ABSTRACT

Canadian cities are in the midst of a housing crisis, with Vancouver as their poster-child. The city’s over-inflated housing prices decoupled from wages in the early aughts, giving rise to a seller’s rental market and destabilizing employment. As neoliberal policies continue to erode the post-war welfare state, an increasing number of Canadians are living in precarious environments. This uncertainty is not just applicable to housing, however. Employment tenure has been on the decline, specifically since 2008, and better jobs—both in security and quality of work, with more equitable wages—are becoming less and less common. These elements of precarity are making decent work (as defined by the ILO), security of housing tenure, and a right to the city some of the most pressing issues at hand for Canadians. Using Vancouver as the principal case study, the political economy of precarity is examined through the various facets—including socio-cultural, economic, health, and legal—that are working to normalize this inequity. This paper proceeds to examine the standard employment relationship (SER) in a Canadian context through a critique of the neoliberal policies responsible for eroding the once widely-implemented SER is provided to conclude the systemic marginalization experienced by those in precarious and informal situations must be addressed via public policy instruments and community-based organization.

INTRODUCTION

While the sharing economy, such as shared housing provider Airbnb, or the gig economy associated with organizations like Uber, Lyft, TaskRabbit, and Fiverr, conjure images of affordable options for travellers, or employment opportunities during an economic downturn, they have simultaneously normalized housing crises and stagnating wages for those who live and work in urban centres. They similarly all refer to some form of precarity—an increasingly common reality of insecure tenure of both employment and housing being forced upon urban workers. Defined by unstable, low quality, inequitable, and temporary housing and employment, it’s changing the identity of the Canadian middle class.

This paper aims to explore the factors that have led to the rise in precarious work and housing in recent years and elaborate on the impact for Canadians. The first step to understanding this phenomenon is delineating the precariat’s identity. Next, I will explore what it means to be a member of the precariat in Canada. By using Vancouver, British Columbia as a case study, I examine how the two elements of precarity—employment and housing—have developed since the first United Nations Conference on Human Settlements took place in 1976. By examining the period following post-fordism, I will show how globalization and de-industrialization, exacerbated by economic slowdown, created an environment for precarity to thrive in. This investigation gives way to a modern framework of policies that can facilitate this new lifestyle in a safe and dignified way.
DELINEATING PRECARITY

IDENTITY

How have we arrived at the point where one-third of urban populations live in precarious environments? Some would argue that globalization has brought about global insecurity (Standing, 2011) while others are witnessing an unprecedented rise in populism in the Global North. The latter is evidenced by Britain’s vote to leave the European Union and America’s election of Donald Trump. Moreover, both the EU and the United States have pushed their industrial limits particularly seen in the decline of income mobility in the United States in the post-war era. This is a troublesome trend for young Americans, who now have a 50 percent chance of earning a greater income than their parents did, whereas forty years ago that chance was 90 percent (Chetty et al., 2016). In the meantime, Canada is embracing globalization1 and the growing trend of precarious employment among its citizens as evidenced by Federal Finance Minister Bill Morneau’s recent comments about the persistence of temporary contracts and/or part-time employment that characterizes the insecure employment young workers are currently subject to, which he called the ‘job churn’ (“Bill Morneau discusses ‘job to job to job’ realities,” 2016). Moreover, newcomers to Canada are twice as likely to be precariously employed within their first year of coming to Canada and remain up to one-third more likely to be precariously employed than their non-immigrant counterparts for the first decade of their lives in Canada (Lewchuk et al., 2013, p. 32).

When dramatic shifts in the geo-political sphere occur, securing the basic necessities can become all the more difficult for citizens. So, for the purposes of this paper, precarity is characterized by any situation where a person finds themselves in unstable, temporary, low quality, and inequitable housing and/or employment. Precarity can manifest itself in two distinct forms: formal or informal. Formal precarity is work or housing situations that are part-time or temporary and only somewhat regulated (e.g. Airbnb, Uber driver, etc.). Informal precarity is work or housing that is deregulated and almost always temporary (e.g. street hawker or informal settlement). First it is worth exploring what it means to be precariatised, or, “living in the present, without a secure identity or sense of development achieved through work and lifestyle,” as Standing puts it (2011, p. 16).

