



House of Commons
CANADA

Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities

HUMA • NUMBER 007 • 1st SESSION • 39th PARLIAMENT

EVIDENCE

Tuesday, June 13, 2006

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Chair

Mr. Dean Allison

Also available on the Parliament of Canada Web Site at the following address:

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• (0900)

[English]

The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)): I'd like to call this meeting to order.

Pursuant to Standing Order 108(2), we're going to continue with our study on employability in Canada.

I would like to welcome those of you from Statistics Canada today to enlighten us a little more on employability issues here in Canada.

I believe Maryanne Webber has an opening statement for us. I'll let you get started, and then we'll start with some questions after you're finished.

Ms. Maryanne Webber (Director General, Labour and Household Surveys, Statistics Canada): Good morning.

I'd like to begin by thanking you for inviting us to the committee. We're very pleased to be here. I'll speak to the slides, I guess, and perhaps you can follow along.

In our presentation on employability issues we'll be covering what we know from available data. We hope it will be of some use to you. We will review data on skilled worker shortage, labour mobility, seasonal workers, older workers, skills in literacy, and groups that have found it difficult to break into the labour market, such as recent immigrants and aboriginal people. I hope this will provide you with new facts and insights on these important issues.

I will also share with you some information on the surveys that provide us with the data, especially the labour force survey, or LFS, which is our central data source for this presentation.

[Translation]

Today, we will be looking at a wide range of labour market issues. I will be making fairly brief comments on the graphs and notes. Afterwards, I hope we will have an opportunity to answer your questions. The issues we will be looking at today will not be touched on in any depth. If you would like more detail on a given issue, we would be happy to return in the fall and make a more detailed presentation on it.

Before going any further, I would like to introduce my colleagues, who will assist me in answering your questions.

[English]

Susan, would you like to introduce yourself?

Ms. Susan Stobert (Manager, Participation and Activity Limitation Survey, Statistics Canada): My name is Susan Stobert. I'm the manager of the participation and activity limitation survey.

[Translation]

Mr. François Nault (Director, Culture, Tourism and the Centre for Education Statistics, Statistics Canada): My name is François Nault. I am the Director of the Centre for Education Statistics.

[English]

Mr. Philip Cross (Manager, Current Economic Analysis, Statistics Canada): I am Philip Cross, manager of current analysis.

[Translation]

Mr. Alain Bélanger (Coordinator, Research and Analysis, Demography Division, Statistics Canada): I am Alain Bélanger, Research and Analysis Coordinator in the Demography Division.

[English]

Ms. Maryanne Webber: I'm on the second page, at the top slide. I'll be going quite quickly through these, because we have a fair bit of material. Hopefully we can come back to discuss in more detail any one you're interested in.

As you're aware, the Canadian economy and labour market are very healthy right now. In fact, we reported on Friday that the unemployment rate is the lowest since 1974 and that the share of the Canadian population that is employed has never been higher. Combined, these indicators suggest that the current labour market is one of the best this country has ever seen.

What is behind this? As we will see, the west is booming, and central Canada is remaining remarkably resilient in the face of the impact of the high Canadian dollar on our manufacturers.

These strong economies, combined with the fact that the aging of the population is starting to constrain labour supply, has caused very low unemployment and rising wages. As workers we're not going to complain, but for employers who have been used to a labour surplus, the difficulty in finding workers—such as the difficulty Statistics Canada is experiencing right now with hiring people to conduct the census—is having an impact.

First, I'd like to say a few words about the labour force survey and how we determine its most important output, the official unemployment rate. The LFS is a monthly survey of 50,000 households. All adults in selected households are interviewed, so this amounts to over 100,000 interviews per month. It's a very large sample for this survey.

The LFS divides the population into three groups: the employed, the unemployed, and persons not in the labour force. "Not in the labour force" means they are outside the supply of labour.

The LFS has been around for over 60 years and follows international standards on the measurement of employment and unemployment. Our numbers are comparable to those of many countries, including the U.S.

The survey dates back to World War II. It was originally intended to monitor the reintegration of soldiers returning from World War II, but it serves a very broad purpose today. The data are used for monitoring economic progress, for conducting research into labour issues such as the research you are doing, and for program delivery of employment insurance funds.

LFS data are very timely. Results are published on the first Friday of every month, just two weeks after the data have been collected. The LFS data are very heavily used, in part because it's a rich data set with lots of content, but also because it goes back so far in history.

I'm on the third page now, with the upper slide. Before proceeding, I'd like to comment on a couple of key concepts you might find useful.

First, the labour force survey's employment measure counts employed people rather than jobs. A couple of consequences of that are that vacant jobs are not counted and that the main employment estimates count as one worker a person who holds two or three jobs. In other words, it's a measure based on the person. We do, however, have data on people who hold multiple jobs, either from the LFS or from other data sources, if that's a theme that interests you in the future.

Second, "unemployment" does not mean the number of people who are on employment insurance. Rather, the labour force survey asks people who are not employed whether they have looked for work in the past four weeks and whether they're available to work. People who say yes are counted as unemployed.

There are two situations in which there is no job search required to be counted as unemployed. One is the situation of people who are on temporary layoff, the other of people who have a new job due to start within the next four weeks. Basically, this measure of unemployment shows the unutilized supply of labour, and the unemployment rate is the share of the supply of labour that is unutilized.

Although it's a very telling measure, the unemployment rate is only one important labour market measure. For example, the unemployment rate can fall even though there are no new jobs being created. If, for instance, people withdraw from the labour market, other things remaining equal, the unemployment rate is going to fall. So it's important to keep an eye on other measures, such as the participation rate, which shows the total number of people who are in the labour supply.

The next chart shows the employment level since January 1976. Employment in Canada increased for a 13th consecutive year in 2005, which is the longest stretch of employment gains since the large-scale increases in the sixties and seventies. This growth so far has accelerated in 2006.

As a result of the increases, the share of the population 15 years and over who are working has hit a record high, reaching 63.2%. That was in May of this year.

● (0905)

The corresponding rate in the States is 63%, so we actually now have an employment rate in excess of the U.S. employment rate.

The top slide on the fourth page shows employment indexed back to January 1996. Labour markets all across the country are doing well, especially in Alberta and B.C., which have seen sustained employment growth. Compared to a year ago, employment is up 5.2% in Alberta and 3% in B.C., which has the fastest growth in the country. Alberta, without a doubt, has the strongest and tightest labour market on the continent—not just of all the provinces, but also of all the States.

While the west booms from the surge in prices for natural resources, the value of the Canadian dollar has gone up considerably. That, in turn, has entailed major declines in employment in Canada's factories. In fact, manufacturing has fallen 8% since the end of 2002, when the downward trend began. However, central Canada has remained remarkably resilient to the impact of these cuts. Employment in Ontario and Quebec has continued upwards, as other increases have offset the decline in manufacturing. In fact, in May there was a record surge in full-time employment in Ontario, but that's in the services sector. In Quebec the unemployment rate fell to 7.9%, the second lowest rate in 30 years.

The lower slide on page 4 shows the unemployment rate since 1974. Demand for labour is strong as the economy continues to improve. As a result, unemployment has fallen to lows not seen in a generation. In May the rate was 6.1%, the lowest since 1974.

It's not only strong demand for workers that is causing low unemployment; the baby boomers, the oldest of whom turn 60 this year, are starting to retire, and that's having an impact on the labour supply.

When the economy is as strong as it is and supply contracts, the unemployment rate naturally tumbles. In fact, if the trend continues, there will soon be fewer than one million unemployed Canadians, a level we haven't seen since the early 1980s, and the supply contraction associated with the baby boomers' retiring is only beginning.

Next is the top slide on page 5, on wages. With the labour market as I've described it, it will come as no surprise that wages are rising in Canada. Compared to a year ago, the average hourly wage is up 3.8%. Wages are increasing across the country, but in Alberta they are up 7.3%. Albertan employees are the best paid in the country; about six months ago, they actually surpassed Ontarians as the workers with the highest wages.

The next topic is labour shortages.

Much has been said about the hot economy and the consequential impact on unemployment and wages. Low unemployment by occupation is a key signal of shortages. When workers are hard to find, their unemployment rates naturally fall.

Using LFS data, one can see signs of shortages emerging in a number of areas. The lower chart on page 5 shows unemployment rates for occupations in which we've seen the lowest rates for 2005. The top two bars relate to the health sector; two of the other bars are highly skilled professional groups. The fifth one is contractors and supervisors in the trades and in transportation, and their low unemployment is related to the boom we've experienced in construction recently.

The top chart on page 6 shows population pyramids through time. I hinted earlier at some emerging challenges facing the Canadian labour market. As you know, the population is aging.

• (0910)

[Translation]

The baby-boomers, born between 1946 and 1965, were concentrated at the base of the pyramid in 1971. At the time, it was already clear that they were a very large group of individuals. In 1986, they were aged between 20 and 40, and in 2001, between 35 and 55. So we can therefore see how this group is aging.

In 2007, the baby-boomers — who will be between 50 and 70 - will remain the largest group of individuals in the Canadian population. They are more numerous than the generations coming after them, in spite of the increasingly significant attrition rate caused by death.

• (0915)

[English]

Of course, there are many implications to this.

