

Fact Sheet #4

Quality of Employment a Growing Concern

The quality of employment is another important labour market indicator.¹⁶ New research is highlighting the role of economic downturns in fuelling job polarization through elimination of middle-income, skilled jobs.¹⁷ This was certainly the case in Canada in the early 1990s and more recently, in 2008–09. While some well-paid sectors such as natural resources, health care, and construction have bounced back, the trend toward non-standard work continues with the increase in temporary work and the erosion of workplace benefits – especially for young workers. Those searching for work increasingly face the stark choice between precarious work – at lower levels of pay – or no work.

Growth in temporary employment driving job gains

- The growth of temporary employment – contract, casual, or temporary – has dominated job statistics since the end of the recession. In 2011, about 219,000 more Canadians were employed than in 2008, but the number of permanent jobs was still 50,000 less.¹⁸
- These numbers reflect a modest increase in self-employment of almost 50,000¹⁹ and a large increase in temporary employment of over 220,000.
- 2012 was a much more positive year with a significant rise in permanent employment of 185,000, regaining the ground lost as a result of the recession.

Rate of temporary employment has been trending up over time

- Overall, the rate of temporary employment has been increasing steadily over several years. The rate has increased by 23.3% since 1997 – and by 10.9% since 2008 – reaching 11.5% in 2012.²⁰
- There have been large increases in temporary employment in many industrial sectors over the 1997–2012 period, notably in services such as education (100.5%), health care (92.1%), and professional, scientific, and technical services (83.5%), and goods-producing sectors such as utilities (91.9%) and construction (57.2%).
- On average, temporary employees earn less than permanent employees (\$19.28/hour compared to \$23.94/hour in December 2012).²¹ Temporary employees also do not have the same access to employment benefits such as health insurance and employee pension plans.

Employment by class of worker and job permanency, population aged 15 years and over, 2008–2012

	2008	2009	2010	2011	2012
Number (x 1,000)					
Total Employed	17,087	16,813	17,041	17,306	17,508
Employees	14,464	14,124	14,371	14,636	14,841
Permanent Employees	12,687	12,355	12,449	12,637	12,821
Temporary Employees	1,777	1,769	1,922	1,999	2,020
Self-employed	2,623	2,689	2,670	2,670	2,667
Share of Total Employment (%)					
Employees	84.6	84.0	84.3	84.6	84.8
Permanent Employees	75.2	72.1	73.9	74.2	74.1
Temporary Employees	10.5	10.3	11.4	11.7	11.7
Self-employed	15.4	16.0	15.7	15.4	15.2

Statistics Canada, Table 282-0012 – Labour force survey estimates (LFS), employment by class of worker, North American Industry Classification System (NAICS) and sex; Table 282-0080 - Labour force survey estimates (LFS), employees by job permanency, North American Industry Classification System (NAICS), sex and age group, annual

Largest increases in temporary work among older workers

- Like part-time work, temporary work is concentrated among young workers. Three in ten workers aged 15 to 24 (29.8%) are engaged in temporary work compared to less than 10% of workers over 25.²²
- However, the greatest increase in temporary work since 2008 has been among older workers. The number of temporary jobs has grown by 16.5% among workers aged 25 to 54 years and by 33.8% among workers aged 55 and older.

Self-employment stable at 15% of labour market

- Self-employment is another form of precarious employment. After an increase in the number of self-employed between 2008 and 2009, the level fell back to 2008 levels. In 2012, 15.2% of all workers were self-employed.²³ On average, the self-employed earn less than 80% of the income of paid employees.

CIBC Employment Quality Index confirms rise in precarious employment

- The CIBC produces an Employment Quality Index (EQI) that combines three measures of quality: the part-time/full-time distribution (see Fact Sheet #5); the composition of paid employment and self-employment; and the relative compensation of a full-time paid employment job.
- Since 1988, the EQI has been on a steady downward course.²⁴ The post-recessionary period has been marked with gains one year and losses the next with the ebbs and flows of the labour market. The slowing global economy and impact of public sector downsizing are two significant barriers to further improvement in the quality of employment in Canada.²⁵

Temporary employment continues to rise after recession

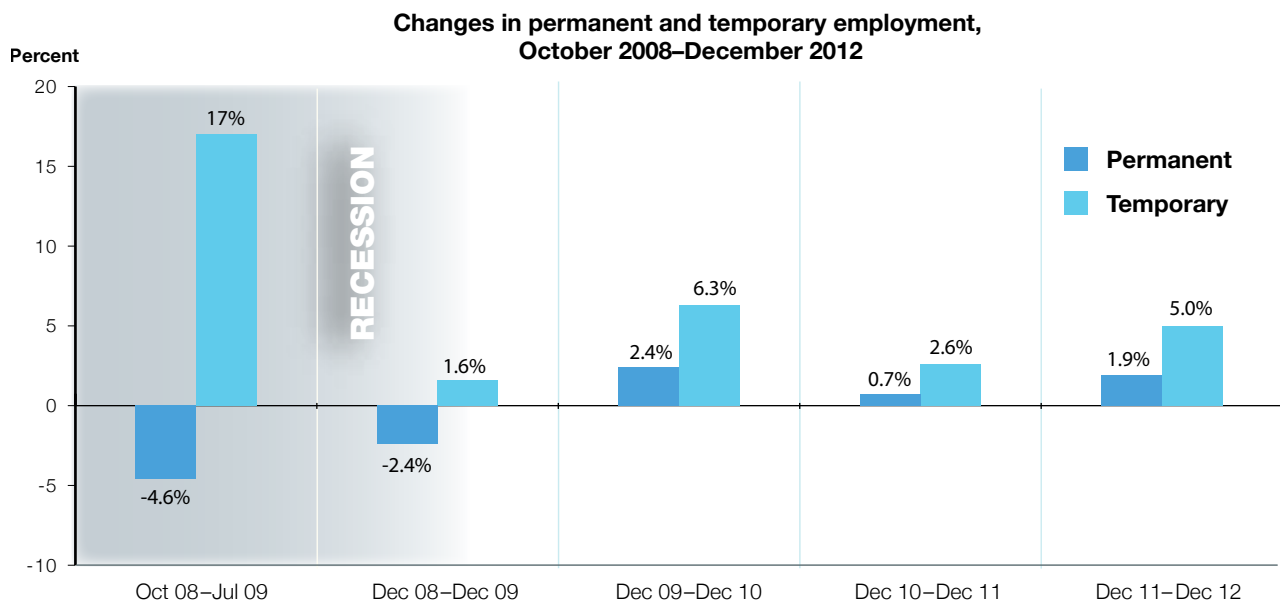


Table 282-0073 Labour force survey estimates (LFS), wages of employees by job permanence, union coverage, sex and age group, unadjusted for seasonality, monthly (data in thousands)