Labour Market Insecurity in Canada: a look at provincial level trends

Working paper

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Abstract

Despite a number of studies looking at changes in the post-recession labour market at the national level (see Green and Sand, 2014; DePratto and Bartlett, 2015), relatively little is known about labour market changes at the provincial level. Given that Canadian provinces have different industrial structures and exposure to the recent resource boom and bust, it is likely that national level data conceals considerable regional variation. In this paper, we use data from Statistics Canada's Labour Force Survey to measure provincial level trends in labour market insecurity, defined by involuntary part-time work, temporary employment, own-account self-employment, low wages, multiple job-holders and variable hours of work. Taking a broader view of insecurity, we also look at long-term unemployment as an indicator of labour market dysfunction.

Introduction

Employment quality has become a hot topic. From job quality indices to individual indicators, from national breakdowns to personal stories and experiences, policy makers, researchers, reporters and the public at large are taking note and taking the time to have conversations about the changing nature of work and the word 'precarious' has joined the common lexicon.

Since most working-age Canadians rely on employment earnings as their main source of income, changes in the labour market have significant implications for family incomes and well-being. The anecdotal evidence of workers finding it harder to make ends meet is corroborated by a recent study finding increasing rates of working poverty in Canada's big cities (Stapleton and Kay, 2015).

Research on job quality has tended to focus on national trends with only a small minority of studies focussing on a smaller geographic location. This focus on the national level may be masking divergent trends in job quality among different jurisdictions across the country.

This paper will examine 11 job and labour market quality indicators in each province across the country to discover if and where job quality has changed and whether or not those changes are occurring in different ways in different regions. Our analysis introduces some indicators of labour market quality that are rarely used or are missing from the research so far, adding information about multiple-job holders and jobs with unpredictable hours week-to-week. These additional indicators provide a better picture of job quality at the low end of the labour market.

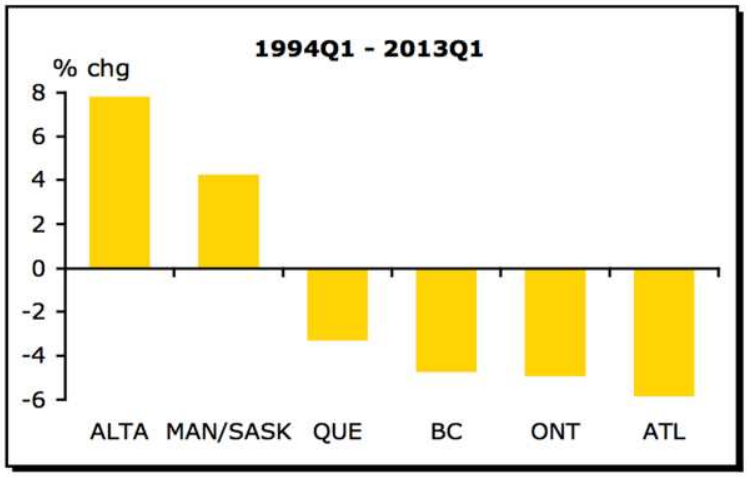
Literature Review

The slow recovery of the labour market after the 2008/09 recession has led to a renewed interest in questions of job quality in Canada. Two of the main banks, CIBC and TD, have now constructed Canadian job quality indices. However, their findings have been somewhat contradictory. While CIBC's measure of employment quality has been declining for the last 25 years, reaching record-lows in the last edition of the index (Tal, 2015), TD Economics' Precarious Employment Index shows a notable improvement since the recession, and is back to levels last seen in 2006 (DePratto and Bartlett, 2015). The differences in results are partly due to the choice of variables included in the two indices[1] but they point to the need for further research.

Despite a number of studies looking at changes in the labour market and various aspects of job quality at the national level (Green and Sand, 2014; DePratto and Bartlett, 2015; Tal, 2015), relatively little is known about the distribution of labour market and job quality changes across Canadian provinces. The CIBC Employment Quality index provides the most comprehensive provincial comparisons to date, but the results are not regularly included in the publicly available reports.[2] What information is available suggests there are significant provincial differences in job quality, with improvements in Alberta and the Prairie provinces and deterioration elsewhere in the country.

Chart 2

Growth in EQI Index by Province



Source: CIBC calculations based on Statistics Canada's tabulations

Source: Tal, 2013.

[1] Both indices include the gap between self-employment and paid employment, and two other variables. CIBC's measures the distribution of full- and part-time positions, and whether full-time jobs were created in low-, medium- or high-paying sectors. TD's measures the rate of involuntary part-time employment and underemployment (as measured by R6).

[2] The CIBC employment quality index used to be published quarterly but updates have not been available since March 2015, when the index reached record-low levels. The March 2015 Report (Tal, 2015) did not include historical comparisons by province (only changes over the last year). Furthermore, the proprietary CIBC index methodology makes it difficult for other researchers to build on these findings and extend the research.

Academic research on wage inequality also finds significant interprovincial differences, especially between provinces with large resource sectors and those without (Fortin and Lemieux, 2015). A recent Bank of Canada staff discussion paper documents different trends in labour market conditions across provinces and concludes that insights from the Bank's national-level labour market indicator are not directly applicable to the provinces (Fritsche and Ragan, 2016).

More research is needed to tease out how the Canadian market is changing and, in particular, how these changes are affecting the wages and economic security of Canadians at the lower end of the labour market. Given that Canadian provinces have different industrial structures and exposure to the recent resource boom and bust, it is likely that national level data conceal considerable regional variation. Having an accurate picture of the extent of precarious work in Canadian provinces is important because recent in-depth qualitative research focused on the experience of workers in the Greater Toronto region suggests there are multiple negative social consequences associated with precarious employment that go beyond simply the effects of having low income (Lewchuk et al., 2013).

Description of the data

This analysis is based on Statistics Canada's Labour Force Survey (LFS) and relies on data available through CANSIM, the public use microdata files (PUMFs) and a special tabulation from the LFS. [3] The LFS is a monthly household survey used to measure the current state of the labour market and track trends at the national, provincial and regional level over time. Once selected for participation, the survey follows respondents monthly over a six month period. The survey target has recently increased to 56,000 households per month, providing a sample size of roughly 100,000 respondents per month and sample sizes have been large throughout the history of the survey.

We restrict our analysis to the period from 1997 to 2015, as many of the questions capturing job quality were added to the LFS in 1997, including questions on hourly and weekly earnings, union membership, job permanence, reasons for part-time work and work absences, the number of jobs held at the same time, and variable hours of work week to week.

Data published through CANSIM and the PUMFs are not as detailed as is available through the Research Data Centres, however, it is detailed enough for our purposes. Information is provided at the provincial level for all of the indicators of concern.

We are unable to report on province of work and instead must focus on province of residence. Given the increase in inter-provincial worker mobility, a province of residence vs. work statistic would add an increased richness to the analysis that is unachievable at this time. Another limitation of the LFS is that it does not collect data on the labour market experiences for racialized workers, even though research has found these workers to be over-represented in precarious work (Lewchuk et al., 2013). While the LFS includes questions about immigrant and Aboriginal (off reserve) status, the data is not included in the PUMFs and few tabulations are made publicly available through Statistics Canada's CANSIM.

[3] The special tabulation in this paper was prepared by Richard Shillington of Tristat Resources.

