



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT
ECONOMIC AND SCIENTIFIC POLICY **A**



Economic and Monetary Affairs

Employment and Social Affairs

Environment, Public Health and Food Safety

Industry, Research and Energy

Internal Market and Consumer Protection

Employment and Social Situation in Canada

STUDY for the EMPL Committee



DIRECTORATE GENERAL FOR INTERNAL POLICIES
POLICY DEPARTMENT A: ECONOMIC AND SCIENTIFIC POLICY

Employment and Social Situation in Canada

STUDY

Abstract

Commissioned by Policy Department A at the request of the EMPL Committee, this paper provides an overview of Canada's economy, labour market and social policies, as well as the functioning of related institutions, and takes a closer look at the impact of digitalisation on Canada's world of work.

This document was requested by the European Parliament's Committee on Employment and Social Affairs.

AUTHOR(S)

Lynn Gambin, Fondazione Giacomo Brodolini
Terence Hogarth, Fondazione Giacomo Brodolini
Liga Baltina, Fondazione Giacomo Brodolini

RESPONSIBLE ADMINISTRATOR

Stefan SCHULZ

EDITORIAL ASSISTANT

Irene VERNACOTOLA

LINGUISTIC VERSIONS

Original: EN

ABOUT THE EDITOR

Policy departments provide in-house and external expertise to support EP committees and other parliamentary bodies in shaping legislation and exercising democratic scrutiny over EU internal policies.

To contact Policy Department A or to subscribe to its newsletter please write to:
Policy Department A: Economic and Scientific Policy
European Parliament
B-1047 Brussels
E-mail: Poldep-Economy-Science@ep.europa.eu

Manuscript completed in in March 2018
© European Union, 2018
This document is available on the Internet at:
<http://www.europarl.europa.eu/studies>

DISCLAIMER

The opinions expressed in this document are the sole responsibility of the author and do not necessarily represent the official position of the European Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the publisher is given prior notice and sent a copy.

CONTENTS

LIST OF FIGURES	5
LIST OF TABLES	5
EXECUTIVE SUMMARY	6
1. INTRODUCTION & OBJECTIVES	8
2. CANADIAN OVERVIEW	9
2.1. The Land	9
2.2. Demographic Change	9
2.3. The Economy	12
2.4. The Labour Market	15
2.5. Political Summary	18
2.6. Fiscal Summary	18
2.7. Federal-Provincial Relationships	19
2.8. Key social and economic issues	21
2.8.1. Demographics – ageing population	21
2.8.2. Indigenous Peoples	21
2.8.3. Climate change and environmental policy	22
2.8.4. Foreign Trade	23
2.8.5. Immigration	23
2.8.6. Poverty, inequality and exclusion	24
3. LABOUR MARKET AND SOCIAL POLICIES	25
3.1. Overview	25
3.2. Major policies & recent developments	25
3.2.1. Direct transfers to persons	27
3.2.2. Policies related to indigenous issues	27
3.3. The Labour Program	29
3.3.1. Mandate	29
3.3.2. Roles of the Labour Program	29
3.3.3. Limitations of the Labour Program	29
3.4. Policies on integration of immigrants	30
3.4.1. Description	31
3.4.2. Lessons learnt	32
4. IMPACT OF DIGITALISATION OF WORK	34
4.1. Job creation / losses	34
4.2. Skills implications	36
4.3. Implications for working conditions	37

CONCLUSIONS	39
APPENDIX	40
BIBLIOGRAPHY	41

LIST OF FIGURES

Figure 1:	Population and median age, Canada, 1971-2017	10
Figure 2:	Annual change in population, Canada, 1971-2017	10
Figure 3:	Change in population by province, 2006-2011 and 2011-2016	11
Figure 4:	Gross Domestic Product (GDP) at market prices, Chained 2007 dollars, 1981-2016	13
Figure 5:	Annual percentage change in real GDP (market prices, chained 2007\$)	13
Figure 6:	Labour force and employment, 1981-2017	16
Figure 7:	Unemployment rate (annual), 1981-2017	16
Figure 8:	Participation rate (annual), 1981-2017	17
Figure 9:	Difference between provincial unemployment rates and overall rate for Canada, 2008-2017	17

LIST OF TABLES

Table 1:	Annual percentage change in real GDP (market prices, chained 2007\$)	11
Table 2:	Labour force and employment, 1981-2017	14

EXECUTIVE SUMMARY

Canada is a vast country with relatively low population density: a population of 36,885,049 people with an average population density of about 3.7 people per km². Its population tends to be concentrated along the US border. Canada is also an economically diverse country. The economic structure of, for instance, British Columbia on the Pacific Coast is very different from that of, for example, the Atlantic Provinces.

Canada's political system is a federal one, comprising ten provinces and three territories. The provinces are (from east to west): British Columbia (BC), Alberta (AB), Saskatchewan (SK), Manitoba (MN), Ontario (ON), Quebec (QC), New Brunswick (NB), Prince Edward Island (PEI), and Newfoundland and Labrador (NL). NB, PEI, NS and NL are referred to as the Atlantic provinces, and AB, SK and MN as the Prairie ones. The three territories are: Nunavut, Northwest Territories, and Yukon.

The provinces and territories are responsible for many aspects of employment and social policy. Overall, the federal government has control over employment and labour matters by exception which is limited to federal workers and federally-regulated businesses (e.g. banking, interprovincial transportation, aeronautics, etc.). That said, the Federal Government is able to exert influence over the provinces and territories through the funding of various economic and social programmes.

The population of Canada has been increasing over recent years at around 1 per cent a year. This growth has been driven by immigration. Canada has been active in attracting skilled migrants to the country. The OECD regards Canada's approach to immigration as exemplary. Population growth, however, varies across the country. Between 2011 and 2016 Canada's total population grew by 5 per cent but population growth varied from -0.5% in New Brunswick to 11.6% in BC. Additionally, Canada's population is getting older. The median age increased from 26.2 years in 1971 to 36.8 years in 2000 and to 40.6 years in 2017.

Canada's Gross Domestic Product in the third quarter of 2017 was \$1,861 billion (CAD\$2007). In 2016, Canada was ranked 15th out of all OECD countries by real GDP per capita. Real GDP (at market prices) grew by just 1.4% a year on average from 2007 to 2016, with growth of less than 1 per cent between 2014 and 2015, and 1.4% from 2015-2016. Although Canada is abundant in many natural resources, and these have been a mainstay of its economy, services account for around 70 per cent of GDP and more than three-quarters of employment.

Relatively sluggish growth is a concern for Canada and there is further worry that some of the more promising signs of growth are merely stimulated by fiscal policy and contributing to increasing government debt (at federal and provincial levels). Commodity prices, especially relatively weak oil prices, are especially concerning, as is the relatively low rate of growth in exports. The political circumstances in neighbouring USA and the current American administration's approach to trade negotiations (e.g. renewing/revising NAFTA) also provides some uncertainty about Canada's prospects over the next few years.

There is relatively little regulation in the Canadian labour market. The World Bank has characterised Canada as being predominately a liberal market economy. Total employment in Canada has been on an upward trend since 2010. Over the last 12 months employment was up by 289,000 or 1.6 per cent and the unemployment rate decreased from 7.2 per cent in January 2016 to 5.9 per cent in January 2017. Participation rates have been increasing again after falling in the aftermath of the global economic crisis.

A key Federal employment programme is the Labour Program. The Labour Program fulfils multiple roles across a variety of social and skills development areas.

A number of skills and employment programmes fall within the Labour Program, including: Employment Insurance (financial and other assistance for qualifying unemployed persons), Labour Market Development Agreements (agreements between federal government and provinces for investment in various labour market development activities including training and other supports), etc. There are a number of programmes in place to address issues relating to certain groups such as people with disabilities, young people, Indigenous Peoples, and immigrants. Factors that have been found to be associated with better outcomes in terms of integration of immigrants to Canada include: selection on the basis of human capital; presence of family; and support in acquiring English or French as a working language.

The Labour Program has a wide remit, with both operational and strategic roles. The programme is meant to apply nationally however the division of responsibilities between federal and provincial governments, and how these are not entirely mutually exclusive, places some limitation on how far the Labour Program can go in achieving its numerous objectives. Education and training policies and programmes, for example, fall under the responsibility of the provinces. Whilst Federal programmes can provide overarching strategy and principles for employment and related training/education programmes it is at the provincial level that these programmes must be operationalised and as a result, the features and implementation of programmes may be province-specific.

Monitoring and collecting data across such a vast country is a substantial exercise. Undertaking such exercises via a federal body likely helps to ensure that the same standards of data structure and collection methods can be applied to all regions of the country but at the same time, the costs (financial and time) for collecting data from all areas are likely to be large and there could be concerns over the timeliness of data depending on its origins.

A further priority for Canada is the social and economic inclusion of its indigenous peoples. Aboriginal groups comprise nearly 5 per cent of the total population of Canada. The Constitution recognises three groups of aboriginal people: First Nations, Inuit, and Metis. The concerns of indigenous peoples regarding resource developments in some areas of the country are beginning to feature more prominently under the Liberal government. Some of the recent priorities relating to indigenous people in Canada include tackling: relatively low educational attainment, relatively high suicide rates, poor health outcomes, limited access to public services (especially health care and educational opportunities), and missing and murdered indigenous women and girls.

The impact of technological change, including the digitalisation of the world of work, has much the same implications for work and society in Canada as is the case in most other developed economies. Technological progress has been responsible for a great proportion of the increase in GDP per capita in Canada over the past 60 years and it is reasonable to assume that continuing developments will result in further growth and progress. The question is more about how much further digitalisation can take the economy and who (i.e. which workers and sectors) will lose or win along the way? Inevitably, with the adoption of new technologies and innovation in many sectors, certain jobs and skills will become obsolete. There are instances, particularly in manufacturing, where automation has, and will, improve the conditions for workers by reducing the amount of human involvement in undertaking dangerous or repetitive tasks. Who benefits most from the increase in high tech industries in Canada depends on how well the labour force is able to acquire the required knowledge and skills to create jobs and to fill roles which high tech companies are looking to fill. To do this across the whole labour force requires updating the curriculum from K-12 and in post-secondary learning.

1. INTRODUCTION & OBJECTIVES

This report provides the Committee on Employment and Social Affairs of the European Parliament with a review of (a) labour market and social policies, and (b) the impact of digitalisation in advance of the Committee's fact-finding visit to Canada planned for early April 2018. The briefing draws on existing research and evidence in these areas.

In the next section, background information is provided on the structure (physical and organisational) of Canada as well as on the recent trends in demographic change, economic indicators. The end of this section also highlights a number of key social and economic issues facing Canada at the present time. Chapter 3 presents an overview of various labour market and social policies. The Labour Program is also described in Chapter 3 including its mandate, activities that come under the Labour Program and comment on some of the limitations of the Program. Chapter 4 considers the impact of digitalisation on Canada in terms of implications for work and labour markets. Finally, a short conclusion is provided in Chapter 5.

2. CANADIAN OVERVIEW

2.1. The Land

Canada is a vast country, covering an area of more than 9.9 million km² and stretching more than 5,100 km from East to West (from the Atlantic to the Pacific coasts) and 4,627 km from North to South (from inside the Arctic Circle to the border with the USA). The country has more than 243,000 km of coastline and is endowed with abundant natural resources including: forests, oil and gas, fresh water and mineral deposits. Spanning over such a great area, the landscape and climate varies significantly across Canada's ten provinces and three territories, as does the terrain. Economic activity across the country is similarly varied.

