

Perspective

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LABOUR MARKET SPECIAL

One change after another

2020 horizon: Is Québec facing an impasse?



Desjardins
Economic Studies



DESJARDINS GROUP



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EDITORIAL

Future upheavals in the labour market?

The labour market is evolving, and the changes go far beyond the aging of the workforce. Just now, that concern is grabbing all the attention, and we tend to forget about the many other developments that have occurred over the past 30+ years. For example, the participation rate of those aged 15 and over has risen in Québec, and the gap separating it from the Ontario and Canadian rates has narrowed. But despite considerable gains, it still lags behind Ontario and the Canadian average. Furthermore, the 2000s were marked by stronger job growth in Québec, contradicting some generally accepted ideas about the Québec labour market struggling to create jobs.

Admittedly, the issue of an aging workforce cannot just be brushed aside. It affects the entire dynamic of the labour market and, consequently, that of the Québec economy. If we are to believe the view of a number of analysts, the situation is such that it will cause labour shortages, losses of production and productivity, a marked increase in the retirement age, colossal deficits in public pension plans, a slowdown in economic growth or even a backslide compared with the rest of the global economy. Does Québec really have all these calamities to look forward to?

The situation gives cause for concern, but is there cause for alarm? A comparison between Québec's employment rates and those of certain OECD countries shows that Québec's rates could increase. It also shows that, while there is room for improvement, the province is not trailing behind all the rest. There is still a lot of catching up to do with the western provinces, which are far ahead, both with respect to those aged 15 and over and those over the age of 55.

The work done by Emploi-Québec, the Institut de la statistique du Québec and many researchers establishes some facts and enables us to look to the future with less apprehension. Everyone recognizes that the status quo cannot be maintained. We will have to keep people working longer, but this is only part of the equation that needs to be solved. Clearly, the younger generations will not provide sufficient numbers to fill the new jobs and replace those retiring, but young people are part of the solution, as are older folks. Immigrant workers are another part of the answer.

It would be unrealistic to expect just one category of workers to solve the problem; just as it would to rely on self-regulation of the labour market to ensure that the employment rate of each of these groups increases. It is up to workers, employers and the government to develop and apply measures to make it easier to bring workers into the labour market and keep them there. There is no lack of ideas; the recommendations presented as part of the Commission nationale sur la participation au marché du travail des travailleuses et des travailleurs expérimentés de 55 ans et plus speak volumes on that point. What's more, some industries are already taking action to fill their vacant positions.

As far as the labour shortage is concerned, it is not widespread. There are some economic sectors that are having trouble recruiting workers, and we note a lack of interested candidates in some professions. However, the real shortage that would paralyze the operations of all businesses has not yet materialized. The labour market is getting tougher and it will get more complicated; we must act now. Everyone has been aware of the current and future difficulties for some time now. The good news is that solutions do exist.

François Dupuis
Vice-President and Chief Economist

THE ECONOMIC SITUATION

2012: Not a banner year in terms of employment

We have seen some improvement in U.S. economic indicators since the beginning of 2012. For example, the U.S. labour market has picked up, with the creation of 200,000 jobs in each of the first two months of the year. The jobless rate has declined, but is still above 8%. Despite this upturn, it is a bit too early to claim a victory. We should curb our enthusiasm; the U.S. economy has seen many false starts in the past.

The U.S. real estate market is still languishing in a slump. Improvement in the housing market will be a long process that will extend beyond 2012. Furthermore, the fight to control deficits will mean tight limits on government spending. This combination of factors will restrict real GDP growth to around 2.0% this year. This sluggish performance by the U.S. economy will not be conducive to imports of products from Canada, so there will be no help from that quarter to increase manufacturing employment this side of the border.

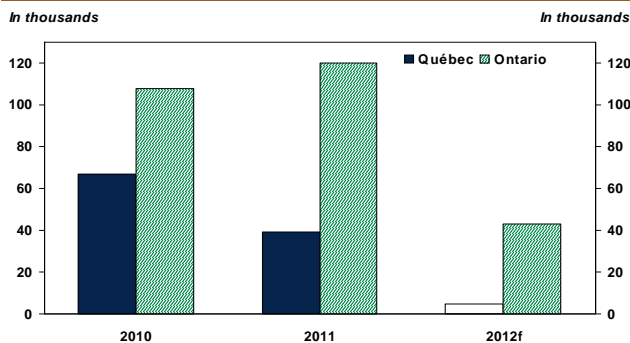
In short, Canada and Québec will continue to do business with a rather anaemic trading partner in 2012. We must recognize that we cannot rely on foreign trade to achieve strong growth in Canadian real GDP this year. The strength of the Canadian economy will depend largely on domestic factors. For consumers, however, caution will be the order of the day. The real estate market will remain healthy, but will probably slow to a moderate degree. On the other hand, business investment will still be substantial. The strong loonie will promote purchases of machinery and equipment. This will not necessarily spur hiring, as companies strive to reduce their production costs and increase their productivity.

In Québec, the statistics are improving gradually after a disappointing autumn. The labour market started off 2012 with a heavy deficit, since conditions had deteriorated in the last quarter of 2011. Little progress has been made in recovering those lost jobs since the beginning of the year.

The economic climate will be lacklustre. The start of the year will imitate that of 2011, with consumers tightening their purse strings, having moved up some purchases before the Québec sales tax hike on January 1. The housing market will remain sound, but will slow down somewhat. As in Canada as a whole, business investment will be one of the pillars of growth. Exuberance in the mining industry, and in major hydroelectric and wind farm projects in particular, will support investment spending. Workers will need to be hired to carry out these projects, but the slowdown in the housing market and ups and downs in the manufacturing sector could compromise the hoped-for gains.

In these circumstances, the outlook for the labour market in 2012 is not very bright. Real GDP growth in Canada will be modest (around 2.1%) and in Québec even more so (1.4%). The employment scenario for Québec calls for a slow recovery during the first half of the year, punctuated by a few losses. Some workers will find jobs replacing those who have retired, but these substitutions will not be counted as new jobs. While 2010 was a year of catching up after the recession, with 67,000 jobs created, 2011 was characterized by moderation, with a gain of just 39,000 jobs. 2012 is likely to be more difficult; it will be a struggle to overcome a currency that remains strong, and uninspiring economic conditions. An employment gain as modest as 5,000 is expected. We can only hope that the economy will improve and contradict this forecast.

**Graph 1 Job Creation in Québec:
A lean crop expected in 2012**



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

Joëlle Noreau
Senior Economist

LABOUR MARKET

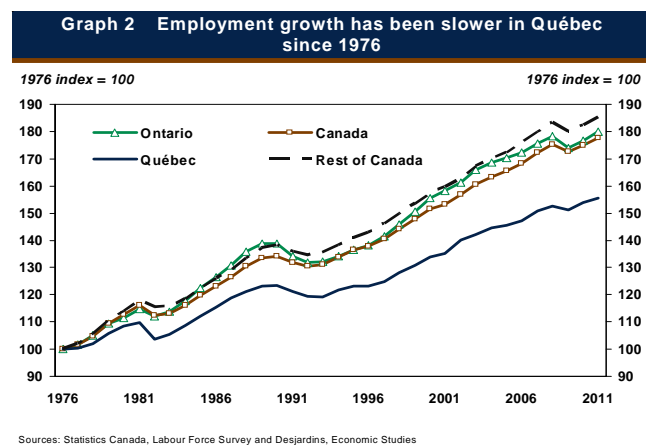
One change after another

The labour market has evolved since the twentieth century drew to a close. What first comes to mind is the aging workforce, but there is more. The growing interdependence between countries is throwing the industrial bases into a tailspin and redesigning everyone's job. Much has been said and written about the Québec labour market. It has been said that it offers fewer quality jobs, that the minimum wage has risen considerably, and that Québec is lagging behind Ontario. Where do things really stand? Is the current environment really so new and different? These are the questions we shall attempt to answer in this article.

MUCH MORE THAN AN AGING WORKFORCE

In recent years, the issue of an aging workforce has been the focus of all the attention. However, if we review the trends in the five major indicators, i.e. the number of jobs, the number of people in the labour force, and the unemployment, employment and participation rates, we note that the Québec labour market has undergone many transformations in the past 35 years. A comparison with Ontario and with the Canadian average sheds some light on the dynamics of the Québec labour market.