First of all, it could constrain economic growth by reducing production. Second, the smaller replacement workforces coming behind the baby boomers will have to support baby boomers in their retirement and in their use of the health care system.

The bottom slide on page 6 shows the participation rate. It's a projection of participation rates to 2017. Only time will tell where the participation rate will be 12 years from now, but one thing is very clear: aging will put pressure on the share of the population engaged

in the economy. In fact, the labour force participation rate may be back to where it was in the 1970s.

You see there two scenarios for the projection.

The first scenario in the chart works with a few simple assumptions. One is that the rates of participation will remain at the 2005 level; the population will grow at a moderate pace; and rates of institutionalization, hospitalization, and that sort of thing will remain at 2005 levels.

The second scenario assumes that the participation rate among older workers will increase until 2010 and then stabilize. You can see that it gives a slightly higher participation rate, but one thing is very clear: you can keep older workers in the workforce longer, but it just delays the inevitable. They retire now, they retire later, or eventually they pass away, but leave they must. Canada is not alone in this scenario. We may face increasing competition from other countries for the best and the brightest of international migrants.

To deal with worker shortages, several things can be looked at. Workplace solutions that can be envisaged are listed on the top slide on page 7. They include boosting the working age population, boosting productivity, boosting hours worked, and increasing labour force participation among certain key groups in which the participation rate is still low.

I direct you to the lower slide on page 7. As I mentioned earlier, the labour market in Alberta is the hottest in both Canada and the U. S. right now. With unemployment as low as it is, there are significant labour shortages in that province, so it's a good place to look at what's happening with labour mobility. Each quarter, Statistics Canada produces population estimates by province, and that's basically what you see there: the population estimates.

Alberta has shown the strongest population growth. That growth is likely associated with its booming economy. In the last quarter of 2005, the province's population jumped by 25,000 people. That rate is five times the national average.

Next is the top chart on page 8. The gains in Alberta come mainly from an influx from other provinces, so people are moving into Alberta from other provinces. In the last quarter of 2005, Alberta received a net increase of 17,000 persons from other parts of Canada. With such a powerful draw, seven of the 13 jurisdictions had a drop in population at the end of 2005. That 17,000 increase is an all-time high for net interprovincial migration into Alberta.

There's another survey at Statistics Canada called the workplace and employee survey. It sheds some light on other aspects of labour mobility. We know from the WES that Canadian employees are mobile. In 2002, about 76% of employees were in the same job for the same firm as they had been a year earlier, but that leaves 9% who had changed employers, another 9% who had left the workforce, and 6% who had moved to a new job with the same employer. There is some indication of mobility there.

Worker turnover is also relatively high in Canada. In fluid labour markets like those in Canada or the U.S., people can become unemployed, so we have a high turnover in terms of numbers of people losing their jobs—but hiring is also more common, so people in Canada are unemployed for shorter periods. A recent study by the OECD on long-term unemployment showed that 9.5% of Canada's unemployed were jobless for a year or more. That may seem high, but the average for the OECD countries as a whole was 32%, and in the U.S. the figure is 12.7%.

Next is the lower slide on page 8. It relates to older workers.

• (0920)

The median age of retirement fell dramatically in the past two decades. From the mid-1970s to the mid-1980s, it hovered at around age 65. But in the late 1980s, it started dropping quickly and continued to do so until hitting a low of age 60.6 in 1997, and it has fluctuated around that level ever since. In 2005, the median age of retirement was 62.6 years for men and 60 for women. So it's a bit lower for women.

The top slide on page 9 shows the participation rate for older people. So even if a typical retirement age in Canada is around 60, there has been a sharp increase in the labour force participation rate among older people. That's a potential pool of additional labour down the road for dealing with shortages.

Around 31% of people 55 and over are active in the labour market. That's up from a low of 24% in 1996. Part of this is because of the entrance of the baby boomers into this age group. Effectively, they've made the older age group younger, because there's such a large number of them. However, economic conditions have also changed, and there are more opportunities now for older workers.

Another important point is that baby boomers are more highly educated than the generation that preceded them. That's a significant point, because there's a clear association between level of education and labour force participation. The better educated someone is, the longer he or she is likely to be active in the labour market.

The lower slide on page 9 shows labour productivity. It's a comparison between Canada and the U.S. It shows definitely that there's a gap.

There are differences in the way productivity is measured between Canada and the U.S., but there's a general sense that productivity trends can be compared between the two countries. So we certainly see in that chart a labour productivity gap between Canada and the U.S.

The top slide on page 10 deals with literacy. This is an international literacy survey in which Canada participated, which was conducted in 2003. It shows the distribution of the adult population by four broad literacy levels. The line across the chart is essentially the bottom of what's called "level three". Level three is the level of literacy that's considered necessary to essentially function in a developed economy.

The proportion of Canadians who are above level three is actually quite good compared to other countries. What the slide doesn't show, though, is that there are differences between the Canadian population overall and recent immigrants in particular. Their literacy levels are

quite lower, and that is actually an impediment to employment. Previous literacy surveys have also shown a relationship between literacy and earnings. So those are important issues, and there will be studies coming out in this area in the future.

Mrs. Lynne Yelich (Blackstrap, CPC): While you're on that, will you explain each level? You said level three is the necessary level. So level two is what, reading and writing, or...?

Ms. Maryanne Webber: They're all concerned with reading and writing, prose literacy, but level two is one where people may have trouble reading fairly basic documents, or reading prescriptions, labels on medicine bottles, things like that. So it's essentially not adequate to function in the kinds of jobs that are typically available in Canada.

Level one is obviously very low. If you look at level one, for instance, something like 15% of the Canadian population is at that level.

• (0925)

Mrs. Lynne Yelich: Do you have the demographics of what makes up that 15%? Do you have any idea where that 15% comes from? Is it immigrants? Is it aboriginals?

The Chair: Go ahead and answer the question.

Mr. François Nault: Yes, we look at a number of characteristics of those people. In fact, we're doing a special study of those Canadians who are at a lower literacy, and we will have the results in the fall. I think they concentrated more on the older population. The study surveyed people who are 16 and over, including the 65-plus age group. They also concentrated on the population who have a lower education. Obviously, there is a strong correlation between the level of education and the level of literacy. You're right in saying that they concentrated more on immigrants and also on the aboriginal population.

The Chair: Please hold the questions until they're done.

Thank you.

We'll continue.

Ms. Maryanne Webber: The bottom chart on page 10 deals with seasonal workers. The idea here is that one of the ways to deal with labour shortages is for Canadians to work more hours. Over the course of the year, there are significant periods where some seasonal workers are not working.

If you look at the chart, the first set of bars shows all temporary workers. Temporary workers are people who believe their jobs are not going to continue. There's about 13% of all employees who reported in 2005 as being temporary workers. If you look at the other three bars, there's a breakdown of the components that make up the total of temporary workers.

Term or contract employees, and that includes employees who work through a temporary help agency, constituted the lion's share of temporary employment in 2005, representing 6.4% of all employees. The other important thing is that temporary work has actually grown by 40% from 1997 to 2005.

A comment on seasonal employment is that it's about 3% of all workers, but it's not the same across the country. It's very prevalent in Newfoundland and Labrador and P.E.I., where one in ten workers is a seasonal employee. It's also high in New Brunswick and Nova Scotia.

The top chart on page 11 shows another population. I'm referring to the aboriginal population, who are underrepresented in the labour market. The aboriginal population is young. The median age of aboriginal people in Canada is projected to increase from about 25 in 2000 to 28 in 2017. We expect to see significant numbers of young aboriginal adults in the 20 to 29 age group entering the labour market. The size of this group is expected to increase by over 40% by 2017. You can expect a phenomenal increase in the proportion of aboriginals in the young adult population in Saskatchewan and Manitoba. It may almost double in Saskatchewan, and Manitoba will rise as well.

The bottom chart on page 11 concerns aboriginal people living off reserve in western Canada. It shows that they are less likely to be active in the economy than non-aboriginal people. Education has a huge impact on that. In fact, the participation rate among aboriginal post-secondary completers was 88%. That's a shade above the rate for non-aboriginal post-secondary completers.

The top of page 12 shows labour market conditions for all aboriginal people. In both Alberta and British Columbia, aboriginal people who have completed post-secondary education have higher participation rates than the non-aboriginal population with post-secondary education. Again, that is an indication that education matters.

The bottom of the slide on page 12 deals with immigration and population growth generally.

• (0930)

[Translation]

For many years, natural growth was the main engine of Canadian demographic growth. Since the early 1990s, this is no longer the case. Immigration is now more significant. The migratory contribution to total population growth is continuing to increase, and since 2001, two-thirds of it can be attributed to migratory growth — in other words, immigrants coming to Canada.

With the aging population and low birth rate, the number of deaths is likely to increase, while the number of births is likely to remain more or less the same. Natural growth will thus become negative by the end of 2020. Population growth will therefore be possible only through an increase in immigration.

[English]

The slide at the top of page 13 deals with labour market conditions for recent immigrants. While immigrants are an increasingly important source of population and labour force growth, their integration into the Canadian economy seems to have worsened.