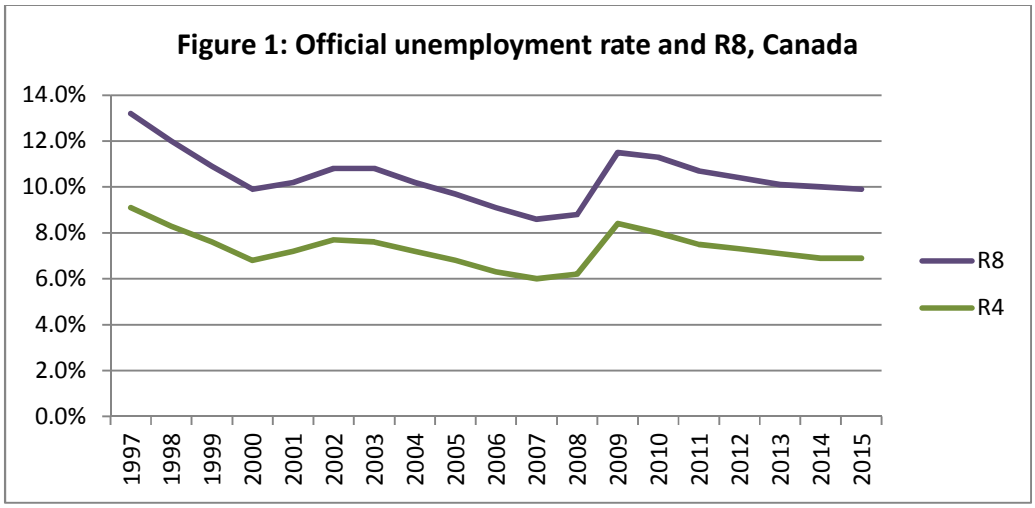
The LFS reports the hourly wage rate of all respondents (other than those who are self-employed). Employees that are paid by the hour are asked their hourly wage rate, while salaried employees are asked their weekly or bi-weekly earnings and the wage rate is calculated based on the number of hours they report working.

Comparing Provincial Labour Market Indicators

Given that Canadian provinces have different industrial structures and exposure to the recent resource boom and bust, it is likely that national level data conceals considerable regional variation. In this paper, we use data from Statistics Canada's Labour Force Survey to measure provincial level trends in labour market insecurity, defined by involuntary part-time work, temporary employment, own-account self-employment, low wages, multiple job-holders and variable hours of work. Taking a broader view of insecurity, we also look at long-term unemployment and underemployment as indicators of labour market dysfunction.

Unemployment Rate

The unemployment rate is one of the most popular indicators of labour market health. It provides an assessment of the share of the labour force that is looking for work. It helps to answer the question: are there enough jobs for people who want to be working. But the unemployment rate disregards a significant amount of important data including the number of discouraged workers, the number of underemployed workers or workers who are in unstable employment relationships. For this reason we provide a historical assessment of the unemployment rate by province and include the measure R8 or official unemployment plus discouraged workers, plus waiting group, plus a portion of involuntary part-time workers.



Source: Based on Statistics Canada, CANSIM Table 282-0087 and 282-0086.

Figure 1 shows that both the official unemployment rate (R4) and the broader definition of unemployment (R8) follow the business cycle, rising during recessions and falling during recoveries. However, the recovery from the 2008/09 recession has been slow and six years after the trough of the

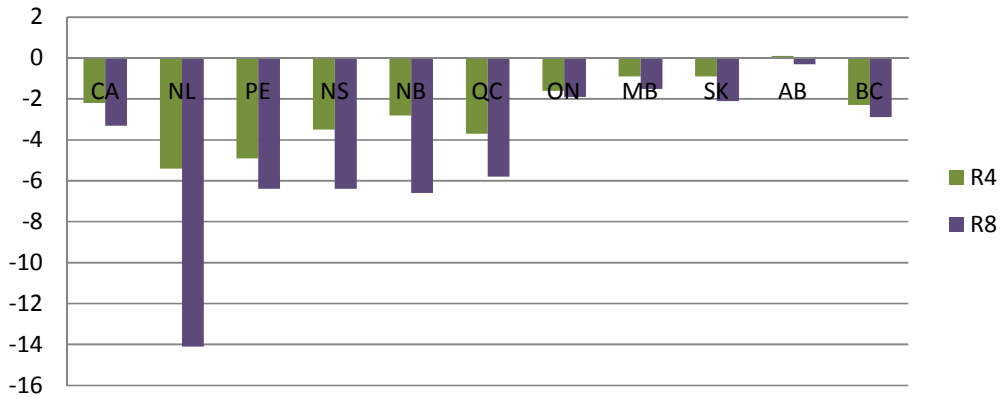
recession, the unemployment rate has not returned to pre-recession levels. The gap between pre-and post-recession is larger for the R8 measure, which includes discouraged workers and underemployed persons, than the official rate. Both definitions of unemployment show the Canadian labour market in 2015 was better than in 1997.

Disaggregating the data by province shows substantial differences across provinces. In percentage point terms, Newfoundland and Labrador has seen the largest decrease in the unemployment rate since 1997, by both measures. While that is certainly an improvement, it masks the fact that at 12.8% and 17.5% (R4 and R8, respectively) the province continues to have the highest unemployment rate of any province by both measures.

The Atlantic Provinces and Quebec all saw similar declines in both the broader and the official measures of unemployment over the time period. There was a 6-percentage-point decline in the R8 during the period and a decline of between three and five percentage points in the official measure of unemployment.

Ontario and the western provinces saw smaller declines in both measures. Alberta is the only province to have seen an increase in the unemployment rate during the period and it is very minor. However, Alberta and the other Prairie provinces had the lowest unemployment rates in the country in both 1997 and 2015.

Figure 2: Percentage point change in unemployment rate, 1997-2015



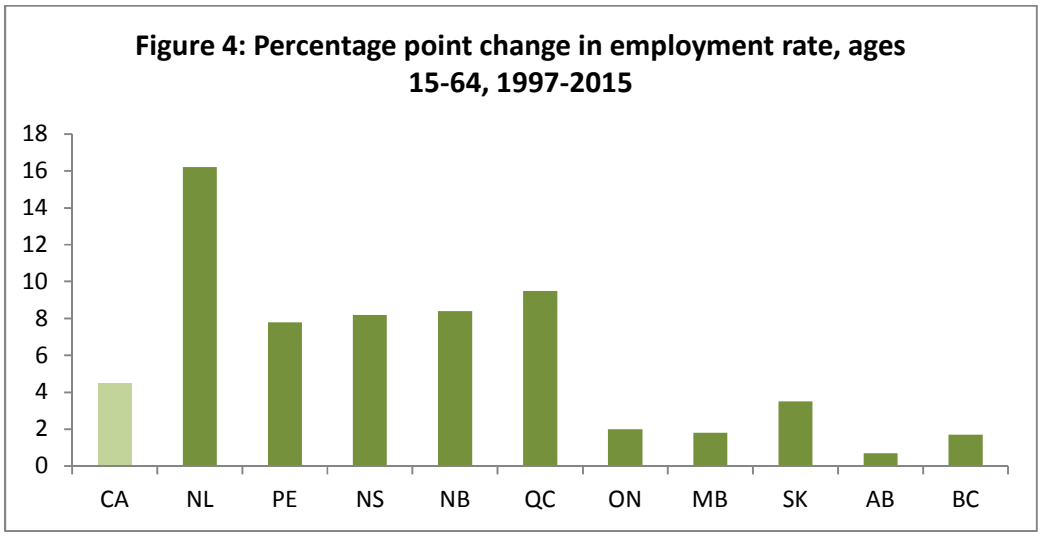
Source: Based on Statistics Canada, CANSIM Table 282-0087 and 282-0086.

It is clear that Newfoundland and the Atlantic provinces have seen the most improvement over the period when it comes to this measure, while Alberta and Manitoba have experienced very little improvement or no change at all. The gap between R4 and R8, however, did decline in every province across the country. BC saw the smallest reduction in the gap while Newfoundland and Labrador saw the largest, followed by Prince Edward Island and Nova Scotia.

Employment rate

The employment rate is defined as the share of the population that is working, taking into account not only the number of jobs created in a particular time frame, but also population growth. This indicator provides insight into whether or not the economy is creating jobs fast enough to provide increases above and beyond what's needed to keep up with general population growth. In Canada, the employment rate grew quickly between 1997 and 2008, largely because of the increase in the labour force participation of women. However, the employment rate has still not recovered to pre-recession levels.

Source: Based on Statistics Canada, CANSIM Table 282-0087.



