

Employment Insurance: A Budget Slush Fund

In Canada today only about one third of the nation's approximately 1.5-million unemployed are eligible to receive Employment Insurance (EI) benefits.

A study by the Canadian Labour Congress shows nearly a million workers dropped each year from EI coverage since the Liberal's election in 1993. The study also shows EI "reform" has had a disproportionate and very negative affect on one group in particular: women.

The Canadian Unemployment Insurance program (today called Employment Insurance) was created over 60 years ago to help workers put out of jobs, and to make the lives of all workers more secure.

In 1989, about 75% of the unemployed receive UI benefits, compared to today's disgraceful rate, which bounces between 30% and 35%.

So, while analysts in the business press debate whether or not we are in a recession, the hard facts are that a lot of plants and businesses are closing; a lot of people are being laid off and fewer than ever before are collecting benefits they are entitled to.

How come?

The federal government has converted unemployment insurance program from an income security program to a budget slush fund.

Between April and December of 2001, the federal government collected \$13.0 billion in unemployment insurance premiums, but paid out only \$9.5 billion. Between 1993 and 2001, the feds took nearly \$45.9 billion out of the fund.

The government should be using the tens of billions workers paid into the EI fund over the last decade to broaden accessibility and improve benefits in the unemployment insurance system, so that all unemployed workers get the income support they paid for.

Not only will that make all workers more secure, but it will help stimulate our economy and pull all us out of this economic slump.

02/28/2002: #14

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