Despite the economic boom in the late 1990s, the 2001 census shows that the employment rate of immigrants of core working age, in the 25 to 54 age group, who had arrived in Canada during the five previous years.... The point there is that for recent immigrants, the employment rate is lagging well behind that of the native-born Canadian population of the same age. It's 65% for recent immigrants, compared to 81% for those born in Canada.

The last slide at the bottom of page 13 concerns persons with disabilities and the potential for increasing the supply of labour by increasing their participation. About 10% of working-age Canadians, approximately two million people, live with some form of disability. About 45% of persons with disabilities are in the labour force compared to about 80% of the non-disabled population.

Increasing access to the labour market for persons with disabilities provides benefits to Canadian society as a whole. About 40% of persons with disabilities not in the labour force cannot work because of their disabilities, but that leaves a potential labour pool of over 600,000 persons. Enabling these people to work requires workplace and job accommodation. The most common needs identified have been job redesign, modified hours, and physical changes to the workplace.

That's it.

The Chair: Thank you very much. I know you've given us lots to consider, and we appreciate the overview.

We're going to start with some questioning now and maybe some clarification for all those slides we've been through. We will start with the first round, which will be seven minutes of questions and answers.

Thank you.

Ms. Brown, did you want to lead us off?

Ms. Bonnie Brown (Oakville, Lib.): I'll begin.

I'm looking on page 12 at the immigrants as a source of population growth, and I'm looking at the peaks and valleys from 1976 to 2004-05, and then this projected steady decline. I don't understand why you think that's going to be the future for us.

Ms. Maryanne Webber: You're looking at the bottom slide on page 12?

Ms. Bonnie Brown: Yes.

Mr. Alain Bélanger: Actually, it's not the number of immigrants that is declining in the projections. It's the number of births and the natural increase, so it's the red part of the chart.

• (0935)

Ms. Bonnie Brown: The blue part looks pretty depressing too. The blue part is the new immigrants you're expecting to come, is it not? And the red part is the births out of the—

Mr. Alain Bélanger: The red part is the difference between births and deaths, and that has been declining for a while, and will continue, because the population is aging.

Ms. Bonnie Brown: I understand that, but what I don't understand is the blue part.

Mr. Alain Bélanger: The blue part actually is increasing in this projection. I guess it's only an optical effect because of the sharp downward slope of the natural increase. But if I had put the blue part below the red part, you would see that it's increasing, because under these scenarios the immigration rate is remaining constant at the current level that we have observed over the last 15 years, at seven per thousand. Also, because the population is growing, the number of immigrants is increasing slightly over time.

So I think it's only an—

Ms. Bonnie Brown: Can you understand his answer?

The Chair: Yes, I think that as a result of the declining.... It does look like a bit of an optical illusion, but immigration is remaining constant there.

Ms. Bonnie Brown: I see that immigration is remaining constant and how the top line has to follow the line that indicates the deaths of the people already here and the lower births.

But what I don't understand is.... I guess it would be too much guesswork to project another peak, such as the one observed around 1991.

Mr. Alain Bélanger: Yes, of course, there will be fluctuations from year to year, but this is a long-term population projection, and we make assumptions on long-term trends. We cannot project the cycle that will happen.

However, in the last 15 years, the number of immigrants that Canada received has been quite stable, averaging about 225,000 a year, but there are fluctuations. Some years we have had nearly 260,000 and other years we have had a bit less than 200,000. So there can be fluctuations from year to year, but over the long range, this is what the median scenario of the population projections uses as an assumption.

Ms. Bonnie Brown: Thank you.

You tell us a lot about seasonal workers and older workers. The social policy issue I'm concerned about is the school-to-work transition.

Whether we're talking about people who can't seem to complete high school or people who have just some community college training, etc., landing them in appropriate jobs and making them part of the productive work force is, it seems to me, a big challenge for us. What do your statistics show you about that group?

Mr. François Nault: First of all, I think last November we released data that showed the dropout rate from high school has been dropping in Canada. We often hear stories about dropouts, but when you look at the statistics, the dropout rates have been declining in the last 10 years. On that front, I think the school systems are doing pretty well; they are lowering the dropout rates.

Also there's a clear relationship, even at that age, between your level of education and your integration into the labour market. We have another survey that's called the national graduates survey, and it shows that two years after graduation, college and university kids are doing very well in the labour market.

We also have another survey that follows a cohort of students who were 15 in 2000. We're looking at them every two years. Last week we released the data for the interview when they were 19; there are differences in the way students integrate into the labour market, depending on their education and experience. We're also trying to look at all the other factors that may affect that integration.

Ms. Bonnie Brown: Of course, you're giving us Canadian statistics. There are statistics out of Ontario that show a very high dropout rate of 30% in the high schools. They're doing everything they can to turn that around, so I would guess that in the last couple of years it hasn't been too bad, but prior to that it was something like 30%. What do you know about the Ontario statistics?

• (0940)

Mr. François Nault: You're right, there were conflicting statistics when we released our statistics. What we looked at was the proportion of 20- to 24-year-olds who have high school diplomas. In Ontario I think it's 9% or 10%. The 30% statistics that you are referring to, in my mind, refer to the proportion who completed their diploma within the prescribed period, but there are other second-chance things for a kid who has dropped out of school; there are ways the system can reintegrate the person and try to help him or her complete the diploma.

So there are different statistics floating around, but when we looked at 20- to 24-year-olds, the proportion who had not completed their high school was around 10%, not 30%.

Ms. Bonnie Brown: Thank you, Mr. Chair.

The Chair: Thank you.

We will move on to the next individual, Mr. Lessard, for seven minutes.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Thank you, Mr. Chairman.

I would like to thank you for being here this morning to provide us with this information and to shed some light on a number of our concerns about employment and changes in the labour market.

I would like to hear your comments on immigration again. If I understood correctly, there is a gap in education — I don't know how large that gap is — between immigrants and people who come from here.

Can you assess the magnitude of that gap? You seem to say that this is one of the reasons that makes it more difficult for an immigrant to enter the labour market.

Mr. François Nault: That is a good question. I don't think we have completely finished studying the relationship among immigrants, literacy and employability. The literacy assessment we conducted was in Canada's official languages — that is, English and French. However, there is no doubt that most immigrants have neither English nor French as their mother tongue. They are thus at a disadvantage when we assess their literacy. Practically speaking, we assess their literacy in English or in French, as they prefer, but we do not assess their literacy level in their first language.

We have not yet completed the studies, but some do show the following: even when the language factor is taken into account, it appears that, at an equivalent education level, immigrants have lower literacy scores than Canadians. Immigrants who arrive in Canada are very well educated. I believe that 60 to 65 per cent of recent immigrants have successfully completed post-secondary studies, but it appears that their understanding and ability to properly assimilate written information is weaker than those of Canadians. However, there is still a great deal to be done in analyzing the results of these studies.

Mr. Yves Lessard: Once the immigrant improves his skills in the new language, be it French or English, to what extent can he or she catch up to the educational assets he or she brings from the country of origin?

Mr. François Nault: That is a good question. Unfortunately, I cannot provide an answer. We would have to track immigrants as they learn the language to determine whether they find it easier to enter the labour market, or not. I think that we could conduct studies on this. At present, a number of academics are working on the studies, including Craig Riddell, an economist at the University of British Columbia. He will be studying the whole issue of immigrant employability. Naturally, language is a very important factor in the issue of immigrants entering the labour market. However, I do not think we can give you a detailed answer now.

Mr. Yves Lessard: Let's come back to the labour market situation over the years, and our ability to fill available jobs.

I believe that you said we would reach neutrality — if I can put it that way — by 2020. In other words, in 2020, we will no longer be generating enough citizens of Canadian origin to continue developing or maintaining employment growth. This means we will have to rely on immigration to do so.

If we look at a different time — I am talking about the economy of emerging countries, such as China and India — we can see that over the past 20 years, we had significant immigration from Asia. Given the economic development in Asian countries and market globalization, we see that Asians are now going back to their countries of origin.

Are you able to tell us how many people are going back? Is this a number that will at some point become stable, or is it dropping constantly? This might help us determine what position we will be in by 2020.

● (0945)

Mr. François Nault: I can give you my opinion, and then Alain can give you more details.

One of the slides shows all possible sources of employees. Immigration is one of the major sources. However, if people who reach retirement age remain on the labour market, or if we can increase employment among aboriginal people or disabled persons, those latter groups will constitute possible sources of workers. Of course, emerging economies, as you call them, are competing for talented and skilled employees. I believe that Canada has a great deal to offer immigrants, but if their countries of origin also have a great deal to offer, we will find ourselves competing on the labour market for the best and most talented employees.

Mr. Alain Bélanger: There are very few data on immigration by Canadians, be they Canadians born here or outside the country. This is because we are free to leave Canada without having to leave a forwarding address.

However, there are a number of studies conducted as part of investigations that have established that a number of immigrants leave our country, either to go to another country or to return to their countries of origin. Take Hong Kong, for example. It appears that many Chinese who came here in the 1990s returned to Hong Kong a few years later to continue to do business in their country of origin.

With regard to future immigrants, it is quite true that China, with its one-child policy and economic boom, may cease to be as significant an employee source as it has been for the past 15 years. However, many other countries could contribute to Canadian immigration. For example, the countries of the South Asian sub-continent are already a significant source. There are countries in Africa and the Middle East where demographic pressures could remain high in future because the birth rate is still high.