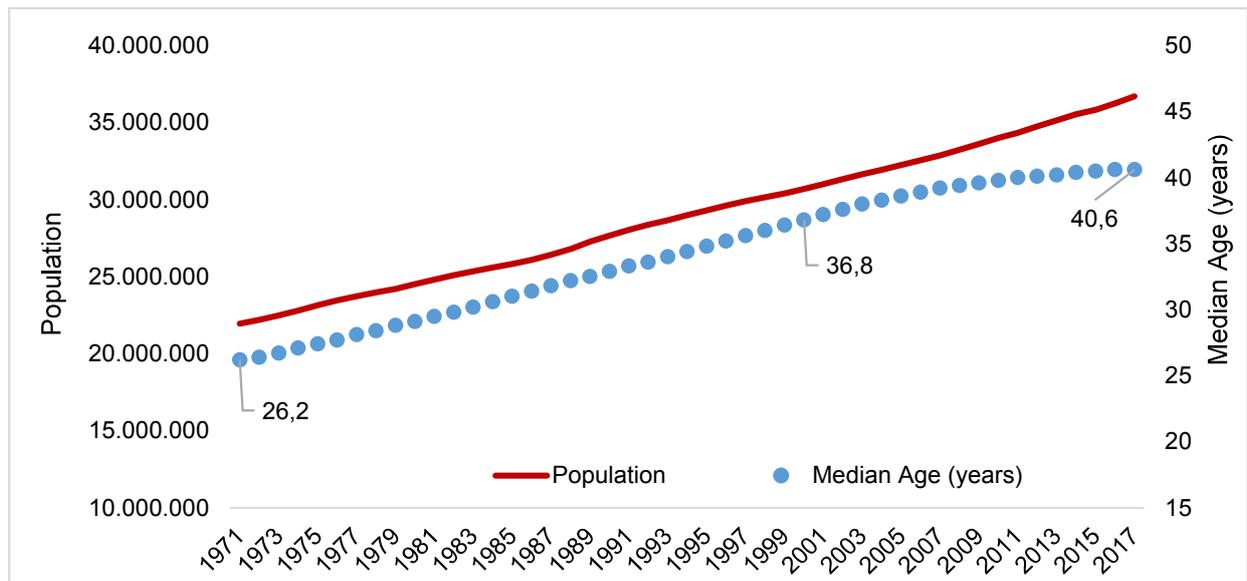
On October 2017, Canada's population was estimated at 36,885,049 up by 176,966 or 0.5% from 1 July 2017. Given the physical size of the country, this equates with a population density of about 3.7 people per km². Canada is made up of ten provinces and three territories. The provinces are (from east to west): British Columbia (BC), Alberta (AB), Saskatchewan (SK), Manitoba (MN), Ontario (ON), Quebec (QC), New Brunswick (NB), Prince Edward Island (PEI), and Newfoundland and Labrador (NL). The provinces are often grouped as the Atlantic provinces (NB, PEI, NS and NL) and the Prairies (AB, SK and MN). The three territories are: Nunavut, Northwest Territories, and Yukon. The population is not evenly distributed across the country. Around 39% of the country's population lives in Ontario, 23% in Quebec, 18% in the Prairies, 13% in BC, 7% in the Atlantic provinces, and less than 0.5% in the Territories. The smallest province (in terms of both population and area) is PEI with 152,021 people in 2017, Quebec is the largest province in terms of land area (1.542 million km²) and Ontario (in which Canada's capital city, Ottawa, is located) has the largest population (nearly 14.2 million). Population density varies across the provinces from 1.3 persons per km² in Newfoundland and Labrador, to 26.9 persons per km² in PEI, and 17.3 persons per km² in Nova Scotia. The majority of people living in Canada live relatively close to the Canada-US border, with more than half of Canada's entire population residing south of the 49th parallel of latitude.

2.2. Demographic Change

Canada has been experiencing relatively stable population growth of around 1% per year since 2011 – the highest amongst the G7 countries. Figure 1 shows Canada's total population from 1971 to 2017 and Figure 2 shows the annual percentage change in population for Canada over the same period.

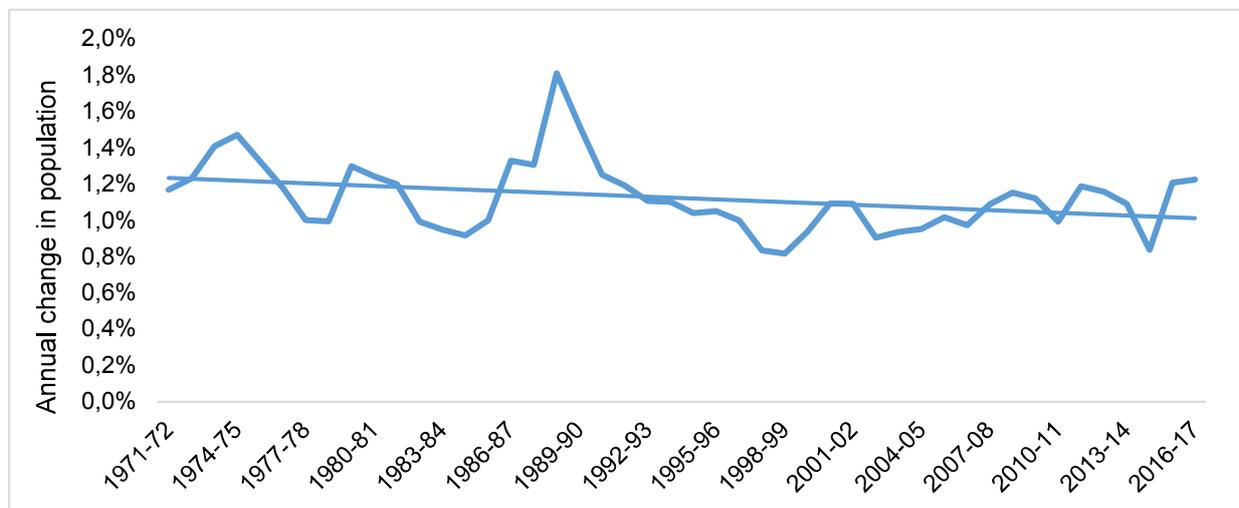
The rate of population growth, however, across the different regions of Canada reveals differences (see Figure 3). Between 2011 and 2016 (the latest two Census years), Canada's total population grew by 5% but population growth varied from –0.5% in New Brunswick to 11.6% in BC. The pattern of relatively low growth in the Atlantic provinces has been apparent for some time and is likely to continue over the coming years.

Figure 1: Population and median age, Canada, 1971-2017



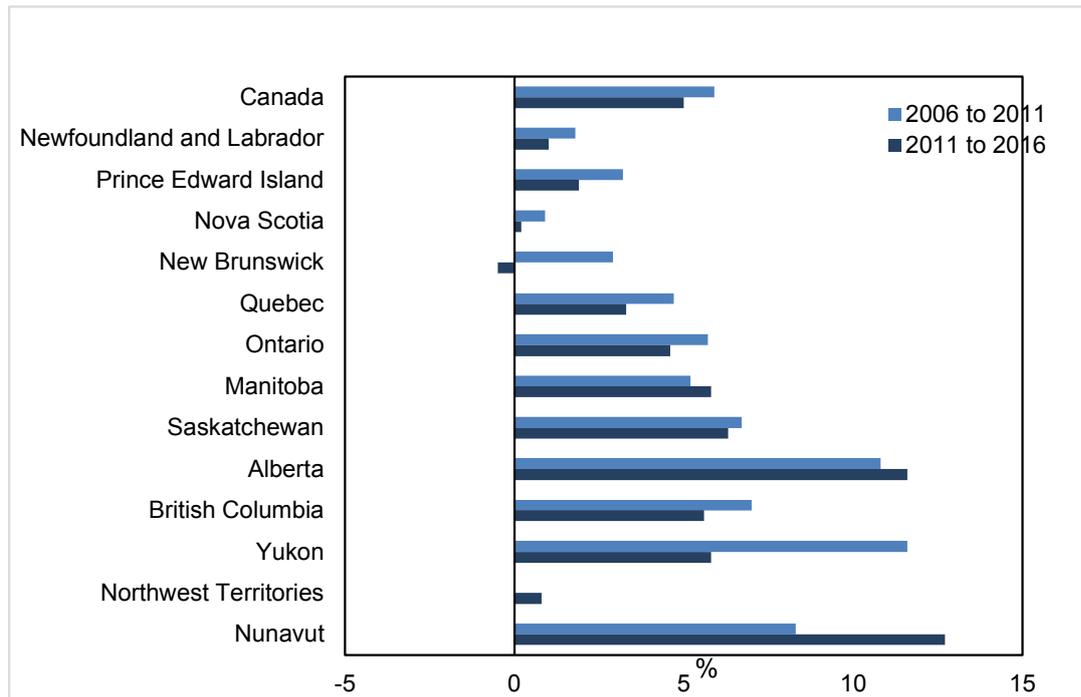
Source: Statistics Canada. CANSIM Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted)

Figure 2: Annual change in population, Canada, 1971-2017



Source: Statistics Canada, CANSIM Table 051-0001 - Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted). Author's calculations.

Figure 3: Change in population by province, 2006-2011 and 2011-2016



Data from Canada Population Census 2006, 2011, 2016
Source: <http://www.statcan.gc.ca/daily-quotidien/170208/cq-a002-png-eng.htm>

The effects of migration have provided the primary fuel for population growth since the late 1990s over natural increase in population. For Canada as a whole, international immigration is the biggest contributing factor to population growth. Growth from immigration overtook natural growth in population in the early 2000s. Forecasts of population growth point to it being an even greater driver of population growth in future (<http://www.statcan.gc.ca/pub/11-630-x/11-630-x2014001-eng.htm>). In 2016/17, the number of immigrants was 2.45 times the number of births minus deaths in Canada. In Newfoundland & Labrador, Nova Scotia and New Brunswick, the number of deaths was greater than the number of births in each province in 2016/17. In BC, the number of immigrants was around 5.3 times the natural increase (births – deaths) in the population of the province and this was 1.4 times in Alberta. Only in Nunavut and the Northwest Territories was immigration outweighed by natural increase in the population.

As shown in Figure 1 (above) and Table 1 (below), Canada’s population is getting older overall. The median age increased from 26.2 years in 1971, to 36.8 years in 2000, and to 40.6 years in 2017 (see Figure 1). In 2016, 16.9% of Canada’s population were 65 years of age or older whilst fewer, 16.6%, were under 15 years of age. The Prairies have the youngest populations, while the Atlantic provinces have the highest share of seniors in the country. This disparity between provinces contributes to the differences in economic performance seen across the country and is a concern for the various provincial governments since the age profile of a province has serious consequences for the labour market, tax revenues, and costs of providing public services. The median age was highest in Newfoundland & Labrador in 2016 at 45.3 years. The youngest province/territory is Nunavut with a median age of 25.9 years. The Atlantic provinces are the oldest and prairies are the youngest. The median age in Canada as a whole in 2016 was 40.6 years.

Table 1: Age profile of provinces and territories, 2016

	Median Age	<15 years	15-64 years	65+ years
Nunavut	25.9	31.1%	65.0%	3.9%
Northwest Territories	33.4	21.4%	71.4%	7.2%
Alberta	36.4	18.4%	69.6%	12.0%
Saskatchewan	37.0	19.1%	66.1%	14.8%
Manitoba	37.5	18.7%	66.2%	15.1%
Yukon	39.5	16.5%	71.8%	11.7%
Canada	40.6	16.0%	67.5%	16.5%
Ontario	40.7	15.8%	67.8%	16.4%
British Columbia	42.0	14.6%	67.6%	17.9%
Quebec	42.1	15.6%	66.4%	18.1%
Prince Edward Island	43.7	15.9%	65.4%	18.8%
Nova Scotia	44.5	14.0%	66.7%	19.3%
New Brunswick	45.0	14.6%	65.9%	19.5%
Newfoundland and Labrador	45.3	14.2%	66.7%	19.1%

Source: Statistics Canada, CANSIM Table 051-0001

2.3. The Economy

Canada's Gross Domestic Product in the third quarter of 2017 was \$1,861 billion (CAD\$2007). In 2016, Canada was ranked 15th out of all OECD countries by real GDP per capita (OECD, 2018). Real GDP (at market prices) grew by just 1.4% a year on average from 2007 to 2016, with growth of less than 1% between 2014 and 2015, and 1.4% from 2015-2016. Figures 4 and 5 show real GDP in Canada and annual changes in real GDP from 1981 to 2017. Growth in 2017 was around 3% and the International Monetary Fund (IMF) recently released a revised forecast of 2.3% growth in Canada for 2018 (IMF, 2018a). Statistics Canada reports that growth in real GDP slowed to 0.4% in the third quarter of 2017 with the annualised rate of growth being 1.7% (Statistics Canada, 2017). Forecasts for growth in real GDP published by the Royal Bank of Canada (RBC) suggest that Canada's growth rate will fall to 1.6% by 2019 (RBC, 2017). Estimates by the OECD (2018b) put Canada's growth in real GDP at 2.10% for 2018 and 1.94% for 2019.