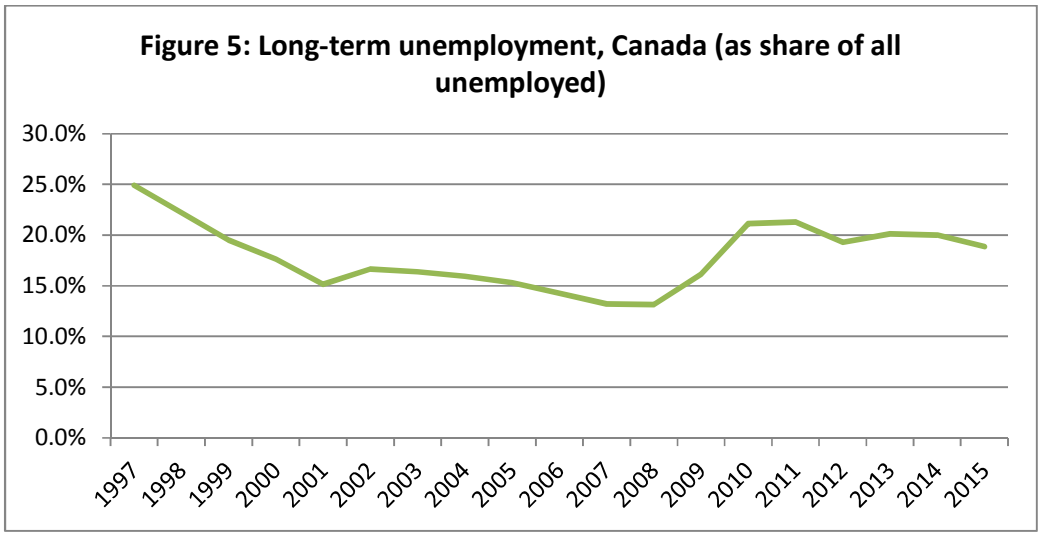
Source: Based on Statistics Canada CANSIM Table 282-0087.

The employment rate of Canada's population aged 15-64 increased by 4.5 percentage points between 1997 and 2015. As Figure 4 shows, there are significant regional differences. Alberta's employment rate increased the least over the period, while Newfoundland and Labrador saw the largest increase in the

employment rate. That being said, Newfoundland and Labrador still has the lowest employment rate of any province, while Alberta has the highest.

Long-term unemployment

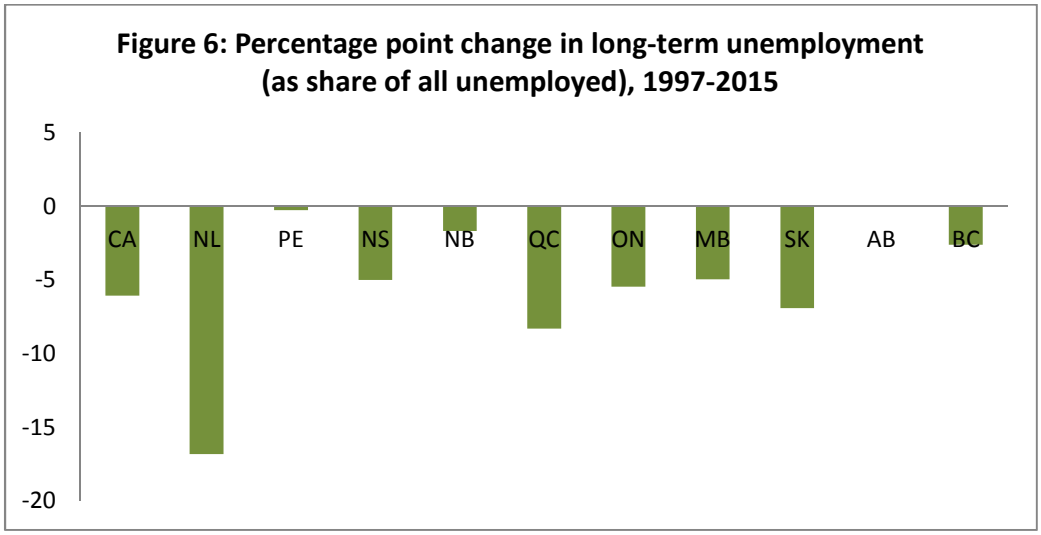
Long-term unemployment is defined as experiencing unemployment for 27 or more consecutive weeks. An elevated long-term unemployment rate is a symptom of an under-performing labour market and/or a labour market undergoing large sectoral transitions. When workers lose a job in a declining industry they may find it difficult to obtain new employment as they must look for work in a different industry, which often requires a different or upgraded skill set. Long-term unemployment can inflict real hardship both on the unemployed and on society as a whole. It is associated with poor socioeconomic outcomes in the future, including lower income, the erosion of existing human capital and the erosion of social capital because the longer an individual remains unemployed, the more connections they lose to the world of work (Nichols et al. 2013).



Source: Based on Statistics Canada, CANSIM Table 282-0047.

Figure 5 shows that long-term unemployment in Canada has barely budged since the recession, with close to 1 in 5 unemployed Canadians not being able to find work for at least 27 weeks (similar to levels seen in 1999). The long-term unemployment rate varies considerably across the country, from a low of 10% in Saskatchewan to a high of 21% in Quebec.

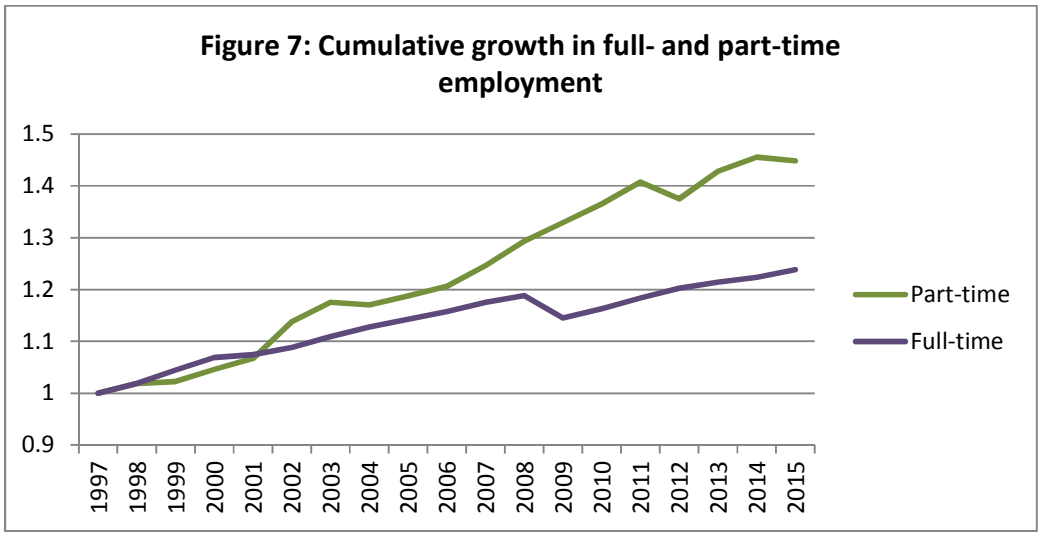
Each province has also experienced variation in the change in long-term unemployment since 1997. Again, Newfoundland and Labrador has experienced the largest decline in long-term unemployment followed by Quebec and Saskatchewan. At the same time, Alberta and Prince Edward Island have seen virtually no change at all.



Source: Based on Statistics Canada, CANSIM Table 282-0047.