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1 This is reflected in the recent approval of the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union
IMPLICATIONS

As production economies began shifting away from manufacturing and toward the service and technology sectors in the 1980s, a desire for business agility replaced the mass-production Fordist mentality. Running a lean operation of fewer full-time employees began to appeal to the next generation of companies as white-collar work increased throughout the 1990s. A streamlined organizational structure meant companies could loosen managerial centres and outsource many of their temporary employment needs to flexible workers (Tomaney, 1994). The latter was the primer for flexible work and contract services that gained popularity throughout the era, catalyzing the precariat identity (Standing, 2011). As seen in Figure 1 above, Canada was no exception to this trend as contract employment increased by 112 percent for the Canadian services-producing sector while employment in the goods-producing sector remained relatively flat from 1987 onwards (see Figures 1 and 2).

Inasmuch as precarity was born out of the post-Fordist desire to streamline organizational structures, its origins also had a supply-side element that began with migrants looking for work. As Standing (2011) points out, unskilled labourers come to urban areas seeking employment, which often ends up being temporary and sometimes informal, particularly in the developing economies of the Global South. This type of unskilled labour, while advantageous to employers, often has negative results for the employee(s) as it does not provide them with ‘decent work’. The International Labour Organization (ILO) outlined its criteria for what constitutes ‘decent work’ as employment that “delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all
women and men” (International Labour Organization, n.d.). Two of these criteria are ever available to members of the precariat, whether formal or informal.

In Canada, the Standard Employment Relationship (SER) was created to avoid this type of labour exploitation. It was formalized through a number of Canadian political institutions in the post-war era and came to be associated with “a full-time, full-year employment relationship where the worker has one employer, works on the employer’s premises, and has access to social benefits and entitlements to complete the social wage” (Fudge & Vosko, 2003, p. 186). However, labour market de- and re-regulation has enabled businesses to actively erode the SER since the 1980s. This has consequently resulted in particularly high incidences of non-SER employment—or what Fudge & Vosko (2003) call ‘contingent work’—among vulnerable populations such as youth, women, and immigrants in Canada. For Fudge & Vosko (Ibid), contingent work is predicated on “atypical employment contracts, limited social benefits and statutory entitlements, job insecurity, low job tenure, low wages, and high risk of ill health” (p. 183). These are all defining factors of the precariat’s living conditions.

Another typical member of the precariat is the temporary worker, who generally makes about two-thirds of the wage that a permanent employee would and takes on higher risks to achieve their tasks (Ibid). The work is often short-term and does not provide security of tenure (e.g. casual labour and

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2 For further information and implementation strategies on decent work see the ILO’s Decent Work Indicators (2013) framework and Goal 8 of the UN’s Sustainable Development Goals in the 2030 Agenda for Sustainable Development.
most—if not all—of the jobs offered by the ‘sharing economy’). According to Statistics Canada, there were 2,017,900 Canadians, or 13.1 percent of the national labour force, employed in temporary positions as of November 2016 (Statistics Canada, 2016a).

With the ratification of ILO Convention 100 “Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value” (simply referred to as ‘equal pay for equal work’) in Canada in the early 1970s, the number of women in the workforce began to rise, but so did forms of contingent work, most notably part-time employment (Fudge & Vosko, 2003). This was the case for Canadian workers as shown in Figure 3, where part-time employment rose from 11.62 percent of the labour force in 1976 to 17.59 percent in 2015 (Statistics Canada, 2016d). Katz & Kreuger (2016) found that formal precarious work in America rose to more than 50 percent from 10.1 percent of the total national workforce to 15.7 percent between 2005 and 2015. Of particular concern is how this growth in formal precarious work accounts for all of the net employment growth in the United States during that period (Ibid). Such part-time employment is usually held by women and minorities, and is precarious because it does not offer the same socio-economic benefits that full-time, permanent employment does; as Standing notes: “[p]art-timers, often women, ... may end up more exploited, having to do much uncompensated work-for-labour outside their paid hours” (Standing, 2011, p. 15).