Figure 4: Gross Domestic Product (GDP) at market prices, Chained 2007 dollars, 1981-2016

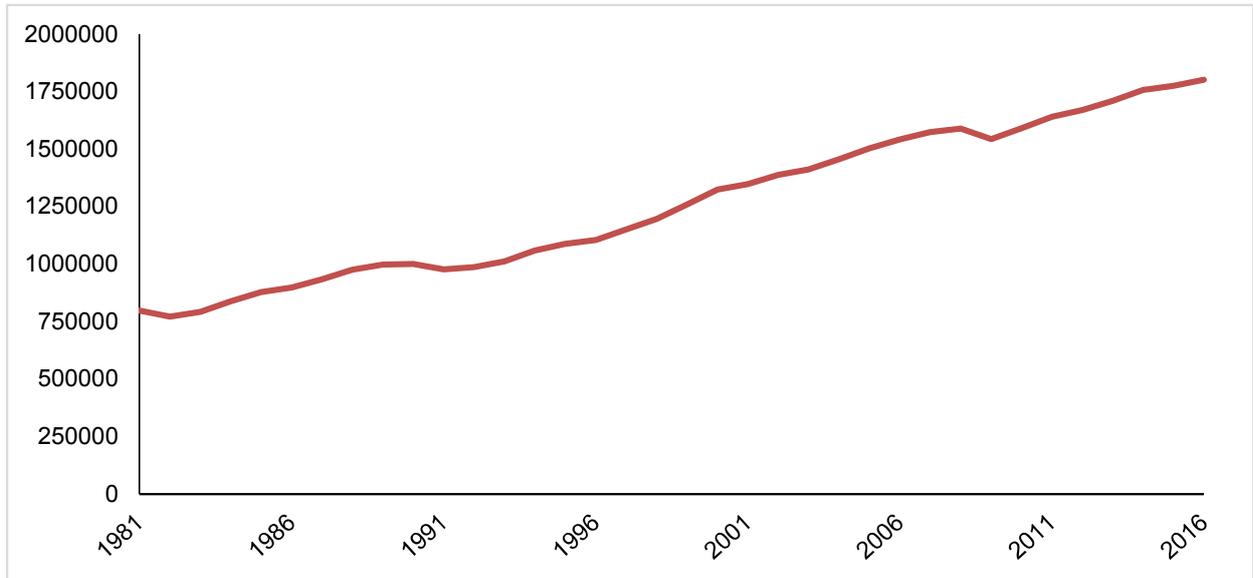
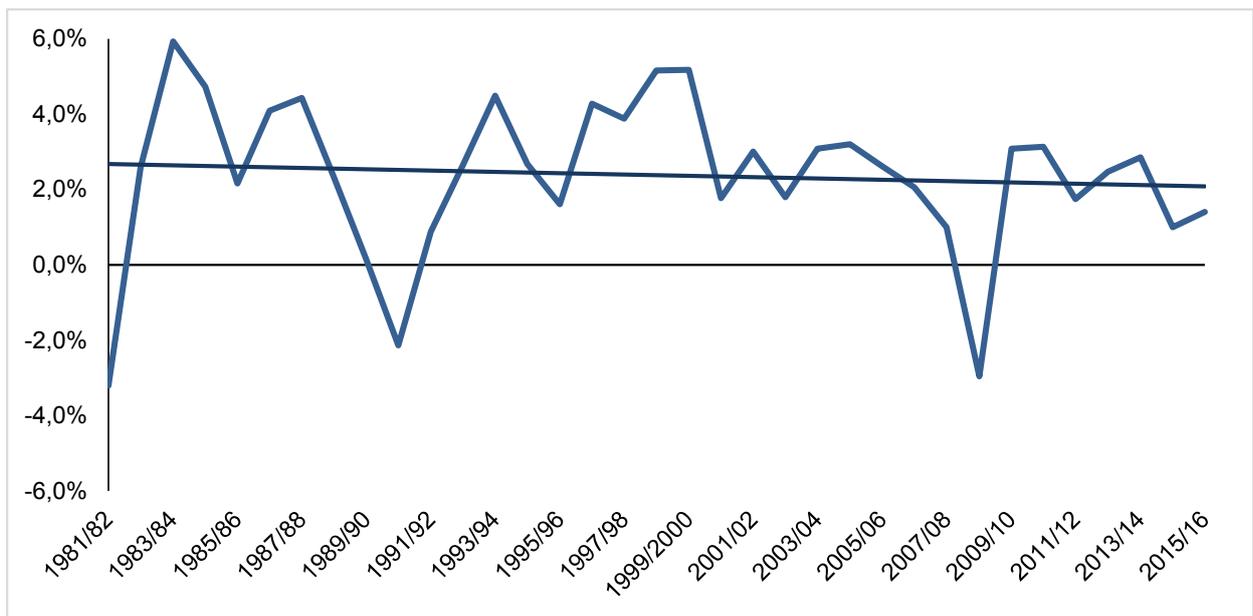


Figure 5: Annual percentage change in real GDP (market prices, chained 2007\$)



Source: Statistics Canada. Table 384-0038 - Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted). Author's calculations.

GDP per capita in Canada in 2016 was around \$50,450. Table 2 provides some key economic indicators for the ten provinces. Ontario's GDP is equal to 39% of total GDP for Canada. Quebec contributes 19% of the country's GDP. Alberta contributes the next highest amount at 15.5%. Per capita GDP ranged from \$35,667 in PEI to \$72,475 in Alberta. Amongst the Atlantic provinces, Newfoundland & Labrador had the highest GDP per capita at \$52,667.

The highest levels of real GDP per capita are found in Alberta, Saskatchewan and Newfoundland and Labrador which are provinces with major oil and gas extraction activities.

Table 2: Comparison of provinces on select key economic indicators (2016)

	NL	PEI	NS	NB	QC	ON	MN	SK	AB	BC
Population (000s, 2016)	520	149	949	757	8,322	13,976	1,318	1,149	4,236	4,758
Real GDP (2007\$ billions)	27.9	5.2	36.7	29.4	343.3	685.0	60.4	62.5	302.8	240.8
Real GDP per capita (\$2007)	52,667	35,667	38,930	38,963	41,583	49,676	46,660	55,281	72,475	51,297
International exports (% of GDP)	31.8	22.5	16.9	37.7	28.0	35.6	24.1	38.7	31.0	22.8

Source: RBC (2017)

As noted above, Canada has a relatively high endowment of natural resources (both renewable and non-renewable) and these resources drive much economic activity in the country. These resources are not evenly distributed across all parts of Canada so regional variations in the types and scale of economic activities are also apparent. Economic activity in Canada is predominately within the service sector. Services account for around 70% of GDP and more than three-quarters of employment. The country also has considerable activity in agriculture, fishing and mining, and Canada is home to substantial oil and gas reserves. Manufacturing accounts for about a quarter of GDP and nearly 20% of the country's employment. Mining, quarrying, and oil and gas extraction account for around 8% of GDP; whilst agriculture, fishing, and forestry account for about 1% of GDP.

In British Columbia, major sectors include: agri-foods, forestry, mining, natural gas, technology and transportation. Alberta's economy is driven largely by oil extraction and related activities, as well as agriculture, advanced technology, industrial machinery and metal fabrication, and forestry. Saskatchewan has significant oil and gas activity as well as mining (salt, uranium and potash). Manitoba's activities include agriculture, mining, forestry and energy production. Manufacturing features in Ontario and Quebec as do mining and forestry activities. Ontario also has the largest financial services sector in the country and significant activity in creative sectors and ICT. Quebec's manufacturing sector makes up 25% of all manufacturing in Canada and this province also has significant activity in power generation (predominately hydroelectricity). Manufacturing also comprises significant amount of activity in Atlantic Canada. Some of the major industrial sectors in Nova Scotia also include agriculture, forestry, fishing, mining, oil and gas and utilities. New Brunswick's industrial composition includes mining as well as agriculture, forestry, and fishing. PEI's economy is somewhat different in comparison to other Atlantic provinces, in that it has diversified into aerospace and defence, bioscience, ICT, fisheries, and renewables. Newfoundland and Labrador has the largest oil and gas sector outside of Alberta and this sector has driven much economic activity and income generation over the past decade or so. Other important industrial sectors in NL include: utilities, fishing, mining and forestry. Mining features in all three of the territories as do fishing and hunting.

International trade is an important part of Canada's economy. Across the provinces, international exports are equal to between 16.9% of GDP (in Nova Scotia) to 38.7% (in Saskatchewan, which has significant mining and oil extraction) (RBC, 2017).

The US, given its proximity, is Canada's biggest trade partner. Exports to the US accounted for nearly 76% of Canada's total exports in 2017.

Exports to Asia-Pacific accounted for 10.9%, and Western Europe for 8.3% of total Canadian exports. Exports within the NAFTA region made up 77% of exports in 2017 whilst exports to countries within the Asia-Pacific Economic Cooperation (APEC) accounted for more than 87%. Exports to EU-28 countries were worth 7.5% of total exports. With respect to imports, in 2017, 51% of imports to Canada came from the US, 57.7% from within NAFTA, 80% from APEC, and 11.8% from EU-28 countries¹.

After the global financial crisis, Canada's economic performance was relatively buoyant though it has suffered in the face of lower commodity prices with sluggish economic growth in the ensuing years. In efforts to stimulate economic growth, the government has increased spending in a number of areas, with substantial spending on infrastructure announced. The Liberal government (elected in 2015), set out an additional CAD\$81 billion investment plan in 2016 (Government of Canada, 2016). The Bank of Canada set its target overnight rate at 0.5% since July 2015 and only started to increase this rate since July 2017 with the latest hike taking the rate to 1.25% in January 2018.

2.4 The Labour Market

There is relatively little regulation in the Canadian labour market. It is typically likened to the labour markets operating in countries such as the US and the UK. The World Bank has characterised Canada as being a predominately liberal market economy. Fixed term and part-time employment has become more common in Canada and non-standard employment tends to comprise a significant part of the labour market. Trade unions do not feature heavily. In 2017, about 30% of all employees were employed under some sort of union coverage (either as members of a union or employees who are not union members but are covered by a collective agreement or union contract). This has decreased from about 34% in 1997. The unionisation rate (percentage of employees are union members) has decreased from 30.9% in 1997 to 28.4% in 2017 (Canada Labour Force Survey (LFS), Statistics Canada). Canada's deregulated labour market has likely risen in response to globalisation and a need to remain competitive and to enable trade with other countries, especially the US. In Canada, the discussion of labour market policies typically emphasises the need for a mobile, skilled, and flexible labour force.

From the discussion above, it is clear that Canada is characterised by regional differences. As such it is difficult to modify labour policy at the national or federal level as policies must be enacted in diverse regions and depending on the nature of the economy, local unemployment rates, and skill levels. In each region, a one-size-fits-Canada policy is unlikely to prove effective in all provinces and territories.

¹ Figures here are from Global Affairs Canada, Trade and Economics Statistics, unless otherwise stated. See http://www.international.gc.ca/economist-economiste/statistics-statistiques/annual_merchandise_trade-commerce_des_marchandises_annuel.aspx?lang=eng

Figure 6: Labour force and employment, 1981-2017

Source: Statistics Canada. Table 282-0002 - Labour Force Survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted)

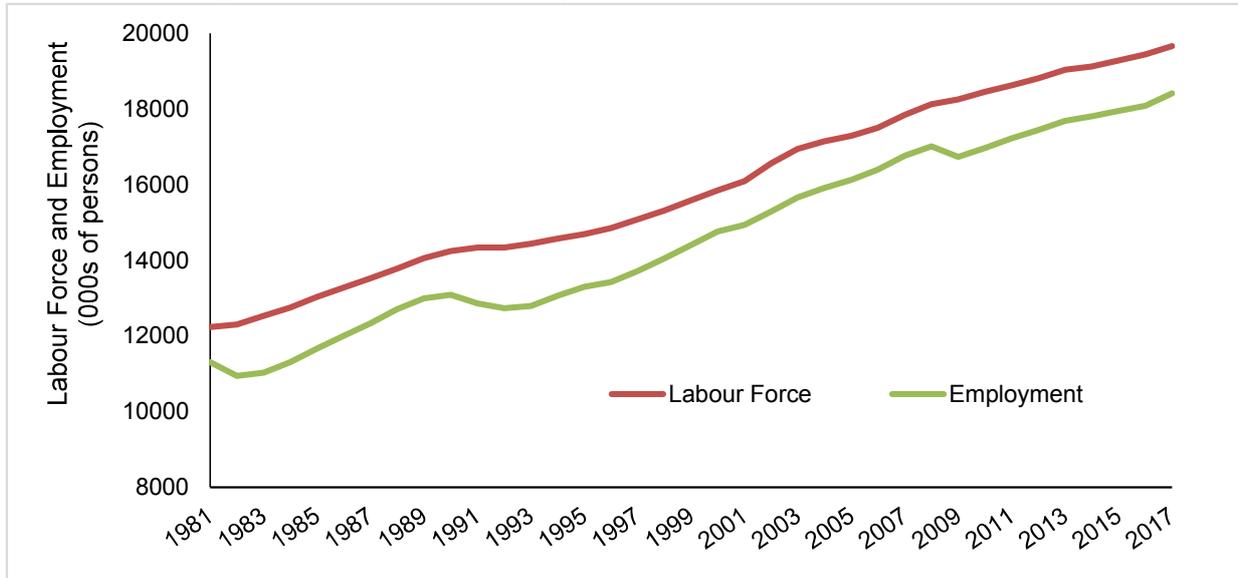
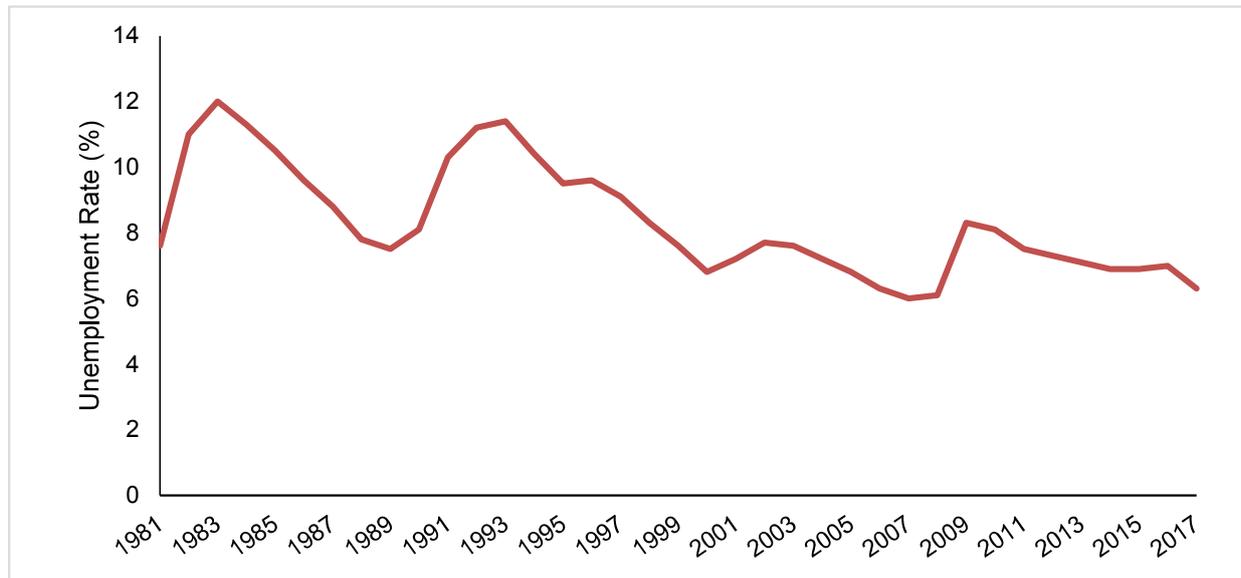