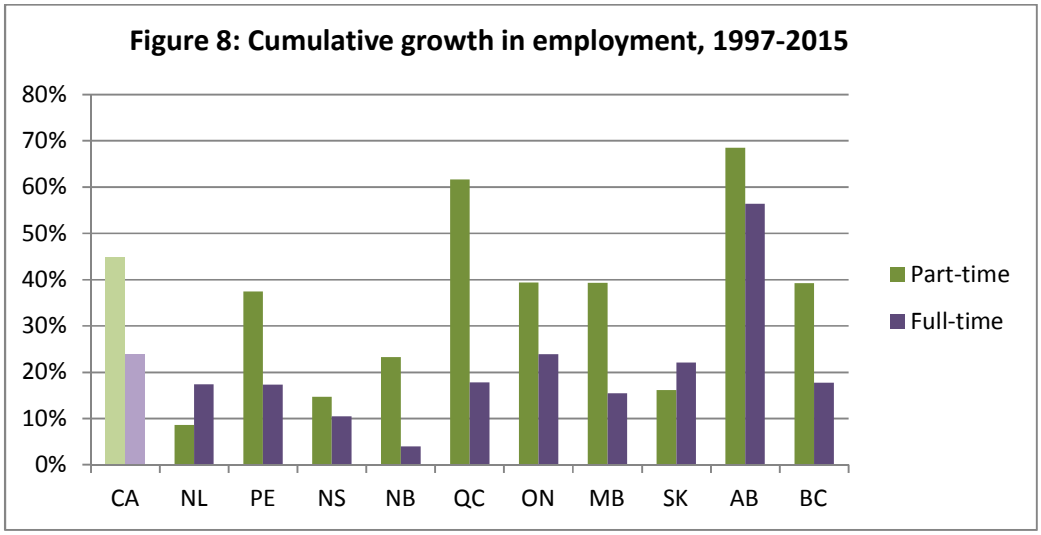
Growth rate of part- vs. full-time

Part-time work has been heralded as one of many canaries in the coal mine when it comes to labour market quality. Part-time work pays less on average than full-time work, and typically provides workers access to fewer statutory and employer-provided benefits. A worker combining several part-time jobs to get full-time hours would earn significantly less than a full-time worker, with fewer benefits. If part-time work is growing more quickly than full-time work it is quite likely that job quality is declining. For this reason, we include a comparison of the cumulative growth rates of part-time and full-time work in our analysis.



Source: Based on Statistics Canada, CANSIM Table 282-0002.

Figure 7 shows that Canada wide part-time work grew much faster than full-time work between 1997 and 2015. Part-time work increased by 45% and full-time work increased by only 24% during the same time period.



Source: Based on Statistics Canada, CANSIM Table 282-0002.

Provincially, there is substantial variation in terms of job growth and the gap between full-time and part-time growth in jobs. Newfoundland and Labrador and Saskatchewan are the only two provinces that saw a larger increase in full-time work than part-time work. Alberta saw the largest increase in both full- and part-time work among the provinces. Nova Scotia had the smallest gap between cumulative growth of full- and part-time work. Overall that province saw one of the smallest total job growth rates in the period. Quebec, Ontario, British Columbia and Prince Edward Island saw large increases in part-time work compared to full-time work.

Share of part-time workers who would rather be working full-time

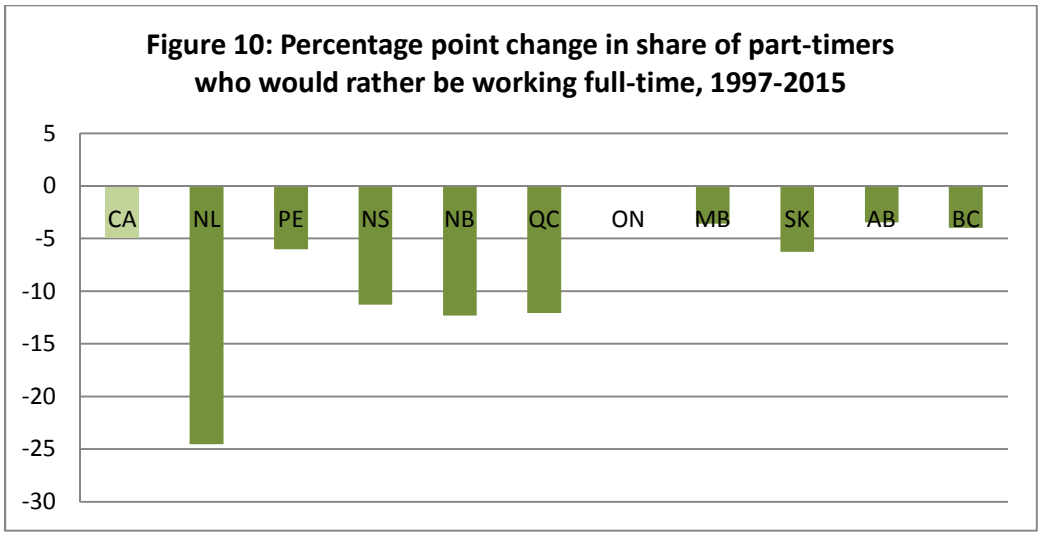
For those who desire it, part-time work can offer flexibility and an element of freedom. There are however, many part-time workers who would rather be working full-time but are unable to get full-time jobs. For this reason, we look to the share of part-time workers who would rather be working full-time as an indicator of labour market quality. If the share is going down, it is likely that job quality is improving (and vice versa).

Involuntary part-time work is measured as the share of part-time workers who listed business conditions as their reason for part-time work. An argument could be made that some of the workers, primarily women, who cite child care and other family responsibilities as a reason for working part-time, may only be “choosing” part-time work because they can’t access affordable, quality child care and/or seniors care programs and would actually prefer to be working full-time. However, the data we have does not distinguish between personal preference for family caregiving and lack of other realistic options.

Figure 9 shows that there has been some variation in the rate of involuntary part-time work in Canada over the last two decades. The rate is similar to the rate in 2000 and is 5 percentage points lower than in 1997.

Source: Based on Statistics Canada CANSIM Table 282-0014.

Figure 10 shows there is significant variation in the decline of involuntary part-time work by province. At 25 percentage points Newfoundland and Labrador saw the largest decline in involuntary part-time work. At the same time the province holds the highest involuntary part-time work rate in the country.



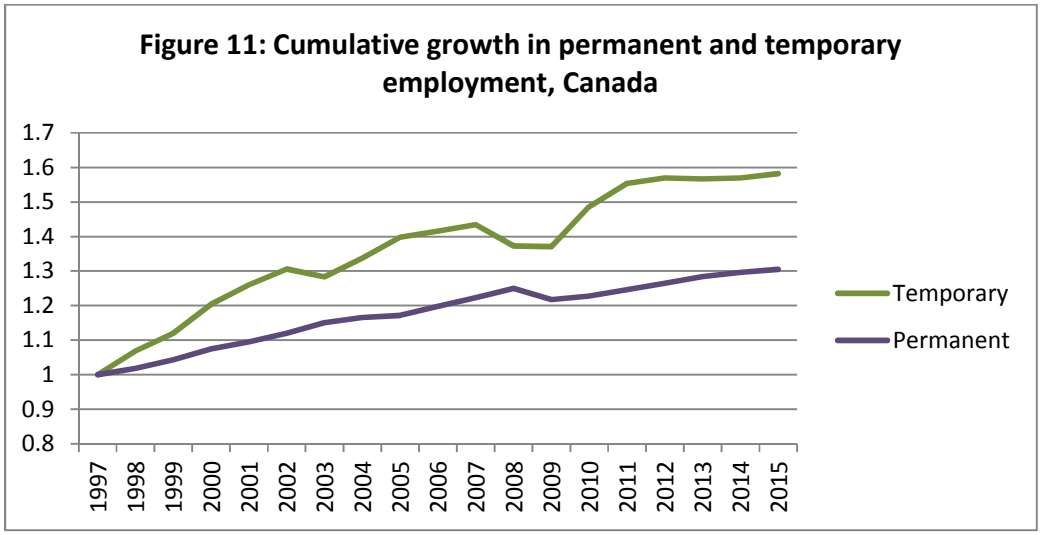
Source: Based on Statistics Canada CANSIM Table 282-0014.

Ontario, on the other hand, saw no change at all and in fact now pushes the Canadian average up when it used to pull it down. Manitoba, Alberta and British Columbia all saw declines in involuntary part-time work of less than five percentage points.

