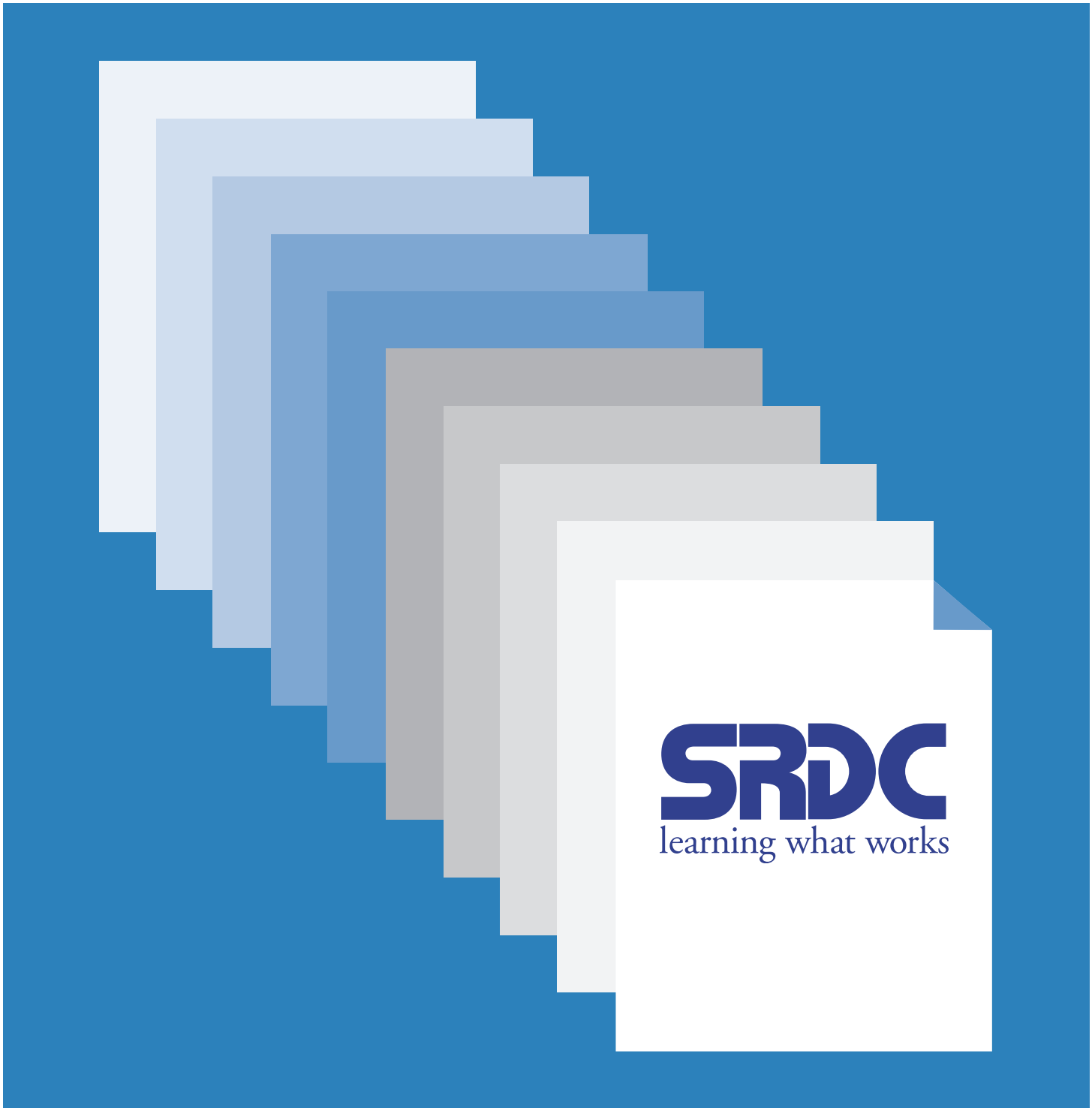
SRDC Working Paper Series 03-04

Seasonal Employment and Reliance on Employment Insurance:
Evidence From the SLID

by Shawn de Raaf, Costa Kapsalis, and Carole Vincent

June 2003



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SRDC Working Paper Series 03-04

Seasonal Employment and Reliance on Employment Insurance: Evidence From the SLID

The Earnings Supplement Project

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This paper is part of the Social Research and Demonstration Corporation's Earnings Supplement Project (ESP), sponsored by Human Resources Development Canada (HRDC). The authors would like to thank Pierre Tourigny for his technical assistance as well as Marcel Bédard, Alex Grey, Katherine Marshall, and Marc Van Audenrode for helpful comments. The research and analysis are based on data from Statistics Canada. The opinions expressed herein are the authors' and do not necessarily reflect those of the Social Research and Demonstration Corporation (SRDC), HRDC, or Statistics Canada.

According to the recent Employment Insurance Coverage Survey, over 80 per cent of paid employees who lost their job in 2001 had accumulated enough hours of paid work to receive Employment Insurance (EI) benefits. According to Human Resources Development Canada's *2001 Employment Insurance Monitoring and Assessment Report*, this figure represents the EI coverage rate among individuals "for whom the program was designed." While the eligibility criteria for regular EI benefits continues to be based on becoming unemployed for involuntary reasons, more and more, the EI program provides financial assistance to workers who leave work for reasons that are often voluntary, even planned. With the recent enrichment of parental benefits and the expansion of coverage to include compassionate leave for persons who need to take time off work to care for a gravely ill family member, it is becoming less clear for whom the EI program is designed.

A recurring coverage issue is the inclusion of seasonal work as insurable employment. Since the introduction of unemployment insurance in Canada in the 1940s, there has been considerable debate about whether this program should provide benefits to workers with periodic, often predictable spells of unemployment. Historically, seasonal workers could be found working in particular industries and occupations. Today, however, new technologies and changing patterns of work complicate the identification of seasonal workers. Therefore, an informed debate about the relationship between seasonal work and EI use requires us to take into account that individuals with a seasonal pattern of unemployment do not form a homogenous group, and the variety of circumstances they face requires a diversity of policy responses. This working paper by Shawn de Raaf, Costa Kapsalis, and Carole Vincent contributes to our understanding of this issue by providing insight into the multi-dimensionality of seasonal employment in Canada. It proposes an original measure of long-term seasonal employment and documents the extent to which seasonality in employment contributes to frequent reliance on EI benefits.

This paper is part of the Earnings Supplement Project (ESP)'s ongoing research initiatives, which focus on providing empirical and analytical evaluations of key issues essential to formulating policy responses to the needs of workers who face barriers to secure, year-round employment and who, consequently, must rely on EI benefits. The ESP was originally implemented in 1995 as a demonstration project to test the use of a financial incentive as a way of hastening re-employment. It has now developed into a broader program of research that seeks to provide answers to three main questions: Who are the workers who do not have secure, year-round employment and depend on EI benefits? What barriers to standard employment do they face? What can be done to better address their needs? This study is the third paper to be published in this series of working papers providing new evidence on work and EI use patterns.

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Abstract

In recent years, seasonal claimants have maintained a steady 80 per cent share of individuals who claim Employment Insurance (EI) benefits on a frequent basis. This reflects the fact that seasonal workers are, by definition, more likely to be laid off than other types of workers. But to what extent does it also reflect the fact that seasonal workers have a higher propensity to claim EI following a job loss? This study seeks to broaden the understanding of the link between seasonality in employment and the reliance on EI benefits by using data from the Survey of Labour and Income Dynamics (SLID). This longitudinal data set samples a cross-section of Canadian workers and surveys them for a period of six years. It provides a unique opportunity to observe seasonal workers' employment patterns over a lengthy period and match any spells of EI receipt they may have had during this period to seasonal breaks in employment.

The findings presented in this paper support previous research that found seasonal work to be a major contributor to EI use, revealing for example that approximately 60 per cent of seasonal breaks in employment lead to the receipt of EI benefits. This analysis also shows that more than 60 per cent of workers who exhibit a seasonal pattern of job losses — a minimum of three job separations or absences from work occurring in the same period every year over a five-year period — have at least one seasonal job loss not leading to an EI claim. However, 17 per cent of them never claimed EI after any of their seasonal job losses. Seasonal workers who are able to avoid relying on EI are not necessarily doing better on the labour market. These workers are younger and more likely to live in regions with relatively good employment opportunities, but seem to be more likely to have a lower attachment to the labour market (not qualifying for EI benefits) or to be in precarious employment situations, combining multiple, possibly part-time jobs to provide year-round employment.