Fear of exploitation and a sense of insecurity often lead to high levels of stress and anxiety, having detrimental effects on both individuals and public health, including higher mortality rates among temporary workers (Lewchuk, Clarke, & de Wolff, 2011). However, one Canadian researcher has found that the basic minimum income, or “Mincome”, project piloted in Dauphin, Manitoba from 1974-1978, which provided income security to low-income workers through a limited wage subsidy, worked well to relieve the negative health effects induced by precarious situations as people worried less about making ends meet (Forget, 2011).

**FORMAL OR INFORMAL?**

The legal status of precarious workers is often ambiguous at best, which lends itself to exploitation from employers and/or public institutions. An important disambiguation for legal purposes is that between contractors and the self-employed. There are “contractors” who are actually self-employed individuals working in environments where they should be considered employees, such as the 2013 incident at Shaw Communications in Calgary, AB. In this case, two employees found out they had been expected to file their income taxes as if they were self-employed individuals, despite working at Shaw’s offices and using Shaw’s equipment (Tomlinson, 2013). While illegal according to Canada Revenue Agency guidelines, it is advantageous for businesses to claim their employees are actually self-employed, as it allows them to avoid paying into social protection benefits such as Employment

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3 n.b., I use scare quotes for the term ‘sharing economy’ because of its paradoxical connotation: to share implies multiple users have equal access to the same good or service. Once a power structure rooted in a monetary transaction regulates who has access, that good or service is no longer being shared, but instead being rented or exploited. For a critical account of the sharing economy see Tom Slee, *What’s Yours Is Mine: Against the Sharing Economy* (OR Books, 2016).
Insurance, CPP, and holiday pay. While this type of arrangement is rare, it highlights the trend of SER employment becoming precarious.

A less ambiguous yet equally important distinction is between formality and informality. Subsisting via informal means can result in a variety of undesirable outcomes for both the precariat and government institutions. It necessarily entails a cash economy, which, while offering short-term gains for individuals who escape the tax wedge, is negative in the long-term because it does not entitle workers to public benefits. According to the guidelines endorsed by the 17th International Conference of Labour Statisticians (ICLS) in 2003, “employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to national labour legislation, income taxation, social protection or entitlement to certain employment benefits” (Hussmanns, 2004). These guidelines are further endorsed by the International Labour Organization (2013b), which in Canada includes access to public employment benefits such as EI, CPP, and holiday pay (Lewchuk et al., 2013, p. 37). Moreover, governments should strive to avoid informality because it lends itself to tax avoidance as there is no incentive for informal workers to self-report their cash transactions and no way for governments to keep track of them. Since informal workers are not covered by any legal statutes, such as the Employment Standards Act in Canada, they have very little legal bargaining power, which puts them in a highly vulnerable state. Informal working conditions often exist outside of regulatory environments, which can save employers money but does not cover workers under health and safety regulations, making the informal precariat far less eligible for remuneration, such as workers compensation benefits, in the event of an injury (International Labour Organization, ibid).

The most concerning part of precarity is how quickly formal work can become informal. Formal precarity is not always problematic – in fact, it offers a lifestyle of both financial freedom and flexible work schedules to some precarious workers. However, if a comprehensive legal and policy framework were created, it could address concerns over human rights and socio-economic justice. The benefits of formalizing include: (1) a shared identity, which empowers precariats to organize themselves; (2) legal rights and protection for workers and their families; (3) social protection for workers and their families; (4) the ability to develop community-based alternatives that create social equity; (5) the fundamental legitimization of the precariat and their activities, both as individuals and as a shared identity; and (6) benefits accrued to governments by reducing the likelihood of tax avoidance (Chen, 2012).

**THE CANADIAN CONTEXT**

A common misperception might be that the types of employment and housing described only exist in the Global South. But, in fact, it is an increasingly global phenomenon as the global economic downturn takes hold. As Standing notes, precarity can affect anyone, regardless of geographic location.

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4 See the Canada Revenue Agency publication “Employee or Self-employed?” for a detailed framework of employment categorization in Canada.

5 See Chapter 7 in Lewchuk et al. (2011) for further details and interviewee accounts of the benefits of formalized precarious employment.
or social status: “It [precarity] is being in a status that offers no sense of career, no sense of secure occupational identity and few, if any, entitlements to the state and enterprise benefits” (2011, p. 24).