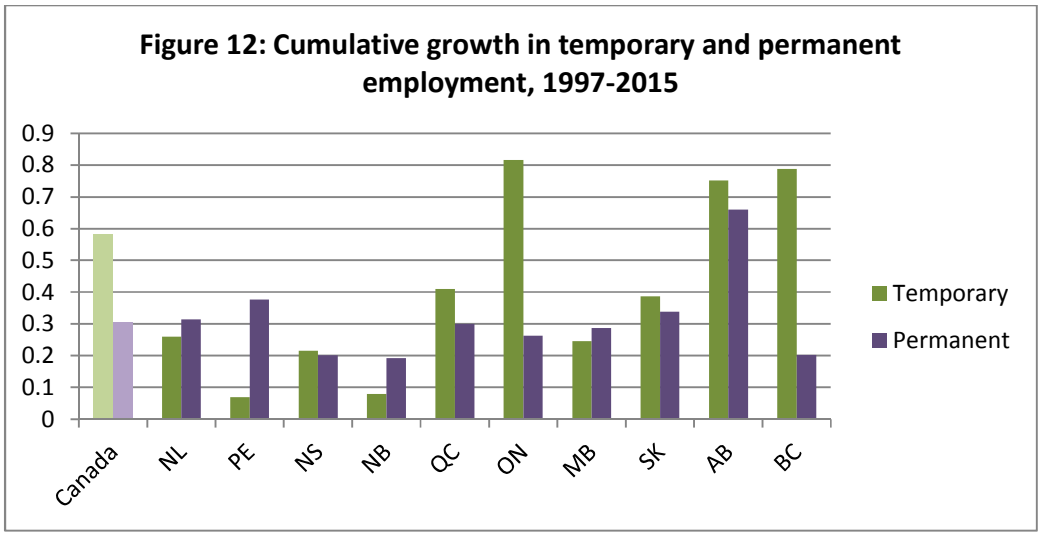
Growth rate of temporary vs. permanent

Temporary employment is more unstable than permanent employment. At worst, it can leave workers in a constant state of uncertainty about their future employment situation and consequently, their family income. Figure 12 shows the growth rate of temporary work compared to permanent work as a

measure of instability in employment and as a result, life. At the national level, temporary work has grown much faster than permanent work. Temporary work increased by almost 60% while permanent work by only 30%.



Source: Based on Statistics Canada CANSIM Table 282-0080. Excludes the self-employed.



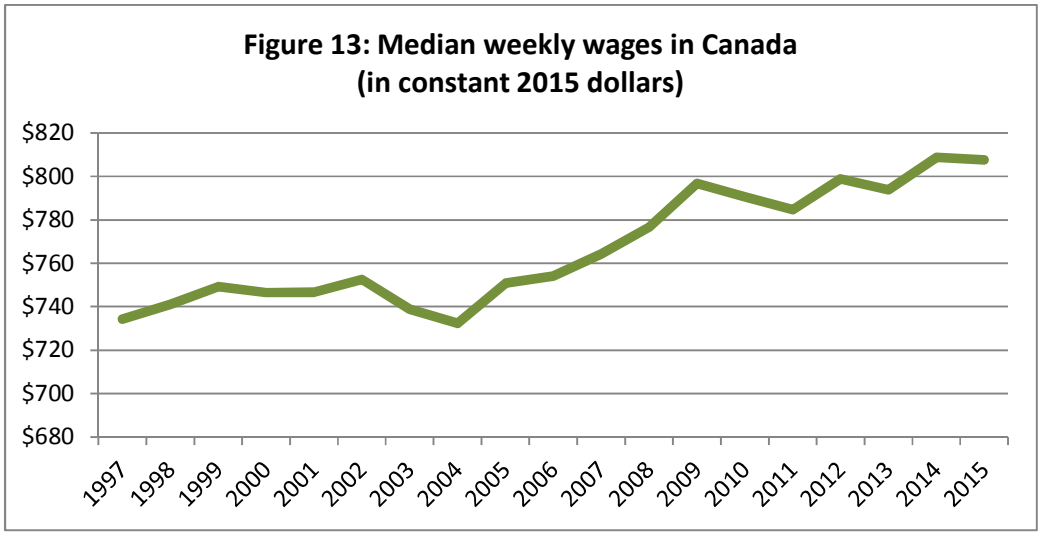
Source: Based on Statistics Canada CANSIM Table 282-0080. Excludes the self-employed.

Figure 12 shows very large provincial differences, with temporary jobs growing much faster than permanent jobs in BC and Ontario than in any other province. In contrast, the Atlantic Provinces (not including Nova Scotia) and Manitoba saw an increase in permanent jobs that outpaced growth in temporary jobs.

Real wages

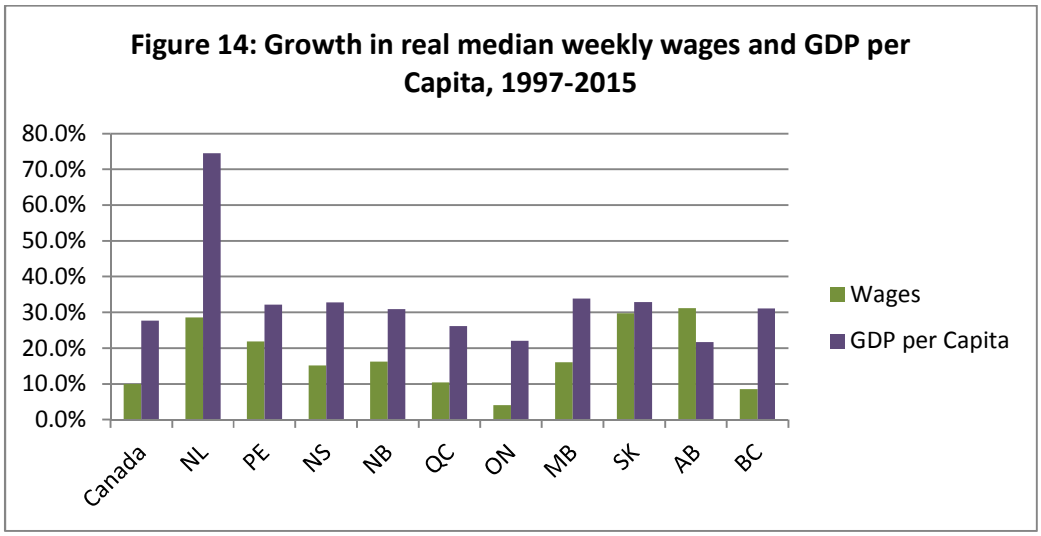
Real wage growth is an important indicator of labour market quality. Figure 13 shows the growth in median weekly wages in Canada over the last twenty years. Real median wages grew by 10% over the

period, but growth wasn't uniform. Wages increased quickly in the five years of economic boom in the mid-2000s, but have stagnated in the periods before and after (1997 to 2004 and 2009 to 2015). Note that the self-employed are not asked about their earnings in the LFS, so they cannot be included in the wage analysis.



Source: Based on Statistics Canada CANSIM Table 282-0072 and 326-0021. Excludes the self-employed.

The 10% real median wage increase over the twenty year period is only about a third as large as the increase in real GDP per capita (28% for 1997 to 2014)[4]. In other words, the typical Canadian worker has not fully benefitted from the economic growth in the national economy.



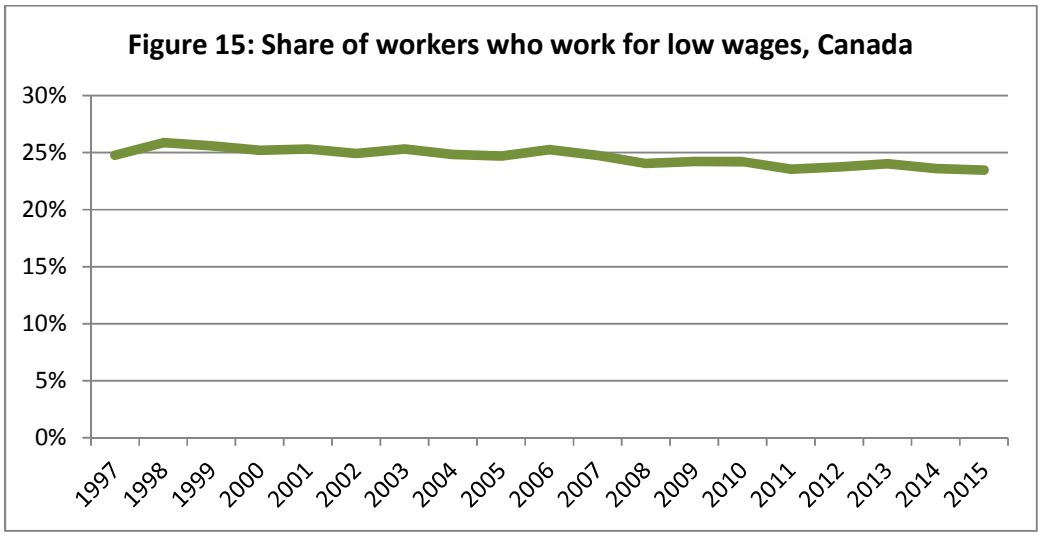
Source: Based on Statistics Canada CANSIM Table 282-0072 and 326-0021. Median weekly wages adjusted to constant dollars using provincial CPI to capture purchasing power changes in each province. Excludes the self-employed.