Among seasonal workers who do rely on EI, there is significant variation in their circumstances and personal characteristics. Workers relying on EI frequently face significant barriers to obtaining year-round employment, as they are older, less educated, and living in regions with poor employment opportunities. In comparison, workers who rely on EI only once following their seasonal jobs are younger, have achieved the highest educational attainment, live in regions with good employment opportunities (but not necessarily the lowest unemployment rate) and have the highest family incomes of all seasonal workers. They are also able to maintain a strong link to the labour market during their off-season, being the quickest to regain full-time employment following their seasonal job losses.

Introduction

A key insight from recent research on the reliance on Employment Insurance (EI) benefits in Canada is the finding that many frequent EI claimants tend to make claims in a distinctly seasonal fashion, whether or not they are attached to a sector of economic activity that is seasonal in nature. With the growth in supply of part-time and non-permanent employment opportunities, particularly in service-based industries, many workers demonstrate seasonal patterns of employment even though they are not working in a typically "seasonal" industry. This creates confusion around the concept of seasonality, as there are various ways to define and measure seasonal work: some definitions focus on measures of seasonal jobs while others focus on seasonal workers. Some measures of seasonality rely on "mechanical" definitions by identifying repeat periods of employment around the same time every year, while others are based solely on respondents' perceptions of the nature of their jobs.

Seasonal work, no matter how it is defined, has long been an important aspect of the Canadian labour market. With a large resource sector and a climate that is one of the most varied in the world, the Canadian labour market naturally exhibits large seasonal fluctuations in output and employment every year. In recent decades, however, the contribution of seasonal work to the Canadian economy has gradually diminished as industries have become modernized and more diversified. In their analysis of seasonality in employment in Canada, Marshall (1999) and Guillemette, L'Italien, and Grey (2000) report that the average monthly swings in employment due to seasonality declined during the 1976 to 1997 period.[1] Two principal trends have contributed to this reduction in seasonality of Canadian industries. The first is a decrease in the degree of seasonality within traditionally seasonal industries due to the adoption of labour-saving technological advances. The second trend is an overall decrease in the share the traditionally seasonal industries have of total employment in Canada due to increasing demand for services and decreasing demand for manufactured goods.

Despite the overall decline in seasonality in Canada, seasonal jobs continue to account for a large share of employment in many regions across the country. Although seasonality has declined in most provinces, the Atlantic provinces still remain well above the national average with regard to the degree of seasonality in employment, mainly due to the presence of highly seasonal industries in these provinces. Moreover, Canada remains quite dependent on seasonal work relative to other countries with a similar climate. Grady and Kapsalis (forthcoming) found that among the Nordic countries of Finland, Sweden, Denmark, Iceland, and Norway — countries where similar seasonal employment trends would be expected — only Finland exhibited greater seasonal fluctuations in employment over the 1994 to 1998 period than Canada.

While a seasonal work schedule may be acceptable to some workers, such as students, who prefer temporary work, it may not be the preferred employment pattern of many workers

[1] HRDC (2001a) provides a more recent analysis of seasonality. However, this analysis looks at the extent of seasonal work among those who experienced a job separation using the Canadian Out-of-Employment Panel (COEP). It is thus an analysis of seasonality among unemployed as opposed to employed workers.

who, from year to year, face various barriers to secure, year-round employment. Since their financial resources may be uncertain for large parts of the year, many seasonal workers rely on the EI program to stabilize their income in the off-season. However, contrary to the common view, not all seasonal workers resort to EI benefits following their seasonal layoff, either by choice or because their seasonal employment does not provide them with enough hours of work to qualify for benefits.

The objective of this paper is to gain a deeper insight into the nature of seasonal work in Canada and its current relationship with the EI program. It addresses the disparities in the measurement of seasonality by proposing alternative definitions that properly distinguish between the concepts of seasonal workers and seasonal jobs. Using longitudinal data from the Survey of Labour and Income Dynamics (SLID) covering the 1993 to 1998 period, this paper documents the multi-dimensionality of seasonality to determine the extent to which seasonality contributes to the frequent reliance on EI benefits. It also looks at the characteristics that distinguish seasonal workers who frequently rely on EI benefits from those who claim infrequently or not at all. The findings show that, although a majority of seasonal workers do rely on EI on a regular basis, almost one fifth of them never rely on EI following their seasonal job spells. This paper also demonstrates the significant variation in the characteristics of seasonal workers according to their reliance on EI with the intention of informing future policies on the unique circumstances of seasonal claimants who must frequently rely on EI.

The EI Program and Seasonal Work

Since the Unemployment Insurance (UI) program first covered seasonal workers in 1946, there has been considerable debate about whether an insurance program should provide benefits to workers who have recurrent, often predictable or even planned spells of unemployment. When the employment activities of seasonal workers became insurable for UI purposes, the government imposed additional conditions on claimants in seasonal industries that were covered by the program, including a rule stipulating that seasonal workers could only apply for benefits during the period in which they were normally employed. These measures were considered necessary to protect the rights and benefits of other workers in year-round employment, and to keep the program actuarially sound. However, many of the special regulations for seasonal workers were curtailed by the end of the 1950s to address the plight of primary industries, high unemployment, and growing surpluses in the UI fund. Over the following decades, there were repeated calls to move coverage of seasonal workers outside the UI program to bring the program back to its original principles.[2]

When the UI program was significantly overhauled in 1971, new and more generous eligibility rules treated seasonal workers the same as other claimants, with the proviso that the UI Commission could restrict benefits paid out to seasonal workers. The 1971 UI Act also introduced a flexible benefit structure that varied according to regional and national economic conditions as well as claimants' degree of attachment to the labour market. In 1977 variable entrance requirements were introduced, whereby eligibility rules for claiming EI would vary according to regional economic conditions.

By the early 1990s the UI program was seen to be serving as an earned income supplement for high income workers with short employment spells coupled with long unemployment spells. As such, the UI program was accused of discouraging claimants from searching for work in the off-season and strengthening their attachment to seasonal industries. In 1995 the *Report of the Working Group on Seasonal and Unemployment Insurance* (Human Resources Development Canada [HRDC], 1995) warned that since seasonal workers represented as much as 60 per cent of frequent EI claimants, any efforts to curb frequent reliance on EI would greatly impact workers in seasonal industries.[3]

In 1996 Bill C-12 was introduced, creating the Employment Insurance (EI) system. A central objective of this major reform was to foster greater independence and self-sufficiency

[2]In 1961 the federal government commissioned the first fundamental study of the UI program (known as the Gill Committee). Its mandate called for a review of the program's seasonal employment provisions. Included with the Committee's recommendations were special regulations for seasonal claimants that would disqualify claimants who made repeated claims at the same time every year, with seasonal workers and workers in regions with high unemployment receiving income supplements outside the UI program. In 1970 the federal government tabled the White Paper on Unemployment Insurance in the House of Commons. Its proposals supported those of the Gill Committee, advising that other income security programs would be better suited to providing income support to workers collecting benefits on a fairly regular basis.

[3]In its report, the Working Group on Seasonal Work and Unemployment Insurance identifies frequent claimants as those who made a claim three or more years in five years (p. 13) and those who have received UI benefits at least three times in the past five years (p. 25).

among frequent users. The program was changed from a weeks-based to an hours-based system, and a number of provisions were introduced specifically to limit frequent and systematic recourse to EI benefits. For instance, under the *intensity rule*, frequent claimants would receive lower EI weekly benefits as their earnings replacement rate would depend on their degree of reliance on EI in the past, reducing the rate up to five percentage points below the standard 55 per cent of average weekly earnings. In addition, a new benefit repayment schedule was introduced, whereby when a frequent claimant's net income exceeded a certain threshold (lower than that already applicable to non-frequent claimants), the claimant would be required to repay a portion of the amount of regular EI benefits received in that year at a higher rate than the regular 30 per cent applicable to non-frequent claimants. In 2001 Bill C-2 repealed the intensity rule and a separate benefit clawback schedule for frequent claimants on the grounds they had not been effective in reducing the share of frequent claimants. The *divisor rule*, also introduced in 1996, was, however, maintained. Under this rule, claimants are encouraged to work longer since they maximize their weekly EI benefits — or avoid a penalty — if they work two weeks more than the minimum entrance requirement applicable to their region of residence.