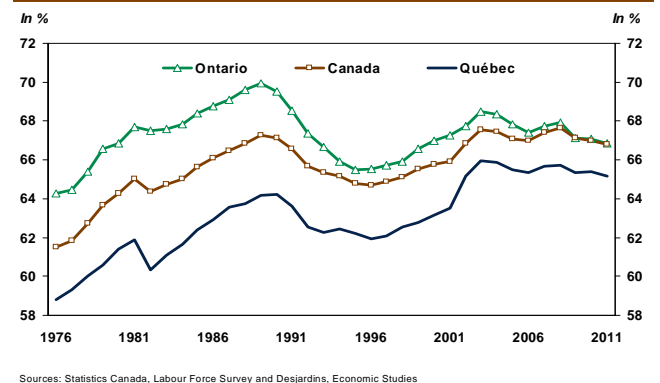
First, a look at the 15-to-64 age group shows that employment growth during the period from 1976 to 2011 (graph 2) was slower in Québec (55.4%) than in Ontario (79.9%) or in Canada (77.5%). On the other hand, since the start of the 2000s, employment growth has been faster in Québec (16.2%) than in Ontario (15.2%). Canada has seen growth of 17.2% during this period, since the western provinces have benefited from the boom in energy prices.



As far as the labour force is concerned, which includes both those who have a job and those who are seeking employment, the analysis shows that growth has been far slower in Québec (53.9%) since 1976 than in Ontario (83.2%) or in Canada (78.2%). We note the same trend in the 2000s. This comes as no surprise, since overall population growth was stronger in Ontario and in Canada than in Québec during that period.

As for the participation rate¹ of those aged 15 and over, we note (graph 3) that it has followed a choppy path, with ups and downs until the beginning of the 2000s. In the last decade, it oscillated between 65% and 66% in Québec. The peak for Québec (66.0%) was reached in 2003. To find the peak participation rate for those aged 15 and over in Ontario and Canada (respectively 70% and 67.3%), we need to go back to 1989 (more than 20 years ago). Québec remains below the Canadian average and below Ontario, but the gap separating them has narrowed during the 2000s.

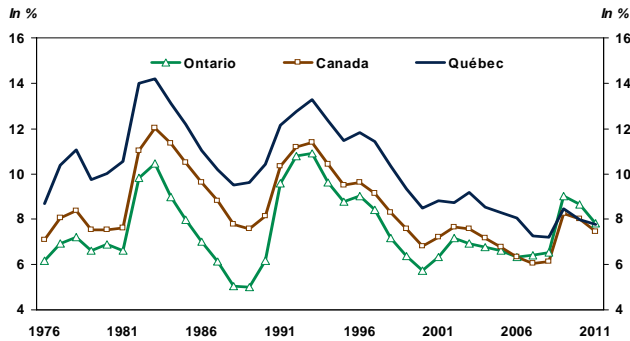
Graph 3 Participation rate of those aged 15 and over: Québec has some catching up to do with Canada and Ontario



Another way to look at the labour market is to examine the employment rate² of those aged 15 and over. It was in 2008 that it reached its highest point, both in Québec (61.0%) and in Canada (63.5%). In Ontario, that rate peaked in 1989 (66.5%) and has fallen quite a bit since then (61.6% in 2011). As for the unemployment rate, which still garners a lot of attention but which is gradually losing favour to the employment rate and the participation rate as barometers of the health of the labour market, it has fluctuated quite a bit over the past 35 years (graph 4 on page 6). In Québec, it reached its lowest point at the end of the 2000s, whereas in Ontario it bottomed out 20 years ago.

All told, if we look at the evolution of the Québec labour market since 1976, we see that it was less dynamic than Ontario's or Canada's in terms of employment growth, the

Graph 4 Québec's unemployment rate is low at this start to the decade, compared with the past 35 years



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

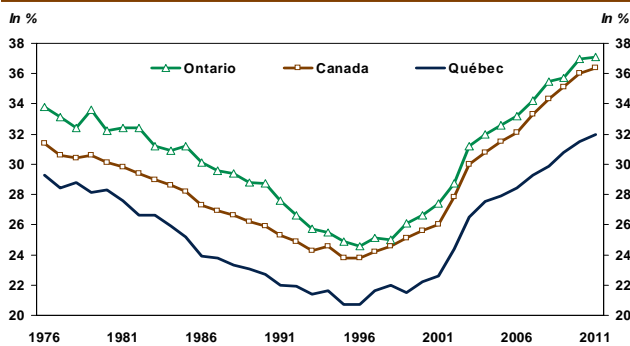
labour force and participation and employment rates. However, the 2000s were marked by stronger employment growth and narrower gaps between Québec's participation and employment rates and those of Ontario and Canada.

A LOOK AT THOSE AGED 55 AND OVER

As you might guess, with the aging population, the number of workers aged 55 and over has grown very quickly. Specifically, the number of jobs held by these workers increased by 248% in Québec between 1976 and 2011 (compared with 55.4% for the number of jobs during that period). In Ontario and Canada, growth rates were 262% and 268% respectively.

Apart from the growing number of workers in this age group, it is interesting to note that the presence of those aged 55 and over in the labour market has risen sharply since the mid-1990s. Put simply, an increasingly large proportion of people aged 55 and over are participating in the labour market, either because they hold a job or are looking for one, compared with the 1970s, 1980s and 1990s. Graph 5 clearly shows this phenomenon. It holds true in Québec, Ontario and Canada. A

Graph 5 The participation rate of those aged 55 and over is the highest in 35 years



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

comparison with graph 3 shows the sharp difference between the two trends. Another fact of note: the employment rate of those aged 55 and over in Québec reached a 35-year peak in 2011.

The greater participation in the labour market cannot be attributed entirely to longer life expectancy and the need to finance a longer period of retirement than in the past; if that were so, why would there be such a surge in the participation and employment rates at the end of the 1990s? Life expectancy did not advance by leaps and bounds in the space of a few years. Other factors come into play, one of them being the stock market disaster of the early 2000s, which ate into the retirement nest eggs of some savers. The plunge of 2008 certainly did not improve things. At the same time, some young retirees did not find what they expected in retirement and decided to return to the labour market.

Despite an increase in the participation rate of those aged 55 and over, we note that Québec's participation and employment rates are below the Canadian average, and below those of Ontario. The gaps did not narrow during the 2000s. So we must recognize that we have a ways to go before we catch up.

LOWER-QUALITY JOBS?

Given the loss of many manufacturing jobs in the 2000s, it has been said that the quality of jobs has diminished in Québec. Who has not heard about "Mcjobs"? The replacement of well-paid jobs with jobs in the service sector, perceived as of lower quality because they are associated with low salaries, part-time and short-term work, is an idea that is firmly entrenched in people's minds. Yet this is not the path taken by all the factory workers who have been laid off in recent years. We note that job quality is often judged by contrasting full-time with part-time employment. Many people are convinced that part-time work is mainly involuntary. But according to the Labour Force Survey published by Statistics Canada, involuntary part-time work (for people who have looked for full-time work during the last month of the survey and were unable to find it) was estimated at approximately 5% of part-time workers in 2011.

In fact, job quality involves more parameters than that. Researchers at the Institut de la statistique du Québec (ISQ) and others from various organizations have examined the issue in recent years. It is not a simple matter to apply the concept of quality to the labour market. It can mean different things to the three major players in the field: employees, employers and government authorities. Furthermore, the labour market can be analyzed at three different levels: macro,

meso and micro. The macro level refers to major labour market indicators: employment, unemployment, labour standards, etc. Meso has to do with the quality of jobs, as defined by pay levels, hours of work, stability, qualification requirements, physical and psychological conditions, to name just a few aspects. Finally, the micro view pays more attention to factors such as professional autonomy, job content, skill development, professional relations, participation in decision-making, etc.

The various approaches that are proposed are not necessarily irreconcilable, but it is difficult to combine them to the point of coming up with a single measurement of job quality. The stakes are very high in the “recruitment wars” that various countries are currently waging in their quest for qualified workers. Developing a single measurement of job quality could facilitate international comparisons, but at this point no such benchmark measurement exists. Furthermore, views on job quality differ, depending on whether you talk to economists, industrial relations professionals or labour relations experts. We need to reach a consensus.