In future, source countries may therefore change. It is also quite true that we compete internationally to recruit immigrants, because all industrialized countries find themselves with the same demographics we do — rapid aging of the population and few young people to replace retiring baby-boomers. Nonetheless, there are still source countries. Canada might have an advantage in that its immigrants have always been highly diversified.

[English]

The Chair: That's time, Monsieur Lessard. We're going to move on to the next questioner.

Madame Savoie.

[Translation]

Ms. Denise Savoie (Victoria, NDP): Thank you for your presentation. I have some questions for you on some of the data were not given this morning.

I wonder whether you can give us the breakdown of the workforce into permanent jobs, part-time jobs, temporary jobs and minimum wage jobs.

● (0950)

Mr. Philip Cross: Earlier, Maryanne presented figures showing that some 13 per cent of our workforce consists of temporary employees. With regard to part-time jobs, the data for May show that out of 16.5 million jobs, 13.6 million were full-time and almost 3 million were part-time jobs.

We have seen a strong reversal of the trend since 2000. All job growth in Canada has been in full-time jobs. In the past five years, we have seen no change in part-time jobs. We have noted that part-time jobs are being turned into full-time jobs, particularly in the west — in Alberta and British Columbia. For example, an employer who has one employee and needs more staff first tries to obtain more hours from his current employee.

Ms. Denise Savoie: Do you know how many jobs allow people to stay above the poverty line in Canada as a whole?

Ms. Maryanne Webber: Low-income thresholds are generally established on the basis of total income from a number of sources, not just jobs. If you are interested in information on pay rates, we could provide figures. I do not have them with me at the moment, but I am sure we can provide them.

Ms. Denise Savoie: Thank you, I would appreciate it.

Do you have data on the number or percentage people who hold down two jobs?

Ms. Maryanne Webber: We don't have those figures here, but we can provide cumulative job statistics at the same time as we provide low-income statistics.

Ms. Denise Savoie: My question was on the number of people who have two jobs, not necessarily two low-income jobs.

Mr. François Nault: We do not have those figures, but about 5 per cent of workers have more than one job. The phenomenon is not very widespread. It is not a high percentage.

Ms. Denise Savoie: Five per cent is still quite a high number. There are social implications.

Mr. François Nault: Absolutely. You are quite right.

An hon. member: Did you count students?

Ms. Maryanne Webber: Students who have a job are counted as individuals who are employed, workers. In this case we're talking about an individual who holds two jobs at the same time, for example, a job in the morning and another in the evening. Therefore, a student with two jobs would be counted. They can be identified and separated out.

Ms. Denise Savoie: It doesn't matter, that's helpful. Thank you. *[English]*

The Chair: Thank you. Thank you very much.

We'll move to the last part of this round.

Over to Ms. Yelich, seven minutes.

Mrs. Lynne Yelich: Thank you. I think that was a good question because it leads up to my question.

I would like a further breakdown in all these inventories of labour that we have, the aboriginal, the disabled, etc. If we decide how we're going to work through committee employability, we have to have even more data to say, let's take these 600,000 disabled and find out where we can fit them in. I think you did wonderful work. The charts are absolutely excellent and a little scary. But they are excellent.

I would like you to take it a little bit further so that when we go out on the road we can see how we're going to attack the issue, especially with the disabled, which is going to be very important to me because of what I intend to do.

I also have another question. This is probably not a really good question, or not a nice question, for you, but it's the law that insists that you have to answer these labour surveys, isn't it? People are obligated to answer them. I do have people who get very angry when sometimes they're asked to answer these. The labour survey seems to

be really intrusive to some. Or maybe it's not as intrusive as these people have led us to believe. But I want to know if there is any way out if you just find the person obnoxious, which I think one of your people might have had happen in my community. I do worry about that.

About that, which one do they have to do? Also, if there are other ones, do we have somewhere to go if we find that we're having difficulty with surveys or perhaps a conflict of personalities or something?

• (0955)

Ms. Maryanne Webber: On the first point you raised regarding additional information on aboriginal peoples or persons with disabilities and labour market integration, we'd be very happy—I know we just skimmed over the surface here—to provide further information in whatever form, whether it's—

Mrs. Lynne Yelich: I want to know what we can target. When we start looking at skills training, we have to know more on language training and that sort of thing.

Ms. Maryanne Webber: We'd be happy to provide whatever further information you would consider useful.

On the issue of mandatory versus voluntary surveys, there are only two mandatory household surveys that we do. One is the census and the other is the labour force survey. The labour force survey is mandatory because it feeds into the estimates of national accounts. So we really need to have very solid numbers with respect to employment. That's the only one we do that way.

Once a person is selected for the labour force survey, they're in for six months. The first interview per person might take 10 minutes. After that there's only a limited amount of information collected at subsequent interviews. It basically works out to a couple of minutes of time, on average, for every subsequent interview. So it's not that burdensome a survey. We do everything we can to minimize the burden it causes, and we use that approach to actually...

Mrs. Lynne Yelich: I have a real appreciation for your work, so I think they should fill it out.

Mr. Lake has a question.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I have a few questions to do with context, in a sense. I'm looking at a lot of this stuff and I'm wondering about historical context. For example, with the literacy rates and our ranking, is there a historical context to that? Are we improving?

Mr. François Nault: That's a good question. I don't have the chart in front of me, but there are only six to seven countries on that chart. Those are the countries that have done the survey in 2003. It's the second time the survey has been conducted internationally, I guess. The first time was in 1994.

Over the period of 1994 to 1998, there were about 20 to 25 countries. If you look at the 1994 chart, Canada is doing okay, but it's not ahead of the pack. The Scandinavian countries, for instance, do a lot better in terms of their literacy, the literacy skills of their population.

We're able to compare 1994 to 2003, and one of the key results is that there was no change in the literacy skills of the population. The chart shows that about 42% of Canadians are below level 3, and it was about the same in 1993. So it's a bit worrisome, I guess.

• (1000)

Mr. Mike Lake: We can do better?

Mr. François Nault: Well, we would have hoped to have gains.

There are not enough countries now to really situate Canada, but hopefully there's a second wave of that survey that will take place this year. There will be five to six additional countries that will run an identical survey, so we'll be able to better situate where we are in a year or two, and maybe there will be another wave after. There are a couple of European countries that are going to run the survey. Australia and New Zealand are going to run the survey, so we'll be able to compare ourselves with those countries once they have their results. But by no means is Canada ahead. We're not bad, but we're not the first internationally.

Mr. Mike Lake: Along those same lines of historical context, looking at the bottom slide on page 13, which has to do with persons with disabilities, I'm guessing that there's probably not a lot of historical data on this either.

Ms. Susan Stobert: We have very limited data on persons with disabilities. We do post-census surveys, but because of international definitions—the whole question of defining a person with disability—we don't have a lot of time series information. We're actually doing another major survey this fall, which will provide us with some timelines. At the moment, we can sort of tell you about what happened in 2001, but not a lot in terms of change.

Mr. Mike Lake: Okay, so going forward it would seem to be important to me that we would have these definitions and stick with them. Are the definitions structured in such a way that, going forward, we'll be able to accumulate some data?

Ms. Susan Stobert: Exactly. Actually, it was a prime motivation for the survey this year. Our major goal in the survey was to provide five-year data to have an idea of what has happened, actually, over time. All of the decisions that have been made about the 2006 survey were predicated with the idea of maintaining some time series integrity.

The Chair: Thank you. That ends the first round, so we're going to move into the second round of questioning, which will be five minutes for questions and answers.

Mr. McGuire, could you lead us off?

Hon. Joe McGuire (Egmont, Lib.): Thank you, Mr. Chair.

On page 9, the labour productivity gap between Canada and the U.S. has emerged. When did that emerge, and why has it emerged?

Mr. Philip Cross: Basically, even taking that graph back into the 1980s, it's very much a recent phenomenon. Productivity over long periods of time is quite comparable in Canada and the U.S. So this gap that's opened up is remarkable.

It appears to be motivated by two things. On the one hand, the U.S. went through a recession in 2001 that we didn't, and they had to grapple with a high exchange rate earlier than Canada. So they've

had very large productivity gains for a long time now, particularly in the manufacturing sector.

At the same time, our productivity, as you can see, levelled off in recent years, and in fact it was basically flat in 2003 and 2004 and began to increase last year.

Hon. Joe McGuire: So what do you suggest Canada has to do to catch up?

Mr. Philip Cross: We don't prescribe.

Hon. Joe McGuire: You don't have any answers?

Mr. Philip Cross: Clearly productivity is related to a number of factors. The key ones are the quality of your workforce: the human resources skills they possess, the education they have, the amount of capital they have to work with—and that seems to be the main reason Canada is levelling off. Worker productivity per se didn't fall; workers had less capital to work with in this country, relative to the U.S. The U.S. invested a lot more, particularly in the ICT boom in the late 1990s and after 2000, and particularly a lot more in ICT equipment. Because investment is picking up in this country, you're starting to see productivity pick up in 2005; workers have more capital to work with in this country.

