve these issues on the taxpayer's behalf.

In addition to the contribution the EI program has made to restricting labour mobility in the country, employers find themselves negatively affected further the by one-size-fits-all approaches to labour market development represented by the CJG. This new approach to labour market development does not respect, or acknowledge, the regional needs or the diversity of local economies across this vast nation. In fact, the imposition of the CJG underscores the critical issue undermining the effectiveness of the EI program for supporting a competitive and productive Canadian economy - accountability to its primary funder, the businesses and employers in Canada.

Employers supply 60 per cent of EI contributions with employee contributions supplying the remaining 40 per cent. EI forecasts for 2014 are approximately \$13 billion with 20 per cent, or \$2.6 billion, of the total revenue funded by employer top up dedicated to training.

It is the role of the Canadian Employment Insurance Commission (CEIC) to support the deployment and administration of these funds by assisting Human Resources and Skills Development Canada (HRSDC) in managing the Employment Insurance (EI) Program. It is a tripartite organization with representation from business, labour and the Government of Canada.

The EI Commission is responsible for:

- Supporting the EI appeal system
- Making regulations with the approval of the Governor in Council
- Reviewing and approving policies related to EI program administration and delivery
- Continuing development of the EI Monitoring and Assessment report as a permanent annual report.

The Commission performs duties and functions in relation, but not limited to:

- Employment insurance
- Employment services
- The development and utilization of labour market resources

Despite being the majority contributors, employers represent only one third of the tripartite relationship forming the organization of the CEIC. Further contributing to the lack of fairness and accountability inherent in the current state of this arrangement, the employer representative only stands as one of four commissioners. An employee representative fills another commissioner role with government representatives standing for the other two. In essence, a 60% contribution only equates to 33% representation as there is one vote for each respective interest. This

grants responsibility to enable labour market development relevant to the needs of the business community, into the hands of political and non-business representatives. The result is a significant lack of accountability to the employer funders of EI and a risk to economic competitiveness

For Canada's economy to be sustainable and competitive in the long term, this arrangement and representation must be amended to reflect of the needs of the primary driver, and contributor, to labour market activities in the country – the employers and business community in Canada.

Recommendation

That the federal government amend the representation of the Canadian Employment Insurance Commission to two employer representatives, one employee representative and one additional member representing the interests of government; and that the Minister of Employment and Social Development be appointed as Chair of the Commission, only voting on issues where there is a stalemate between the four primary representatives of the commission.