The ISQ went through the exercise of rating job quality for employees, i.e. excluding self-employed workers. The parameters chosen included pay levels, number of hours worked and job stability. It was determined that the proportion of low-quality jobs in Québec fell from 38% to 30.3% between 1997 and 2011 (table 1). During the same period, high-quality jobs increased from 25.6% to 31.5%, and average-quality jobs from 36.5% to 38.3%. However, this broad view overlooks many variations depending on the field of activity, the level of education and the sex of the workers. A job is considered to be of high quality if it is well paid, stable, with a high level of qualification, held by qualified workers and with normal working hours.

Table 1 – Job quality in Québec – Distribution by level

	In %		
	1997	2003	2011
Overall			
Low quality	38.0	35.9	30.3
Average quality	36.5	37.3	38.3
High quality	25.6	26.8	31.5
Manufacturing			
Low quality	41.3	37.8	31.3
Average quality	39.5	42.6	44.0
High quality	19.2	19.6	24.7
Service sector			
Low quality	38.2	36.6	31.2
Average quality	34.7	35.0	36.3
High quality	27.0	28.4	32.5

Source: Institut de la statistique du Québec, Direction des statistiques du travail et de la rémunération

In 2011, the quality of manufacturing jobs was divided as follows: 31.3% were of low quality, 44% of average quality and 24.7% of high quality. In the service sector as a whole, the distribution was, respectively, as follows: 31.2%, 36.3% and 32.5%. True, there are considerable differences between jobs in service sectors such as commerce and those in finance or professional, scientific and technical sectors. However, to directly associate low-quality jobs with the service sector as opposed to the manufacturing sector is not appropriate. There are differences that must be taken into account. Furthermore, workers who are laid off from the manufacturing sector do not all head to less-well-paid jobs in the service sector. Some of them retire, some take training to increase their chances of finding a well-paid job. And people seem to forget that factory jobs require more and more training nowadays, and that the labour market is increasingly demanding as far as qualifications are concerned. There are still jobs out there for workers with low levels of education, but the proportion of such jobs is shrinking.

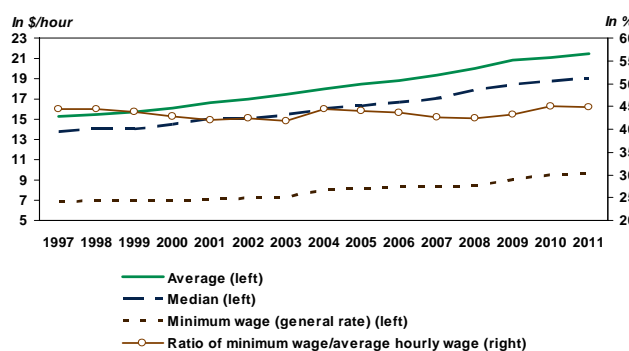
This study will not put an end to the discussion on whether the quality of jobs in Québec has declined or improved in recent years; however, it does moderate the claim that the quality of jobs in Québec is in free-fall.

MINIMUM WAGE AND THE AVERAGE HOURLY WAGE

Everyone, or nearly everyone, has an opinion about the minimum wage. Whether too high or not high enough, every increase elicits plenty of comments. How has it evolved in recent years? A comparison with the average hourly wage will shed some light on the subject.

Graph 6 shows the trends in the minimum hourly wage, the average hourly wage and the median hourly wage (the mid-point, where half of all wage-earners earn more and half of

Graph 6 Québec: The ratio of minimum wage to average hourly wage has not changed much in recent years



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

them earn less). Since 1997, the average hourly wage in Québec has risen by 40.2% and the minimum wage has gone up by 42.9%. Another fact to add to the analysis is that the minimum wage to the average hourly wage ratio has fluctuated between 42% and 45% during this period, when employment growth in Québec was particularly strong (24.5% between 1997 and 2011). By comparison, that ratio stood at around 55% in the 1970s.

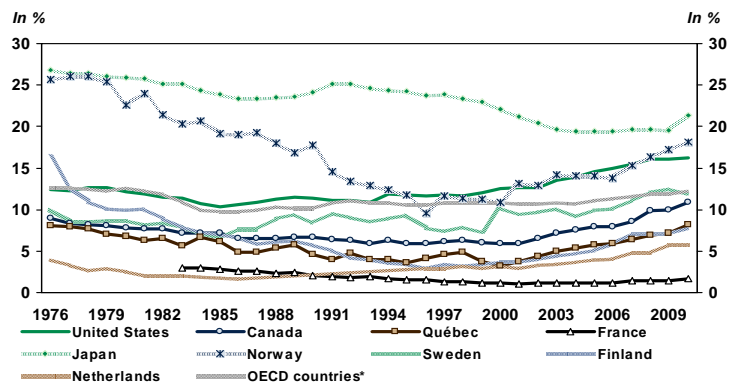
This brief analysis shows that minimum wage growth in recent years has not made any marked difference in the ratio of the minimum wage to the average hourly wage in Québec. It says nothing about future increases, but it tells us that the situation has not changed dramatically in the past decade.

**AN AGING WORKFORCE:
A CATASTROPHE OR A BLESSING?**

Just like the minimum wage and the quality of jobs, there are lots of ideas flying around on the subject of the aging workforce. Every Tom, Dick and Harry is offering an opinion and suggestions. Admittedly, awareness about the phenomenon has existed for some time, and there has been ample public discussion. Two major public forums have been held recently, the Commission nationale sur la participation au marché du travail des travailleuses et des travailleurs expérimentés de 55 ans et plus [National commission on participation in the labour market by experienced workers aged 55 and over] in 2010 and the Consultation publique sur le vieillissement de la main-d'œuvre et l'avenir de la retraite [Public consultation on the aging workforce and the future of retirement], the hearings of which were held at the beginning of 2012.

All this commotion has led us to “rediscover” workers aged 55 and over after having shown them the door, in some cases,

Graph 8 Employment rate of those aged 65 and over: Japan comes out on top



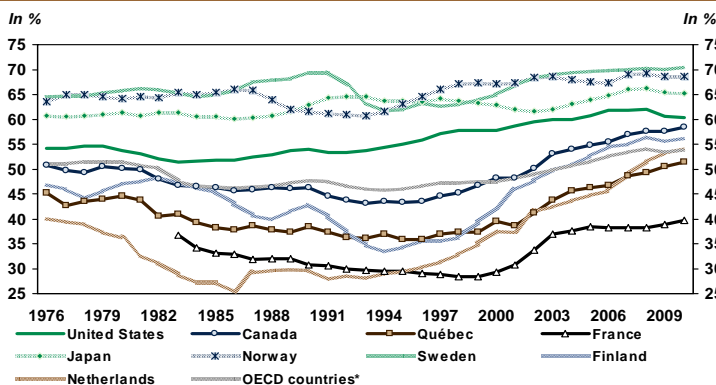
* Organisation for Economic Co-operation and Development.
Sources: Statistics Canada, Organisation for Economic Co-operation and Development and Institut de la statistique du Québec

or after having sung the praises of early retirement, during the 1990s in particular. It should be pointed out that employment increased by 8.3% between 1990 and 2000, while the increase from 1980 to 1990 was 23.4% and from 2000 to 2011 was 16.2%. Throughout the 1990s, approximately 92% of the labour force consisted of 15- to 54-year-olds, whereas that percentage is now closer to 85%.

The labour market is now more open to those aged 55 and over: labour scarcity and actuarial deficits in pension plans have changed the rules of the game. How does Québec’s situation compare with that of other OECD member countries? The Institut de la statistique examined the issue of workers aged 55 and over and tried to find out where Québec stood. Graph 7 provides a good picture of the situation. First of all, we note that the employment rate of workers between the ages of 55 and 64 has risen considerably in Québec. We also note that few jurisdictions have a rate lower than that of Québec, but there are many that have a higher rate: among others, Ontario, the United States, Japan, Norway and Sweden. The rate in Sweden could rise further, given that discussions are underway there on the public pension system. There is more and more talk of keeping Swedes working longer, given the increase in life expectancy. In any event, comparing Québec with other labour markets shows us that the employment rate could be increased further.

As for those aged 65 and over (graph 8), we find that, in Québec, the employment rate of older workers has not yet matched the level observed in 1976. A comparison shows that among the countries for which data are available, there are few that have a rate lower than Québec’s, and several that are well above it. Here again, the picture is clear: the current rate could be raised.