Frankly, with all the surveys we have of investment intentions and just looking at the projects you see in the oil sands and in building permits, there's every reason to think this investment boom will continue. That's probably the biggest part of the answer to boosting productivity in this country.

Hon. Joe McGuire: I'll go back to the oil sands for a moment. Do you have any real numbers on the people who left Atlantic Canada for Alberta in the last five years?

Mr. Alain Bélanger: No, I don't have that information with me right now. What I know is that Alberta is really attracting a lot of internal migrants in recent years. I don't have the exact number by province right now.

• (1005)

Hon. Joe McGuire: There was a story in the *National Post* some months ago that said 300 people had left in the last two years from Prince Edward Island to go to Alberta. There had to be at least 500 from my riding during the election campaign, so the numbers don't really reflect the mobility and the numbers that are leaving the region.

We're at the point now that our construction companies, which are seasonal in most of this country, can't find enough skilled labour for their own crews.

I'd just like to know the real numbers and the effect this is having. In Atlantic Canada we have always had out migration. Now we have an aging population and a low birth rate as well. We're going to get hit triply. Right now we're feeling it. Not only are young people going west to Alberta, but people with kids, people in their 40s, are also going out. We see it's getting to be a major demographic problem for Atlantic Canada, and there are no immigrants coming in. If immigrants do come in, they don't stay very long.

Mr. Philip Cross: In the labour force survey numbers you can see that two provinces, Saskatchewan and Newfoundland, are losing population outright. In the last year, Newfoundland's population is down 0.5%, and they've been losing population for 10 years.

The population growth, as you say, in the other area, particularly New Brunswick.... It's only 0.3% in the last year; New Brunswick is 0.2% and P.E.I. is 0.5%. So overall there's been a net increase of about 1,000 people in the Atlantic provinces in the last year, which is nothing.

From the interprovincial migration statistics, we can certainly see which provinces they're going to. I don't know specifically if we have data for the oil sands, but—

Mr. Alain Bélanger: We have the flow of internal migrants from one province to the other. I can have the exact number, but your question is so specific that I don't really have the number right now, but I can provide it to you.

Hon. Joe McGuire: I wish you would.

The Chair: That's all the time for this round. We're going to move to the next questioner. I believe it's Mr. Lessard. Are you going to lead off again?

It's Mr. Lessard, for five minutes.

[Translation]

Mr. Yves Lessard: Thank you, Mr. Chairman.

Earlier on, you reminded us that sometimes the job market remains stable even though the unemployment rate goes down. That is because some people are no longer in the job market. Therefore, you are no longer considered as being available for employment.

We have heard various responses on this issue. I think you are in the best position to inform us. How exactly is the employment percentage established? I'll explain. Take, for example, older workers who are having trouble finding a new job, who have run out of employment insurance benefits and are receiving income security benefits. That's often what happens. I'm referring, for example, to people I met in Montmagny, in the Gaspé, and so on, where there are no openings in their areas. This is mainly due to their age, but also to the fact that their qualifications no longer correspond to those required for the available jobs. Are those people taken into account in the calculation of the unemployment rate?

Ms. Maryanne Webber: The unemployment rate is based on the number of people who have a job and the number of people who are seeking employment or who will begin working within four weeks. People who are not seeking employment and are not working are outside the job market and are not considered to belong to the workforce, and are therefore not included in the unemployment rate calculations.

Mr. Philip Cross: We asked individuals why they have not looked for a job. Was it because of bad working conditions, for example? That type of question allows us to determine why that situation exists.

• (1010)

Mr. Yves Lessard: I'll be more specific. Take, for example, a business that shut down two or two and a half years ago in Montmagny. About 50 older workers are no longer looking for work in that area because nothing has been offered to them. The first year, one 57 year-old man, in good shape, with a good trade, was only given one interview after 91 job applications. Therefore he stopped looking. However, he would have liked to have work. The only way for him to get work would have been to move to Montreal. At his age, he would have to sell everything, and so on. In Montmagny, there is therefore a pool of approximately 50 older workers who are able to work but are no longer looking for work. If I have understood correctly, they are not counted in the unemployment rate calculations.

Ms. Maryanne Webber: That is correct. As Philip just mentioned and as I pointed out, it is important to include several measures of activity within the job market, in other words, not to focus only on the unemployment rate. Other measures have to be considered. The phenomenon you are raising can be taken into account by asking a specific question. Therefore, this phenomenon can be studied based on data that we possess. That segment of the population is defined as being outside the workforce, and that method complies with international standards. However, we can still tell you how large that segment of the population is, that is the number of people who are not working and are not looking for employment because they feel there is no work available. We can provide you with those numbers.

Mr. Philip Cross: That is why there is a series of interesting data. For example, the unemployment rate, as you say, is not always the best indicator. It is perhaps preferable to look at the percentage of the population that is employed, which varies greatly. It is about 50 per cent in Newfoundland, 60 per cent in Quebec, and over 70 per cent in Alberta. Sometimes, it is preferable to refer to other measures that paint a more comprehensive picture.

Mr. Yves Lessard: I would like to ask you another short question.

On a different topic, you indicated a little earlier on that approximately 13.5 million people work full time and that 3 million people work part time. Do you have those statistics by province?

Mr. Philip Cross: Yes.

Mr. Yves Lessard: Could we have them?

Mr. Philip Cross: Certainly.

Mr. Yves Lessard: It is about 22 per cent for all of Canada. I assume that it must vary from one province to another.

Mr. Philip Cross: Absolutely, do you want me to answer now?

Mr. Yves Lessard: You can send it to us.

[English]

The Chair: Okay, that's time.

We're going to move to our next questioner, Ms. Savoie.

[*Translation*]

Ms. Denise Savoie: Thank you, Mr. Chairman.

You said that the drop-out rate had gone down in Canada. How do you measure the link between employability and the level of education? What level of education makes someone employable?

Mr. François Nault: Graphs have been around for a long time. They show, for example, the relationship between the unemployment rate and level of education. I will send you the graph. Four levels of education are very clearly distinguished: people who have a university degree, people who have another post-secondary degree, those who have a high school diploma and those who do not have a high school diploma. The four lines are parallel. As the level of education goes up, the unemployment rate goes down. Moreover, when the economy fluctuates, we see that people with a higher level of education are less affected by economic cycles. Their unemployment rate is more constant, whereas those who have a lower level of education, especially people who have not completed high school, have a much higher unemployment rate which fluctuates much more with the economic cycles.

Ms. Denise Savoie: So we can conclude that access to education and training is very important.

Have you studied the phenomena or the causes that could be linked to access to education? I am thinking, for example, about having a low income, living in a rural area, being aboriginal. Are there other phenomena? Have you studied that link? There is a lot of talk about difficulties accessing education, since tuition fees have really shot up in recent years.

• (1015)

Mr. François Nault: I could send you several studies on that topic. In fact, both participation rates and program completion rates vary according to people's socio-economic level. That is true for aboriginals. I have the impression that there are also nuances based on access. However, the results are not as clear as far as the variation in tuition fees is concerned. That does not appear to have a major impact on access, even among lower-income people.

Ms. Denise Savoie: It seems to me it would be very important to have that data to determine the policies that could be put in place to encourage access.

As regards literacy rates, I think I saw, on Statistics Canada's Internet site, that 42 per cent of workers with an average age of 42 were below the level three threshold. Is that true?

Mr. François Nault: It is 42 per cent for all people between the ages of 16 and 65.

Ms. Denise Savoie: There was a figure, 42 years, that really struck me. It seemed to me...

Mr. François Nault: I believe it was a percentage.

Ms. Denise Savoie: It is just the percentage. I had seen the number 42, but I may be mistaken and it may be the percentage, not the age. So it corresponds to people between the ages of 16 and 65.

Mr. François Nault: That is correct: 42 per cent of Canadians between the ages of 16 and 65 are below level three.

Ms. Denise Savoie: The majority of these people are closer to 65 years of age, so they are older people, and the other rather large group is the immigrant one.

Mr. François Nault: That is correct. There is a relationship between age and the level of literacy. The younger generations generally have higher literacy levels. Moreover, there is, in fact, a larger proportion of immigrants whose level of literacy is below level three.

Ms. Denise Savoie: Okay.

How do you measure productivity generally and the productivity of workers? Is that part of your studies?

Mr. Philip Cross: That is not part of our studies on the labour force, but we must provide a quarterly and a yearly estimate. We publish productivity by worker on a quarterly basis. It equals the GDP divided by the number of workers. That is labour productivity. In our annual estimates, we make an adjustment for the capital, as there are two inputs in the portion on production. Normally, to produce the GDP, you must account for work and capital. We want to separate productivity and the increase in GDP which is not based on a larger input of one or the other. It is an increase in pure productivity. We call that multi-factor productivity. Generally, both move in similar ways.

Ms. Denise Savoie: So, productivity is simply based on the number of workers. There are no subfactors. The productivity of a worker is established solely on the basis of the number of workers...

Mr. Philip Cross: That holds for most of the productivity, but it does not stop there. The subsequent questions are designed to determine productivity for one thing or another, by province, and to determine the reasons that explain it. We do that when we begin to study variables that may cover that, for example investments, education, and a host of other factors. However, that is never part of the calculation of productivity itself. An analysis follows the publication of our data.