Figure 7: Unemployment rate (annual), 1981-2017



Source: Statistics Canada. Table 282-0002 - Labour Force Survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted)

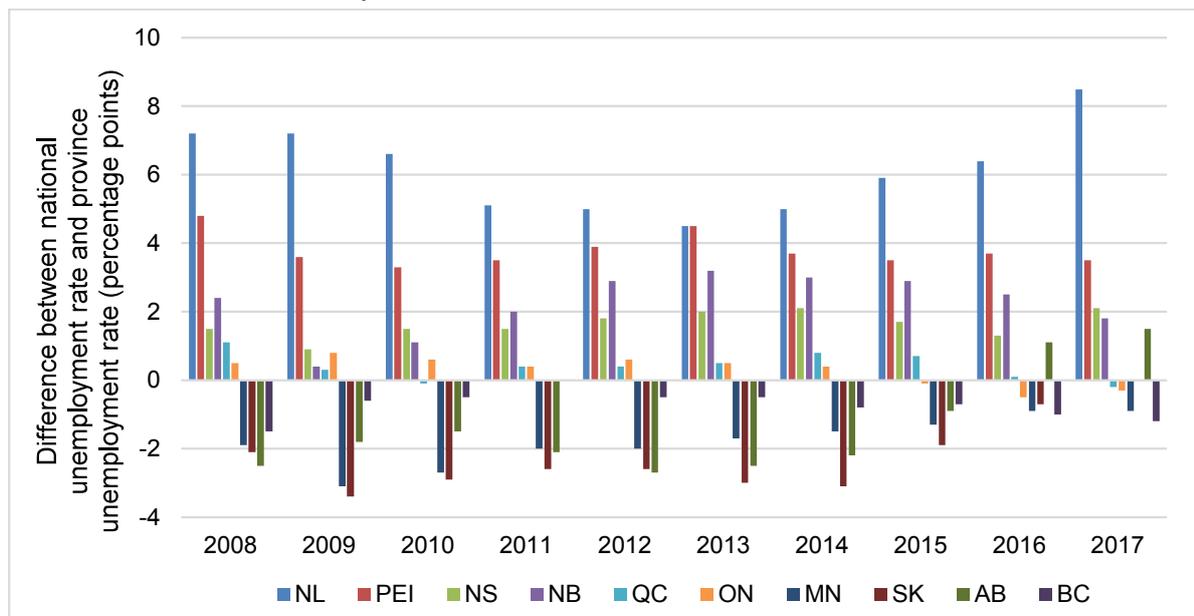
Figure 8: Participation rate (annual), 1981-2017



Source: Statistics Canada. Table 282-0002 - Labour Force Survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted)

Atlantic provinces (Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland & Labrador) currently have unemployment rates which exceed the national average. The unemployment rate is also higher in Alberta (an oil producing province still adversely affected by the downturn in global oil prices). Newfoundland has the highest unemployment rate (14% in January 2018) and British Columbia the lowest (5.8%). The youth unemployment rate (for 15-24 year olds) was 10.9% in January 2018. Unemployment amongst 55+ year olds was around 5.3% at the same time. The unemployment rate tends to be lower for women than for men (5.2% for men aged 25+ and 4.8% for women aged 25+) at least in part due to the lower participation rates of women.

Figure 9: Difference between provincial unemployment rates and overall rate for Canada, 2008-2017



Source: Statistics Canada. Table 282-0002 - Labour Force Survey estimates (LFS), by sex and detailed age group, annual (persons unless otherwise noted)

2.5. Political Summary

Canada can be described as a parliamentary democracy with three parts: the Sovereign, the Senate, and the House of Commons. It is also a constitutional monarchy where the Head of State is Queen Elizabeth II and the head of government is the elected Prime Minister. Canada has a federal political system. Elected representatives in the federal government are Members of Parliament (MPs) with the country divided up into constituencies or ridings and the number of seats from ridings in the provinces being assigned on the basis of population. There are two further levels of government: (i) provincial/territorial; and (ii) municipal (regional/local) in which political representatives are elected.

The current Liberal majority federal government took office in 2015 with Justin Trudeau as Prime Minister. The main political parties at the federal level are:

- Liberal;
- New Democratic Party (NDP);
- Progressive Conservative;
- Green Party.

At provincial level, the same political parties are active but the provincial and federal parties are not the same organisations and largely operate independently of each other. The current provincial / territorial administrations are led by the following political parties:

- Liberal: New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, Yukon;
- NDP: Alberta, British Columbia;
- Progressive Conservative: Manitoba;
- Green: Saskatchewan;
- Non-partisan: Northwest Territories, Nunavut.

2.6. Fiscal Summary

For the April to November 2017 period of the 2017–2018 fiscal year, the Government posted a budgetary deficit of \$9.1 billion, compared with a deficit of \$12.7 billion reported in the same period of 2016–2017 (Government of Canada, 2017). Revenues were up \$8.8 billion, or 4.8 per cent, as an increase in tax revenues was partially offset by a decrease in Employment Insurance (EI) premium revenues. Programme expenses were up \$5.8 billion, or 3.2 per cent, reflecting increases in major transfers to persons and other levels of government and direct programmes expenses. Public debt charges were down \$0.5 billion, or 3.0 per cent, largely due to a lower average effective interest rate on the stock of interest-bearing debt.

The fiscal position across the provinces reflects their recent economic circumstances. Starting from the east, Newfoundland and Labrador had a \$1.08 billion budget deficit in 2016/17 despite the province's income earnings potential being historically high (Government of Newfoundland & Labrador, 2017). Oil & gas revenues comprise a substantial part of the province's earning potential and the downturn in global oil prices has adversely affected its fiscal situation. The province has forecasted that it will be back to a balanced budget in 2022. New Brunswick has forecast a budget deficit of \$189 million in 2018/19 (Government of New Brunswick, 2017). PEI had a deficit of 9.6 million in 2016/17 and has forecast a small deficit of \$0.6 million for 2017/18 (Government of Prince Edward Island, 2017).

Nova Scotia had a budget surplus of \$149 million in 2016/17 and has forecast a surplus of \$131.6 million for 2017/18 (Government of Nova Scotia, 2017).

Quebec's fiscal position is relatively healthy with the province forecasting, for the third year running, a balanced budget. The province had a \$250 million surplus in 2016/17. Ontario had

a \$1.5 billion deficit in 2016/17 (Government of Quebec, 2017). This is comparable to the position of Newfoundland and Labrador (\$1.08 billion deficit) but it has a more diversified industrial composition and a far larger population and tax base; accordingly a deficit of this scale is far more manageable for Ontario than for NL. Manitoba had a deficit of \$890 million in 2016/17 and in the same year (Government of Manitoba, 2017) Saskatchewan's deficit was \$685 million. Saskatchewan has estimated that it will be in surplus in 2019/20 (Government of Saskatchewan, 2017).

Alberta had a budget deficit of \$10.4 billion in 2016/17; however the province expects this to reduce over the next few years and forecasts a deficit of \$7.2 billion in 2019/20 (Government of Alberta, 2017). Alberta's situation has been affected by the fall in commodity prices, particularly oil and gas, as well as the wildfires of 2016 which caused great levels of physical damage to communities and property. Finally, BC has announced its fifth consecutive balanced budget (Government of British Columbia, 2017).

2.7 Federal-Provincial Relationships

The federal government provides substantial financial support to provincial and territorial governments on an ongoing basis. These transfers support the provinces and territories in providing programmes and services to their residents. The four main transfer programmes are (source: <https://www.fin.gc.ca/access/fedprov-eng.asp>):

1. The Canada Health Transfer (CHT) – supports policy and programme spending in the provinces and territories on health care, subject to adhering to principles of the Canada Health Act (1984). In 2017/18, the total CHT transfer is \$37.15 billion.
2. The Canada Social Transfer (CST) – for use on social policies in areas of post-secondary education, social assistance, social services, early childhood development and childcare. The CST in 2017/18 totals \$13.7 billion.
3. Equalization – provides unconditional transfers to provinces. Enables less prosperous provincial governments to provide residents with public services to their residents that are reasonably comparable with those provided in other provinces, at reasonably comparable taxation levels. Equalization in 2017/18 is \$18.3 billion.
4. Territorial Formula Financing (TFF) – recognises the higher costs of providing services and programmes in the North, this funding is provided to governments in the territories to support public services and programmes. TFF is \$3.7 billion in 2017/18.

The provinces and territories' major transfers are \$72.9 billion in 2017/18 and expected to be \$75.4 billion in 2018/19 (Department of Finance, 2018).

Direct transfers from the Government of Canada to individuals / households include different types of income security, namely:

- CPP (Canada Pension Plan)
- OAS (Old Age Security)
- GIS (Guaranteed Income Supplement)
- Families
- Disabilities
- Veterans
- Employment Insurance

Total transfer amounts in 2016/17 were estimated at \$91.2 billion (Government of Canada, 2017).

The division of responsibilities for programmes and policies between the Government of Canada and the individual provinces and territories is not entirely clear-cut and there are some areas that overlap between the two jurisdictions. Within federal responsibility are the areas of policy and services:

- Mail
- Taxes
- Money
- Banking
- Shipping
- Railways
- Pipelines
- Telephones
- Criminal law
- Foreign affairs
- National defence
- Employment insurance
- Aboriginal lands and rights

The provinces and territories have responsibility for:

- Education
- Health care
- Road regulations

Governments at the municipal level (or sometimes the regional level) control the following:

- Parks
- Parking
- Libraries
- Roadways
- Local police
- Local land use
- Fire protection
- Public transportation
- Community water systems

Given the devolved responsibility for education and employment matters, providing a synopsis of relevant employment, social and education policies for the country as a whole is difficult. There are, however, a number of overarching policies and frameworks put in place by the federal government. Certainly, the fact that the Employment Insurance system is administered at the federal level means that the application of this scheme is largely uniform across the country (though there are particular groups of workers, often concentrated in certain regions, that may be subject to particular rules that others are not).

2.8. Key social and economic issues

2.8.1. Demographics – ageing population

A pressing concern for Canada (and for most regions within the country) is that of an ageing population. There are concerns over future labour shortages but also further anxiety about the demands that an ageing population places on public services, especially health and social care. A November 2017 report summarised that “that demographically sensitive spending on the one hand and slowing economic growth on the other will stress government budgets over time” (Robson, Busby and Jacobs, 2017). Over the past two decades the average retirement age in Canada has risen from 60.9 years in 1998 to 63.6 years in 2017 (Statistics Canada, Labour Force Survey, Table 282-0051) so there is some way to go to achieve significant cost savings via this approach.

The ageing population of Canada puts added demands on publicly funded health care in the provinces and on the federally administered Canada Health and Social Transfer. All provinces are facing an ageing population (some provinces are facing faster ageing than others) which generates two complications: the demands and costs of delivering health care are increasing and the workforce is becoming older than ever which can have negative consequences for economic growth. Here, many provincial governments are looking at ways to help balance demographic profiles and add to the skilled labour force through immigration, but this needs to be balanced with maintaining a population for which public services which can be feasibly delivered. Longer working lives and delayed receipt of Old Age Security (OAS) could help mitigate some of the pressure which is expected to hit provincial governments hardest. It has been estimated that if it one were to assume the average retirement age was 65 years, then the burden of demographically sensitive programme spending looks set to rise from about 15.5% of GDP in 2016 to 24.2% by 2066 (Robson et al, 2017). Simulations have found it possible to reduce this figure by delaying the retirement age. Immigration, particularly where migrants are well-educated and of working age, is also considered as a possible, albeit partial, solution to the ageing population problems facing the country. Integrating immigrants is key here, in order to maximise their potential contribution to the economy and society more widely.

2.8.2. Indigenous Peoples

A further priority for Canada which is especially important when considering how to drive economic and employment growth is the place of indigenous peoples. Aboriginal groups comprise nearly 5% (around 1.67 million people) of the total population of Canada in 2016. The number of aboriginal people increased from 3.8% of the population of Canada in 2011. This increase is due to an increase in the natural growth rate for this sub-population but also because of an increase in self-reporting of aboriginal status – i.e. the growing willingness of Canadians to identify themselves as aboriginal or indigenous people. The Constitution recognises three groups of aboriginal people: First Nations, Inuit, and Metis. Aboriginal people live across different parts of Canada, including (but not limited to) more than 3,000 reserves. Amongst First Nations, more than 44% live on reserves. More than 50% live in western Canada. The concerns of indigenous peoples regarding resource developments in some areas of the country are beginning to feature more prominently under Mr. Trudeau’s Liberal government. Social issues which disproportionately affect many indigenous groups (e.g. substance abuse, violence, poverty, etc.) also require further policy work and research and are important to address in order to go any way towards reaching the current government’s pledge for a more inclusive society. Some of the recent priorities relating to indigenous people in Canada include tackling: relatively low educational attainment, relatively high suicide rates, worse health outcomes, less access to public services (especially health care and

educational opportunities), reconciliation over residential schools, and missing and murdered indigenous women and girls.