In its latest monitoring and assessment report, HRDC (2003) reports that nearly 80 per cent of all frequent claimants (i.e. claimants who made three or more claims in the five years preceding their current claim) exhibit a seasonal pattern of claims. In a special survey on frequent users of EI, the Survey on Repeat Use of Employment Insurance (SRUEI), 62 per cent of male frequent claimants and 50 per cent of female frequent claimants in 1996 reported they worked in a seasonal job in the following year.[4]

While there is growing evidence of the relationship between seasonal work and EI, very little research has examined the link between seasonal jobs and frequent EI claims. One reason for this dearth of research has been the lack of suitable data. Understanding the relationship between seasonal work and EI use over time requires longitudinal data, which are often missing in surveys or cross-sectional instruments. In some cases, longitudinal administrative data can be linked to survey data, such as the Canadian Out of Employment Panel (COEP) or the SRUEI, providing a longitudinal dimension to the research analysis.[5] While these data have great potential for uncovering long-term behaviour, they are often restricted to one dimension of claimants' labour market activity — their EI use over the period — and do not fully capture their labour market experiences while off-claim.

Another major challenge facing the analysis of seasonal workers' reliance on EI is the lack of a standard measure of seasonal work being performed in Canada. Most widely used measures enumerate seasonal workers based on their working in a particular industry, occupation, or geographic region.[6] However, with the decline in overall importance of

[4]HRDC's definition differs significantly from the SRUEI definition, where frequent claimants are defined as 1996 claimants who received at least $1 in benefits in at least two of the previous four years (1992 to 1995). Moreover, in the monitoring and assessment report, the definition of seasonal pattern of EI claims remains vague as individuals are considered to be making seasonal claims if they "started previous claims at about the same time of the year as their current claim" (HRDC, 2003, p. 14).

[5]The COEP, which was designed primarily for analyzing the impact of EI reforms on unemployed individuals, is an example of a data set that, due to its sampling of individuals using their record of employment (ROE), is well suited for linking to EI administrative files. It should be noted, however, that out of respect for individual privacy concerns, it is becoming increasingly difficult to link data from administrative files for monitoring and research purposes, placing into question future research using these sources of linked data.

[6]See for example Wesa (1995).

seasonal work in Canada, the traditional concept of a typical seasonal worker has changed, and few workers can be employed in one seasonal job that will provide enough work and compensation to support them and their families throughout the off-season.

In a study of seasonal workers in New Brunswick, L'Italien, LeBreton, and Grignon (1999) estimate that the average length of seasonal jobs in 1996 was only 17 weeks. As an illustration, consider a typical worker living in northwest New Brunswick where the unemployment rate often exceeds 13 per cent. If this worker has a seasonal job that lasts only 17 weeks, and works, on average, 35 hours per week (for a total of 595 hours), this worker would be eligible for 28 weeks of benefits, for a total of 45 weeks with employment earnings and EI benefits. This leaves a "gap" of seven weeks for that year with no source of income from work or EI. To avoid having to resort to social assistance or other sources of financial support, this worker would need to work more than one job. It is thus not surprising that L'Italien et al. (1999) found that nearly one third (29 per cent) of seasonal workers in New Brunswick worked more than one job in 1996, most of whom were workers in non-seasonal industries where a growing proportion of seasonal employment is found.

Measuring Seasonality in Employment and EI Use

Measuring seasonality on an individual basis is challenging as seasonal jobs currently account for only a small fraction of the millions of hires and job separations that give rise to seasonal patterns of employment. It is therefore easier to classify a job, rather than a worker, as seasonal. By definition, seasonal jobs provide temporary work that is only expected to last until the end of a "season," with season defined as a period where a certain type of service is in demand due to such factors as weather or holiday periods. In contrast, seasonal workers are individuals who face annual spells of unemployment due to regular fluctuations in demand for workers with their particular set of skills and experience. They may work one or more jobs, not all of which may necessarily be considered seasonal, in such a way that there is a seasonal pattern to their annual employment situation.

To provide some perspective on the challenges of measuring seasonal workers on an individual basis, the following sections review a variety of measures that have been used to identify the extent of seasonal work in Canada. As shown in Table 1, these measures are classified under three general headings — seasonal employment, seasonal unemployment, and seasonal reliance on Employment Insurance (EI) benefits — to reflect the variety of ways seasonality is measured.

SEASONAL EMPLOYMENT

One of the more traditional methods for identifying seasonal workers is to use survey instruments that ask workers about the nature of their employment. One common survey that provides a measure of self-identified seasonal workers, the Labour Force Survey (LFS), is a monthly household survey that provides information on individuals who are employed, unemployed, and out of the labour force. To estimate the extent of seasonal work in Canada, the LFS includes two questions about a respondent's current job by which seasonal workers can be identified:

1. Is your job permanent, or is there some way that it is not permanent (e.g. seasonal, temporary, term, casual)?
2. In what way is your job not permanent (seasonal job, temporary, casual, other)? (Answered only if respondent answered that the job was not permanent in the previous question.)

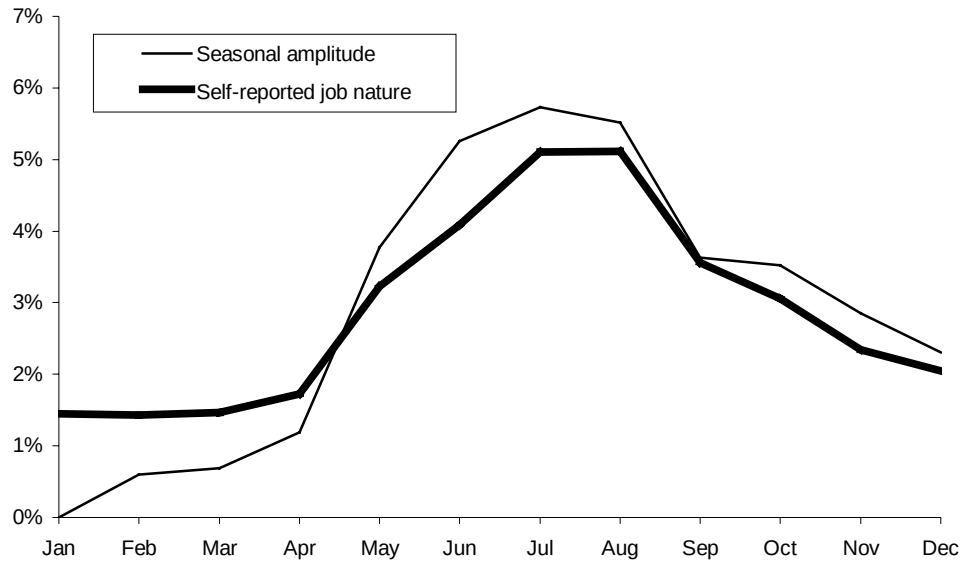
According to the LFS, 5.1 per cent of all paid workers in July 2000 reported that their main job was seasonal. Since young workers have a greater tendency to work in non-permanent positions, the incidence of seasonal work is much higher among workers under 25 years of age, with 14.6 per cent reporting their current job is seasonal in nature, compared with 2.8 per cent of workers 25 years and older.

One problem with the LFS methodology for calculating the number of seasonal workers is that it asks workers to self-identify the nature of their jobs. While most workers in seasonal jobs may be aware that their jobs are temporary for seasonal reasons, some may not. The

reverse may also be true, as workers in seasonal industries may incorrectly identify their jobs as seasonal when they are not. In this case, workers in seasonal industries who do not have seasonal jobs may be prompted by the survey to indicate they are seasonal workers, since they are working in an industry where employment rises and falls due to seasonal factors, which meets the LFS definition for seasonal workers.

Since the LFS is a monthly survey, it is also possible to estimate seasonal employment based on the seasonal amplitude of employment over a given year. Instead of relying on respondents' perceptions of their employment and, therefore, avoid the potential bias associated with self-reporting measures, the seasonal amplitude indicator measures the difference between the maximum and minimum employment levels during the year. Figure 1 compares the two ways of measuring seasonal work using the LFS. As can be seen from this graph, the seasonal amplitude measure produces monthly estimations of seasonal work that are fairly consistent with the self-reporting approach.