Graph 7 Employment rate of those aged 55 to 64: Sweden tops the list



* Organisation for Economic Co-operation and Development.
Sources: Statistics Canada, Organisation for Economic Co-operation and Development and Institut de la statistique du Québec

WHY IS IT SO IMPORTANT TO KEEP PEOPLE WORKING AND TO CREATE JOBS?

Job creation seems to be a constant concern among economists; is this basically an obsession of the profession? Not at all; it concerns society as a whole. While the population is growing, needs for education, healthcare and pensions increase. Québec society has decided to have these services delivered by the government which, by collecting taxes from individuals and businesses, must finance these activities.

Québec’s population appears to be growing—at a modest pace, but it is growing. Moreover, it is aging quickly, which increases demand for healthcare services and pension benefits. These services are financed, in part, by workers. A quick calculation using the data of the latest demographic scenario of the Institut de la statistique du Québec (ISQ) shows that the situation is becoming more critical. Whereas in 1971 there were 9.5 people aged 15 to 64 for each person aged 65 and over, we find that, in 2011, there were only 4.4 of them; moreover, that ratio will shrink to 2.3 people by 2031, a little less than 20 years from now. Table 2 gives an idea of the scope of the challenge we face for funding government services, especially pensions.

Table 2 – Number of people aged 15 to 64 divided by those aged 65 and over

1971	9.5
1981	8.1
1991	6.4
2001	5.3
2011f	4.4
2021f	3.1
2031f	2.3
2041f	2.2
2051f	2.1

Sources: Institut de la statistique du Québec and Desjardins Economic Studies

In short, the tax burden that each worker has to bear will be larger and larger; hence the importance of having as many people as possible at work. That is also why we wonder whether the rules of the game may change regarding the age of retirement, and to what extent it is possible to expand the pool of potential workers. In this situation, the number of jobs counts, and employment growth is also a determining factor.

Keeping people at work, preserving jobs and creating new ones is not merely the hobbyhorse of economists and tax specialists; it is an issue that concerns society as a whole.

A RISING TIDE

Employment growth during the 2000s greatly benefited workers aged 55 and over (graph 9). Between 2000 and 2011, 552,100 jobs were created. The increase in the number of jobs held by workers aged 55 and over was 335,000.

It is interesting to note that workers aged 55 and over tend to favour jobs offering more flexibility, such as part-time work and self-employment. At the end of the 2000s, one quarter of

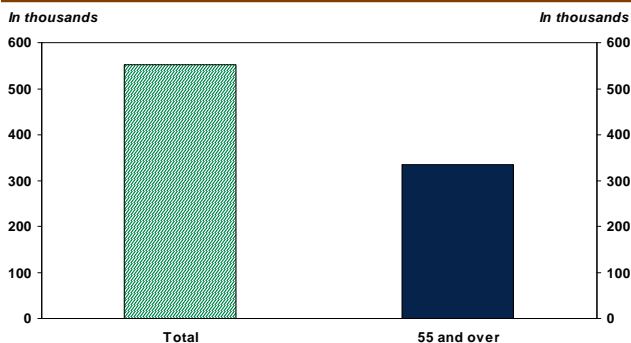
workers aged 55 and over held a part-time job. This phenomenon was observed among 20% of those aged 55 to 64, and among 44% of those aged 65 and over. Despite these generalizations, we must not lose sight of the fact that the labour market for workers aged 55 and over is far from homogeneous.

The ISQ has identified a few factors that promote a longer participation by workers in the labour force. Higher life expectancy at birth and the expectancy of life in good health are factors not to be ignored. In fact, between the beginning of the 1950s and the end of the 2000s, life expectancy rose by 11.5 years for men and 13.5 years for women. The expansion of the service sector of the economy led to less physical wear and tear for workers aged 55 and over, compared to the past. Furthermore, they are more educated and joined the workforce later in life. Finally, comparisons with other countries show that employment rates can reach higher levels.

A LABOUR MARKET IN TRANSITION

The decision to stay in the labour market depends on a large number of factors that lie in the hands of workers (health, family situation, accumulated savings, etc.), employers (organization of work, corporate pension plans, etc.) and

Graph 9 Québec: Job growth between 2000 and 2011 greatly benefited those aged 55 and over



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

SHORTAGE, SCARCITY OR RECRUITMENT PROBLEMS?

How should we describe the current labour market situation? “Shortage” is the word that shows up the most frequently in the media, but in what circumstances is it really appropriate? The Centre d’étude sur l’emploi et les technologies (CETECH) [Centre for studies on employment and technology] has examined this issue³ and offers the following insights.

“In economic terms, a labour shortage is an imbalance in the labour market characterized by an insufficient supply of labour, which is reflected in lasting job vacancies that cause businesses to curtail production, despite the fact that the compensation offered and other working conditions are in keeping with the market.”

“A labour shortage may occur briefly in a given profession, but it is a phenomenon that rarely lasts long. Generally speaking, a labour shortage can be observed for a given profession (and in a given region) when the following signs are evident at the same time:

- Strong employment growth

- A very low unemployment rate
- Lasting job vacancies (recruitment difficulties)
- Significant salary increases
- The absence or lack of replacement workers (e.g. new graduates)”

According to the Enquête sur le recrutement et l’emploi (EREQ)⁴ [Recruitment and employment survey], conducted by the Institut de la Statistique du Québec in 2010, only 0.1% of employment would represent a shortage, which is defined as “lasting job vacancies that cause serious problems for businesses (e.g. turning down work contracts or extending delivery times).” The CETECH concluded that there was no widespread labour shortage in Québec. Accordingly, the number of job vacancies that we can consider as being in a shortage position was estimated at approximately 4,000 in 2010. Furthermore, forecasts for the future are not alarming: the CETECH estimates that despite the fact that we will see more recruitment difficulties and some business sectors will experience a scarcity of labour in certain professions, it is not appropriate to talk about a widespread labour shortage for the next decade, at least. This issue will be examined more closely in the second article, on Pages 11 to 16.

governments (government policies, assistance with job searches, incentives for later retirement, etc.). What we know, from the surveys conducted by the ISQ in particular, is that Québec workers currently retire and plan to retire earlier than their Ontario counterparts. However, a growing number of recent surveys from several sources indicate a change in retirement intentions: the age at which Québécois plan to retire seems gradually to be receding. The labour market may have been getting more grey-haired, but we may see it get more white-haired in the years to come.

This analysis has focused on the internal dynamics of the Québec labour market. While the situation is becoming increasingly complex to manage due to the aging of the workforce, we must keep in mind that it is also subject to many

factors on which business leaders, workers and local governments do not necessarily have much leverage. The strength of the Canadian dollar, the ups and downs of the financial markets and business agreements signed in other parts of the world also have a bearing.

Is the Québec labour market up against a wall, as we have often heard people say? Maybe not, especially if Québécois are considering extending their working lives. The next decade will be decisive. That will be the subject of the second *Perspective* article.

Joëlle Noreau
Senior Economist

¹ Participation rate: Total labour force expressed as a percentage of the population aged 15 years and over. The participation rate for a particular group (for example, women aged 25 years and over) is the labour force in that group expressed as a percentage of the population for that group. Source: Statistics Canada, Guide to the Labour Force Survey, 2011, p.14.

² Employment rate: (employment/population ratio). Number of employed persons expressed as a percentage of the population 15 years of age and over. The employment rate for a particular group (age, sex, marital status, province, etc.) is the number employed in that group expressed as a percentage of the population for that group. Source: Ibid., p.12.

³ CETECH, Vargas Benavente, Raphael, “Les pénuries et les raretés de main-d’œuvre au Québec” [Labour shortages and scarcity in Québec], Capsules du CETECH, July 2011.

⁴ EREQ: The survey covers businesses with more than five EREQ employees, but excludes those in the primary industry and the public sector.