As one of the few G7 countries finding benefits in globalization at the present moment (Kassam & Mathieu-Léger, 2016), Canada is doing so at the cost of its citizens, who find themselves in increasingly precarious situations. In October 2016, Canada’s Federal Finance Minister Bill Morneau acknowledged this by publicly asking: “How do we train and retrain people as they move from job to job to job? Because it’s going to happen. We have to accept that” (“Bill Morneau discusses ‘job to job to job’ realities,” 2016). This was part of what Morneau called the ‘job churn’—a term that expresses a sense of instability and temporality, effectively synonymous with precarity—that young Canadians are currently experiencing.

Canadian sociologist Harvey Krahn’s paper “Non-standard Work on the Rise,” (1995)\(^6\) analyzed data on temporary and contract employment to find it has been increasing since the 1980s in Canada. Fudge & Vosko have corroborated these findings, attributing them to the 1981-82 recession, when men’s labour-force participation rate declined while women’s plateaued (2003). The fiscal policy that followed this recession resulted in a rapid decline in SER institutions “and undermined the strength of the Canadian labour movement,” paving the way for contingent work to become the new norm by the end of the 1980s (Fudge & Vosko, 2003, p. 197). With precarity still on the rise three decades later and the federal government insistence that globalization is the way despite an acknowledgment of the inequalities it creates (Kassam & Mathieu-Léger, 2016), it is unclear whose needs globalization serves.

**PRECARITY IN VANCOUVER, BRITISH COLUMBIA: A CASE STUDY**

In the summer of 1976, the first United Nations Conference on Human Settlements was presented by UN-HABITAT in Vancouver, British Columbia. As cities began to grow at exponential rates, it provided international heads of state an opportunity to develop a global action plan regarding the future of human settlements. Meanwhile, a community-organized alternative to the official conference, known simply as the *Habitat Forum*, ran concurrently to facilitate grassroots discourse and human rights based ideas epitomized in Vancouver’s False Creek South and Granville Island developments. These ideas included co-operative housing that embodied the principle of adequate housing for all neighbourhoods that were accessible by active transportation rather than cars, and the preservation of limited natural resources.\(^7\)

Forty years later, the issue of urban housing persists, as evidenced by the Habitat III Policy Paper Framework #10 – Housing Policies (2015d), which emphasizes housing as necessarily bound to urbanization and an integral part of socio-economic development. However, little has been done to address housing inequalities in Vancouver, despite being the birthplace of the Vancouver Action Plan—a framework for equitable housing conceived during the Habitat 1976 conference. Home prices in the

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\(^6\) Data on this type of ‘non-standard’ (i.e., not full-time, permanent) work was collected by Statistics Canada’s General Social Survey in 1989 and 1994, but was discontinued shortly thereafter.

\(^7\) See http://habitat76.ca for more on the Habitat Forum.
region have been on a dizzying upward trend for decades now, as seen in Figure 4 below. This rapid increase has caused an affordability crisis as local wages have decoupled from housing prices. Between 2000 and 2014, the benchmark price of a detached house in Metro Vancouver rose 270 percent (Greater Vancouver Real Estate Board, 2000 & 2014) while average wages in the region rose only 29 percent over the same period (Statistics Canada, 2016b).

Figure 4.

When the average detached home price reached its peak of $1,826,541 in January 2016 (Real estate Board of Greater Vancouver, 2016), it became overwhelmingly clear that adequate housing has become well out of reach for most Vancouverites. Although prices have decreased slightly since then (see Figure 4), even purchasing a condo at the average sum of $763,331 is still beyond the general earnings of young professionals. It is therefore logical to assume that many will continue to rent (or

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8 Note that Statistics Canada Labour Force Survey data is only available between 2000 and 2014 on the subject of localized wages, nevertheless the discrepancy between wages and housing prices should be clear.

9 Median employment income for Greater Vancouver was $32,230 in 2014. See Statistics Canada. (2016b) CANSIM
even live at home) well into adulthood, so this paper will focus on policy responses that speak to their needs, specifically those related to rental housing.