Figure 1: Comparison Between Two Measures of Seasonality of Employment, 2000



Source: Labour Force Survey, 2000.

A number of recent special surveys have covered the topic of seasonal work. The New Brunswick Seasonal Workers Survey (SWS) was conducted for the Human Resources Development Canada (HRDC)-New Brunswick Region in early 1997 to better understand the socio-economic situation of seasonal workers in New Brunswick. Based on a sample of 5,014 New Brunswick households, the survey asked household members about all jobs held in 1996, amounting to 10,881 individuals. The survey sample for the SWS is similar to that of the LFS in that it samples only working-aged individuals (aged 15 and older) and does not include people living on reserves or in institutions, or members of the Canadian Forces. Unlike the LFS, which is a monthly survey, the SWS asks questions on the basis of an entire calendar year. As such, the SWS sample is the total number of workers who had at least one job for at least one week during the year, while the LFS measures the average number of

seasonal workers over the course of the year. As well, the SWS includes self-employed seasonal workers, while the LFS does not.[7]

According to the SWS, 20.1 per cent of all workers in New Brunswick had at least one seasonal job during 1996. A seasonal job is defined here as a full-time or part-time job that has a predetermined end date for seasonal reasons. According to the survey, men are more likely than women to be seasonal workers, as 23.3 per cent of male workers reported they were working in a seasonal job, compared with 16.3 per cent of women. The SWS also asked workers a series of questions about the nature and compensation of their employment. For instance, as reported by L'Italien et al. (1999), on average, seasonal jobs paid $8,548 in 1996, much lower than the average of $18,654 for all jobs. Excluding bonuses and overtime pay, over half (53.6 per cent) of seasonal jobs provided $5,000 or less per year, compared with 30.7 per cent of all jobs. At the top end of the pay scale, only 8.2 per cent of seasonal jobs paid $20,000 or more per year, compared with 36.0 per cent of all jobs.

Another survey of interest to the study of seasonal workers is the Survey on the Repeat Use of Employment Insurance (SRUEI). A special survey conducted by Statistics Canada in 1998, the SRUEI was designed to understand the circumstances, attitudes, and job-search activities of all 1996 EI claimants. The SRUEI was a nationally representative survey, and its target population was a sample of all claimants who made an EI claim and received at least $1 in regular EI benefits in 1996. Due to the special interest in frequent claimants, those who made three or more claims over the 1992 to 1996 period were oversampled, which is taken into account in the survey's weighting scheme.

The SRUEI collected a wide range of demographic and economic information on claimants and their households. Claimants were asked about their attitudes toward work and the EI program, as well as any job-search activities undertaken in 1997. Respondents were also asked about their employment experience in 1997, the year after their 1996 claim. Based on this information, it is possible to determine how many 1996 claimants described their main 1997 job as seasonal. However, since this information is cross-sectional in nature, it is not possible to determine if the seasonal work being observed is part of a long-term seasonal work pattern or is merely a one-time occurrence. As well, respondents' seasonal jobs cannot be linked directly to their EI claims and, therefore, cannot be used to investigate the relationship between their seasonal work and long-term EI use.

Since the SRUEI asks respondents about their employment in the year following their 1996 claim, it shows the kind of work different types of claimants pursue following their claim spells. From their responses, 57.4 per cent of frequent claimants (those who claimed and received EI benefits in at least three of five years from 1992 to 1996) described their main job in 1997 as seasonal. This is in marked contrast to occasional claimants (those who claimed EI in one or two years over the same period), of whom only 24.1 per cent described their main 1997 job as seasonal. Male claimants were the most likely to pursue seasonal employment in the year following their 1996 claim. Of male frequent claimants, 61.6 per cent described their main 1997 job as seasonal, compared with 27.6 per cent of male occasional claimants, while 49.9 per cent of female frequent claimants described their 1997 job as seasonal, compared with 20.1 per cent of female occasional claimants.

[7] See L'Italien et al. (1999) for more details.

SEASONAL UNEMPLOYMENT

Another method for estimating seasonality in the Canadian workforce is to estimate the number of workers who experienced a job loss for seasonal reasons. A benefit of this approach over measuring seasonality among currently employed workers is that it better reflects those who have actually experienced a break in their employment for seasonal reasons. In some cases, it is also possible to link the seasonal job loss with receipt of EI benefits, provided some indication of the relationship between seasonal work and EI use is available.

One of the more prominent data sources for calculating seasonal work among the unemployed is the Canadian Out of Employment Panel (COEP). The COEP has been conducted three times under sponsorship by HRDC, and its primary purpose is to evaluate the impact of various EI reforms on individual EI claimants. The COEP survey sample is based on a stratified random sample of records of employment (ROE) over a series of quarters. The EI Act requires an employer to complete a ROE any time an employee stops working due to pregnancy, injury, illness, adoption leave, layoff, leave without pay, or dismissal. The ROE is then used by HRDC to determine if an individual qualifies for EI benefits and, if so, establish the weekly amount of EI benefits and the duration of the claim. The ROE must be issued even if the employee has no intention of filing a claim for EI benefits.

The COEP, therefore, does not sample the entire population of workers, but only those who have just left a job and are potentially eligible for EI (including self-employed fishers). To identify seasonality, the COEP includes a question on the reasons for job loss, with one possible reason being “seasonal factors.” A second question asks about the characteristics of the job using a list of choices that includes “seasonal.” Research has shown that results do not vary greatly using either of the two responses (HRDC, 2001a). Based on COEP data for the 1995 to 1997 period, 15.5 per cent of Canadian workers experienced a job loss due to seasonal reasons.

The COEP provides some interesting characteristics of the relationship between seasonal workers and their experiences with the job market. While seasonal workers are nearly twice as likely to be laid off as non-seasonal workers (72.0 vs. 39.2 per cent, respectively), nearly three quarters (73.0 per cent) expected to be recalled by their employer at a later date, compared with fewer than half (47.1 per cent) of non-seasonal workers. While these findings suggest some relative advantages for seasonal workers compared with other workers, seasonal workers do face a disadvantage in that they are less likely to receive some financial compensation, such as severance, when they become unemployed.

One stereotype of seasonal workers is that they are more dependent on EI in their off-season than other types of unemployed workers. In fact, evidence from the COEP suggests this is not the case, since seasonal workers are equally likely to claim EI as non-seasonal workers, being only 0.6 percentage points less likely than non-seasonal workers (52.9 vs. 53.5 per cent) to collect EI following their job losses. This finding suggests the approximately 80 per cent of frequent claims made by seasonal workers cannot be attributed to seasonal workers’ higher propensity to claim EI following job loss; rather, it is primarily attributable to the higher incidence of layoffs among seasonal workers.

Another survey that examines the link between unemployment and EI use is the EI Coverage Survey (EICS). The EICS is a supplementary survey to the LFS that has been conducted four times per year since 1997. Unlike the LFS, the EICS surveys the unemployed and those who are not in the labour force, with the condition that they have worked in the past two years. In addition to covering the unemployed, the EICS has the advantage in that it collects information on unemployed individuals' use of EI benefits, which the LFS does not.

Based on average monthly estimates from the EICS over the 1997–99 period, 18.3 per cent of all unemployed workers reported their last job was seasonal and among these seasonal workers, 60.8 per cent reported receiving EI benefits since becoming unemployed. Among the unemployed who did not last work in a seasonal job, 53.2 per cent stated they had received EI benefits since losing their job. That the EICS estimate of seasonal workers is somewhat higher than that of the COEP is to be expected; while both surveys measure seasonality among the unemployed, the COEP identifies seasonal workers according to the reasons for their job loss while the EICS asks workers about the seasonal nature of their last job. Not all workers in seasonal jobs end up losing their jobs for seasonal reasons, resulting in more seasonal jobs than seasonal layoffs.

An interesting finding from the EICS is that the differences in the incidence of seasonal unemployment between young workers and older workers is not as pronounced as that found using other measures of seasonality from other data sources. When youth between 15 and 24 years of age are separated from older workers, 21.6 per cent of unemployed youth reported their last job was seasonal, compared with 17.3 per cent of older workers. There is, however, a marked disparity between younger and older unemployed workers in their use of EI: while 75.5 per cent of older workers received EI since their job loss, only 27.8 per cent of younger workers collected EI (63.5 vs. 22.7 per cent of non-seasonal workers). This sizable difference may be due, in large part, to EI eligibility rules, since young people in summer jobs may have greater difficulty gaining enough hours to qualify for EI. They may also be more likely to be classified as *new entrants* to the labour market and, therefore, face more stringent eligibility requirements.[8]

SEASONAL RELIANCE ON EI BENEFITS

Since seasonality is linked so closely to frequent EI use, it is instructive to discern the extent to which EI claimants establish claims for benefits in a distinctly seasonal fashion. One major disadvantage of using this measure is that most of the studies rely on EI administrative data which track claim behaviour over time and, therefore, do not reflect seasonal workers' behaviour while off claim.