The educational achievement of Indigenous peoples in Canada tends to differ markedly from that of the population in general. According to Canada's 2016 Census of Population, 9% of 25-44 year olds in Canada as a whole had no certificate, diploma, or degree whereas this figure was 24% within this age group in the Aboriginal population of Canada. A gap is also observed with regard to the proportion of people with a university degree at bachelor level or above: 34% of all 35-44 year olds but only 12% of aboriginal peoples of the same age (Census 2016, 25% sample). With such stark differences, it should not be surprising that one policy focus is on providing educational opportunities to people who identify as aboriginal.

A study using PIAAC data found that "Skills gaps between off-reserve Indigenous people – First Nations, Métis and Inuit – and non-Indigenous Canadians are wide among those without a high-school education – a gap compounded by relatively high dropout rates among Indigenous youth." The skills gap was found to be largest in the northern area, the western provinces, and in Ontario. The study attributes over half the skills gap between Indigenous and non-Indigenous populations to socio-economic factors (Mahboubi and Bousby, 2017).

2.8.3. Climate change and environmental policy

The Conference Board of Canada (2016) gave Canada a "D" grade on environmental performance which places the country third from last amongst peer countries (behind Switzerland, France, UK, Sweden, Germany, Netherlands, Denmark, Ireland, Austria, Belgium, Norway, Japan, and Finland) and ahead of only the USA and Australia.

Provinces were also graded with the following results, in order from highest to lowest ranking: Ontario (B); Quebec, BC and PEI (C), Manitoba (D); and, New Brunswick, Nova Scotia, Newfoundland and Labrador, Alberta and Saskatchewan (D-).

It perhaps is not all that surprising that three of the lowest ranking provinces are NL, AB and Saskatchewan as all three provinces have significant oil production as one of their major economic drivers and also mining.

However, despite the relatively low grade received on the Conference Board of Canada regarding environmental policy, Canada emphasises that the country sets progressive targets and is a world-leader in developing policy on protecting the environment. The Pan-Canadian Framework sets out a framework for climate policy in Canada and this framework has been agreed across the provinces and territories. The four main pillars of the Pan-Canadian Framework are: (i) pricing carbon pollution; (ii) complementary measures to further reduce emissions; (iii) measures to adapt to the impacts of climate change and to build resilience; and (iv) actions to accelerate innovation, support clean technology and create jobs (Environment and Climate Change Canada, 2016).

This green approach, however, can sometimes appear at odds with the great economic importance placed on oil, gas, mining and other not so green industrial activities in various parts of the country. This tension has been illustrated recently by the strained relationship between two provinces: Alberta and BC. Alberta's economy is, overall, based on oil and gas extraction and related industries. The Trans Mountain Pipeline expansion project will see a pipeline expanded and enhanced to carry more oil from the oil sands of Alberta to the coast of BC to allow shipment to various markets. BC has raised serious concerns about the risks that this endeavour will raise with regard to possible leakage and oil spills on the Pacific coast. The disagreement between Alberta and BC Premiers on this issue has resulted in heated media engagements with the Premier of Alberta calling for people in Alberta to boycott wines from BC.

The importance of taking care of the environment is paramount in Canada given the country's reliance on natural resources, including renewables. The ecological diversity across regions, including endangered and protected animal species, and the relationship of Indigenous peoples with the land also feature prominently in the public view such that climate change is becoming a more pressing issue to address from a policy perspective.

2.8.4 Foreign Trade

Sluggish growth continues to be a concern for Canada and there is further worry that some of the more promising signs of growth are simply those stimulated by fiscal policy and contributing to increasing government debt (at federal and provincial levels). Commodity prices, especially relatively weak oil prices, are especially concerning, as is the relatively low rate of growth in exports. The political circumstances in neighbouring USA and the current American administration's approach to trade negotiations (e.g. renewing/revising NAFTA) also provides some uncertainty about Canada's prospects over the next few years. These uncertainties and externally controlled factors have implications for performance of businesses within Canada and for employment in the country.

Exports directly and indirectly accounted for 2,942,400 jobs in Canada in 2011 according to Statistics Canada, or 16.7% of all employment (Cross, 2016). Across the provinces, international trade is an important part of economic activity. In 2016, exports accounted for between 22.5% of GDP in PEI and 38.7% in Saskatchewan (RBC, 2017).

Canada has trade agreements with a number of other countries. Perhaps most notable are:

- NAFTA (North American Free Trade Agreement) – between Canada, USA and Mexico. With the election of Donald Trump as President of the USA in 2016, and his administration's tendency towards protectionist policies on trade, there is a real risk that renegotiation of NAFTA will not prove as beneficial for Canada as NAFTA has thus far been. Canada and the USA also have an ongoing dispute over softwood lumber exports from Canada with the USA applying tariffs as they deem the government involvement in this industry in Canada as providing an unfair advantage to Canadian producers. Similarly, the USA has recently applied to have tariffs applied to a contract for Bombardier in Canada to fulfil and order for a particular model of airplane to Delta in the USA.
- TPP (Trans-Pacific Partnership) is a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The TPP has been signed (in 2016) but the agreement has not yet come into effect.
- CETA (Comprehensive Economic and Trade Agreement) is a free-trade agreement between Canada, the European Union and its member states. This agreement which is set to eliminate 98 per cent of the tariffs between Canada and the EU has not yet come into effect.

2.8.5. Immigration

Immigration, as noted earlier in this briefing, is the main driver of population growth and consequently it is also a key driver in the development and growth of the labour force in Canada. This is an especially important issue in regions where population ageing, declining birth rates, and out-migration to other provinces are pressing issues – namely in the Atlantic provinces. In these areas, attracting and retaining skilled immigrants is being explored as a key tool to improving economic performance and maintaining a satisfactory quality of life. Along with the potential gains that immigration (particularly of highly skilled and relatively young immigrants) can bring to regions within Canada, it is also important to acknowledge that increasing the population through this avenue has implications for the demands placed

on public services (e.g. health, education) and also requires transformation or evolution of such services to best serve the needs of a diverse and growing population.

2.8.6. Poverty, inequality and exclusion

A number of groups have been found to be at risk of social exclusion and poverty. These 'at risk' groups include:

- indigenous people;
- young people;
- people with disabilities;
- visible minority groups.

Another issue related to inequality, poverty and social exclusion is long term unemployment. The long-term unemployment rate (unemployment lasting 51 weeks or more) tends to be more common for men than for women. Long term unemployment has increased in Canada since 2009. In 2009, the long term unemployment rate was 7.7% and rose to 11.6% in 2017. Similarly, the average number of weeks unemployed has increased since 2009 and has remained relatively stable at about 20 weeks since 2011.

3. LABOUR MARKET AND SOCIAL POLICIES

3.1 Overview

The federal government's jurisdiction over employment matters is limited but both the federal government and provincial governments can make laws governing and regulating employment. Overall, the federal government has control over employment and labour matters by exception which is limited to federal workers and federally-regulated businesses (e.g. banking, interprovincial transportation, aeronautics, etc.). All provinces and the Government of Canada set out minimum standards for employees with regard to sick leave, minimum wage, hours of work, and so on.

Employment and Social Development Canada (ESDC) is the fourth-largest department within the Government of Canada. This department is headed by three ministers: Jean-Yves Duclos, Minister of Families, Children and Social Development; Kirsty Duncan, Minister of Science and Minister of Sport and Persons with Disabilities; and, Patty Hajdu, Minister of Employment, Workforce Development and Labour. The mission of ESDC is to "build a stronger and more inclusive Canada, to support Canadians in helping them live productive and rewarding lives and improving Canadians' quality of life". In order to fulfil its mandate, ESDC delivers a variety of programmes and services including providing: seniors with basic income security; support for unemployed workers; financial assistance for post-secondary education students; and assistance for parents with young children.

Canada's government departments and agencies, including ESDC, operate in an environment characterised by constant change, especially with regard to demography and also a challenging economic climate (both domestically and internationally). These factors affect the socio-economic circumstances facing people living in Canada. The role and activities of ESDC, and the Labour Program, are also shaped by the policy agenda of the Government of Canada. With the election of the Liberals in 2015, a commitment has been made to grow the middle class and so the ESDC's programmes and policies are shaped in ways to help achieve this policy goal. Combining this with regional disparities in economic and social development, designing and delivering employment, labour and social programmes, policies and regulations is particularly challenging. It is seldom the case that a 'one-size fits all' approach is suited to all situations across the country, but there is a need for federally sponsored programmes and initiatives to be delivered with some overarching principles and to particular standards.

Policy on education - including post-secondary education - is decided by the provinces rather than controlled at the federal level. There are some differences between provinces in primary, elementary and secondary education provision. Universities are largely comparable. Other post-secondary programmes differ but there are federal interests and activities aimed at providing more comparable standards across post-secondary programmes in all regions, especially apprenticeships.

3.2 Major policies & recent developments

The ESDC Departmental Plan 2017-18, sets out a number of strategic directions. One strategic direction is to "develop economic and social policies and programs that support and improve the well-being of families, children and vulnerable groups." Within this are two priorities:

Priority 1: Strengthen income security programmes and services, and work with provinces and territories in reducing poverty.

Priority 2: Develop social policy initiatives that address the needs of families and of vulnerable groups, support communities in the development of social infrastructure, and advance solutions to social issues through innovative approaches.

Planned initiatives falling under these two priorities include:

- Poverty Reduction Strategy
- Enhance the Canada Pension Plan (CPP) (lead: Department of Finance)
- National Seniors Council
- Develop a new mechanism to ensure Old Age Security (OAS) benefits keep pace with the cost of living seniors face
- Early Learning and Child Care (including Indigenous Early Learning and Child Care)
- Tackling homelessness
- Enabling Accessibility Fund
- Breaking down barriers to social and economic inclusion for people with disabilities
- Social Innovation and Finance Strategy
- Planned federal accessibility legislation

A second strategic direction for ESDC is to “transform employment, workforce development and labour policies and programs to address the needs of all Canadians, and support inclusion”. Within this are two further priorities:

Priority 3: Develop and implement policies, programmes and services that support workers and employers, and work with provinces and territories to respond to the evolving realities of the labour market and federally regulated workplaces of today and the future.

Priority 4: Strengthen training and access to post-secondary education and support individuals, including youth and those from vulnerable groups, in acquiring the skills and information they need to participate in the labour market.

Amongst the planned initiatives are under Priority 3 are:

- Review of the Temporary Foreign Worker Program
- Implement a modern fair wages policy
- Support fairness at work by developing options for proactive pay equity
- Provide more inclusive and flexible leave for caregivers
- Provide more flexible parental benefits
- Improve labour market information for Canadians, including work with the Labour Market Information Council

Amongst the planned initiatives are under Priority 4 are:

- Develop the Youth Service Initiative
- Roll out the Student Work Integrated Learning Program
- Rationalise and expand intergovernmental agreements that support skills training

Renew and improve the Aboriginal Skills and Employment Training Strategy

- Promote economic development in Indigenous communities and create jobs for Indigenous peoples
- Increase investment in the Youth Employment Strategy informed by findings of the Expert Panel on Youth Employment

3.2.1 Direct transfers to persons

Employment Insurance (EI) was modified in relation to workers taking time off due to specific life events, including family issues and illness and injury. Extended parental benefits have been introduced allowing parents to receive benefits for up to 18 months (increased from 12 months) at a lower rate. More flexibility has also been introduced regarding when pregnant workers can start receiving maternity benefits. Any adult who provides care or support to a critically ill or injured adult family member can now receive the family caregiver benefit. The family caregiver benefit for children was made accessible to any family member or person considered to be like family. Upcoming changes in CPP have been agreed and will come into effect in 2019. Enhancements in CPP will see an increase in CPP retirement, disability and survivor's pensions. The changes will not affect eligibility and are not set to increase CPP contribution rates.

3.2.2. Policies related to indigenous issues

Budget 2017 set out commitment to "renewing Canada's relationship with Indigenous Peoples and making real progress on the issues that matter most to them, including helping Indigenous Peoples get the skills and work experience they need to succeed." (Government of Canada, 2017b, p. 65). Economic and social concerns for Indigenous Peoples appear to be taking higher priority under the current government than hitherto. Whilst not comprising a huge amount of research in public policy and economics and other social sciences, economic and social outcomes for Indigenous Peoples is attracting more attention and a variety of studies highlight that, even after accounting for a variety of factors, Indigenous Peoples (or particular sub-groups) tend to face multiple disadvantages in the labour market and other arenas more widely.