[*English*]

The Chair: Ms. Savoie.

[*Translation*]

Ms. Denise Savoie: No detailed analysis has been done yet.

M. Philip Cross: Statistics Canada has published many studies on the factors that affect these results, such as investment. We have the exact measure of contributions from investments. We have studied the importance of other factors like innovation. Do we have a measure that indicates if productivity is 60, 20 or 10 per cent? No. There are factors linked to productivity that we cannot measure.

• (1020)

[*English*]

The Chair: Thank you.

We're pretty much out of time for that question.

Now I'm going to move to the final part of round two.

You have five minutes, Mr. Storseth.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you, Mr. Chair.

I want to thank the witnesses from Statistics Canada for coming. It's been a very interesting presentation so far.

I want to pick up on Mr. Lake's point regarding literacy. You talked a bit about our literacy lagging compared to some of the Scandinavian countries. Can you tell me if that also correlates with workforce participation and productivity, compared to those countries?

Mr. François Nault: That's a good question. I think we have a number of analyses showing that people occupying different jobs have different levels of literacy, which is expected. You would also expect that those with more education earn a higher wage and thus are considered much more productive. So there's definitely a link between wages, productivity, and literacy.

Your question is how does this compare to what is happening in Scandinavian countries, which I wouldn't be able to answer.

Mr. Brian Storseth: Do we have any studies that would compare the two? Is there something we can find out later?

Mr. François Nault: Maryanne is mentioning there's a professor at the University of Ottawa who has looked at economic growth according to the literacy level of the population. He has shown a clear relationship. I think if literacy increased by 1%, economic growth grows by 3%—I'm not exactly sure of the number—but there's a clear link between literacy level, economic growth, and productivity as well.

You're right that we could be comparing what's working well in those Scandinavian countries, such as Finland, and looking at what Canada could adapt from those practices. To my knowledge, this hasn't been done.

The literacy survey has been done similarly in both countries. It's got a wealth of data about the individuals themselves. So we can make all kinds of correlation between their literacy level and personal characteristics. Then we can probably make inferences as to why literacy levels are higher in those countries than in Canada.

Mr. Brian Storseth: I was also reading in some of the reports here that our labour force actually grew by 200% over the last 50 years to get us to the economic state we are in today. I see that your projections for our future have us growing only at a rate of about 5%. Would it be fair to say that you could attribute this to the decline in participation from our baby boomers?

Mr. Alain Bélanger: The infrastructure of the population is certainly an important factor in the growth of the population that is working. The baby boomers are now reaching the age when they will retire. That will increase pressure on their rate of participation.

Mr. Brian Storseth: It's my understanding that the United States should be in a similar situation, yet their projections are to grow by about 34%.

Mr. Alain Bélanger: Their situation is very different in terms of demography. The U.S. has a fertility rate of 2.1%, so the level of fertility in the U.S. is high enough to replace the generation. Their population is younger than the Canadian population. The baby boomers were also an important factor in the U.S., as in Canada, but

I think following the baby boom, their fertility hasn't dropped as low as ours.

• (1025)

Mr. Brian Storseth: If I have one more second, I'll ask a question that I come up with every once in a while. What would Statistics Canada's definition of poverty in Canada be?

Ms. Maryanne Webber: We don't have a definition of poverty. We produce measures of low income, and there are a couple of different measures that are published. The one that's best known is based on what the average family spends on food, shelter, and clothing, plus 20%, and then we create a series of low-income lines with that. Then you look at the income level of the population and you calculate a rate of the proportion of people who are below that low-income cut-off. That's one measure.

Another one is looking more at how income is distributed. You look at the proportion of families that have less than 50% of the median income. That's a second measure.

There's a third measure that hasn't had a lot of visibility yet. It's called the market basket measure of poverty. That one is called a poverty measure. Human Resources and Social Development, HRSD, took a lead role in its development. It's really defined by building up a basket of what's thought to be required for a decent existence—what you need for food, shelter, clothing, and beyond that, as one big rough number. That measure is still in a state of development and we'll see where it goes.

The Chair: Thank you for the short question with the long answer.

Anyway, we're going to move on to the third round—still five minutes.

Mr. McGuire, for five minutes.

Hon. Joe McGuire: On page 10 in the graph on seasonal workers, everything is up—temporary, term, casual, seasonal. Why are temporary jobs or non-full-time jobs on the increase compared to what is actually happening here? How much of that is institutionalized?

The Canada Revenue Agency, which is a crown corporation, hire very few full-time workers any more. Everybody is casual, contract, or temporary. They have five of these scattered across Canada—Shawinigan, Summerside, I think Surrey, and another somewhere. Why are institutions, whether government or private, apparently, going to these temporary or contract seasonal jobs rather than creating permanent full-time employment?

Ms. Maryanne Webber: I don't know if we can answer that question, but what we certainly could do is provide you with information on where the growth has been greatest in temporary jobs in terms of province, industry, occupation. We can provide you with information on rates of pay of those jobs relative to jobs that are not temporary. I don't have that information right here, but we can certainly provide that.

Hon. Joe McGuire: Could you also make a connection or correlation between all these part-time jobs and the contribution that is making to the EI rate across Canada?

We get criticized for our unemployment insurance system, but it looks as if the whole economy is creating the demands on the program rather than lessening demands on the program. If government is creating demands on the program, why would it do that as an institutionalized effort to keep up the EI rates?

• (1030)

Mr. Philip Cross: If I understand, I think we've strayed from the seasonal worker with this concern about part-time work. I think your point, if I understand it correctly, is that because of the shift in the labour market that's creating more term and contract jobs, not enough income and people are supplementing it with employment insurance. Would that be...?

Hon. Joe McGuire: People will tend to rely more on employment insurance if there are increasing numbers of temporary jobs, contract jobs, casual and seasonal jobs. There's going to be an automatic heavier demand on the EI system.

Mr. Philip Cross: We don't know the correlation between the two, or how much this is contributing to EI.

Hon. Joe McGuire: Can a correlation be made?

Mr. Philip Cross: Given that EI regulations vary by region, it would have to be done at a very detailed level. One thing I'd also caution you about, concerning the increase in temporary and term and contract work, is that some of it is institutional change in the labour market. There's no doubt that there are people who hire more from temporary agencies, for example. Some employers want more contract work. Remember too, some of the increase in term or contract work is in construction. Something like 40% of construction workers are classified as temporary, because they're working on a job that has a specific ending to it.

People assume temporary jobs are sometimes bad-quality jobs, whereas most manufacturing jobs are permanent. If I were a construction worker in Alberta today, I'd feel a lot more secure about my job than a manufacturing worker in Ontario. I just don't think you can say that temporary is bad and permanent is good.

The Chair: Mr. McGuire, you have 20 seconds.

Hon. Joe McGuire: That's fine. Thank you.

The Chair: We're going to move on to the next questioner.

Mr. Brown, you'll have five minutes.

Mr. Patrick Brown (Barrie, CPC): Thank you.

I read in the Statistics Canada report that even though employment has hit a 13-year high, many young people are still leaving the workforce, more now than in the last decade. That's the first thing I wanted you to touch upon.

The second thing is that the same report—I think it was released last week—indicated that the number of people who weren't working or searching for a job increased for the first time since 1996. Could you provide some insight into that as well?

Mr. Philip Cross: Generally, we've seen weak youth labour force participation rates over the last few years. There seems to be quite a

regional divide on it. In particular, we've seen some declines out in western Canada and increases in the east.

Was the second part that you wanted addressed the increase in labour force participation generally?

Mr. Patrick Brown: Yes, it's to know how it has increased while there's still an increase in people searching for jobs. The report suggested that for the first time since 1996 we've seen an increase in those searching for a job.

Mr. Philip Cross: I'd be surprised. There has to be some subset to that, because overall the labour force has been increasing. The participation rate has been increasing generally since 1996; it's not just something that happened last year. There must be some specific subgroup in there.

Mr. Patrick Brown: In terms of those searching, though, has there been an increase as well? Do you recall? There was a suggestion that there has been.

Mr. Philip Cross: Do you mean of those searching unsuccessfully?

Mr. Patrick Brown: Yes.

Mr. Philip Cross: I don't have that report in front of me.

Mr. Patrick Brown: The next question I had was, what proportion of older workers is affected by mandatory retirement rules and regulations, given the growth in collective agreements? Has this changed appreciably over the last 20 years?

Ms. Maryanne Webber: I don't know of any survey at the moment that we do that would provide information on retirements that are specifically due to mandatory retirements and on how these have changed.

Mr. Patrick Brown: Okay.

Among new Canadians who are working or trying to have their credentials recognized, do you have any stats in the medical field about what number of new Canadians we have who, because of regulations and professional bodies, aren't able to integrate into our workforce?

• (1035)

Ms. Maryanne Webber: It's possible that we could get some information from one survey that I'm thinking of, which is the *Longitudinal Survey of Immigrants to Canada*. They may have some questions on that. I don't have the information here, but we can follow up and find out.

That's a survey that's looking at people who've immigrated since about 2000, I think, and it's following them through time, looking at their labour market integration and also other aspects, and collecting information on how they feel about how things are unfolding. There may be some information in that survey. That's the only thing I can think of, off the top of my head, but we can follow up.