One exception is the previously mentioned EICS. Because the EICS asks respondents about their use of EI since becoming unemployed, it provides an estimate of the extent to which seasonal jobs lead to EI claims. According to the EICS, of unemployed workers who stated they had received EI, 20.5 per cent said their last job was seasonal. Seasonality is more

[8]Workers participating in the labour market for fewer than 490 hours in the year preceding their 52-week qualifying period are considered *new entrants* or *re-entrants* to the labour market. With the exception of parents who left the labour market to take care of their children, EI rules stipulate that, no matter in which region they reside, new entrants and re-entrants must work at least 910 hours over the past year before they are able to claim EI.

prevalent among younger EI claimants, as 25.1 per cent of beneficiaries aged 15 to 24 last worked in a seasonal job, compared with 19.9 per cent of older workers.

Of late, a comprehensive source of information on EI claimant behaviour is the EI monitoring and assessment (M&A) report. The M&A report is an annual publication by HRDC since 1997 that provides a detailed analysis of the EI program, particularly the impact the 1996 reforms have had on EI use. As such, the analysis of seasonal work is restricted to the number of seasonal claims in a particular year, based on the pattern of claims made by claimants. Using EI administrative records, the report classifies claimants as seasonal if they have frequently relied on EI in the past, having made three or more claims in the five years preceding the current claim, and have started their previous claims at about the same time of the year as their current claim. Only claimants receiving regular or fishing benefits are included in the analysis.

According to the latest M&A report (HRDC, 2003), 79.0 per cent of frequent claims in 2001–02 were classified as seasonal due to claimants' patterns of establishing claims. Since frequent claimants accounted for 33.8 per cent of all claims in that year, seasonal claimants represented 26.7 per cent of all claims in 2001–02. Unlike other studies, this figure does not present the extent of seasonal work in Canada, since it only includes individuals experiencing a spell of unemployment, who actually claimed EI benefits. It does, however, indicate that most frequent claimants of regular and fishing benefits establish claims on a seasonal basis, suggesting seasonal work is a major contributor to frequent reliance on EI benefits.

In a separate study on seasonal EI claimants in Quebec in 2000, Lapointe (2000) uses a 12-week window for identifying seasonal claim patterns. Using EI administrative records, this study finds that 90 per cent of frequent EI claimants receiving regular and fishing benefits established their claims in a seasonal fashion, meaning they filed their current claims within the same 12-week window as their previous claims (figure not shown in Table 1).

A growing number of studies have begun to link EI administrative records to other data sources, such as special surveys. This expands the scope of analysis beyond the information captured in the administrative data. For instance, Gray and Sweetman (2001) linked EI data to the SRUEI to classify frequent claimants into typological categories according to their historic use of EI, with seasonal frequent claimants as one of the categories. EI records were used to determine the initiation of EI claims, and these claims were compared with the 1996 reference claim made by all SRUEI respondents. Claimants with claims in other years that began within the same eight-week window as their 1996 claim were identified as seasonal claimants, regardless of the type of industry in which they worked or whether or not the respondents self-identified as seasonal workers.

According to this typology, only a small fraction (approximately 15 per cent) of 1996 claimants can be considered seasonal. Gray and Sweetman divided seasonal claimants into two categories: "strictly seasonal" and "mostly seasonal." Strictly seasonal claimants were defined as those who made a claim in every year from 1992 to 1997, and for which each claim began within the same eight-week window as their 1996 claim. Mostly seasonal claimants met these criteria in four or five years during this six-year period. Interestingly, their analysis showed that female claimants were only slightly less likely than male claimants to be classified as mostly seasonal (10.5 per cent of women vs. 10.8 per cent of men) but were more likely to be classified as strictly seasonal (6.3 vs. 4.1 per cent). This finding stands in contrast with other research using the SRUEI sample where male claimants are found to be

more likely than female claimants to report working in a seasonal job the year following their 1996 claim. Although this approach of mechanically defining seasonal claimants is instructive, the study remains an analysis of EI claimants. Therefore, it does not account for those seasonal workers who do not rely on EI, either due to their inability to qualify for EI benefits or their ability to secure other employment in the off-season.

Table 1: Alternative Measures of Seasonality

Data Source	Seasonal Employment
Labour Force Survey, 2000	5.1% of all paid workers reported having a non-permanent, seasonal job. • 14.6% among those under age 25. • 2.8% among those 25 years of age and older.
New Brunswick Seasonal Workers Survey, 1996	20.1% of paid and self-employed workers in New Brunswick reported having a seasonal job. • 23.3% among male workers. • 16.3% among female workers.
Survey on Repeat Use of Employment Insurance, 1997	57.3% of 1996 EI claimants who were working in 1997 reported having a seasonal job in that year. • 61.6% among male frequent EI claimants. • 49.9% among female frequent EI claimants. • 27.6% among male occasional EI claimants. • 20.1% among female occasional EI claimants.
	Seasonal Unemployment
Canadian Out of Employment Survey, 1995 to 1997	15.5% of all workers who experienced a job separation reported that this separation was due to seasonal factors. • 73.0% of them expected to return to employer (compared with to 47.1% of workers reporting their job separation was not due to seasonal factors). • 52.9% of them claimed EI (the same proportion as that of workers who reported that their job separation was not due to seasonal factors).
Employment Insurance Coverage Survey, 1997 to 1999	18.3% of unemployed reported their last job was seasonal. • 21.6% among those under 25 years of age. • 17.3% among those 25 years of age and older. • 60.8% of unemployed seasonal workers received EI benefits (compared with 53.2% of unemployed who reported that their last job was not seasonal).
	Seasonal Reliance on EI Benefits
Employment Insurance Coverage Survey, 1997 to 1999	20.5% of EI beneficiaries reported their last job was seasonal. • 25.1% among those under 25 years of age. • 19.9% among those 25 years of age and older.
HRDC EI Monitoring and Assessment Report, 2001–02	26.7 % of all EI claims were made by claimants with seasonal claim patterns. • 79.0% among frequent EI claims.
Survey on Repeat Use of Employment Insurance and EI Administrative Data, 1996	Approximately 15% of 1996 EI claimants have seasonal claim patterns over a six-year period from 1992 to 1997.

Sources: Gray and Sweetman (2001); HRDC (2003, 2001a, 2001b); Lapointe (2000); L'Italien et al. (1999); Marshall (1999); and Schwartz, Bancroft, Gyarmati, and Nicholson (2001).

MEASURING LONGER-TERM SEASONALITY USING SLID

While the previous measures give some indication of the incidence of EI use among seasonal workers or the seasonality of frequent claimants' EI patterns, they do not measure directly the relationship between seasonal work and EI frequent use. This type of analysis requires the use of a longitudinal data source, such as the Survey of Labour and Income Dynamics (SLID), which captures both respondents' work and EI use patterns over time.

Introduced in 1993, SLID is a novel survey that is well suited to the study of recurrent or long-term, seasonal workers as it is designed to track the economic well-being of respondents over time. Similar to the LFS, SLID samples working-aged individuals who do not live on reserves or in institutions, or who are not serving in the Canadian Forces. Individuals are interviewed over six years, with a new panel of respondents selected every three years (second panel introduced in 1996), effectively doubling the sample size. Each panel contains about 15,000 households representing about 31,000 individuals aged 16 years and older.

Information is collected in two annual interviews: the labour interview in January and the income interview in May. The labour interview collects such information as the person's employment during the past year, household composition, and educational activity. The income interview collects information on an individual's income and its sources during the previous year. This interview is not necessary if the respondent gives Statistics Canada release to use his or her tax records for the purposes of the survey. As a result, most respondents do not have to complete the income interview.