A number of areas for spending dedicated to improving conditions for Indigenous Peoples were outlined in Budget 2017. One goal is to increase post-secondary participation and the government has set out its intention to increase funding to the Post-Secondary Support Program (PSSSP) by \$90 million over two years from 2017-18. The PSSSP provides financial assistance to First Nations and eligible Inuit students enrolled in eligible post-secondary programmes. The programme aims to improve the employability of eligible students by providing them with funding to access education and skills development opportunities at the post-secondary level. The support through PSSSP can cover costs including tuition, books, travel support and living allowances. PSSSP has existed since the 1970s. Prior to Budget 2017, the PSSSP had a budget of \$340 million which supported around 23,000 students. Budget 2017 also announced that there will be a "comprehensive and collaborative review with Indigenous partners of all current federal programs that support Indigenous students who wish to pursue post-secondary education."

Further support for *Indspire* was also set out in Budget 2017. *Indspire* is an Indigenous-led registered charitable organisation that helps Indigenous students attend post-secondary institutions and to find good jobs. This organisation provides assistance to First Nations, Inuit and Métis students. The latest federal budget proposes to provide *Indspire* with \$5 million a year for five years, commencing in 2017/18. This funding is conditional on the organisation raising \$3 million a year in matching funds from the private sector. This total matched funding

should amount to \$40 million over five years which can be awarded as bursaries and scholarships to more than 12,000 students.

A further measure in Budget 2017, proposes amendments to the Canada Student Financial Assistance Act that will see students who are registered under the Indian Act but do not have Canadian citizenship can access the Canada Student Loans Program.

Further measures to improve Indigenous Peoples' access to skill development and training include the Aboriginal Skills and Employment Training Strategy (ASETS) programme.

The government set out an intention to work with Indigenous organisations, employers, educational institutions and other stakeholders in the coming year to renew and improve ASETS and the budget proposed and investment of \$50 million in ASETS in 2017/18. This investment includes new funding, the amount set out in Budget 2016, and additional reallocated resources from other general programming supporting skills and training. It is intended that these investments will provide added capacity to meet growing demand from Indigenous Peoples for skills development and job training.

The government acknowledges (and it has been found across a variety of studies) that First Nations youth living on-reserve encounter unique challenges to labour force entry. The government has proposed to invest \$39.2 million in 2017/18 to help First Nations young people obtain better pre-employment skills, to access education and training, and to overcome barriers to employment through case management services.

The federal budget for 2017 also outlined plans to support the delivery of adult basic education services by local colleges in the three territories by providing funding of \$14.7 billion over three years to the Northern Adult Basic Education Program. Alongside this, Budget 2017 committed to providing further support of the Aboriginal Tourism Association of Canada's five-year Indigenous Tourism Strategy.

In Ontario, in order to create more opportunity and security for workers in this changing economy, the (Liberal) Government of Ontario introduced (and passed on 22 November 2017) the *Fair Workplaces, Better Jobs Act, 2017*. This Act introduces a number of changes to the Employment Standards Act (2000), the Labour Relations Act (1995) and the Occupational Health and Safety Act. Changes include (Government of Ontario, 2017b):

- raising the minimum wage;
- giving employees the following:
 - equal pay for equal work for casual, part-time, temporary and seasonal workers;
 - one week's notice or pay in lieu of notice for employees of temporary help agencies if longer-term assignments end early;
 - fairer scheduling rules;
 - a minimum of three weeks' vacation after five years with the same employer;
 - up to 10 individual days of leave and up to 15 weeks of leave, without the fear of losing their job when a worker or their child has experienced or is threatened with domestic or sexual violence;
- expanded personal emergency leave in all workplaces;
- unpaid leave to take care of a critically ill family member.

Some feel that this legislation does not go far enough in protecting workers' rights and reducing the risk of poverty for certain classes of workers whilst others argue that imposition of higher minimum wages and other costs associated with the changes will put stress on businesses and ultimately lead to contraction in jobs.

3.3. The Labour Program

3.3.1. Mandate

In 1993, Labour Canada became the **Labour Program** within Human Resources Development Canada (HRDC) when that department was created by the then Conservative government under Prime Minister Kim Campbell. Now, the Labour Program exists within the ESDC portfolio, oversees federal labour regulatory responsibilities which include facilitating compliance with occupational health and safety, labour standards and employment equity legislation, as well as assisting trade unions and employers in the negotiation and renewal of collective agreements in federally regulated workplaces. Canada is also represented by the Labour Program in international labour organisations. The mandate of the Labour Program comprises three main parts (ESDC website):

- Federal jurisdiction mandate: development and administration of labour-related legislation governing federally regulated industries and related non-legislated activities.
- National mandate: national leadership and coordination within the network of labour jurisdictions in Canada in the interests of strengthening the Canadian economic union.
- International mandate: managing Canada's international labour affairs, including the important, relatively recent field of trade-related international labour agreements.

3.3.2 Roles of the Labour Program

The Labour Program fulfils multiple roles across a variety of social and skills development areas. The Labour Program:

- assists employers and unions by providing mediation and conciliation services;
- monitors to ensure compliance with labour and employment equity legislation;
- legislates to protect workers' health and safety;
- negotiates international labour agreements;
- collects data to provide information on the workplace.

A number of skills and employment programmes / policies fall within the Labour Program, including: Employment Insurance (financial and other assistance for qualifying unemployed persons); Labour Market Development Agreements (agreements between federal government and provinces for investment in various labour market development activities including training and other supports); Labour Market Agreements for Persons with Disabilities; Youth Employment Strategy; Enabling Fund for Official Language Minority Communities; Job Bank and Labour Market Information; and, Union Training and Innovation Program. There are a number of programmes in place to address issues particular to certain groups such as people with disabilities, young people, Indigenous Peoples, and immigrants. A full list of programmes is provided in the Appendix.

3.3.3 Limitations of the Labour Program

Perhaps the biggest limitation of the Labour Program is incurred due to the division of responsibilities between federal and provincial governments, and how these are not entirely mutually exclusive. There is also need for an overarching direction or structure at the national level to help ensure residents of all regions receive comparable services and opportunities. One key area here is education and training which falls under the responsibility of the provinces. Federal programmes can provide overarching strategy and principles for

employment and related training/education programmes but it is at the provincial level that such programmes must be operationalised thus programmes may be province-specific. Furthermore, there is not complete transferability of all programmes between provinces.

With regards to labour market information and employer compliance with employment and labour legislation, data collection across such a vast country is a substantial exercise. One benefit of undertaking such exercises via a federal body is that the same standards for data structure and collection can be applied to all regions of the country, whilst a limitation is that the costs and time for collecting from all areas are likely to be large and there could be concerns over the timeliness of data.

Providing services across the country also means that the Labour Program holds data on individuals and businesses, including personal and/or sensitive information.

Being a federal programme with a wide agenda and coverage, the Labour Program has both strategic and operational roles to fulfil. There may be some contention between delivering on both strategic and transformational aims whilst at the same time maintaining or even improving on the quality and level of services being delivered to Canadians and businesses. Evaluations of the various initiatives and programmes under the Labour Program remit are carried out on an ongoing basis and specific lessons and measures for improvement are set out.

3.4 Policies on integration of immigrants

For immigrants, the Foreign Credential Recognition Program and the Temporary Foreign Worker Program are available. Alongside these employment and skills programmes, the ESDC also houses a number of social development programmes (e.g. Homelessness Partnering Strategy; Enabling Accessibility Fund) and other policy initiatives such as those on early learning and childcare, poverty reduction strategy and social innovation and social finance. The ESDC is responsible for, amongst many other responsibilities, “fostering inclusive growth by providing opportunity and assistance to Canadians with distinct needs, such as Indigenous people, people with disabilities, homeless people and recent immigrants” (ESDC, 2017).

The OECD (2016) has described Canada as providing a model for successful immigration policies and practices. Canada’s immigration system is seen to adapt frequently in reaction to changing conditions and to reflect upon new evidence and the country’s immigration strategy is a central part of the government’s plan for future growth and development, both in economic and social terms. The OECD (2016) identifies a number of key challenges facing Canada’s immigration policy and also outlines recommendations for addressing these challenges. The key challenges identified by the OECD are:

- attracting and selecting applicants for immigration to Canada with the skills to succeed;
- maintaining the consistency of the selection system;
- selecting appropriate temporary labour migrants to match temporary requirements in the labour market;
- ensuring consistency between federal and provincial selection;
- achieving the ‘right’ level of admissions levels ‘right’.

3.4.1 Description

When considering policy related to immigrants and their experiences upon moving to Canada, it is useful to distinguish between three different categories of immigrants: 1) economic immigrants; 2) family class; and, 3) refugees. The challenges each group may face in integrating into Canadian society and the labour market here are likely to differ and as such the policies and programmes that can facilitate better integration likely require different approaches.

Canada's model for integration of immigrants has been usefully summarised by IRCC as involving: inclusive laws and policies; enabling programmes and involvement and oversight by all levels of government (IRCC, 2017). These programmes and policies permit newcomers to Canada to be integrated into all aspects of society through engagement with employer, regulatory bodies, educational institutions, established Canadians and others. The inclusive laws and policies include the Citizenship Act, the Multiculturalism Act, Canadian Human Rights Act, Charter of Rights and Freedoms, and Immigration and Refugee Protection Act. These laws and policies provide a framework that establishes the rights of residents and citizens of Canada including those who are new to the country. Such policies and laws provide allowances and room for new immigrants to belong and contribute and they set up what is permissible and what is to be expected of all people living in Canada and their interactions with others. Enabling programmes facilitated or overseen by the federal government (via IRCC and the Labour Program) include: Settlement; Foreign Credential Recognition. The labour market itself (and the parties involved in it) also provides an enabling environment for integration of newcomers to Canada. Through successful integration into the labour market, immigrants can not only contribute to economic performance but also establish connections with other individuals and organisations (such as employers, unions, etc.), which helps to build social capital and allows further integration into society. Health, education and social services serve a similar purpose as connections and interactions of immigrants with such services and the people providing them can further facilitate their full integration into Canadian life.

One of the priorities set out in the IRCC Departmental Plan 2017-18 is that of enhanced integration. Currently, IRCC provides financial support to non-governmental partners that provide employment services, language training and orientation services to ensure immigrants are able to integrate. These services are to help facilitate immigrants' integration in and contribution to Canadian society. In order to address this priority area, IRCC outlines the need to: enhance efforts to increase immigration levels and retain the skills required to build improve economic prosperity in the Atlantic Region; facilitate the entry, and eventual integration, of highly skilled workers as permanent residents of Canada via the Express Entry system.

Another priority set out by IRCC is that of diversity and attachment. Currently, IRCC provides newcomers with access to Canadian citizenship and also promotes the rights and responsibilities that go along with Canadian citizenship. This, according to IRCC, helps to foster newcomers' sense of belonging. Under this priority IRCC plans to: provide support for proposed legislative changes to the Citizenship Act (Bill C6) relating to adaptation of provisions such as revocation and residency and language requirements for citizenship applicants; continue promoting citizenship awareness and to update the citizenship study guide to be more reflective of Canada's diversity.

Within its Newcomer Settlement and Integration programme, IRCC highlights the following planning features:

- Support the successful integration of a growing number of permanent residents through the ongoing provision of settlement services.
- Continue with efforts to monitor and support the successful integration of resettled refugees, and work to ensure their access to learning opportunities and other services necessary for success in Canada.
- Continue to explore innovative practices by analysing, sharing and implementing findings from pilot projects, research studies and prototypes to support Settlement Program outcomes.
- Proceed with a pilot programme aimed at increasing immigration to and retention of newcomers in the four Atlantic Provinces; this will be done through engagement with the provinces and employers.
- Continue to make enhancements to settlement support services that are available prior to an immigrant's arrival in Canada, with the goal of improving settlement outcomes for newcomers.
- Build on settlement and integration outcomes through redesigned approaches to research, performance measurement and evaluation to inform policies and programmes (IRCC 2017, pp. 21-22).

3.4.2. Lessons learnt

IRCC (2016a) outlines a number of features that are deemed to be effective in policies aimed at facilitating better integration of immigrants. With regard to **economic immigrants**, IRCC reports that where such immigrants are selected on the basis of their human capital and skills, there is more potential for successful outcomes in the labour market and to make a positive economic contribution to the country. Examples of policies / initiatives that adopt such an approach include:

- Federal Skilled Workers/Federal Skilled Trades Program (FSW/FST) in which applicants for immigration are subject to a points system which attaches greater scores to higher education, official language skills, and job prospects.
- Provincial nominees programme which aids in matching applicants to the needs of local labour markets and also to demographic priorities set in regional and local areas.
- Canadian Experience Class, Entrepreneur, Investor, and Self-employed stream which is designed to attract immigrants who are expected to contribute to Canadian economic growth through their business activities once they arrive in Canada.

For **family class immigrants**, citizens and permanent residents are able to sponsor immediate family members and the majority of sponsored family class immigrants are spouses/partners. The presence of family can also help improve immigrants' integration into society.

For **refugees**, Canada acts to fulfil its humanitarian goals by resettling refugees that are referred by the UNHCR as government-sponsored refugees, or through facilitating the match of refugees with private sponsors via privately sponsored refugees (PSRs) or blended visa office-referred (BVORs).

A number of alternative approaches for selecting and processing refugees which may be expected to provide improved efficiencies over IRCC's selection and processing activities have been identified, including:

- greater sharing of best practice;
- better provision of medical information;
- clarification of application processes.