LABOUR MARKET

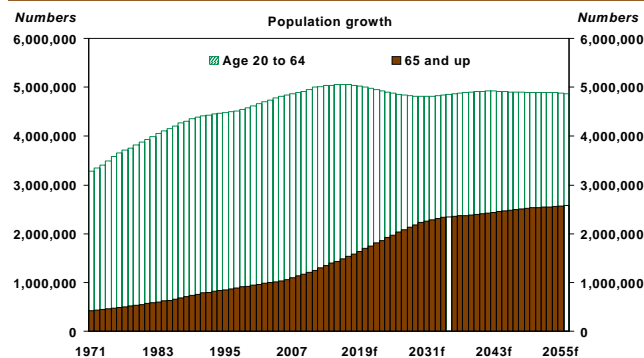
2020 horizon: Is Québec facing an impasse?

The aging of the labour force will bring Québec to an impasse, according to some remarks by labour market commentators over the last few years. This isn't the only worry concerning the labour market, but it takes centre stage. Even if many things have since been said to soften these pessimistic remarks, the idea that a serious shortage is developing is hard to uproot. What is the outlook for 2020? Where will the demand for workers come from: employment growth or the replacement of older workers? What sectors are already affected by recruitment difficulties? To date, what paths have been explored to lessen the impact of the aging workforce? These are questions on which Perspective hopes to shed some light.

CARDS ON THE TABLE

Does danger lurk ahead? There are definitely reasons to be worried. Does this mean impending doom or the collapse of Québec's economy? Not necessarily. One thing is certain: the status quo in terms of the workforce is unsustainable. We cannot rely on natural population growth or keeping the labour force participation rate at current levels to meet the need for workers in Québec over the coming decade (graph 10). There is a consensus on this point. The discussion is focusing more on the scope of the needs and the measures to take.

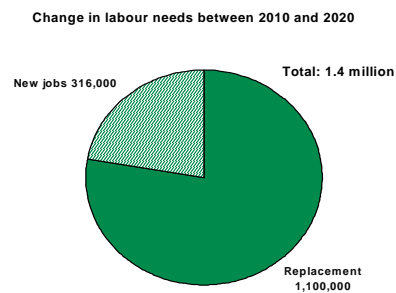
Graph 10 Québec population growth: Decline in the 20 to 64 group



Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

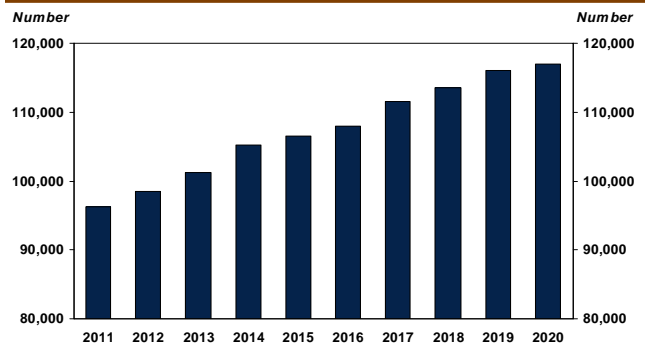
Emploi-Québec is keen on long-term forecasts regarding the evolution of these needs. They have published six works on this subject. The document, "Le marché du travail au Québec – Perspectives à long terme, 2011–2020," published in the fall of 2011, presents their forecasts regarding the evolution of the labour market from now until the end of the decade. Here are the main conclusions. From 2010 to 2020, demand for workers will be close to 1.4 million people. Of this number, 316,000 will fill new jobs, and approximately 1.1 million will replace retiring workers (graph 11). This estimate takes into account the non-replacement of workers who will leave after many years of good and loyal service. Graph 12 shows that the number of new Québec Pension Plan recipients will increase, and that thought should be given to replacing the people who will leave the labour market.

Graph 11 2020 horizon: More than 75% of newcomers will replace retirees



Sources: Data from Emploi-Québec estimates and compilation by Desjardins, Economic Studies

Graph 12 New Québec Pension Plan retirement benefit recipients: A rise is to be expected



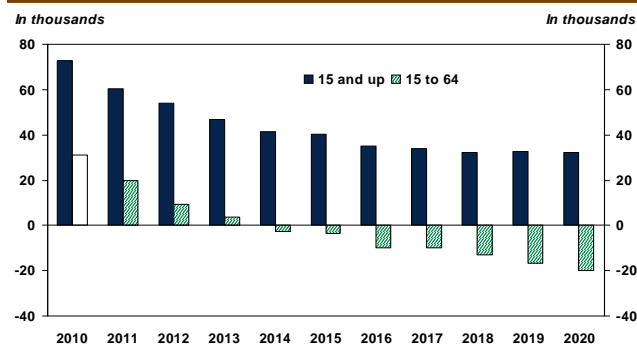
Sources: Québec Pension Plan, actuarial analysis by the Québec Pension Plan as at December 31, 2009. Emploi-Québec adjusted the projections to exclude new recipients living outside Québec.

What is the source of the concern that has been building these past years? Time and time again we have been told that the first baby-boomers will turn 65 in 2011. To this, add the fact that they will leave the labour market in increasing numbers, and that growth of the population segment aged 15 and older is slowing. If we include worry over the financing of public pension plans, and the holes left in pension funds after the recent financial crisis, the conditions are ripe for sowing dismay. It is important to break down the data and messages associated with them.

POPULATION GROWTH IS SLOWING

Population growth is not as lively as it was in the 1960s, 1970s, 1980s and 1990s; this is not a new phenomenon. For their part, the demographic scenarios published by the Institut de la statistique du Québec (ISQ) for the coming years are clear: population growth will be even slower in the 2010s. More specifically, the increase in the population aged 15 and older (those who are of working age), is slowing (graph 13) by half and will diminish between 2010 and 2020. There is an initial observation to be made: the chances of finding a job and entering the labour market are much better than they were at the beginning of the 1980s or 1990s, times of recession when the baby-boomers made up a large portion of the labour force.

Graph 13 Annual population change from 2010 to 2020: 15 to 64 group will decline as of 2014

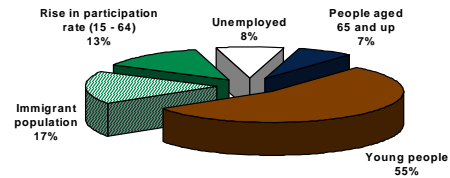


Sources: Institut de la statistique du Québec, Perspectives démographiques, baseline scénario, 2009. Compilation, Emploi-Québec

This graph also shows that the population aged 15 to 64, which forms the vast majority of the workforce, will soon stop increasing and begin to shrink in 2014. That is less than two years from now, which is what everyone is worried about. In fact, according to the ISQ's baseline scenario, the group from 15 to 64 years will shrink by 76,000 people between 2014 and 2020. The following question therefore arises: How do we fill new jobs and provide replacements in this context? Young workers alone cannot meet all labour needs.

Emploi-Québec estimates that the 1.4 million workers the labour market needs to run properly until 2020 will be as follows (graph 14): 55% of its needs fall into the group of people aged 5 to 24 in 2010, who will be 15 to 34 years old in 10 years. Immigration will meet 17% of the demand. Greater workforce participation, as measured by the participation rate, will cover 20% of labour needs. A rise in the participation rate among 15- to 64-year-olds will contribute 13%, while the workforce aged 65 and older will contribute 7%. Finally, the drop in the unemployment rate will fill the remaining needs.

Graph 14 Source of the labour supply from 2011 to 2020: It will take more than young people



Sources: Data from Emploi-Québec and CETECH estimates

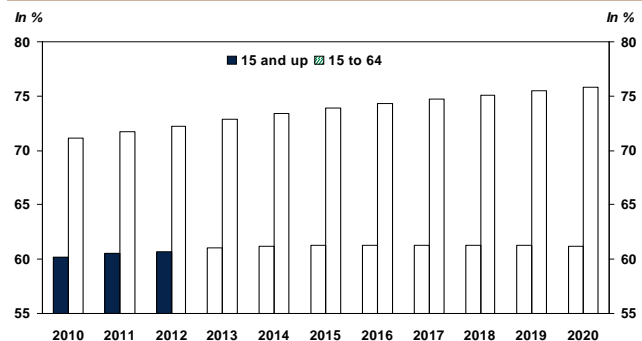
In light of this scenario, an observation can be made: there is no shortage (see box on page 10), but the current situation calls for changes. However, keep in mind that the global picture hides disparities: some sectors, regions and professions will be more affected than others. What's more, increased participation in the labour market and the drop in unemployment will not eliminate unemployed workers altogether. There will be an estimated 230,000 without work in 2020.