[4] Source: Statistics Canada, CANSIM Tables 384-0038 and 051-0001.

Figure 14 shows considerable variation in real median weekly wage growth across the country, with wages growing rapidly in Alberta, Saskatchewan and Newfoundland (by about 30% in each province) and very slowly in Ontario (less than a 5% increase). GDP per capita growth is larger than median weekly wage growth in all provinces but one, Alberta. The variation of per Capita GDP growth is small than median weekly wage growth.

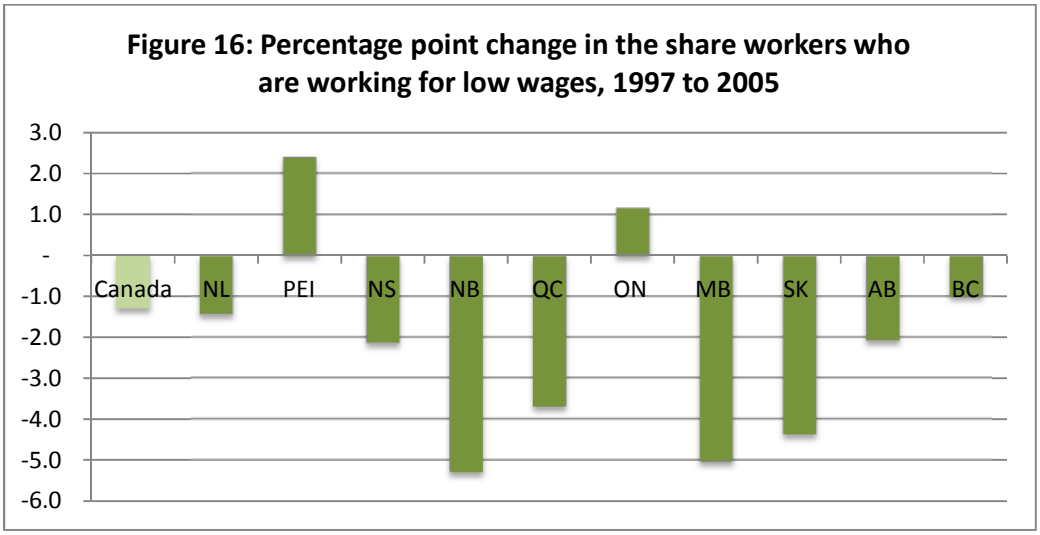
Low wage work

Low wages put workers and their families at higher risk of poverty. Over the last twenty years, the share of low paid workers in Canada has declined slightly, from 25% of all paid employees to 23%. Note that the self-employed are not asked about their earnings in the LFS, so they cannot be included in the wage analysis. However, other research suggests that the many self-employed Canadians earn considerably less than the average paid employee (Statistics Canada, 2009).



Source: Authors' calculations based on Statistics Canada's LFS PUMFs. Low-wage worker defined as earning two-thirds of the provincial median wage or less. Excludes the self-employed, as only paid employees are asked about their wages in the LFS.

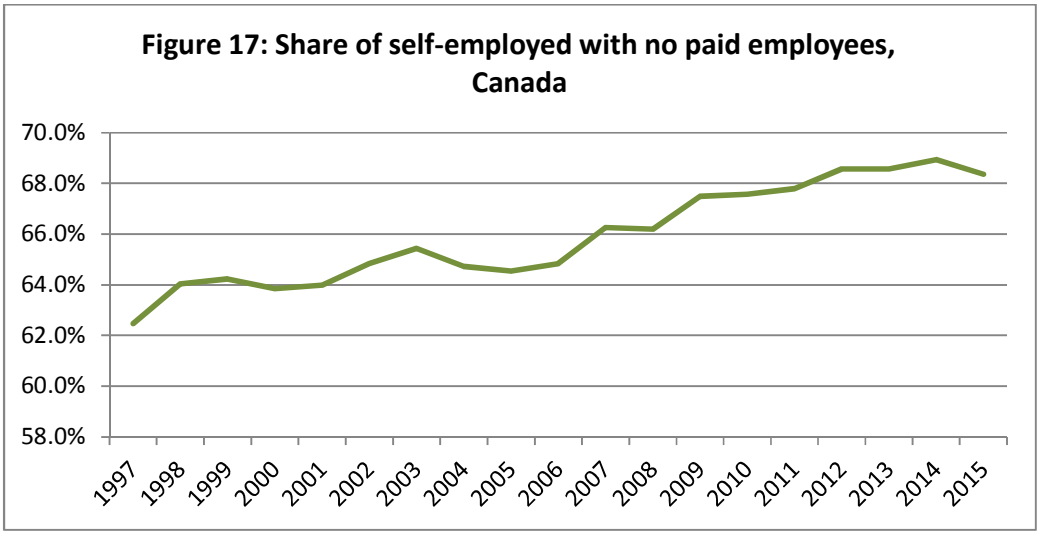
While most provinces saw a decline in the share of low-wage workers over the last twenty years, PEI and Ontario experienced increases. New Brunswick, Manitoba and Saskatchewan saw declines of around 5 percentage points.



Source: Authors' calculations based on Statistics Canada's LFS PUMFs. Low-wage worker defined as earning two-thirds of the provincial median wage or less. Excludes the self-employed.

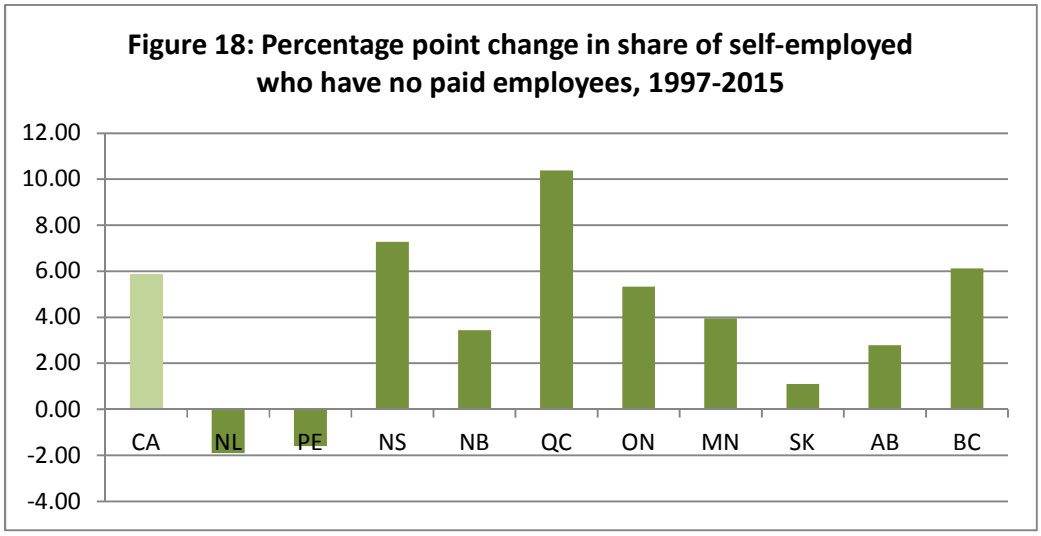
Share of workers who are self-employed with no paid employees

Self-employment tends to indicate that workers are unable to find jobs in the paid labour force. Additionally, self-employment tends to be more precarious and insecure than paid work. Although both the CIBC and the TD labour market indices treat the gap in employment and self-employment growth as an indication of increased insecurity in the labour market, we focus on the growth of self-employment with no paid employees, which is a particularly precarious and typically lower-paying form of self-employment. There is also anecdotal evidence that employees are being misclassified as independent contractors (in order for their employers to avoid paying payroll taxes and providing benefits). Interestingly, the share of workers who are self-employed has not changed dramatically over the last twenty years but among the self-employed, the share of those with no paid employees has been trending up since 1997.