The importance of refugees being able to access training and support to acquire the appropriate language (English or French) for life in Canada has also been identified (IRCC, 2016b).

Some possible risks associated with using external referral agencies for processing refugees in Canada are also noted (IRCC, 2016b) including:

- possible inefficiencies;
- potential security breaches and potential for fraud;
- need for additional communication channels and governance roles.

Griffith (2017) deems Canada's model for integration of immigrants to be largely successful, stating: *"The Canadian model of integration, based on coherent immigration selection, settlement, citizenship, and multiculturalism policies, has been largely successful in terms of integrating newcomers to Canada. While the native born remain better off economically than immigrants, this gap decreases over time and generations. Overall, a higher share of immigrants and their children are university-educated compared to native-born Canadians, and members of the second generation with university degrees have similar median incomes to their peers with native-born parents. The largest public and private employers in Canada are generally representative of the populations they serve. Similarly, federal political representation of immigrants and their children largely reflects the proportion that are Canadian citizens (provincial government representation varies, however)."*

4. IMPACT OF DIGITALISATION OF WORK

4.1. Job creation / losses

The impact of technological change, including digitalisation of the world of work, has much the same implications for work and society in Canada as is the case in most other developed economies. Digitalisation of work poses opportunities for current occupations and sectors and for stimulating growth in employment in new areas of work but it also can be seen to pose some threats for existing sectors and occupations. Automation and robotics for instance are often seen as posing a threat to routine manual employment. Technological progress has been responsible for a great proportion of the increase in GDP per capita in Canada over the past 60 years and it is reasonable to assume that continuing developments will result in further growth and progress. The question is more about how much further digitalisation can take the economy and who (i.e. which workers and sectors) will lose or win along the way? A number of studies have been carried out in Canada trying to assess which areas of the economy are most likely to experience adverse impacts from digitalisation. A recent report (Oschinski and Wyonch, 2017) estimated that around 40 per cent of jobs in the economy could be automated. Whilst this figure is seemingly large, such a change would also help increase productivity and with economic growth could see greater investment resulting in future, different employment opportunities. Digitalisation of work can also have positive implications for Canada given its population being widely dispersed over a large geographic area (with some areas being remote and transportation being relatively expensive). Greater connectivity, automation and digitalisation could result in certain jobs lending themselves to remote working and reduced delivery costs for some industries. A key part of Canada's approach to upcoming changes and the adoption of new technologies is to provide relevant education, skills and training to help capitalise on such change, to attract immigrants with relevant skills, and to invest in the infrastructure needed to further facilitate the adoption of digital technologies at work and in business operations.

Oschinski and Wyonch (2017) point out that in the presence of technological change, job losses can occur if innovation outstrips the increase in demand for new products and services. Further, even if there is potential automation of some tasks and jobs, it is not necessarily the case that actual automation will take place. Automation requires a decision that depends on factors such as firm size, competition, and relative costs.

Looking at the effects of technological change on the labour market in Canada over the past 30 years and considering the potential implications for the labour market in the near future, Oschinski and Wyonch note that they do not expect sudden or drastic impacts rather, they anticipate that there will be continuing gradual change in the demand for skills in the labour force which will likely continue in the face of technological change. Some industries and occupations are more susceptible to automation than others and thus there will be differing degrees of disruption.

According to Oschinski and Wyonch, employment in Canada is concentrated in industries at lower risk of automation (27.5%). The diversity of activities in Canada's economy and the labour force should be helpful in it accommodating and adapting to technological change. Occupations that are considered more susceptible to automation include: higher for manufacturing and utilities, trade transport and equipment operators, and business finance and administration. Lamb (2016) has identified the five top occupations most susceptible to automation as: Retail sales persons; Administrative assistants; Food counter attendants and kitchen and kitchen helpers; cashiers; transport truck drivers.

Those occupations requiring more abstract, complex decision making skills and which focus on creativity, critical thinking and interpersonal social skills are at lower risk of being

automated and growth in demand for such skills is expected over the near and medium term (Oschinski and Wyonch). Technical, job-specific skills on the other hand might be more prone to automation and faster obsolescence thus there is a need for ongoing skill development, re-training and lifelong learning. The likelihood of automation also varies by occupational group: low for health, and natural and applied sciences. Lamb (2016) considers the following occupations to be less vulnerable to automation: Registered nurses (psychiatric included); Elementary and kindergarten teachers; Early childhood educators and assistants; and Secondary school teachers. Due to differences in labour markets across the provinces of Canada, the threat to jobs associated with automation also differs. Lamb reports that Ontario's employment structure is such that that province faces the lowest risk of negative effects of automation whereas the risk is greatest in PEI.

Both Oschinski and Wyonch and Lamb expect that employment growth in occupations that are less susceptible to replacement through automation is likely to be faster than growth in jobs overall. The Bank of Canada reports evidence of polarisation of employment with employment shares rising for high-skill management, professional and technical occupations and for low-skill sales and service occupations accompanied by falling shares for mid-skill occupations in production, crafts and operations and, since the 1990s, for secretaries and clerical support. BoC also notes that the end of the resource boom could see technology-driven changes emerging as more important drivers of Canadian employment outcomes. One of the concerns regarding those areas where automation is more likely to have adverse impacts on employment is that it is likely to be more concentrated for jobs held by people more likely to have lower levels of education and earning less.

Research undertaken by KPMG and commissioned by the Government of Canada (KPMG 2014) has considered automation and robotics in the food and beverage processing sector. A number of factors can explain the differences in the level of adoption of automation and robotics across the various sub-sectors/ segments of analysis, including:

- availability of manual labour;
- availability of robotics and automation solutions;
- food safety and quality requirements;
- profit margins;
- volume;
- seasonality;
- flexibility;
- market.

At the national level, the Government of Canada has certainly recognized a need to be at the front of innovation and technological development in order to capitalize on economic opportunities, including benefits for creating employment, knowledge and moving into new sectors. The Government has dedicated \$950 million to supporting a number of Innovation Superclusters which consist of industry-led consortia with strategic plans to:

- Build a shared competitive advantage for their cluster that attracts cutting-edge research, investment and talent by addressing gaps, aligning strengths, enhancing attributes, and positioning it as a world-leading innovation hotbed.

- Increase business expenditures on research and development (R&D) and advance a range of business-led innovation and technology leadership activities that will address important industrial challenges, boost productivity, performance and competitiveness for Canada's sectors of economic strength.
- Generate new companies, and commercialize new products, processes and services that position firms to scale, connect to global supply chains, transition to high-value activities and become global market leaders.
- Foster a critical mass of growth-oriented firms, and strengthen collaborations between private, academic and public sector organizations pursuing private-sector led innovation and commercial opportunities to enhance the cluster's pool of resources, capabilities and knowledge." (Government of Canada: <https://www.canada.ca/en/innovation-science-economic-development/programs/small-business-financing-growth/innovation-superclusters.html>).

Five superclusters have been funded:

- Digital Technology Supercluster (based in BC) which will focus virtual, mixed and augmented reality; data collection and analytics; quantum computing and machine learning to improve service delivery in natural resources, precision health and manufacturing sectors. This supercluster is expected to contribute more than \$5 billion in GDP impact and create more than 13500 jobs over 10 years.
- Protein Industries Supercluster (based in the Prairies (AB, SK, MN)) which will focus agri-food enabling technologies, including genomics, processing and IT in order to increase the value of key Canadian crops and to satisfy growing markets in North America and Europe. Over 10 years, this supercluster is expected to create more than 4,500 jobs and more than \$4.5 billion in GDP impact.
- Advanced Manufacturing Supercluster (based in Ontario) will utilize technology including Internet of Things, machine learning, cybersecurity, additive manufacturing (3D printing) in order to enhance next-generation manufacturing capabilities. Over 10 years, this supercluster is expected to create more than 13,500 jobs and more than \$13.5 billion in GDP impact.
- AI-Powered Supply Chains Supercluster (SCALE.AI) (based in Quebec) will seek to build intelligent supply chains through artificial intelligence and robotics. This is the largest cluster in terms of expected employment and GDP impacts with the impact of 10 years expected to be more than \$16.5 billion and more than 16000 jobs.
- Ocean Supercluster (based in Atlantic Canada (NL, NS, NB, PEI) will utilize emerging technologies including digital sensors and monitoring, autonomous marine vehicles, automation, marine biotechnology and marine engineering technologies to strengthen the country's ocean industries. The cluster is expected to generate more than \$14 billion in GDP impact and more than 3000 jobs over 10 years.

4.2 Skills implications

Ranstad's 2017Q4 Work-monitor report (Randstad, 2017) found that 68 per cent of workers surveyed in Canada felt that digitisation requires different skill sets than those currently available from the employees at their current employer. Around 54% of respondents in Canada felt that they needed to acquire more digital skills to ensure their future employability.

The Information and Communications Technology Council (ICTC, 2017) suggests that “in the next several years, the following five key technologies will have the highest demand for skilled workers in the digital economy: virtual reality (VR) and augmented reality (AR), fifth generation (5G) mobile technology, three-dimensional (3D) printing, blockchain and artificial intelligence (AI). All sectors of the economy are integrating these technologies, in an effort to increase productivity and efficiency, reduce costs, generate revenue, and heighten innovation and growth” (p. 3).

A variety of ‘new’ skills will be required to fulfil demand for labour in the ICT sector directly (and in ICT-focused roles in other sectors). ICTC suggests that the top five ICT occupations experiencing labour shortages are:

1. computer and information systems managers;
2. computer engineers (except software engineers and designers);
3. database analysts and database administrators;
4. computer programmers and interactive media developers;
5. graphic arts technicians.

The ICTC report also highlights that there is likely to be high demand for: information systems analysts and consultants; industrial instrumentation technicians and mechanics; software engineers and designers; engineering managers; graphic designers and illustrators; and, user support technicians. Their report suggests a variety of areas where skill development policies and initiatives should be considered so that Canada can be equipped to meet the demands of the ICT sector and also facilitate growth in the sector. The suggestions for skill development would see activity “from elementary and secondary education, through to post-secondary education and build pathways to employment.” (p. 18). Within elementary and secondary education, ICTC suggests the incorporation of computer science into the curriculum; computational thinking; coding; experiential learning activities; and relevant careers information. At post-secondary level, they emphasise the need for greater flow of students through STEM programmes, benefits of having industry involved in programmes, and also highlight the need for practical work experience. Also noted is the importance of preventing skill shortages for ICT. They highlight the potential to attract and retain people with high level skills for ICT and also the potential of leveraging women and indigenous people as untapped sources of skilled labour in ICT.

Technological change and growth in ICT industries - and in the adoption of ICT across other industries - will likely result in new or re-designed education and training programmes in some areas of the country. A number of studies have highlighted the need for STEM and ICT skills and for such knowledge and skills to be incorporated into the curriculum in compulsory and post-compulsory education (CCA, 2015; Government of Canada, 2017c; [CanCode](#))

4.3 Implications for working conditions

In Ranstad’s 2016Q4 report, 39% of workers surveyed in Canada said that they perform a lot of repetitive tasks that could be automated and 54% said that if repetitive tasks are automated that they would expect that they could add more personal value to their job, suggesting that automation of at least repetitive / routine aspects of jobs could improve conditions in the eyes of many workers. Another report (Policy Horizons Canada, 2015) highlights that virtual work platforms can bring several benefits, such as providing Canadians with new flexible and entrepreneurial opportunities. This same report notes concern over a

potential 'race to the bottom' and virtual work platforms 'typically lack the protection of a social safety net, health and safety standards, or clarity around intellectual property'. Potentially, the authors suggest, there could be downward pressure on wages, social safety nets and working conditions in Canada (and other higher wage countries) when competing globally.

Automation can also lead to improved safety on-the-job for workers in industrial settings and for consumers. In food processing, for instance, use of automated processes may reduce contamination.

Within the manufacturing sector, it has been noted that robotics and automation can improve quality of working conditions through reducing human involvement in "tedious, dangerous and dirty tasks" (KPMG, 2014) reducing repetitive tasks being carried out by workers and minimising the risk of injuries and level of accidents in the workplace. In the food processing sector, automation and robotics are credited with increasing safety and hygiene requirements.

CONCLUSIONS

The commentary above has sought to give a succinct summary of the economic and social situation in Canada. As noted, it is a vast country with a federal structure which can make it difficult to make broad statements about the country as a whole. That said, it is an economically prosperous country with relatively high GDP per capita. Economic growth is picking up traction but there are looming concerns relating to the extent to which government investments have been responsible for the observed growth, and the export situation is uncertain especially with respect to the signals from its major trading partner – the USA – that may adopt more protectionist trade policies in the future. For the time being the economic signals are relatively good and unemployment levels are in decline.

