

Critics call federal student job program "corporate welfare"

By Chris Bodnar
Source: Ottawa
Bureau Chief

OTTAWA (CUP) - Taxpayer and student groups are criticizing the federal government for mishandling Canada's student job program. The controversy comes in the midst of allegations that Ottawa mismanaged \$1-billion in federal job grants.

Documents obtained from Human Resources Development Canada (HRDC) under the Access to Information Act show that numerous corporations are being subsidized to hire students over the summer.

The documents reveal

that such businesses as Shoppers Drug Mart, Toronto Dominion Evergreen Investment Services and Wal-Mart received federal HRDC grants under the Summer Career

Placements program to hire students over the summer months in 1999.

The job grants are allocated to private sector, public sector and not-for-profit groups. Private sector recipients can receive up to 50 per cent of the cost of minimum wage for the program. Not-for-profit groups can have their entire cost covered.

Corporate job subsidies don't sit well with Walter Robinson, the fed-

eral director of the Canadian Taxpayers Federation.

"In terms of all of these HRDC programs, we believe it's corporate welfare," said Robinson. "It's the misallocation of tax dollars."

Robinson says corporations already receive employment insurance premium relief for hiring students and that any further incentives to employ students should happen through tax cuts rather than program subsidies.

But while the Taxpayers Federation advocates the elimination of job subsidy programs, the Canadian Federation of Students (CFS) says the student job program - though needed -

must be monitored more closely.

"We certainly do need a summer employment program, but it needs to be monitored closely," said Denise Doherty-Delorme, a CFS researcher. "[The program has] its snags and we would like it tidied up."

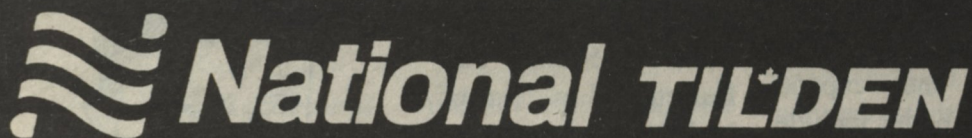
Doherty-Delorme says a problem with the current program is that it has significantly less funding than in previous years.

Since 1996, the summer employment program received \$90-million a year. In contrast, the federal government gave out \$180-million in 1987 and 1988. The program re-

ceived its first cuts in 1990, and got a slight one-year boost in 1994 when \$108-million was given to summer job grants.

And while hourly rates and average summer wage figures were available prior to 1992, figures are no longer kept monitoring pay rates. As well, while the CFS was previously able to monitor whether male and female students were being paid equally, these figures are no longer available.

"The biggest crux is that they cut and then they don't have the people to follow up on these programs," said Doherty-Delorme.



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