TWO-PHASE JOB GROWTH

Between 2010 and 2020, Emploi-Québec estimates that new job creation will occur more quickly from 2010 to 2015 (+221,000) than from 2016 to 2020 (+95,000) (a total of 316,000 new jobs).

Earlier, we raised the matter of the decline as of 2014 in the population of 15- to 64-year-olds, which makes up the core of the workforce. Even if the employment rate increases in this age group (graph 15), it will not control the drop in the under 65 labour force (people who work or who are looking for

Graph 15 Employment rate from 2010 to 2020: An increase across the board



Sources: Statistics Canada, Labour Force Survey, Emploi-Québec estimates for 2011 to 2020 and CETECH

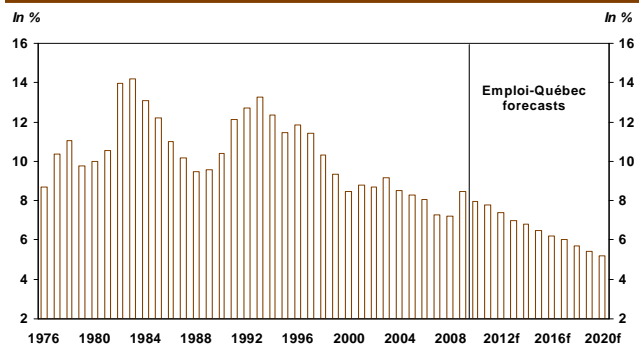
work) into 2018. The participation rate for 15- to 64-year-olds is already very high, and can only go up slowly. It reached 77.3% in Québec in 2010, while that same year it was 70.7% on average in OECD (Organisation for Economic Co-operation and Development) countries.

Reinforcements will also come from the over 65 population, who will increase their employment rate. Comparisons with some European countries (see page 8 in this issue of *Perspective*) suggest that such an increase is possible, as the pressing demand for workers will act as an additional incentive. Statistics Canada estimates that, in 2000, this population held 28,000 jobs; it rose to 93,000 in 2010. In 2020, there will be close to 100,000 more people in the over 65 labour market, according to Emploi-Québec.

MANY SUMMONED, MANY CHOSEN

Emploi-Québec estimates that the unemployment rate will be close to 5.2% in 2020, which is both the lowest level seen since 1967 and close to what economists call “full employment” (graph 16). This tight situation will be beneficial for those who are looking for jobs. Graduates, the unemployed, older workers and immigrants will benefit in comparison with the current situation and the situation that prevailed at the turn of the century.

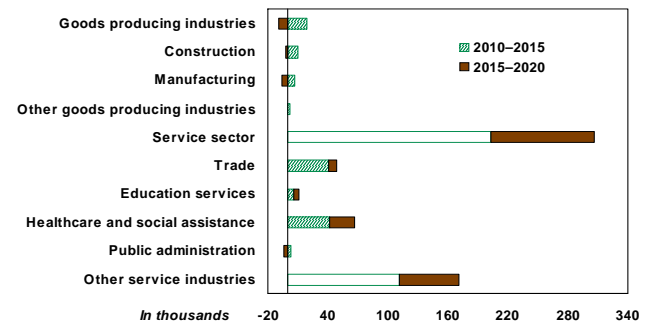
Graph 16 Unemployment rate from 1976 to 2002



Source: Statistics Canada, Labour Force Survey, Emploi-Québec estimates for 2011 to 2020

Some sectors will see stronger demand. Using broad categories, the organization estimates that more than 95% of the new jobs created (out of 316,000) will be in the service sector (graph 17), which includes healthcare and social assistance, as well as business, and professional, scientific and technical services. Losses will occur mainly in the second half of the decade, largely affecting manufacturing, public administration and construction.

Graph 17 Change in the number of jobs by activity sector: a faster pace from 2010 to 2015



Sources: Emploi-Québec and CETECH estimates

With demand being high and the potential for additional labour limited, all skill levels will be sought after. However, a good education and strong demand for workers do not necessarily guarantee employment. The labour market will be welcoming, of course, but it will also be demanding. Technological breakthroughs and the phasing-out of some activities in favour of new ones will mean that the skills sought will change with time.

This means there will be challenges both for employers and employees. The training issue will be critical. It will be up to employees, employers and also governments, all of whom will benefit from a labour market that meets its needs as well as those of the workers.

SHORTAGE OR NOT?

Is there currently a shortage, or not? It all depends on your point of view. Employers who have been struggling to fill positions for months will say yes. For them, the answer is clear. For its part, Statistics Canada developed an unemployment-to-job-vacancies ratio a little over a year ago. This measurement compares provinces with the average. It has a short history so, for now, we cannot track its evolution over time. However, the ratio for July, August and September 2011 (the most recent) puts Québec on par with the national average (3.3). A position is considered vacant when it meets the three following conditions: “a specific position exists, work could start within 30 days, and the employer is actively seeking employees from outside the organization to fill the position.”¹ The data were gathered for the purpose of the Business Payrolls Survey (BPS), which is a component of the Survey of Employment, Payrolls, and Hours (SEPH).

**Table 3 – Job vacancies
3-month average – September 2011**

	<i>Number of un- employed</i>	<i>Number of job vacancies</i>	<i>Ratio of unemployed to job vacancies</i>	<i>Job vacancy rate</i>
Québec	170,500	51,700	3.3	1.6
Canada	811,700	248,100	3.3	1.7

Source: Statistics Canada, Business Payrolls Survey

Table 3 shows that over 50,000 jobs were vacant, on average, in Québec in the third quarter of 2011. Statistics Canada then establishes a “job vacancy rate.” In this capacity, Québec was slightly below the Canadian average (1.6% and 1.7% respectively). It can be assumed the rate was higher in Alberta (2.6%) due to the boom in oil sands development. If the situation is worrisome here, it is even more so elsewhere in Canada. A more complete comparison is proposed in the interprovincial section on pages 17 and 18.

REINFORCEMENTS FROM IMMIGRATION: SOME FIGURES

According to Emploi-Québec’s scenario, there will be 1.4 million jobs to fill between now and 2020. Of these, approximately 17% will be filled by immigrants. We can generate some estimates based on the data used in their forecasting exercise. The following estimates are extrapolated from the work done by Emploi-Québec and are not part of their work. A quick calculation shows that 17% of 1.4 million workers is 238,000 people. An annual distribution brings this figure to 23,800 people. This calculation is hypothetical, as needs are not determined in 10% slices for each year; however, it provides us with some orders of magnitude.

According to the Ministère de l’Immigration et des Communautés culturelles du Québec (MICC), Québec received 47,711 immigrants per year on average from 2006 to 2010, for a total of 238,553 people (table 4).

On average, for the last five years, 65.2% of immigrants were considered part of the economic immigration category (skilled workers, business people and others such as live-in caregivers). Annualizing this figure yields 35,011 people per year for the same period. Assuming that 75% of “economic” immigrants find a job ($0.75 \times 35,011$ people), we get 23,258 more people in the labour market, which is close to the 23,800 sought in the earlier calculation.

If we re-do the exercise a little differently using the MICC data indicating that 76.4% of immigrants arriving in Québec say they are heading for the labour market (among those 15 and older), we can make the following estimates. On average, 47,111 immigrants came to Québec per year between 2006 and 2010; the group aged 15 and older totals 38,073 people per year. Applying the proportion of 76% yields 28,935 people who want to enter the labour market annually. If we do the same with the 2010 data ($76\% \times 42,643$ people), the number is 32,409 people, which is higher than the 23,800 people who could be needed, still extrapolating from Emploi-Québec’s scenario.

We could repeat this exercise using 60% for those people heading into the labour market, a scenario that would yield 22,843 people on average for 2006–2010 and 25,585 for 2010. In both cases, the data are close to the 23,800 people required to meet the needs initially estimated in Emploi-Québec’s forecasts.

Finally, we could also look at the question by comparing the data with the 80% retention rate observed for immigrants from 2000 to 2008. By multiplying the number of immigrants who are 15 and older and heading into the labour market by 80%, we get 23,148 people, using the average for the last five years ($80\% \times 28,935$ people who meet the two criteria mentioned). Doing this calculation with the 2010 data ($80\% \times 32,402$ people) yields 25,922 immigrant workers, a figure again close to the estimated 23,800 people.