Some key questions that the delegation to Canada may wish to ask interlocutors include:

- With regard to income insurance (employment insurance), are there set criteria dictating when the qualification requirements for EI may be altered for specific groups of workers? For instance, allowances have been made in some regions when there have been dramatic job losses in industries such as fisheries.
- How effective have immigration policies focused on international students been in retaining high skilled graduates for longer periods after they have finished their studies in Canada? How does this vary by region?
- Are there examples of best practice in integrating new immigrants into Canadian society and the labour market? Are there variations in what works by region?
- What are the potential implications of ineffective renegotiating of the NAFTA in terms of employment in the country? What are the possible implications for different provinces and regions?
- What potential for employment creation or changes in work conditions may be associated with innovation superclusters?
- How far along is the K-12 curriculum in adopting ICT skills including emerging, high-demand skills such as coding? Are there any examples of school boards or authorities in any province that are further ahead on this than the average school system across Canada?
- In relation to potential losers from digitalisation, are any provincial governments providing re-training support for those workers who are affected by 'creative destruction' of products, processes or industries so that they may regain employment, in a different role/sector, with as little disruption as possible? If so, what is seen as relatively good practice? Are there special arrangements for EI or other transfers to households?

APPENDIX

Programmes under responsibility of the Labour Program:

Federal labour standards

Find out about your obligations and your rights related to wages, vacation and other leave, statutory holidays, hours of work and overtime.

Employment equity

Learn about employer obligations related to workplace equality in the federal jurisdiction.

Workplace health & safety

Learn about workplace hazards, rights and responsibilities, health and wellness, injury prevention, compensation and the federal Workplace Hazardous Materials Information System.

Federal labour relations

Information about the collective bargaining processes for workplaces in the federally regulated private sector (including the appointment of conciliation and mediation officers), dispute prevention and training programmes, and arbitration appointments.

International affairs

Information on the Labour Program's international activities, including the promotion of internationally recognised labour standards through international, fora and the negotiation of labour cooperation agreements.

Negotech

A searchable repository, which provides access to the full text of the collective agreements, important beneficial changes and the latest wage adjustments.

Collective bargaining Information

Source of customised information on industrial relations and collective bargaining.

Employment and social development programmes and policies and activities related to their development to support the Government of Canada. This includes consultations, frameworks, plans and research.

Programmes

- Skills and employment
- Employment Insurance
- Labour Market Development Agreements
- Canada Job Fund Agreements
- Labour Market Agreements for Persons with Disabilities
- Opportunities Fund for Persons with Disabilities
- Youth Employment Strategy
- Enabling Fund for Official Language Minority Communities
- Aboriginal Skills and Employment Training Strategy
- Skills and Partnership Fund
- Job Bank and Labour Market Information
- Sectoral Initiatives Program
- The Office of Literacy and Essential Skills
- Skilled Trades and Apprenticeship (Red Seal Program)
- Apprenticeship Grants
- Foreign Credential Recognition Program
- Temporary Foreign Worker Program
- Union Training and Innovation Program
- Learning
- Canada Student Loans and Grants
- Canada Education Savings Program
- Labour
- Labour Relations
- Workplace Health and Safety
- Labour Standards and Equity
- International Labour Affairs
- Income security
- Old Age Security
- Canada Pension Plan
- Canada Pension Plan Disability Benefits
- Canada Disability Savings Program
- National Child Benefit
- Social development
- Homelessness Partnering Strategy
- Social Development Partnerships Program
- New Horizons for Seniors Program
- Canada Child Benefit
- Enabling Accessibility Fund
- Federal Income Support for Parents of Murdered or Missing Children
- Service network supporting government departments
- Government of Canada Telephone General Enquiries Services
- Government of Canada Internet Presence
- In-Person Points of Service
- Delivery of services for other government of Canada programs
- Passport
- Other government department programs
- Policy initiatives
- Early Learning and Child Care
- Indigenous Early Learning and Child Care
- Poverty Reduction Strategy
- Social Innovation and Social Finance

BIBLIOGRAPHY

- CCA (2015), *Some Assembly Required: STEM Skills and Canada's Economic Productivity*, The Expert Panel on STEM Skills for the Future, Council of Canadian Academies, <http://www.scienceadvice.ca/uploads/ENG/AssessmentsPublicationsNewsReleases/STEM/STEMFullReportEn.pdf>
- Conference Board of Canada (2016), *How Canada Performs: Environment*. <http://www.conferenceboard.ca/hcp/Provincial/Environment.aspx>.
- Cross, P. (2016), "The Importance of International Trade to the Canadian Economy: An Overview", Fraser Research Bulletin, <https://www.fraserinstitute.org/sites/default/files/the-importance-of-international-trade-to-the-canadan-economy-an-overview-post.pdf>.
- Department of Finance Canada (2018), *Federal Support to Provinces and Territories*. <https://www.fin.gc.ca/fedprov/mtp-eng.asp>
- Environment and Climate Change Canada (2016), *Pan-Canadian Framework on Clean Growth and Climate Change: Canada's plan to address climate change and grow the economy*. <http://publications.gc.ca/pub?id=9.828774&sl=0>
- ESDC (2017), *ESDC Departmental Plan 2017-18*, <https://www.canada.ca/en/employment-social-development/corporate/reports/departmental-plan/2018.html>.
- Government of Alberta (2017), *Budget 2017: Working to make life better*. <https://open.alberta.ca/dataset/budget-2017-working-to-make-life-better>
- Government of British Columbia (2017), *Budget 2017: Delivering dividends of a strong economy*. http://www.bcbudget.gov.bc.ca/2017/highlights/Balanced_Budget_2017_Highlights.pdf
- Government of Canada (2016a), *Growing the Middle Class: Budget 2016*. <https://www.budget.gc.ca/2016/docs/plan/budget2016-en.pdf>
- Government of Canada (2017a), *2017-18 Estimates, Parts I and II. The Government Expenditure Plan and Main Estimates*. <https://www.canada.ca/content/dam/canada/tbs-sct/migration/hgw-cgf/finances/pgs-pdg/qpme-pdgbpd/20172018/me-bpd-eng.pdf>
- Government of Canada (2017b), *Building a Strong Middle Class: Budget 2017*. <https://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>
- Government of Canada (2017c), *Innovation and Skills Plan*. http://publications.gc.ca/collections/collection_2017/fin/F1-23-2017-1-eng.pdf
- Government of Manitoba (2017), *Responsible Recovery: Manitoba Budget 2017*. <https://www.gov.mb.ca/budget2017/index.html>
- Government of New Brunswick (2017), *Listening Getting Things and Done 2017-2018 Budget*. <http://www2.gnb.ca/content/gnb/en/departments/finance/budget/2017-2018/budget.html>
- Government of Newfoundland & Labrador (2017), *Budget 2017: Realizing Our Potential*. <http://www.budget.gov.nl.ca/budget2017/default.htm>
- Government of Northwest Territories (2017), *Budget 2017-2018 Highlights*. http://www.fin.gov.nt.ca/sites/default/files/documents/2017-18_budget_highlights_final_pdf.pdf

- Government of Nova Scotia (2017), *Budget 2017-2018: Opportunities for Growth*. <https://novascotia.ca/budget/documents/Budget-2017-2018.pdf>
- Government of Nunavut (2017), *2017-18 Budget Highlights*. https://www.gov.nu.ca/sites/default/files/files/Finance/Budgets/2017-18_budget_highlights_en_ik.pdf
- Government of Ontario (2017a), *Ontario Budget 2017: A Stronger, Healthier Ontario*. <https://www.fin.gov.on.ca/en/budget/ontariobudgets/2017/contents.html>
- Government of Ontario (2017b), *A plan for fair workplaces and better jobs (Bill 148)*, <https://www.ontario.ca/page/plan-fair-workplaces-and-better-jobs-bill-148>.
- Government of Prince Edward Island (2017), *Prince Edward Island Highlights 2017*. https://www.princeedwardisland.ca/sites/default/files/publications/prince_ward_island_budget_highlights_2017_web.pdf
- Government of Quebec (2017), *The Quebec Economic Plan*. http://www.budget.finances.gouv.qc.ca/budget/2017-2018/en/documents/EconomicPlan_March2017.pdf
- Government of Saskatchewan (2017), *Meeting the Challenge: Provincial Budget 2017-2018*. <http://www.finance.gov.sk.ca/budget2017-18>
- Government of Yukon (2017), *Budget Highlights 2017/18: Building a Better Yukon*. http://www.finance.gov.yk.ca/pdf/budget/201718_Budget_highlights.pdf
- Griffith, A (2017), "Building a Mosaic: The Evolution of Canada's Approach to Immigrant Integration",
- Migration Policy Institute (MPI) <https://www.migrationpolicy.org/article/building-mosaic-evolution-canadas-approach-immigrant-integration>
- ICTC (2017), *The next talent wave: navigating the digital shift – Outlook 2021*. https://www.ictc-ctic.ca/wp-content/uploads/2017/04/ICTC_Outlook-2021.pdf
- IMF (2018), *World Economic Outlook Update*. January 2018. <https://www.imf.org/en/Publications/WEO/Issues/2018/01/11/world-economic-outlook-update-january-2018>.
- IRCC (2016a), "Immigrant Integration in Canada: A whole-of-society approach to help newcomers succeed". Presented at Pathways to Prosperity Conference December 1 – 2, 2016.
- *Presented by Corinne Prince-St-Amand, Director General, Integration-FCRO, IRCC*. <http://p2pcanada.ca/wp-content/blogs.dir/1/files/2016/12/Corinne-Prince-ENG-p2p1026.pdf>
- IRCC (2016b), *Evaluation of the Resettlement Programs (GAR, PSR, BVOR and RAP)*, Evaluation Division, July 2016 <https://www.canada.ca/content/dam/ircc/migration/ircc/english/pdf/pub/resettlement.pdf>
- IRCC (2017), *Immigration, Refugees and Citizenship Canada Departmental Plan 2017-2018*. <https://www.canada.ca/content/dam/ircc/migration/ircc/english/pdf/pub/dp-pm-2017-2018-eng.pdf>

- Lamb, C. (2016), The talented Mr Robot: the impact of automation on Canada's workforce. Brookfield Institute for Innovation + Entrepreneurship (BII+E). <http://brookfieldinstitute.ca/wp-content/uploads/2016/06/TalentedMrRobot.pdf>
- Mahboubi, P. and C. Busby (2017), "Closing the divide: progress and challenges in adult skills development among indigenous peoples" CD Howe Institute, E-Brief, 6 September 2017.
- OECD (2016), Recruiting for success: Challenges for Canada's Labour Migration System. <https://www.oecd.org/els/mig/recruiting-for-success-Canada.pdf>
- OECD (2018a), Gross domestic product (GDP) (indicator). doi: 10.1787/dc2f7aec-en (Accessed on 20 February 2018). <https://data.oecd.org/gdp/gross-domestic-product-gdp.htm#indicator-chart>
- OECD (2018b), Real GDP forecast (indicator). doi: 10.1787/1f84150b-en (Accessed on 20 February 2018). <https://data.oecd.org/gdp/real-gdp-forecast.htm#indicator-chart>
- Oschinski, M. and Wyonch, R. (2017) Future Shock?
- The Impact of Automation on Canada's Labour Market. Commentary No. 472, CD Howe Institute. https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Update_Commentary%20472%20web.pdf
- Policy Horizons Canada (2015), ICTC (2017), *Metascan 4: The future of Asia – implications for Canada. A Foresight Study*. Policy Horizons Canada, Government of Canada. (<http://www.horizons.gc.ca/en/content/policy-challenges-and-opportunities-canada-3>).
- Randstad (2017), Global Report: Randstad Workmonitor Q4 2017 - Who's responsible for employability? Economic and financial outlook for 2018. <https://cdn2.hubspot.net/hubfs/481927/Randstad%20Workmonitor%20global%20report%20Q4%20-%20Dec2017.pdf?submissionGuid=cd246cff-6e14-45ac-b0df-e99ec3d3a064>
- RBC (2017), Provincial Outlook, December 2017. RBC Economics Research. <http://www.rbc.com/economics/economic-reports/provincial-economic-forecasts.html>.
- Robson, W., C. Busby, A. Jacobs (2017). "The fiscal implications of Canadians' working longer" CD Howe Institute, E-Brief, 21 November 2017.
- Statistics Canada (2017), "Gross domestic product, income and expenditure, third quarter 2017", The Daily. <http://www.statcan.gc.ca/daily-quotidien/171201/dq171201b-eng.pdf>
- KPMG (2014) Technology readiness assessment of automation and robotics in the food and beverage processing sector in Canada, [https://www.ic.gc.ca/eic/site/026.nsf/vwapj/2016-07-21-TRA-PDF_WEB-ENGLISH_FINAL.pdf/\\$file/2016-07-21-TRA-PDF_WEB-ENGLISH_FINAL.pdf](https://www.ic.gc.ca/eic/site/026.nsf/vwapj/2016-07-21-TRA-PDF_WEB-ENGLISH_FINAL.pdf/$file/2016-07-21-TRA-PDF_WEB-ENGLISH_FINAL.pdf)

DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT ECONOMIC AND SCIENTIFIC POLICY **A**

Role

Policy departments are research units that provide specialised advice to committees, inter-parliamentary delegations and other parliamentary bodies.

Policy Areas

- Economic and Monetary Affairs
- Employment and Social Affairs
- Environment, Public Health and Food Safety
- Industry, Research and Energy
- Internal Market and Consumer Protection

Documents

Visit the European Parliament website:
<http://www.europarl.europa.eu/supporting-analyses>



ISBN 978-92-846-2864-3 (paper)
ISBN 978-92-846-2863-6 (pdf)

doi:10.2861/248952 (paper)
doi:10.2861/866107 (pdf)