Mr. Patrick Brown: If you could pass that along, it would be appreciated.

In terms of the median retirement age, do you have any statistics on how that has changed over the last 20 years, what it is today compared to two decades ago?

Ms. Maryanne Webber: I think we had a chart on that, didn't we?

Mr. Philip Cross: We certainly do have data on that.

It generally showed a decline, particularly when you could take your CPP benefit at age 60 instead of 65. That seemed to trigger a long period of decline.

It's on the bottom of slide 8, the median age of retirement.

Recently it has been stabilizing because older workers are staying in the labour force longer. We know, certainly in the government sector, jurisdictions are lifting mandatory retirements.

Mr. Patrick Brown: Okay, thank you.

The Chair: We'll go back to Mr. Lessard.

Do you have any more questions?

[*Translation*]

Mr. Yves Lessard: Yes. Thank you, Mr. Chairman.

Let's go back to people who are looking for work. Have you established or are you in a position to tell us the percentage of people who would be employable and who have withdrawn from the employment availability list because they are discouraged and sick of looking for work because there is none in their region? Do you have that percentage?

Ms. Maryanne Webber: We do not have it here, but that information exists. We can send it to you.

Mr. Yves Lessard: I would like you to do that, if you don't mind. Do those numbers apply for Canada as a whole, for each province and for each of the employment insurance administrative regions?

Ms. Maryanne Webber: It depends. I don't even know if we have reliable data for the administrative regions.

Mr. Yves Lessard: That might give us information on regionalization.

Also, what is the situation with first nations? What is the unemployment rate for aboriginal people, on-reserve and off-reserve?

Ms. Maryanne Webber: The information we have only covers the off-reserve population. I don't know if we have with us the numbers for the unemployment rate. No, I'm sorry. We don't have that information here, but once again, we can get that to you.

For now, the information we can send you is based on 2001 numbers as they apply to the off-reserve native population across Canada. That's a possibility. If you want more recent data, the information we have comes from the study on the working population and covers the four western provinces. So we can send you the more recent information for that population.

For now, the information on the attachment of native people to the labour market only covers the western provinces. We are in the process of obtaining up-to-date information for all native populations on-reserve.

● (1040)

Mr. Yves Lessard: We would like to have that information.

Is there a particular reason why you cannot get the numbers for aboriginal people living on-reserve?

Ms. Maryanne Webber: It's more difficult to get on-reserve information. We have tried to do so through census figures and through certain post-census studies, but we need the agreement of the aboriginal people themselves in order to enter a reserve. Sometimes we can and sometimes we can't.

Mr. Yves Lessard: Have you determined the rate of education on-reserve and off-reserve?

Ms. Maryanne Webber: We have been doing so since the 2001 census.

Mr. Yves Lessard: We would like to get that information.

Ms. Maryanne Webber: That's fine. Furthermore, the results of the 2006 census will soon be available.

Mr. Yves Lessard: So you could give us that information as well.

What is the level of work mobility of native people?

Mr. Philip Cross: You mean in geographical terms?

Mr. Yves Lessard: Yes.

Mr. Philip Cross: We have not measured that.

[*English*]

The Chair: Mr. Lessard, one minute.

[*Translation*]

Mr. Yves Lessard: Furthermore, you said that over half a million persons living with handicaps cannot find work because of the degree of their handicap. Can you tell us whether special measures have been taken to include these people in all kinds of activities? As it now stands, they are more involved in activities rather than in paid employment.

For instance, we have a member of Parliament who is a paraplegic. Physically, I believe his capability is very limited. However, intellectually, he has an extraordinary contribution to make to society. I believe he is an associate minister. There's no doubt that this is a very exceptional man.

So I would like to know whether there is a study which outlines how we can help these 600,000 people live fuller lives and develop within our society.

[*English*]

The Chair: I'd ask for just a very quick response, as we're over time.

Ms. Susan Stobert: We have very limited information from 2001. There will be a lot more information being gathered in 2006. In 2001 we asked really only about labour force participation for people with disabilities. In the new survey we're asking about volunteer work, life satisfaction, social participation, barriers to full participation in business. So the short answer is we had very limited information for 2001. We will have more information in the coming year.

The Chair: Thank you.

We'll move on to Mr. Lake, as a final questioner, for five minutes.

Mr. Mike Lake: I have a quick question to do with the slide on page 10, regarding seasonal workers. I'm just wondering if there's any research by season.

I imagine that most seasonal work takes place in the summer. But is there a component that takes place in the winter, or any other seasons specifically?

Mr. Philip Cross: Certainly. In fact we saw a good example of it this winter in the west. The oil and gas rigs couldn't get out. They need the land to be frozen to roll these big trucks over. You're not just driving down the 401; they need frozen muskeg, or whatever, and they didn't get it in January and February. As conditions started to freeze up in March, it came back.

There would be ski hill operators—

Mr. Mike Lake: Do you have any idea on what the percentage would be of summer versus winter for seasonal work?

Mr. Philip Cross: No, but I'm sure we could calculate that.

Mr. Mike Lake: It would just be interesting to see.

Mr. Philip Cross: I agree, most of it is going to be summer. It's fishing and things like that.

Mr. Mike Lake: And there would be an unpredictability to it as well, I would imagine, in both seasons, depending on what the weather is like.

• (1045)

Mr. Philip Cross: Very much so. Some years the ski hill operators just don't get going in southern Ontario. I imagine this winter was an awful one for them.

Mr. Mike Lake: Going to slide number 9, which is an interesting slide, on the bottom again, the labour productivity gap, you mention that there are differences in the way it's measured that cause problems with really interpreting this information. There's a pronounced split that begins in 2000. I'm wondering if there have been any changes in the way the productivity has been calculated that would have caused that split.

Mr. Philip Cross: No. This is a consistent time series. In fact, we go out of our way to make sure that both the GDP and labour input are measured in exactly the same way in Canada and the U.S.

Mr. Mike Lake: So regardless of the fact that there may be differences in the way it's measured, does that split not definitely indicate dropping productivity relative to that of the States over the last five years?

Mr. Philip Cross: I don't think I said there were differences in the way it was measured; in fact, just the opposite. I think I was saying they're very consistent. These are produced to be comparable. In fact, when we produce the Canadian data, we produce the U.S. data and put it in the same Statistics Canada daily. We are encouraging you to compare the two; they are totally compatible.

Mr. Mike Lake: Okay. I thought Ms. Webber, when she was explaining it, said there were some differences.

Ms. Maryanne Webber: The idea there was to put the emphasis on comparing trends. When you compare the trends, it's pretty robust.

Mr. Mike Lake: Looking at slide 4, your basic unemployment slide, it's obvious it's been going down for the last 12 or 14 years.

Over this time series, is there any change to the definition of the way unemployment is calculated?

Mr. Philip Cross: No. That's why it starts in 1976. There was a change from 1975 to 1976, but since 1976 it's been fully comparable. There's a slight difference in comparing Canada and the U.S., because we include 15-year-olds and the U.S. just picks up at 16. Since younger people always have higher unemployment rates, that puts our rate always a little higher than that of the U.S.

Mr. Mike Lake: As a final question, taking the whole package as a broad package, it seems there are some areas of concern. I definitely have some areas of concern, looking at some of the statistics and some of the information. Is there a particular area you would deem the most critical, or are there a couple of areas you would deem critical in terms of our future labour needs?

Ms. Maryanne Webber: It's a big question. I think we've pointed to the whole issue of the decline of the working-age population as being critical. Literacy, which is something we may be able to do something about, particularly literacy with respect to the new immigrant population whose mother tongue is not English or French, is an important area.

I'm not sure what I can suggest about seasonal work, other than that it is quite interesting that we've seen an increase in temporary employment. There may be something there with respect to what could we do to stabilize employment, to keep more people in the labour market, and to offset those declines. Of course, there's the fact that even though the overall Canadian participation rate is very high, we have key groups in which there is low participation. Bringing them into the labour force could do quite a lot to offset what we see as future shortages. But I don't think I'd be able to weight them and rank-order them.

Mr. Mike Lake: Thanks.

The Chair: I want to thank all of you very much for coming today and talking to us about your relationship and about Stats Canada concerning unemployability. We appreciate the data and the time that went into preparing it. It's given us another frame of reference as we move forward in this study, so thank you very much.

Ms. Maryanne Webber: We're very happy to be here. Thank you.

The Chair: I realize some information was requested from individuals. Would you, as I'm sure you will, provide it to the clerk? She'll make sure all the members receive that information.

Mr. Lessard.

• (1050)

[Translation]

Mr. Yves Lessard: I know that sometimes our committee ends quickly. However, a motion was presented which I think we should vote on today. The motion calls upon the Minister of Human Resources and Social Development and on the labour minister to appear before the committee, but separately.

It is not that we were disappointed with their answers, but it is very difficult to conduct an in-depth study when two ministers are present at the same time. I think that if they appear separately, it will help us better understand the way they perceive the work of the Committee on Human Resources and Social Development.

I would like us to make a decision on that matter, so we can invite the ministers again as soon as possible.

[*English*]

The Chair: Okay.

I just want to point out something in terms of motions.

