



For immediate release

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Job Numbers: the federal government does not care about good jobs that pay good wages

OTTAWA – Thirty-five thousand Canadians lost their jobs last month in the manufacturing sector. A sector where the average wage is \$20.68 – Statistics Canada’s *Labour Force Survey* for February once again highlights the hardship of thousands of Canadians who are losing good jobs that pay good wages in the goods production sectors and will have to lower their expectations because the economy now creates jobs that pay less and are often more precarious. (Check below for the detailed analysis of economist Erin Weir, including information about some industrial cities.)

“As much as we want to acknowledge the country’s job creation performance, the numbers show that the federal government does not care about good jobs that pay good wages. The government has abandoned working families with its refusal to promote the idea that full-time work should bring economic security and improve the quality of life. The country needs a plan, a long-term jobs strategy, especially for vulnerable manufacturing and resources sectors, to raise and sustain the standard of living of working families,” says Ken Georgetti, president of the Canadian Labour Congress.

The unemployment numbers – In February 2007, last month, the unemployment rate edges down to 6.1% from 6.2% the previous month. Most of the gains were in the service sector. One quarter of the new jobs created this year came in the form of self-employment, and the proportion of part-time jobs is also increasing. The manufacturing sector, most glaringly in Quebec but also in Alberta is still bleeding jobs; nearly a quarter of a million jobs have been lost in that sector since November 2002. Youth unemployment, though still high at 11%, is a bit of a bright spot; this is the lowest rate in a decade and a half. Last month, the number of Canadians who wanted to work but did not have a job stood at 1,084,000.

Economic Erin Weir’s Analysis

Manufacturing Crisis Deepens

Canada lost 35,000 manufacturing jobs between January and February. This staggering one-month decline pushes the cumulative loss to 250,000 since Canadian manufacturing peaked in November 2002.

Most of February's devastating decline took place in Quebec, which lost 33,000 manufacturing jobs. In previous months, gains in western Canada offset losses in central Canada. However, Alberta lost further 6,000 manufacturing jobs in February. Nova Scotia and British Columbia each lost fewer than 1,000 manufacturing jobs, while in New Brunswick, Ontario and Manitoba each gained fewer than 1,000 jobs.

Self-Employment

An increase in service-sector employment masked the ongoing manufacturing crisis. However, two-thirds of the new jobs created in February were self-employed positions as opposed to paid positions. While the number of self-employed Canadians grew by more than 9,000, the number of employees rose by fewer than 5,000 nationwide.

Wages

Nationally, average hourly wages rose by 2.8% between February 2006 and February 2007. Outside of western Canada, this increase was only 1.8% which barely exceeds inflation. Newfoundland and Labrador's average wage declined in absolute terms, even before taking account of inflation.

Unemployment: The Full Picture

In recent years, bank economists have emphasized the seemingly large number of jobs created and the unemployment rate's decline to a 30-year low. However, these national statistics mask the ongoing manufacturing crisis in central Canada. The February issues of Statistics Canada's Canadian Economic Observer notes that, since 2000:

- Unemployment rates increased in Canada's two largest cities: Toronto and Montreal;
- Ontario's overall unemployment rate jumped dramatically from 5% to 9%; and
- The unemployment rates of Oshawa, Hamilton, St. Catharines-Niagara, London, and Thunder Bay rose less dramatically.

The national unemployment rate of about 6% emphasized by the Labour Force Survey excludes discouraged and underemployed workers. Calculations including these workers reveal a national rate of about 9%.

Inequality

While national unemployment may have reached a 30-year low, the gap between rich and poor has reached a 30-year high. A study released by the Canadian Centre for Policy Alternatives this month reveals that:

- In 2004, the richest 10% of Canadian families received 82 times more income than the poorest 10% (this ratio is three times larger than in 1976);
- The richest 10% of families are earning significantly higher incomes than in 1996 without working more hours; and
- The remaining 90% of families are working an average of 200 more hours per year than in 1996 without earning appreciably more income.

The Canadian Labour Congress, the national voice of the labour movement, represents 3.2 million Canadian workers. The CLC brings together Canada's national and international unions along with the provincial and territorial federations of labour and 136 district labour councils. Web site:

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