In the 2016 Rental Market Report for Greater Vancouver, the Canada Mortgage and Housing Corporation (CMHC) (2016) noted a decrease in the region’s vacancy rate to 0.7 percent overall. Meanwhile, the average rental price rose 6.4 percent between 2015 and 2016 to $1,223 per month. The CMHC notes this is problematic, acknowledging “[t]his is well in excess of the allowable rent increase for 2016 of 2.9 per cent for existing tenants, as set by the BC government Residential Tenancy Branch, suggesting that new leases were signed by many tenants” (Canada Mortgage and Housing Corporation, 2016, p.3). While that may be true, they attribute this surge of new leases to a significant number of “building upgrades and renovations,” (Canada Mortgage and Housing Corporation, 2016, p.3) which is also an eviction method that has now become a ubiquitous term among Vancouverites: ‘renoviction’. In British Columbia, a renoviction has long been the most common method of legally empowering landlords to evict a tenant on the grounds of building renovations or a having a family member move in (Hager, 2016). However, in addition to this, a new method of eviction has also presented itself in Vancouver: fixed-term rentals, which the CMHC fails to mention in their report.

The city’s extremely low vacancy rate has led to an exceedingly high demand for rental housing and, as such, prices are rising well over the government mandated 2.9 percent per annum. Fixed-term leases allow a landlord to stipulate a fixed timeframe (e.g. six months, one year, etc.) that a tenant may live in the rental unit before that lease expires. This subjugates tenants because once the lease has expired, the landlord has legal control over the unit and is entitled to do whatever they choose with the unit, whether that means selling the unit, leasing it again, or simply leaving it empty. However, if the lease is renewed, the terms can be re-negotiated, enabling a rent increase beyond the mandated 2.9 percent that a regular lease would allow for (Hager, 2016). This practice is highly beneficial to landowners while the insecurity of tenure experienced by the tenant puts them in a precarious situation because they are not guaranteed the ability to renew their lease, nor can they engage in financial planning beyond the term of the lease (usually one year).

Short-term rentals, specifically those provided by the ‘sharing economy’ such as Airbnb, are also precarious because they provide no security of tenure and are generally more expensive in the long-term. One Vancouver researcher has estimated there were 4,726 Airbnb rentals listed in the City of Vancouver as of December 2015 (Sawatzky, 2016). As Sawatzky points out, there were 136,135 renter households in the City of Vancouver according to the 2011 National Housing Survey, meaning as much as 3.5 percent of the city’s potential rental stock that has effectively been converted to short-term rental listings that often appeal to tourists rather than residents. In addition to the Airbnb crunch on rental housing, Vancouver Urban Planner Andy Yan estimates that 58,229 units of housing are either empty or occupied on a temporary basis in Metro Vancouver as of 2011. That amounts to 6.1 percent of the region’s housing supply that doesn’t house full-time residents, with 87 percent (upwards of 50,000) of these units completely unoccupied (Yan, 2016; Ferreras, 2016). The implications of these temporary rental units and unoccupied dwellings are inflated rental market prices and precarious housing

Table 111-0004 - Neighbourhood income and demographics.
arrangements that do not provide security of tenure while tens of thousands of dwellings sit empty. Meanwhile the city’s 2016 homeless count found there were 1,847 people without permanent housing in Vancouver (Thomson, 2016).

Recalling Minister Morneau’s remarks about the persistent ‘job churn’ young Canadian workers are currently experiencing, it is worth noting that annual incomes in Metro Vancouver have been some of the lowest in the country on average, and consistently below the national average since the turn of the millennium (see Figure 5). Moreover, the data in Figure 6 shows that while full-time employment from 2006 to 2015 was somewhat volatile, part-time employment was much more so, illustrating how unstable this type of precarious employment can be.

More interesting though is the change of these employment types over the same ten-year period, as seen in Figure 7 below. During this time, full-time employment in Metro Vancouver rose by 11.60 percent, whereas part-time employment rose by 19.73 percent (Statistics Canada, 2016e). Additionally, as illustrated in Figure 8 below, we can see that British Columbian temporary workers earned roughly two-third the average annual wage that their permanently employed counterparts did over the ten-year period from 2006-2015 (Statistics Canada, 2016c). Both the increase in part-time labour and gap in earnings for temporary workers illustrate the instability and inequality of these employment types, making it clear that precarious work is on the rise in Vancouver. Of course, these figures do not account for the informal work that is also occurring.
Figure 6. Annual % Change in Employment, 2006-2015 Vancouver (CMA)

Source: Statistics Canada, 2016. CANSIM Table 282-0129.