Ms. Brown, you made a suggestion before that we have a number of motions before us here, but we're also engaged right now in an employability study, which is going to take us into the fall—this does relate to your motion, Mr. Lessard.

Ms. Brown's suggestion was that we should defer all motions until after we've finished looking at the employability study so we can focus on that particular issue. I note that Mr. Lessard had suggested the ministers come back before the summer break. I don't believe there is enough time right now in terms of where we're at, but certainly we would love to have them back in the fall.

Ms. Brown, did you want to add to what you were suggesting?

Ms. Bonnie Brown: In actual fact, I marked the motions that had “study” or “examine” as the main verb in them, and I couldn't understand why we were going to debate these motions when we've just embarked on a study. I have to find this out because I'm new.

In any case, I thought all these motions—one, two, three, and four—should be referred to the end of the employability study, because in the interim, some other emergency type of thing may have emerged and we may want to throw that in the mix as well and then prioritize which one we actually want to do.

However, Mr. Lessard's motion isn't in the same category. It's not to begin a study that might take three or four months. It's just to have them back. So I think I wouldn't include it in my idea of pushing things off into the future. I think the committee should decide on Mr. Lessard's motion on its own.

The Chair: Okay, thank you.

I guess the only question is, the way Mr. Lessard's motion appears right now is it is requesting that both ministers return before summer adjournment, but I believe our schedule is already filled up, so either an amendment would need to be made or we could vote on the motion the way it stands.

I do realize that what you just indicated to us is that they could come back as soon as possible. There would probably need to be an amendment made to that motion, and certainly it's at the will of the committee in terms of how we move forward on that.

The other thing I just want to propose to you is that we do have the AG with us on Thursday. Next week we will be sitting later in the evening. I realize there'll be more responsibility for everybody because of that. So I'm also wondering, in terms of next week, whether we want to hold both meetings—Tuesday and Thursday—with the possibility that on Thursday, at this point in time, either we

possibly may not be here or people may be somewhat tired with all the extra work they're going to have.

Mr. Coderre.

Hon. Denis Coderre (Bourassa, Lib.): We're never tired from this party, so that's not the issue.

Let's be pragmatic. To have both, which would mean having two other sessions, I don't think is feasible. To have one at least I think would be a good idea.

I'm not a psychic, but I have a feeling that we'll finish next week. Do we have the capacity to do so? If you have the AG already, it means two more committee meetings, right?

The Chair: That's correct.

[*Translation*]

Hon. Denis Coderre: We would then meet twice more with the ministers. I want at least one of them to appear before us, because the Minister of Labour has made so many outrageous statements that we could set him straight on several things. Since we were able to cover a lot of ground during our meeting with the Minister of Human Resources, she could come back in the fall. However, I would like to see the Minister of Labour again. I would like that very much. I want to know what my colleague thinks about this.

[*English*]

The Chair: Then do we want an amendment to have them say that they appear as soon as is possible? Obviously—

Some hon. members: No.

The Chair: Okay, the motion stands then.

Do I have any other comments on the motion?

The way the motion stands is:

Whereas the nature of the work of this Committee,

Whereas its members must have a full comprehension of the intentions of the ministers responsible for the questions under their scrutiny,

That the Minister of Human Resources and Social Development and the Minister of Labour appear again before the Committee, individually, before the Summer adjournment.

I just want to re-emphasize to the committee that we already are booked now for the last three meetings.

Yes, Mr. Lessard.

• (1055)

[*Translation*]

Mr. Yves Lessard: Mr. Chairman, I don't want this to become a formality. The meeting needs to be successful. I would agree to hear from the Minister of Labour before the House adjourns for the summer, unless the committee would agree, as a compromise, to meet with Ms. Finley as soon as we come back.

Of course, I would have liked to have heard from Ms. Finley now, but I agree with my colleague, that the most pressing matter is to understand a little better the direction that the Minister of Labour is giving this file, because I didn't understand it either.

We could take a two-step approach and spend more time, say two hours, meeting with the Minister of Labour.

Hon. Denis Coderre: This is all the more pressing, Mr. Chairman, since the Minister of Labour said yesterday that children between 12 and 14 years of age were working in McDonald's restaurants. My daughter is 13 years old, and she eats McNuggets, but she does not work there. I want to know exactly what is happening.

I think it would be important for us to be able to ask this kind of question. I would like to propose an amendment.

I move that we remove the reference to the Minister of Human Resources and Social Development, and that we mention only our desire to meet with the Minister of Labour again, unless we add something to specify that we will meet with the Minister of Human Resources and Social Development in the fall. I personally am quite eager to see the Minister of Labour again.

Mr. Yves Lessard: I want to simplify things, Mr. Chair. I disagree somewhat with my colleague. We must not forget about the minister. I would like them both to be invited, while giving priority, however, to our meeting with the Minister of Labour, with the understanding that we shall meet with the Minister of Human Resources and Social Development as soon as possible.

[English]

The Chair: Ms. Yelich.

Mrs. Lynne Yelich: I do know that Minister Finley will be quite busy. She has a couple of big conferences: the OECD conference and another one in Vancouver, I believe.

The Chair: Fair enough. There's rescheduling.

Mrs. Lynne Yelich: It's not common that you have them that close together. She was just here. I'm sure you guys drilled her enough.

The Chair: Mr. Coderre, was that an amendment there, to strike "the Minister of Human Resources and Social development" and leave everything else as is, and that "the Minister of Labour"...?

That's not an amendment, so what do I...?

[Translation]

Hon. Denis Coderre: I am going to restate my amendment. I would ask that the Minister of Human Resources and Social Development and the Minister of Labour testify before the committee again, with the clarification that we want to see the Minister of Labour before we adjourn for the summer. Is this acceptable?

[English]

The Chair: In terms of the consensus, we want the motion left the way it is, with the Minister of Labour to appear before the summer adjournment, if possible.

Mrs. Lynne Yelich: Don't you have to have a good reason to bring a minister in? You just don't bring him in on a whim. He was just here.

Hon. Denis Coderre: You're so protective.

Mrs. Lynne Yelich: Because I'm going to be busy in Parliament next week.

Hon. Denis Coderre: But I want to know why the hell people of 12 and 14 are working at McDonald's, and secondly—

A voice: Well, ask him.

Hon. Denis Coderre: I have other things I have to talk about.

The Chair: Once again, we have to look at the availability of the minister's schedule. I realize that we have two meetings left. They're already booked.

Let's go to the amendment. The vote is on the amendment to request that the Minister of Labour be able to appear before the summer adjournment, if possible.

(Amendment agreed to)

The Chair: Now we're going to vote on that whole motion, as it was amended.

(Motion as amended agreed to)

The Chair: In terms of my original question about sitting next Thursday, we're all in favour of a meeting whether the Minister of Labour can make it or not.

Some hon. members: Agreed.

The Chair: Okay.

Madam Savoie.

• (1100)

Ms. Denise Savoie: I have a quick question. Can we get the list of the witnesses who are going to be coming before the committee before the end of the session?

The Chair: Yes, those have been sent out.

Ms. Denise Savoie: They have been sent out?

The Chair: Yes, they have.

As we confirm them, we will make sure you have that information.

Mr. Lessard.

[Translation]

Mr. Yves Lessard: Mr. Chairman, I think we will find out quite quickly when the minister will appear. This will allow us to organize our schedule. In addition to the two hours already set aside, we will need...

[English]

The Chair: Fair enough.

What Ms. Savoie has suggested is that she would like copies of the list of witnesses, which have already been sent out. As we confirm witnesses, we will let everyone know.

Ms. Brown suggested that if we cannot get the Minister of Labour for next Thursday, we cancel the meeting. Is that correct?

Do we have unanimous consent on that?

Mr. Lessard.

[Translation]

Mr. Yves Lessard: I think that the meeting should not be cancelled. Rather, the witness should be changed.

Hon. Denis Coderre: If Mr. Blackburn does not come, and that seems to be the case, will we cancel the meeting?

[*English*]

No. I like to be with you guys. I want to stay.

The Chair: We have two motions there. Ms. Brown suggested that the meeting be cancelled next Thursday if the minister isn't available, so that's the motion if we want to vote on it. If it's defeated, then certainly we'll have another meeting.

Hon. Denis Coderre: The only reason I will accept is because it's his own funeral.

The Chair: All right.

I would like to propose a vote, then, on that motion from Ms. Brown suggesting that the meeting be cancelled if we can't get the Minister of Labour next Thursday. All in favour?

Mr. Mike Lake: Why don't we just vote when we find out if he can come or not?

The Chair: Sorry. Go ahead, Mr. Lessard.

[*Translation*]

Mr. Yves Lessard: I think that it is a legitimate question. Why would we cancel the meeting if we could move this matter forward?

[*English*]

The Chair: It's because we're sitting until midnight next week.

It's the will of the committee. That's why we're asking the question. It's from your member, Mr. D'Amours, so if you want to vote against it, by all means go for it.

We have not voted.

Ms. Bonnie Brown: We voted. That motion passes, Mr. Chair.

The Chair: We're going to do that again. On Ms. Brown's motion, all in favour to cancel next Thursday's meeting in the event that...?

(Motion agreed to)

The Chair: The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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