The earliest SLID releases from 1993 to 1998 do not include information on the seasonal nature of respondent employment. If a worker lost a job in a particular year, the reasons for job loss include "seasonal nature of work." Therefore, it is not possible to identify if the job itself is seasonal in nature.[9] As mentioned above, relying on self-identification raises concerns about the accuracy of respondent perceptions of the seasonal nature of their work. For instance, respondents may incorrectly identify the seasonal nature of their jobs if they work in seasonal employment, yet their jobs do not end for seasonal reasons. Or, they may simply not be aware their jobs have ended for seasonal reasons and, therefore, incorrectly indicate their job ended for other reasons. As well, a seasonal worker may work a variety of temporary jobs, not all of which end for seasonal reasons.

The longitudinal nature of SLID provides an opportunity to move beyond relying on respondent self-identification of the seasonal nature of their employment to identifying seasonal workers according to employment patterns over several years. By comparing respondents' job separations and work absences from year to year, it is possible to identify long-term seasonal workers and then link their seasonal employment patterns to any EI claims they may have. Since our interest is in seasonal workers who experience regular, seasonal unemployment spells that can potentially qualify them for EI use — as opposed to workers who indicate their layoff was for seasonal reasons — this is a more satisfactory approach to identifying our sample for analysis.

[9]Future releases of SLID will include information on the seasonal nature of respondents' jobs. If a respondent indicates that a job is not permanent, one explanation given for non-permanency is "seasonal job." This information, however, is not available for the purposes of this study.

In this study, seasonal workers are defined as adult workers, aged 18 to 59 in 1993, who were not full-time students at any point during the six-year period.[10] These workers have to have had at least three paid-job spells that ended within the same three-month "off-season" over a five-year period, either from 1993 to 1997 or from 1994 to 1998 to be classified as seasonal workers. (If individuals were self-employed, their jobs would have to be in fishing.) These job spells could not last more than nine months as, by definition, seasonal jobs do not last year-round and, therefore, should at least involve one off-season with no available work. To identify workers with a seasonal pattern of unemployment, the definition of seasonal worker requires a minimum of three potential job spells, each of which had to end within the same 92-day window — the equivalent of a season — to be considered seasonal. Using this "mechanical" definition of seasonal work, 4.4 per cent of all paid workers or self-employed fishers can be classified as seasonal workers based on their employment patterns over the entire 1993 to 1998 period. This percentage is not shown in Table 1, because this measure is significantly different from any other measure of seasonality. Since the sample is based on the 1993 to 1998 SLID panel, the sample of seasonal workers is all workers who had recurring job spells that ended at the same time in at least three of the five years during that period. It should, therefore, only be seen as an attempt to identify seasonal workers for the purposes of comparing EI usage patterns among those who experience recurring layoffs or job separations, rather than an attempt to provide an estimation of seasonality.

[10]The maximum age in 1993 was 59 years old so that all workers in our study are under the age of 65 throughout the period of analysis. Although SLID interviews all those who are 16 years of age and older, our sample excludes those under 18 since they are unlikely to be significant labour market participants.

Comparing Alternative Measures of Long-Term Seasonal Workers

Before proceeding with an analysis of seasonal workers as defined above, we first compare the mechanical estimation of seasonal workers with two of the more common measures of seasonality: the self-reported definition, which estimates the number of workers who report they experienced a job loss (or an absence from their jobs) due to seasonal reasons, and the industry-based definition, which estimates the number of workers in a traditionally seasonal industry, including agriculture, forestry and logging, fishing and processing, hunting, trapping, and construction.

To simplify this exercise, the analysis is limited to workers who had one job spell end in a given year, for instance 1998. Table 2 shows that under the self-reported definition, 2.6 per cent of all paid workers and self-employed fishers reported their job spell that ended in 1998 ended for seasonal reasons. Under the industry-based definition, 2.1 per cent of paid workers and self-employed fishers had a job spell that ended in 1998 that was in one of the traditional industries. To be consistent with our requirement for jobs included in the mechanical definition, these job spells could not have lasted more than nine months.

The comparison of these two definitions with the mechanical definition of long-term seasonal workers requires the additional criterion that workers who have had a seasonal job spell in 1998 also have had a seasonal job spell in at least two of the previous four years (1994 to 1997). The last column in Table 2 shows that the addition of this long-term dimension to seasonality reduces the incidence of seasonal work from 2.6 to 1.0 per cent under the self-reported definition and from 2.1 to 0.9 per cent under the industry-based definition. It is the mechanical definition of seasonal job spells that identifies the highest percentage of workers in 1998 as seasonal, with 2.2 per cent of all 1998 paid workers and self-employed fishers. Of all these workers, 2.6 per cent met at least one of the above definitions of long-term seasonal workers.

Table 2: Alternative Estimates of Seasonal Workers Among All 1998 Paid Workers and Self-Employed Fishers, 1994–98

Definition	Incidence in 1998 (%)	Incidence Over the 1994 to 1998 Period (%)
At least one of the following three definitions	—	2.6
Mechanical	—	2.2
Self-reported	2.6	1.0
Industry-based	2.1	0.9

Source: Survey of Labour and Income Dynamics, 1994–98.

These estimates of seasonal work are low, likely because they are based on the stringent criteria that seasonal workers must have had at least two seasonal jobs spells from 1992 to 1997 in addition to their spell in 1998. However, this study is concerned with providing a mechanical method for identifying seasonal workers that will give the best estimate of the

link between seasonal work and Employment Insurance (EI) use. To compare the relative advantages of using the mechanical definition over the self-reported and industry-based approaches, the extent to which the three definitions overlap in identifying seasonal workers is examined.

As Table 3 shows, the proposed mechanical definition identifies the largest pool of seasonal workers. It accounts for 85 per cent of the total sample of workers with a job spell that ended in 1998, who satisfied at least one of the three definitions of long-term seasonal workers (2.2 per cent of 2.6 per cent of all paid workers and self-employed fishers from Table 2). The measure that provides the next largest estimate is that of the self-reported definition, which identified 38.5 per cent of long-term seasonal workers (1.0 per cent of 2.6 per cent), followed by the industry-based definition, which identified 34.1 per cent of them (0.9 per cent of 2.6 per cent). Moreover, Table 3 shows a significant proportion (41.6 per cent) of seasonal workers satisfied the mechanical definition alone. Therefore, selecting long-term seasonal workers using only self-identification and/or the industry-based definition would have failed to capture two fifths of potential seasonal workers. On the other hand, using the mechanical definition excluded 15 per cent of workers who satisfied only the self-reporting and/or industry-based definitions. It would appear that relying on the mechanical definition of seasonal work is the best way to identify the commonalities shared by workers who face regular seasonal layoffs and must, consequently, rely on EI benefits, regardless of their industry or perception of their nature of work.

Table 3: Overlap Among the Three Definitions of Long-Term Seasonal Workers, 1994–98

	Proportion of All Long-Term Seasonal Workers (%)
Satisfy at least one of the three definitions	100.0
Satisfy at least the mechanical definition	85.0
Satisfy at least the self-reported definition	38.5
Satisfy at least the industry-based definition	34.1
Satisfy the mechanical definition	
• but neither of the other two definitions	41.6
• and the self-reporting definition only	18.3
• and the industry definition only	12.6
• and both of the other two definitions	12.5

Source: Survey of Labour and Income Dynamics, 1994–98.

Note: "Long-term" seasonal workers are workers who have had experienced a job loss in at least three of the five years from 1994 to 1998, one of which was in 1998.

LONG-TERM SEASONAL WORK AND RELIANCE ON EI BENEFITS, 1993–98

To determine the relationship between seasonal workers' work interruptions and their reliance on EI, we revert back to our original mechanical definition of seasonal workers by relaxing the restriction that one of the unemployment spells had to have occurred in 1998. Survey of Labour and Income Dynamics (SLID) respondents are classified as being seasonal if they had three unemployment spells occurring in the same "off-season" in one of two 5-

year periods, either from 1993 to 1997 or from 1994 to 1998. The number of times their three most recent seasonal jobs spells have been followed by a spell of EI receipt is then identified. A job spell is determined to be associated with an EI spell if the individual received EI benefits within the three months following the end date of the job spell.[11] Having identified the number of times seasonal job spells led to EI receipt, we are able to classify seasonal workers according to their EI use over a five-year period. Table 4 provides the distribution of seasonal workers and seasonal job spells according to the incidence of seasonal job spells that led to receipt of EI benefits.