Source: Based on Statistics Canada CANSIM Table 282-0012.

Overall, the share of people who are self-employed and have no paid employees has increased by 6 percentage points between 1997 and 2015 in Canada. Again, we see substantial provincial variation. Newfoundland and Prince Edward Island saw minor declines in this indicator while the rest of the provinces saw increases. Quebec, Nova Scotia and British Columbia had the largest increases while Saskatchewan and Alberta saw smaller increases.

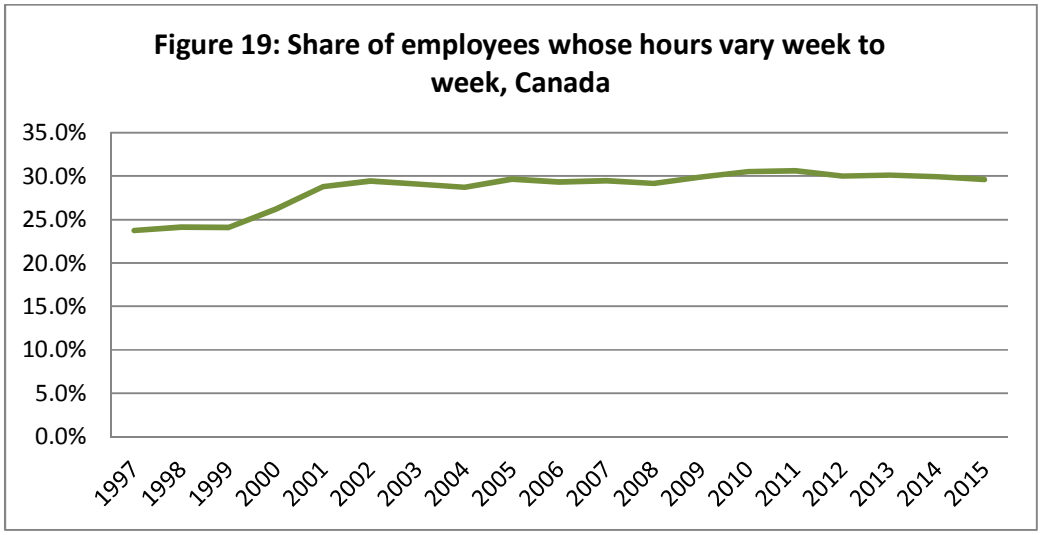


Source: Based on Statistics Canada CANSIM Table 282-0012.

Share of employees with variable hours week to week

Even more precarious than temporary work, is work without predictable hours. Anecdotal evidence points to an increasing use of zero hour contracts where employees must remain available to work but do not receive the same commitment from employers[5] (Grant, 2015). The lack of predictability makes it almost impossible to take another job to supplement one's income, let alone plan expenses and ensure enough money is coming in every month to cover one's bills. It also makes it very difficult to balance family obligations, arrange for child care, etc.

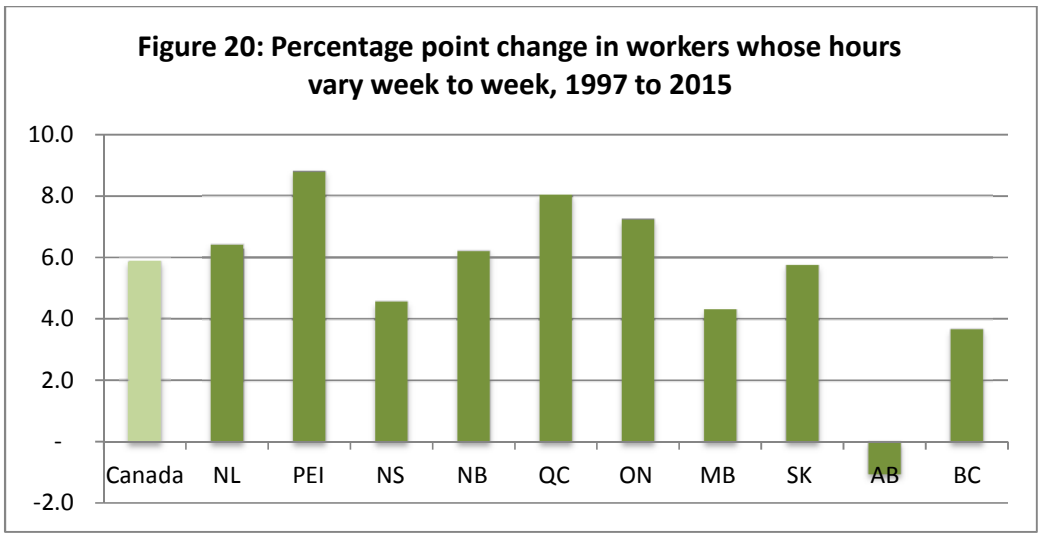
[5] On October 4, 2015, the Globe and Mail ran a story about zero hour contracts in Canada. Zero hour contracts mean the employer has no obligation to ensure their employee has work during the week or even a guaranteed minimum of hours. But, at the same time, the employee must remain available to work in case the employer requires it. These types of contracts can wreak havoc on a workers ability to meet their bills week to week.



Source: Based on a special tabulation from Statistics Canada's LFS.

Canada-wide, about 30% of paid employees report having variable hours week to week. The share of these workers increased considerably in the late 1990s, but has stabilized since 2002.

However, the average figures mask significant provincial variation. Alberta actually saw a decline in the share of workers whose hours vary week to week over the period. Prince Edward Island, Quebec and Ontario saw the share increase by around 8 percentage points.



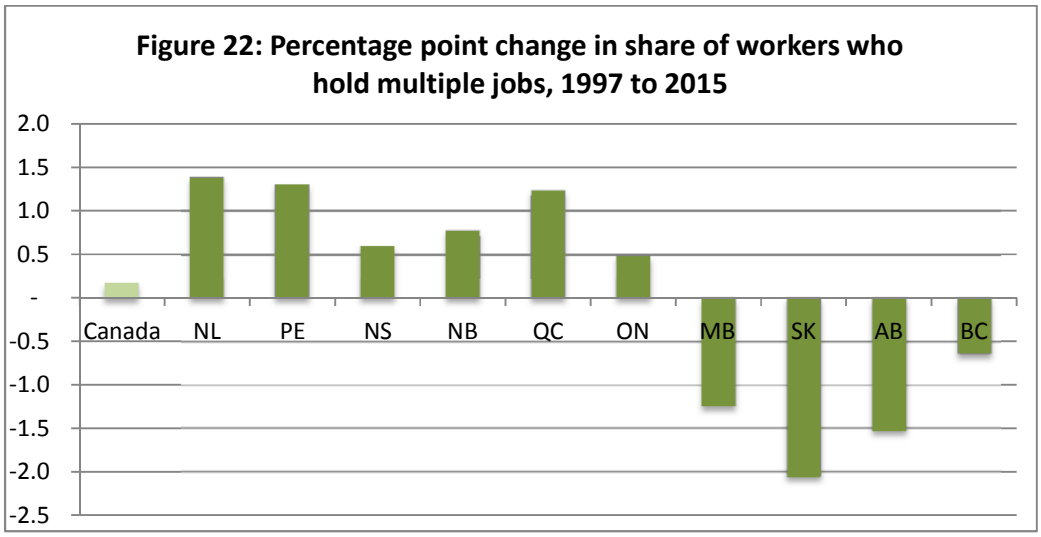
Source: Based on a special tabulation from Statistics Canada's LFS.

Multiple job-holders

A growing minority of workers report holding multiple jobs at a time. Figure 21 shows the change in share of workers holding multiples jobs at the national level. The statistic declined between 1997 and 2001 and has increased since then. Currently, 5.3% of workers in Canada are working more than one job at any given point during the year.