Figure 7. Employment Growth in Metro Vancouver, 2006-2015

Source: Statistics Canada, 2016. CANSIM Table 282-0129.

Figure 8. British Columbians' Weekly Income, 2006-2015 (Annual Average)

Source: Statistics Canada, 2016. CANSIM Table 281-0063.
POLICY RESPONSES TO PRECARITY

As precarity continues to grow in Vancouver—and elsewhere—a number of policy responses and local economic development strategies are being implemented. In Vancouver, the Downtown Eastside Community Economic Development Strategy is seeking to formalize workers in the informal economy through a series of quick-start projects with community partners suggested by the local Business Improvement Association. For example, bottle pickers have begun to formalize their activities under projects like United We Can and The Binners Project. Similarly, informal waste pickers in Bogotá, Colombia were formally acknowledged as public service providers in 2013. This is a strong example of the benefits formalizing can have, such as enabling the government to collect taxes, creating institutional partnerships, and strengthening workers’ identities and their ability to organize (UN-Habitat, 2015b; Informal Economy Monitoring System, n.d.).

There has been support for citizens’ right to the city in many parts of the world, where residents without adequate housing have found alternative housing solutions (e.g. slums, squatting), but such methods have not yet taken hold in North America. Since there seems to be little political will to ban housing speculation (i.e., the act of purchasing a dwelling with no intention of living in it to allow for a quick resale), a common sense—albeit somewhat radical—solution to the housing crisis facing many precarious Vancouverites that would also utilize some of the region’s more than 50,000 empty housing units is to formalize squatting. The UN has long-acknowledged the right to adequate housing as a basic human need, and during a housing crisis, formalizing squatting can be seen as a social benefit (UN Habitat). Similarly, a framework for the formalization of housing sites composed of temporary dwelling structures (often known as ‘tent cities’) should be implemented, if even on a long-term temporary basis, as has been done in cities across the United States, including Vancouver’s neighbours Seattle, WA (Beekman, 2016) and Portland, OR (Mosher, 2010). Formalization has the potential to improve health and safety standards, and although numerous tent cities have appeared in Vancouver and Victoria, BC, none of them seem to have long-term vitality (Brown & Larkin, 2016).

Finally, to combat the employment instability many have experienced since the 2008 global financial crisis, a number of scholars are calling for a revised social safety net for precarious employment. In Canada, this includes the first comprehensive analysis of the Manitoba Mincome project published by Evelyn Forget in 2011 along with a handful of Canadian provinces publicly raising interest in exploring the opportunities basic minimum income has to offer. Throughout 2016 a number of provincial governments were exploring basic minimum income pilot projects, including Ontario, Quebec, and Prince Edward Island, the latter in conjunction with the federal government (“P.E.I. MLAs effusive in their support for basic-income pilot project,” 2016). The Manitoba Liberals also campaigned with a commitment to pilot testing a basic minimum income as part of their platform in the 2016 provincial election (“Manitoba Liberals to pilot minimum income project if elected,” 2016). In the end however, the party was not elected.

10 For a successful model of formalized squatting, see the law of adverse possession in Sao Paulo, Brazil, where citizens’ right to the city trumps those of absent landlords.
CONCLUSION

This paper has highlighted how contingent work, the sharing economy, part-time and temporary employment, Airbnb, empty homes, fixed-term leases, and tent cities are all associated with the phenomenon of precarity. This analysis defined formal and informal precarity and explored the socio-economic, health, and legal impacts of living in precarious environments. As precarity rises, it is imperative to further explore the impacts of formalizing precarious work and housing because it legitimizes the precariat and their activities, thereby increasing health and safety measures and more specifically, allowing young people to feel confident in their long-term planning. While the long-term goal should be to eliminate precarity in all forms, short-term policy instruments should be developed to mitigate the detrimental effects to health and safety that ongoing precarity gives rise to. Programs such as basic minimum income, in conjunction with existing social programs, and the formalization of temporary alternative housing could potentially provide dignified solutions to the rise in precarity Canada—and the rest of the world—is currently experiencing.
REFERENCES