Table 4: Incidence of Reliance on EI Benefits Among Long-Term Seasonal Workers, 1993–98

	Proportion of Long-Term Seasonal Workers (%)	Proportion of Seasonal Jobs That Led to an EI Spell (%)
Total	100.0	60.9
No seasonal job led to an EI spell	17.3	0.0
One seasonal job led to an EI spell	20.2	6.7
Two seasonal jobs led to EI spells	24.9	16.6
All three seasonal jobs led to EI spells	37.6	37.6

Source: Survey of Labour and Income Dynamics, 1993–98.

Note: "Long-term" seasonal workers are workers who experienced a job loss in at least three of the five years from 1993 to 1997 or 1994 to 1998.

Table 4 indicates that 17.3 per cent of long-term seasonal workers never received EI benefits at all following any of their three seasonal job spells. Of the seasonal workers who did claim EI at least once, 37.6 per cent received EI benefits following each of their three seasonal job spells, 24.9 per cent received EI twice, and 20.2 per cent received EI only once. The second column shows the percentage of jobs that led to EI benefits among all seasonal jobs. In total, 60.9 per cent of all seasonal job spells led to EI receipt, which shows a very strong link between seasonality of employment and EI receipt. In comparison, as reported in Table 1, estimates based on self-reported data from the EI Coverage Survey (EICS) showed the incidence of EI use to be 60.8 per cent among unemployed workers who identified their last job as seasonal.

That almost two thirds of seasonal job spells led to EI receipt indicates that long-term seasonal workers face significant barriers in transitioning from one job to another after job loss. To better understand the circumstances of these workers, Table 5 presents a range of demographic characteristics to illustrate who they are, where they live, and how they are faring in the economy. Long-term seasonal workers are grouped by the number of times they have relied on EI following their three seasonal jobs spells: never, one, two, or three times.

[11]To be more precise, respondents are classified as being seasonal if they had three unemployment spells occurring in the same "season" in one of two 5-year periods, January 1993 to December 1997 or January 1994 to September 1998. The last three months of 1998 are not included in the analysis, since it would not be possible to determine if a seasonal job spell was associated with EI receipt within the three months following the end date of a seasonal job spell for seasonal workers whose job spells ended in these months. The monthly EI variables are self-reported and are based on the respondents' recollection of EI receipt during the past year captured in the January labour interview. Due to reporting errors, approximately 10 per cent of cases are missing monthly EI information. In these cases, annual information collected in the income interview (information that, in the majority of cases, is derived from respondents' income tax records) is relied on. To reconcile instances where annual information indicates receipt of EI during a given year while monthly variables do not, the respondent is considered to have collected EI in the same year if the job ends by September 30 and EI was received in the same year. If the job ends after September 30, EI receipt is then looked for in the following year.

The table indicates that long-term seasonal workers are more likely to be older, male, less educated, living in regions with high unemployment rates, living with a partner, and residing in the Atlantic provinces or Quebec.

The gender and age composition of long-term seasonal workers when disaggregated according to their EI usage is very interesting. Workers who never received EI benefits or received EI only once are nearly evenly divided between men and women while men comprise over two thirds of seasonal workers who claimed EI two or three times. Seasonal workers who relied on EI the most frequently tend to be older than other types of EI users. Among workers who received EI following each of their three seasonal job spells, the percentage of claimants who were 40 years and older is nearly double that of those who never claimed or claimed only once (39.3 vs. 21.2 per cent).

Another marked trend is the relationship between seasonal workers' educational attainment and EI use. The majority of long-term seasonal workers in the sample did not graduate from post-secondary education. Those who claimed EI after each of their three seasonal jobs were much less likely to have graduated from post-secondary education. Less than one third (32.1 per cent) of this group had graduated from post-secondary education compared with 45.2 per cent of workers who never relied on EI at all.

The figures for the unemployment rate of the region in which long-term seasonal workers live gives some indication that the use of EI by seasonal workers is related to their local job opportunities as well as the EI eligibility rules for their region. The EI program has variable entry requirements that fluctuate according to local labour market conditions, meaning a seasonal worker living in a region with lower unemployment rates will not only be required to have more hours of work to qualify for EI, but will also receive fewer weeks of benefits for a given amount of work than seasonal workers living in high unemployment regions. It is not surprising then that nearly half (49.3 per cent) of seasonal workers who never claimed EI live in low unemployment regions while over two thirds (68.1 per cent) of workers with three years of receipt live in regions with unemployment rates of nine per cent or higher. This finding reflects regional differences in terms of both the availability of off-season work and the generosity of the EI program.

Also not surprising is the fact that long-term seasonal workers who rely on EI the most intensively are more likely to live in Atlantic Canada and Quebec where unemployment rates tend to be higher, and seasonal work is more integral to the economy. That the majority of workers who claim EI in two or fewer years live in Ontario or the Western provinces indicates a significant population of seasonal workers exists in these provinces. However, either due to stricter regional EI eligibility requirements or a greater availability of off-season work, the end of a seasonal spell of employment for these workers does not necessarily lead to a claim for EI benefits.

The family circumstances of long-term seasonal workers tend to vary somewhat according to their use of EI benefits. While the majority of seasonal workers are living with a partner, this share becomes even larger as the intensity of reliance on EI benefits increases. However, this does not mean the seasonal workers claiming EI more frequently are better off financially. Although only slight variations exist in the distributions of family income among the four types of EI users, seasonal workers with one or no EI claims associated with their seasonal employment spells are more likely to be in the highest family income category ($60,000 plus), even though they are less likely to be living in households where there is

potentially another adult income earner. Workers with the two or three claims are more likely to be in the lowest income category (under $35,000).

Special mention should be given to the seasonal workers who claim EI after only one of their three seasonal job spells. When compared with other seasonal workers — even those who never claim EI at all — they appear to experience less financial hardship as they are much more likely to be living in households with higher family incomes. This may reflect their personal circumstances, as they tend to have the highest educational attainment and are the least likely to be living in regions with high unemployment rates. It would appear seasonal workers who claim EI only once, compared with other seasonal workers, evidence greater flexibility in their decision to claim EI, and this is likely due to better work opportunities available to them.

Table 5: Demographic Characteristics of Long-Term Seasonal Workers, 1993–98

	Proportion of Seasonal Workers With				
	No Seasonal Job Spell Leading to EI (%)	One Seasonal Job Spell Leading to EI (%)	Two Seasonal Job Spells Leading to EI (%)	Three Seasonal Job Spells Leading to EI (%)	Proportion of All Seasonal Workers (%)
All	**17.3**	**20.2**	**24.9**	**37.6**	**100.0**
Age					
Under 30 years	45.4	48.9	36.8	27.1	37.1
30 to 39 years	33.5	30.3	31.3	33.6	32.3
40 years and older	21.2	20.8	31.9	39.3	30.6
Gender					
Male	50.8	53.3	68.4	72.0	63.7
Female	49.2	46.7	31.6	28.0	36.3
Education					
High school or less	54.8	53.5	55.7	67.9	59.8
More than high school	45.2	46.5	44.3	32.1	40.2
Regional unemployment rate					
7% or less	49.3	42.5	24.5	14.9	28.8
Over 7% to 9%	17.0	27.2	21.9	17.0	20.3
Over 9%	33.7	30.2	53.6	68.1	50.9
Marital status					
Without partner	40.0	33.4	31.3	23.8	30.4
With partner	60.0	66.6	68.7	76.2	69.6
Region					
Atlantic and Quebec	28.4	25.2	44.8	70.2	47.6
Ontario and West	71.6	74.8	55.2	29.8	52.4
Family income					
Under $35,000	32.4	26.6	42.7	35.0	34.8
Between $35,000 and $60,000	40.6	33.6	34.1	41.4	37.9
$60,000 and over	27.0	39.8	23.3	23.6	27.4

Source: Survey of Labour and Income Dynamics, 1993–98.

Note: "Long-term" seasonal workers are workers who experienced a job loss in at least three of the five years from 1993 to 1997 or 1994 to 1998.

These findings illustrate that long-term seasonal workers can be found across Canada in regions with a diversity of economic conditions. The finding that a large percentage of seasonal workers live in regions with relatively low levels of unemployment contrasts with the stereotype of seasonal claimants, who are seen as living in regions with poor economic conditions that are heavily dependent on traditionally seasonal industries. When their seasonal work is linked to EI use, it is clear that seasonal workers who rely on EI more frequently tend to live in regions with fewer employment opportunities.

