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| Features and Importance of EI Program |
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The unemployment rate in Canada is 5.6 percent in February in 2020[[1]](#footnote-2), which is a relatively low value compare to other countries. However, we still need to pay attention to those who lose their jobs due to serval reasons.

According to the definition of unemployment, it occurs when a person who is actively searching for employment is unable to find work. Which means that even that poor person has tried his/her best effort, he/she still cannot bring wage to his/her family. Losing the income of money, those who lose their jobs may easily fall into economic insecurity. Thus, Canadian government puts forwards the Employment Insurance program (EI) to prevent them from getting into economic insecurity.

The Employment Insurance program provides benefits to those who are unable to earn from jobs. It not only provides temporary income support to unemployed workers but also provides special benefits to workers who take time off work due to specific life events to help them getting through rough times. However, the benefits are limits to the basic expenditure for keeping living standard.

With these extra benefits, those who lose their jobs could cover their basic expenses and reduce their economic insecurity. Economic insecurity, occurs when a person’s income is lost or substantially reduced, could threaten one’s living seriously. As for those who lose their jobs, the trickiest problem is that they have no income or little income, but still need to face their daily living expenditures, even some unexpected expense (i.e. serious illness or injury) that is beyond their budget. Under these circumstances, their saving would got run out in a fairly short period of time and there’s no guarantee of their future living standard. It is known that the economic insecurity lies in the unsatisfied basic needs, which comes from no income or substituted income. The loss of job would directly lead to the employee’s economic insecurity, then cause a series of problem due to insufficient funds.

Thus, Canadian government set up employment insurance to prevent these cases form happening. Workers could receive employment insurance if they have paid premium in the past year and meet the qualifying and entitlement conditions. Once they pass the qualified test, they can receive benefit to satisfy their basic living needs. The employment insurance program could significantly reduce economic insecurity by providing income maintenance to those lose their jobs, helping them meeting their basic needs. In a long run, they could have a second chance to look for a new job or a better job in the future, which is oblivious a wise choice for the whole society.

One interesting feature of the Employment Insurance Program is that compared to other supporting programs, the Employment Insurance Program is intended to be self-sufficient in the long-term, with employee and employer contributions completely covering administration and benefit costs. The program is both administrated and guaranteed by Canadian government. Takes the fiscal year 2007-08 as an example, the program’s total expenditure is $16.06 billion, which includes $12.3 billion expenditure on income benefit paid to individuals during their employment period, $1.7 billion administrative costs and $2.1 billion active employment measures expenditures. On the other hand, the revenues for the period is $16.9 billion, coming from employee and employer contributions to the program and penalties collected for incorrect claims or overpayments[[2]](#footnote-3). As a recyclable program which has successfully achieved self-sufficient, the Employment Insurance Program largely reduce the financial burden of Canadian government, so it could provide a larger scale of financial aid because it has a relatively loose budget and has a higher flexibility. As a result, more people receive the benefit and the economic insecurity in the whole society is reduced.

Another feature of the Employment Insurance Program is that it has a strict eligibility criterion represent an advantage of unemployment benefits, which means that not everyone is eligible for the Employment Insurance. For example, the employer must lose his/her job through no fault of his/her own[[3]](#footnote-4), and is actively looking for work and keeps a written record of employers he/she contact. These restrictions seem complex and meaningless; however, they are set for making sure the benefit could help those in need precisely, avoid putting money on those who quit voluntarily or terminated form collecting benefits and creating a drain on the system. Meanwhile, these requirements encourage them to continuously seeking for jobs. Also, the requirements in the history have change serval times to meet the conditions that changes frequently, making the policy itself more efficient. As a program that has been running for a long time, the Employment Insurance has effectively restricted the range of the benefit receivers through a relatively strict eligibility test.

In conclusion, the Employment Insurance, as an important aid for those who may be in economic insecurity, effectively protect their lives and satisfy their basic needs. It not only successfully prevents the occurrence of the economic insecurity but also encourage people getting gout the condition which is close to the economic insecurity through making them look for jobs. Even though it has considerations that unemployment benefits tend to fuel longer period of unemployment for benefit receptions, Canadian government has improved the policy from time to time, and there’s no complete policy. Restrictions and strict eligibility tests are made for determining those who are really in need. Moreover, the self-sufficient mechanism of the program makes it able to benefit more people. With the more and more uncertainty in the upcoming future, it is believed that the Employment Insurance program could support families’ basic needs.

References:

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Employment Insurance Monitoring and  Assessment Report 2008 <http://publications.gc.ca/site/eng/9.505893/publication.html>

EI regular benefits: Eligibility <https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/eligibility.html>

1. Trading Economics, Canada unemployment rate. <https://tradingeconomics.com/canada/unemployment-rate> [↑](#footnote-ref-2)
2. Employment Insurance Monitoring and  Assessment Report 2008 <http://publications.gc.ca/site/eng/9.505893/publication.html> [↑](#footnote-ref-3)
3. EI regular benefits: Eligibility <https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/eligibility.html> [↑](#footnote-ref-4)