Source: Based on Statistics Canada Public Use Microdata Files

At the provincial level, the Atlantic and Central provinces have had increases in the share of workers working multiple jobs, while the prairies and western provinces have seen a decrease. Saskatchewan saw the largest change with a decrease of two percentage points while Newfoundland saw the largest increase at almost 1.5 percentage points.



Source: Based on Statistics Canada Public Use Microdata Files

Analysis

Our analysis distinguishes between changes in the labour market related to the quantity of jobs available, and changes in the quality of jobs. Table 1 provides the summary data of the changes experienced in each province for indicators that relate to the quantity of jobs. Table 2 provides the summary data by province for indicators that relate to the quality of jobs.

Table 1: Changes in labour market Indicators reflecting the quantity of jobs, 1997 to 2015

	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Quantity of jobs											
Official Unemployment Rate	-2.2	-5.4	-4.9	-3.5	-2.8	-3.7	-1.6	-0.9	-0.9	0.1	-2.3
Change in the gap between unemployment and unemployed plus discouraged workers and	-3.1	-13.5	-7.6	-5.8	-5.4	-4.8	-2.6	-2.4	-3.3	-2.4	-0.7
Employment Rate	4.5	16.2	7.8	8.2	8.4	9.5	2	1.8	3.5	0.7	1.7
Long-term Unemployment	-6.1	-16.8	-0.3	-5.0	-1.7	-8.3	-5.5	-4.9	-6.9	0.0	-2.6

Table 2: Changes in labour market indicators reflecting the quality of jobs, 1997 to 2015

	Canada	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Quality of jobs											
Gap in Employment Growth in Part-time and Full-time Work	20.9	-8.8	20.2	4.2	19.4	43.8	15.5	23.8	-5.9	12.2	21.5
Involuntary Part-time Work	-5.0	-24.5	-6.0	-11.3	-12.3	-12.1	0.0	-3.6	-6.3	-3.5	-4.0
Gap in Employment Growth in Temporary and Permanent Work	27.7	-5.4	-30.7	1.5	-11.3	11.1	55.4	-4.1	4.8	9.1	58.5
Gap between Real Wage Growth (in median weekly wages) and growth in GDP per Capita	-17.7	-45.9	-10.4	-17.7	-14.6	-15.8	-17.9	-17.8	-3.1	9.5	-22.6
Low Wage Work	-1.3	-1.4	2.4	-2.1	-5.3	-3.7	1.2	-5.0	-4.4	-2.1	-1.0
Self-employed No Employees	5.9	-1.9	-1.6	7.3	3.4	10.4	5.3	3.9	1.1	2.8	6.1
Variable hours	5.9	6.4	8.8	4.6	6.2	8.0	7.2	4.3	5.8	-1.1	3.7
Multiple Job Holders	0.2	1.4	1.3	0.6	0.8	1.2	0.5	-1.2	-2.1	-1.5	-0.6

Note: While the above section referred to a comparison in growth rates, for instance between full-time and part-time work or between real median wages and GDP per capita, the gap between the two have been reported here.

We assess changes in job quantity and quality both nationally and provincially, and find significant interprovincial variation. We assign a discrete value for each indicator based on whether or not the indicator shows an improvement in labour market conditions, deterioration, or no change. An improvement in the indicator over the period 1997 to 2015 received a score of 1, a decline in the indicator received a score of -1 and no change received a score of 0. Adding the scores together for each province shows whether the province experienced an improvement, little change or a decline in the quantity of jobs available and in the quality of those jobs. Tables 3 and 4 summarize the results.

Table 3: Assessing changes in quantity of jobs by province, 1997-2015

	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Quantity of jobs											
Official Unemployment Rate	1	1	1	1	1	1	1	1	1	0	1
Change in the gap between unemployment and unemployed plus discouraged workers and underemployed	1	1	1	1	1	1	1	1	1	1	1
Employment Rate	1	1	1	1	1	1	1	1	1	1	1
Long-term Unemployment	1	1	0	1	1	1	1	1	1	0	1
Score	4	4	3	4	4	4	4	4	4	2	4
Assesment	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Improved	Quantity Virtually Unchanged	Quantity Improved

Table 3 shows the national level data shows that job quantity increased over the period with every measure considered seeing improvement. At the provincial level there is only slight variation on this front. With the exception of Alberta and Prince Edward Island, each province saw improvements in every indicator. Prince Edward Island, however saw no change in long-term unemployment leaving the province with a score of three and Alberta saw only the employment rate and the gap between official unemployment rate and R8 improve leaving the province with a score of 2.

Moving on to job quality, the national level data show that while the quantity of jobs increased, their quality actually declined over the period. Overall, Canada received a score of -3. There is considerable variation between provinces, as we had hypothesized.

Two provinces, Newfoundland and Labrador and Alberta, saw improvements in job quality over the period. Two other provinces, Saskatchewan and Manitoba, saw job quality remain virtually unchanged as improvements in some categories of job market quality were cancelled out by deterioration in others.

The remaining six provinces saw various levels of decline in job quality over the period. Ontario experienced the largest decline with six of the eight indicators degrading over the period and two remaining unchanged. Quebec and Nova Scotia saw declines as well, though not to the same extent as Ontario. Two reasons for this include a positive change in low wage work in both provinces and decreases in involuntary part-time work. British Columbia and Prince Edward Island saw smaller declines in job quality.

Table 4: Assessing the change in job quality by province, 1997-2015

	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Quality of jobs											
Gap in Employment Growth in Part-time and Full-time Work	-1	1	-1	-1	-1	-1	-1	-1	1	-1	-1
Involuntary Part-time Work	1	1	1	1	1	1	0	1	1	1	1
Gap in Employment Growth in Temporary and Permanent Work	-1	1	1	-1	1	-1	-1	1	-1	-1	-1
Gap between Real Wage Growth (in median weekly wages) and growth in GDP per Capita	-1	-1	-1	-1	-1	-1	-1	-1	-1	1	-1
Low Wage Work	1	1	-1	1	1	1	-1	1	1	1	1
Self-employed No Employees	-1	1	1	-1	-1	-1	-1	-1	-1	-1	-1
Variable hours	-1	-1	-1	-1	-1	-1	-1	-1	-1	1	-1
Multiple Job Holders	0	-1	-1	-1	-1	-1	0	1	1	1	1
Score	-3	2	-2	-4	-2	-4	-6	0	0	2	-2
Assessment	Quality Declined	Quality Improved	Quality Declined	Quality Declined	Quality Declined	Quality Declined	Quality Declined	Quality Virtually Unchanged	Quality Virtually Unchanged	Quality Improved	Quality Declined

Conclusion

We examined 11 labour market quality indicators to discover if and where job quality has changed and whether or not those changes are occurring in different directions and through different indicators across provincial lines. Our analysis reveals substantial differences in labour market quality patterns across Canadian provinces, finding that all provinces saw improvements in the quantity of jobs available but only two out of the ten saw improvements in job quality. We conclude that national level analyses cannot necessarily be applied to provincial level policy making. Further, metrics that focus on job availability (such as employment growth and the unemployment rate) cannot be used as proxies for the general health of the labour market and the quality of jobs available. An important take-away for policy-makers is that policy interventions aiming to incentivise job creation must be accompanied by measures targeting the quality of jobs that are being created. In addition, the reductions in job quality documented in this report suggest that provinces should consider reviewing their employment standards, which were designed with the standard, full-time, permanent employment relationship in mind.

Further research is needed to examine how regional differences in job quality affect family incomes and well-being across the country. OECD research finds that while the prevalence of non-standard work in

Canada is on par with the OECD average, the pay gap between workers in standard (full-time, permanent positions) and non-standard jobs is significantly wider than the OECD average (OECD, 2015).[6] Additionally, Canada stands out as the country with the highest rate of poverty for non-standard workers (workers not in full-time, permanent positions) among OECD countries, partly because our tax and transfer system is less generous than the OECD average. Regional variation in labour market quality and in provincial tax and transfer system may translate into very different experiences for workers depending on where in Canada they live.

Documenting and better understanding such interprovincial differences is particularly important for policy-makers to be able to make evidence-based decisions about social, economic and labour market policy.

[6] A Canadian worker in a non-standard job earns only 57% of the average wage of a standard worker (the OECD average is 75%).

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