However, these figures can’t tell us whether new immigrants’ skills match the skills the labour market needs. Furthermore, we know that competition is increasingly ferocious to recruit the best talent; many countries have very fast processes for

**Table 4 –
Immigrants admitted to Québec**

	<i>2006–2010 average</i>	<i>2010*</i>
Total	47,711	53,985
Under 15	9,638	11,342
15 and up	38,073	42,643
65 and up	669	866

* Preliminary data for 2010

Sources: Ministère de l’Immigration et des communautés culturelles, Direction de la recherche et de l’analyse prospective and Desjardins, Economic Studies

getting permanent resident status. Since 2010, Québec has had a process called the “Québec Experience Program” (PEQ), which accelerates the qualified worker selection process; it is intended for temporary workers with skilled jobs in Québec and foreign students who have or will have a Québec diploma.

What’s more, increasingly tight agreements are being established by different bodies (governmental, sectoral, business, etc.) to facilitate immigrant workers’ access to the labour market. The Québec-France Agreement to facilitate workforce mobility, which is based on the mutual recognition of qualifications, is an example of this. To date, more than 40 regulated professions or trades are covered by such agreements. Much remains to be done, but openness to agreements that accelerate integration into the labour market seems to be increasing.

THE IMPASSE COULD BE AVOIDED, TO THE EXTENT THAT...

The demographic aging issue has piqued the interest of many researchers in recent years. In a document tabled with the Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus, Luc Godbout, a professor at Université de Sherbrooke, studied the “impact of different participation scenarios in the labour market.”² Using the 2009 demographic projections from the Institut de la Statistique du Québec, he outlined seven labour market participation scenarios. In turn, his assumptions focused on a gradual increase in the participation rates for men and women to levels observed in Ontario (where the rates are higher) and Sweden (2008 levels). Some of these scenarios also considered rising birth rates and an increase in net migration (balance between immigration and emigration) from current levels. The horizon considered was 2031.

The overall conclusions reached in this exercise were the following: according to scenario 1, “if the participation and unemployment rates by age and sex observed in 2008 remain unchanged, in 2031, there would be 7,000 fewer jobs than in 2008.” On the other hand, “if the participation rates by age and sex were to reach those observed in Ontario (in 2008) in 10 years (by 2021) and remain unchanged afterwards, and by lowering the unemployment rate, in 2031 there would be 251,000 more jobs than in scenario 1, including 139,000 people aged 55 to 69 and 49,000 aged 70 to 74.” Finally, assuming that the participation rates reached those noted in Ontario (in 2008) in 10 years (in 2021) and then continue to

rise, in 2031 there would be 433,000 more jobs than in scenario 1, including 184,000 people aged 55 to 69 and 66,000 aged 70 to 74.

The study therefore concludes that increased participation by workers 55 years of age and older is desirable because it has a substantial effect on the number of jobs, economic growth and the standard of living.

THERE IS NO SHORTAGE OF IDEAS

The matter of the aging workforce is worrisome and many have had their say on this issue over the last few years. The vast majority of stakeholders are pleading for more labour market participation from workers 55 and older. In the short term, this solution could deliver the fastest results when it comes to limiting negative repercussions. We’re fairly certain that everyone is affected, but increased participation by 55- to 64-year-olds would be the action with the most punch. To promote participation by workers 55 years and over, the Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus issued a large number of recommendations when tabling its report in 2011. The Commission also proposed action plans for integrating immigrants and investing in workforce training and qualification.

Among the actions intended to increase the number of workers able to fill a job, there is a recommendation to allow training costs incurred under the Act to promote workforce skills development and recognition, dedicated to workers 50 and over, to be recognized at a rate of 200% of eligible expenses. It is also suggested that workers aged 50 and over, in addition to universal employment services, be offered specific services including assistance in job searches and recognition of skills and training. It is also a matter of designing short training and education programs for immigrants who have a solid basic education but who wish to direct their skills to professions and trades that are experiencing a labour shortage. Finally, among the many actions proposed by the Commission, two have especially captured attention: making the QPP (Québec Pension Plan) benefit less attractive before 65 and enhancing the pension requested at 65 years, and gradually pushing back the age of eligibility for early retirement benefits from the QPP. The universality of these measures and their financial character have generated strong media attention. However, resolving the problem of the aging workforce does not boil down to these financial and fiscal aspects. It will require many avenues. Many sectors have already begun working on this issue.

WORKERS WANTED, SOLUTIONS BEING DEVELOPED

Some sectors have been having trouble recruiting for some time now, making their needs known through their industry associations or groups of professionals. Thus, these last few years, the media has spoken of the agricultural sector, the tourism industry, education, the mining sector, information and communication technologies and the textile industry, to name a few.

The agricultural sector offsets the lack of field labour largely by resorting to workers from Mexico, South America and the Caribbean. There were an estimated 8,000 of these workers in Québec last summer. The number of agribusinesses relying on foreign workers increased substantially from 1995 (77) to 2010 (nearly 600) and is apparently rising. In this case, the workers are here six to eight months of the year. The practice occurs elsewhere in Canada and is so popular that the federal government has a “Temporary Foreign Worker Program” and other methods for regulating this phenomenon. In a context where the labour market is increasingly tight and mechanization has developed extensively in recent decades, foreign workers will continue to be used through 2020.

In the tourism and hotel sector, recruitment difficulties, especially for restaurants, are well known and have been largely publicized in the media. But this sector has a workforce shortage that goes well beyond waiting tables. In fact, according to the past chair of the Institut de tourisme et d’hôtellerie du Québec, there is an enormous need for skilled workers. He estimates that the sector will need 55,000 employees by 2015. The industry must recruit room cleaners, as well as human resources specialists, lawyers, tour guides, marketing professionals and event management professionals. The industry has already used training and promotion of tourism trades and professions to attract workers.

The education sector is also calling out for help. In terms of school administration, the Association québécoise du personnel de direction des écoles (AQPDE) rang the alarm last fall, saying that candidate pools were practically empty, or rapidly running out. There are also tensions regarding teaching. According to the data produced by the Ministère de l’Éducation, du Loisir et du Sport (MELS), there will be 12,966 positions to fill in this network over the next three years. An

**Table 5 – Education system:
Staffing needs**

	2009- 2010	2010- 2011	2011- 2012	2012- 2013
Jobs to fill	2,746	3,283	3,640	4,413
Graduates*	3,200	3,200	3,200	3,200
Surplus and	454	-83	-440	-1,213

* If all graduates stay in Québec and start careers there.

Source: Ministère de l’Éducation, du Loisir et du Sport

estimated 9,600 new teachers will earn their teaching certificate during this time, after having completed their university education (table 5). We predict that, at this pace, there will be a shortage of teachers. Simultaneously, some solutions have been implemented to mitigate the problem. Work is being done to make it easier to recognize the skills of teachers who earned their diplomas elsewhere in Canada, or outside of the country. Furthermore, Masters programs have also been put into place so that graduates in fields like mathematics or very specialized programs can eventually teach without requiring four more years of education.

IMPASSE, OR URGENT NEED FOR ACTION?

The necessity of keeping people in the workforce longer, increasing training, turning to foreign workers and making it easier to enter some professions responds to the imperatives of the aging workforce. However, changes in the labour market are also attributable to the economy’s growing focus on the service sector, redefined roles in industrial production that require more flexibility and versatility from SMBs to adapt to markets, and a strong dollar.

Different analyses show that the situation in the labour market is tough. Does that mean that it is desperate? We must acknowledge that some activity sectors are struggling to recruit. However, note that many of them have implemented measures to remedy the situation. Greater participation in the labour market seems unavoidable, both in terms of numbers and of duration. It is vital to act now to avoid the impasse.

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¹ Statistics Canada, The Daily, January 24, 2012, p.5.

² Godbout, Luc, “Transition démographique et impacts de différents scénarios de participation au marché du travail,” Document presented to the Commission nationale sur la participation au marché du travail des travailleuses et travailleurs expérimentés de 55 ans et plus, December 2010.