This analysis suggests seasonal workers' economic circumstances and personal characteristics, rather than the seasonal nature of their work, appear to be key factors in determining their degree of reliance on EI benefits. Table 6 attempts to capture some economic circumstances of seasonal workers to explain why one, two, or even three of their seasonal employment spells did not lead to EI receipt. Figures reported in this table indicate the proportion of seasonal job spells not leading to EI receipt, depicting selected alternatives to reliance on EI. Three alternatives are considered.

- Individuals did not rely on EI following their work interruption because they were not eligible for EI benefits, having worked fewer hours than the minimum requirements applicable to their region of residence.
- Individuals did not rely on EI because they were multiple job holders at the time of their seasonal work interruption and, consequently, may not have been eligible for EI benefits due to their other employment.
- Individuals did not rely on EI because they gained re-employment within the three months following the end of the job spell. (Recall that a job spell is determined to be associated with an EI spell if the individual received EI benefits within a period of three months following the date of the work interruption.)

As shown in Table 6, individuals who did not rely on EI following any of their three seasonal jobs had the highest incidence of potential non-eligibility for EI benefits due to insufficient hours of paid work (i.e. 27.1 per cent of job spells did not lead to EI). The incidence of multiple job holding before the work interruption was also highest among individuals who did not rely on EI following any of their three seasonal jobs (i.e. 35.5 per cent of their job spells, compared with 28.1 per cent for those with one seasonal spell leading to EI, and 18.1 per cent for those with two seasonal spells leading to EI). Consistent with the higher incidence of multiple job holding, the incidence of part-time re-employment was also highest among individuals who did not rely on EI at all. However, the incidence of full-time re-employment was the lowest. Individuals who did not rely on EI following any of their three seasonal jobs were employed full time within three months following 50 per cent of their work interruptions, roughly 10 percentage points lower than those with one or two seasonal spells leading to EI.

Table 6: Incidence of Alternatives to Reliance on EI Among Long-Term Seasonal Workers, 1993–98

	Proportion of Job Spells Among Seasonal Workers With			
	No Seasonal Job Spell Leading to EI (%)	One Seasonal Job Spell Leading to EI (%)	Two Seasonal Job Spells Leading to EI (%)	Proportion of All Job Spells Not Leading to EI (%)
All	**42.0**	**35.3**	**22.7**	**100.0**
Lower attachment to the labour market				
During 12 months preceding seasonal work interruption, individual had fewer hours of paid work than the minimum hours requirements in EI region of residence	27.1	15.2	18.9	21.0
Multiple job holding				
During the month preceding work interruption, individual was a multiple job holder	35.5	28.1	18.1	29.0
Re-employment				
Within 3 months following seasonal work interruption, individual was re-employed part time	25.0	21.5	9.3	20.2
Within 3 months following seasonal work interruption, individual was re-employed full time	49.6	61.8	61.1	56.5

Source: Survey of Labour and Income Dynamics, 1993–98.

Note: "Long-term" seasonal workers are workers who experienced a job loss in at least three of the five years from 1993 to 1997 or 1994 to 1998.

Conclusion

An important motive for achieving a better understanding of the relationship between seasonal work and Employment Insurance (EI) use is that seasonal workers continue to comprise a large and growing proportion of EI beneficiaries. Despite a general decrease in the proportion of frequent claimants among all claimants from 1999–2000 to 2000–2001, frequent, seasonal claims declined by only 3.7 per cent, compared with 5.6 per cent for frequent, non-seasonal claims. According to Human Resources Development Canada (HRDC) (2000, p. 8), the relative stability of seasonal claims during an economic upturn is "not surprising, as the nature of some seasonal work does not necessarily lead to a decline in claims in periods of strong economic growth."

One reason seasonal workers may be a growing proportion of all EI frequent claimants is that the change in 1996 from a weeks-based system to an hours-based system for determining eligibility may have had a positive impact on their EI eligibility and entitlement. The switch to an hours-based system was made in part to address concerns that a large and growing proportion of the employed workforce was not eligible for EI benefits should these workers become unemployed. However, it also meant weeks worked by seasonal workers — who tend to work more hours per week — would now be insured to a greater extent under the new regime, allowing many seasonal workers to qualify sooner for benefits due to their working schedules. Indeed, evaluative evidence of the reforms on EI eligibility shows the move to an hours-based system resulted in a marginal increase in eligibility and an increase of 1.6 weeks of entitlement among seasonal claimants (HRDC, 2001a).

However, an important point to note is that not all seasonal workers were positively affected by the reforms. HRDC (2001a) estimated seasonal claimants with fewer than 30 hours of work per week lost significantly in terms of eligibility for EI compared with other claimants. (They were 21 percentage points less likely to qualify for EI. Those who did qualify received 2.6 fewer weeks of entitlement on average.) This finding emphasizes the significant heterogeneity of the impacts of the EI reforms among seasonal workers. Those with fewer hours of work have been adversely affected in a significant way by the switch to an hours-based system.

A worrisome trend among seasonal claimants is the existence of a large percentage of seasonal workers who are experiencing a "gap" in their annual working schedule. A gap occurs when a claimant has exhausted benefits and experiences a period with no income before securing another job. Recent research by HRDC (2001b) shows that experiencing a gap is more common among seasonal workers, since their working schedules imply they have less flexibility in their employment patterns. (For instance, while one fifth of all claimants exhaust their benefits, one third of seasonal claimants do so.) HRDC estimates the reforms have had the largest impact on workers who would normally work less than a typical full week.[12] Although the proportion of seasonal claimants experiencing a gap declined from 37.4 per cent in 1995 to 29.4 per cent in 1997 — a period which spans the 1996 EI

[12]HRDC calculates a full week as one where the claimant works 35 hours. At 35 hours per week, the claimant would receive the same number of weeks of benefits under both the old and new programs.

reforms — the proportion of seasonal workers experiencing regular spells with no source of income remains alarmingly high, warranting further research.

Until recently, few research studies have focused exclusively on seasonal workers and the link between long-term seasonal employment and long-term reliance on EI benefits. Past research has compared seasonal workers with non-seasonal workers to assess their ability to cope in periods of unemployment; however, few studies have examined the heterogeneity of EI use among seasonal workers. This study provides a multi-faceted picture of seasonal workers and their reliance on EI benefits by first identifying workers through their employment patterns and then determining the extent to which their layoffs led to EI claims. By categorizing seasonal workers in this manner, the extent of seasonal work in Canada and the contribution it makes to frequent use of EI is more fully captured. It also allows for a comparison of the characteristics and circumstances of seasonal workers according to their reliance on EI, providing a much richer picture of the diversity of seasonal workers in Canada.

These findings dispel the myth that all seasonal workers are naturally frequent EI claimants. These findings show that while a majority of seasonal workers do rely on EI on a regular basis, a significant proportion (17 per cent) never rely on EI following any of their seasonal job spells. These seasonal workers are not necessarily able to avoid relying on EI, because they are doing better on the labour market. These workers are younger and more likely to live in regions with relatively good employment opportunities, but seem to be more likely to have a lower attachment to the labour market or to be in precarious employment situations, combining multiple, possibly part-time, jobs to provide year-round employment. Conversely, seasonal workers who rely on EI the most intensively face significant barriers to securing non-seasonal employment. They are older, less educated and live in regions with the poorest employment opportunities.

Any future policy work on seasonal workers must consider the changing face of seasonal work in Canada. Seasonality in Canadian employment appears to be declining due to shrinking employment in seasonal industries and the general trend away from part-year employment toward full-year employment among both full-time and part-time workers. Another potentially related trend is the declining share of employment among young people. Youth aged 15 to 24, who typically experience higher seasonality in their work schedules, now make up a smaller share of total employment than they did 20 years ago, due to Canada’s aging population. As suggested by Marshall (1999), fewer available young workers means employers may be offering more full-year employment opportunities to their other part-year employees.

Ongoing policy research will need to consider the changing nature of seasonal employment by recognizing that it can be found across Canada in every industry and occupation, making it more difficult to identify seasonal workers using traditional methods. This paper illustrates one way to identify seasonal workers according to their employment patterns instead of their EI use, industry, or geographic location. These findings emphasize the need to further address the circumstances of many seasonal workers who face considerable barriers to year-round employment.

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