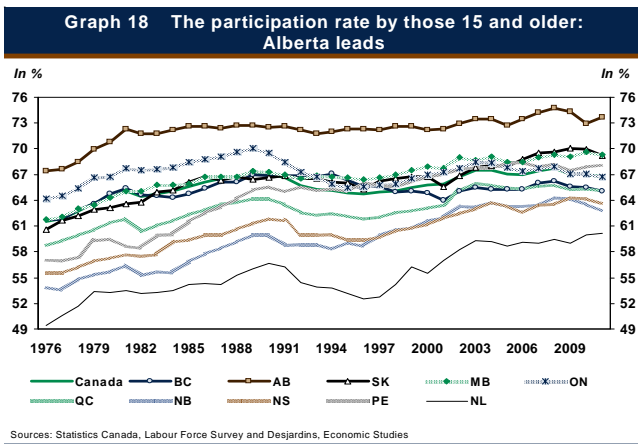
INTERPROVINCIAL SHOWCASE

Canada at work from coast to coast

Looking at the evolution of the labour market across the country, we can see that Canadian participation has increased somewhat over time. Similarly, the presence of workers 55 and over is growing, in keeping with the aging of the population. Here is a quick portrait of some indicators that make it possible to compare the provinces.

AN INCREASING NUMBER OF PEOPLE AGED 15 AND OVER IN THE LABOUR MARKET

Clearly, the Canadian population has responded to the job offers received in the last 35 years. Since 1976, the participation rate¹ has gone up in all provinces (graph 18).



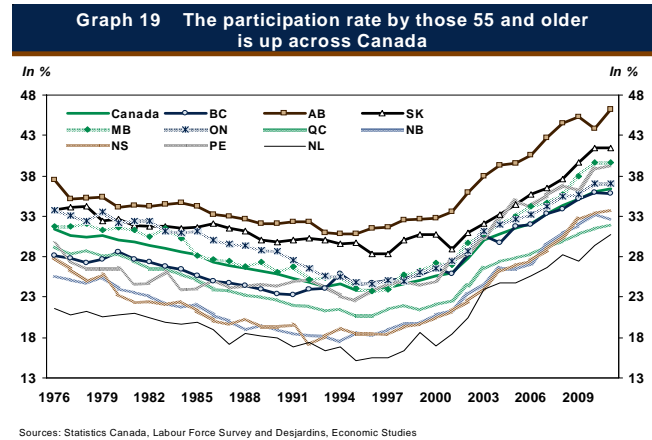
In many provinces, the peak participation rate was reached at the end of the 2000s, but that is not the case for all of them. There are two exceptions: Ontario and British Columbia. In Ontario, the participation rate peaked in 1989, before the recession in the early 1990s that hit the province hard. Approximately 266,000 jobs were lost between 1990 and 1992 and it took more than four years to get them back. Real GDP had dropped by 1.7% and 3.9% in 1990 and 1991, improving slightly in 1992 (+0.9%). In British Columbia, the rate reached its highest level in 1990, 1991 and 1992, with the recession having a bigger impact on central and eastern Canada. The westernmost province's real GDP did not drop at all during this tumultuous period.

In 2011, it was Alberta whose participation rate was at its peak for the population aged 15 and over. It had a strong lead, at 73.3%, while the Canadian average was 66.8%. Even with this enviable score, Alberta had already exceeded this level in 2008 (74.7%), when energy prices were at a high. In fact, the province is well ahead of the others and, as such, holds a substantial lead over its two closest rivals, Manitoba and Saskatchewan (69.3% and 69.2% respectively in 2011). Note: Alberta has always held first place, even when oil prices went as low as US\$14 a barrel in 1998 and US\$19 in 1999. For their

part, Québec and Ontario posted rates of 65.2% and 66.8% respectively in 2011. Newfoundland and Labrador trailed behind with 60.2%, a substantial rise when compared with 49.4% in 1976.

WORKERS 55 AND OVER, MORE PRESENT THAN EVER

Québec is not the only place in which participation rates increased for workers 55 and over. A look at graph 19 will give you an overview of the Canadian situation. We note a slight continuous decline from 1976 until the end of the 1990s. Starting in 1997 and 1998, there is a slight gain that firms up in the early 2000s through 2011. For workers 55 and over, as well as those 15 and over, the increased participation rate affects all provinces. In 1976, only Alberta had a rate that exceeded 35%. In 2011, 6 out of 10 provinces had a rate higher than that level. Newfoundland and Labrador, New Brunswick, Nova Scotia and Québec have levels close to but below 35%.



Alberta is in first place. The unbridled growth of the economy and employment, supported by high oil prices, has made the labour market more receptive to older workers—this is the first idea that springs to mind when explaining this phenomenon. However, the province did not post the highest rates in Canada only yesterday. It has been in the lead for 35 years. Note that western Canada was not hit by the recession that occurred in the early 1990s. However, even when oil prices were rather low (average of US\$18.60 for WTI from 1993 to 1999), Alberta still held first place: it seems that this phenomenon goes beyond energy prices.

Table 6 – Unemployment/job vacancies – September 2011

	<i>No. unemployed (in thousands)</i>	<i>No. job vacancies (in thousands)</i>	<i>Ratio of unemployment to job vacancies</i>	<i>Job vacancy rate</i>
Canada	811.7	248.1	3.3	1.7
Newfoundland and Labrador	22.7	2.9	7.8	1.5
Prince Edward Island	6.8	0.7	9.4	1.2
Nova Scotia	29.1	5.3	5.5	1.4
New Brunswick	24.9	4.3	5.8	1.4
Québec	170.5	51.7	3.3	1.6
Ontario	316.3	90.1	3.5	1.7
Manitoba	24.8	9.6	2.6	1.8
Saskatchewan	16.9	11.0	1.5	2.6
Alberta	83.6	45.8	1.8	2.6
British Columbia	112.4	25.6	4.4	1.4
Yukon	0.7	0.4	1.6	2.4
Northwest Territories	1.5	0.5	3.4	1.9
Nunavut	1.4	0.2	6.9	2.0

Source: Statistics Canada, Business Payrolls Survey

The relative weight of workers aged 55 years and older in the total number of jobs held is on the rise in all provinces. By looking at the labour market through this lens, the rankings are a little different. In 1976, Saskatchewan and Prince Edward Island had the highest percentage of workers aged 55 and over (14.9%). These two provinces are also in the lead in 2011. In fact, the highest scores occurred in 2011. They range from 16.7% to 20.2% from one end of Canada to the other. The workforce aged 55 and over holds 16.7% of the jobs in Québec (18.8% in Alberta) and more than 20% in Prince Edward Island (20.3%) and in Saskatchewan (20.2%).

STRESS POINTS

Let's look at the labour market in a more specific fashion. Statistics Canada has just developed an "unemployment-to-job-vacancies" ratio, which offers a glimpse of the labour market at a specific moment in time (table 6). The history is less than a year old, and it is not possible to make comparisons at this point in time. The exercise is still interesting, nonetheless. Thus for the three months ending September 2011, the ratio was higher in the Atlantic Provinces, where, in Newfoundland and Labrador, there were 7.8 unemployed workers for each job vacancy. The average in Canada was 3.3, and Québec and Ontario were very close to this mark (3.3 and 3.5 respectively). It's clear that in Saskatchewan, in Alberta and in the Yukon (1.6) the market is tightest.

Furthermore, Statistics Canada also established a job vacancy rate, which is "defined as the number of vacant positions divided by total labour demand, that is, vacant positions plus payroll employment."² The highest job vacancy rates were in provinces with the most active economies, such as Saskatchewan and Alberta (2.6% for both), while the Canadian average is 1.7%. The Yukon follows closely, with 2.4%. In Québec and Ontario, where you often hear talk of recruiting difficulties, the rate is between 1.6% and 1.7%. Nevertheless, there were 170,500 unemployed workers on average at the end of September 2011 in Québec and over 316,000 in Ontario, which is rather considerable. It will be interesting to follow these indicators to see how they move.

The labour market changes, and the workers with it. As long as commodities continue to generate this level of popularity, recruiting tensions will be felt in the West and the North. The need for energy goes well beyond the continent of North America. Global demand is on the rise and fossil fuels remain very valued. The current dynamic, which favours the producing provinces, is hardly about to die out. Similarly, as long as the demand for workers is as insistent as it is right now, we will see participation from older workers increase, and the percentage of jobs held by workers aged 55 and over will grow in every province.

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¹ Participation rate: definition on Page 10.

² Statistics Canada, The Daily, January 24, 2012, p.5.





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