



Canadian Labour and Business Centre  
Centre syndical et patronal du Canada

# **Socio-Economic & Labour Market Challenges**

## **A National Perspective**

Shirley Seward, CEO  
Canadian Labour and Business Centre

Nova Scotia Tripartite Forum  
Halifax, July 5, 2005



# Canada Performing Well on Several Fronts

- Canada had the highest rate of GDP growth among the G8 countries between 2000 and 2004
- Canada's debt to GDP ratio at its lowest level since 1983-84
- Canada leads the G8 and OECD countries in the percentage of the population aged 25 to 64 with a post-secondary diploma or degree
- Unemployment rate among its lowest recorded levels in 30 years



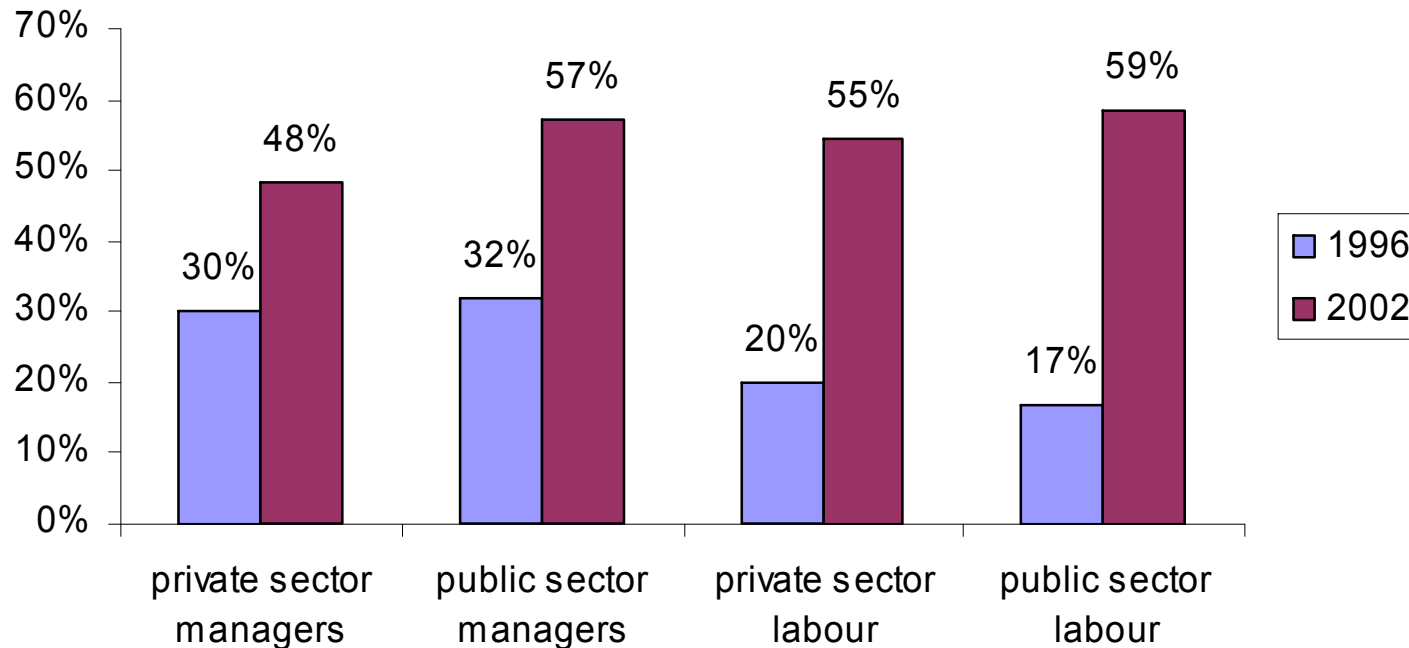
## National Economic and Labour Market Challenges and Areas of Concern

- Globalization and Competitiveness
- Productivity
- Innovation and Technological Change
- Learning and skills development (literacy, adult education and training)
- Equity issues (human capital haves and have nots)
- Increasing Competition for Foreign Trained Workers
- Labour Force Demographics
- Skill Shortages



# Shortage of Skilled Labour

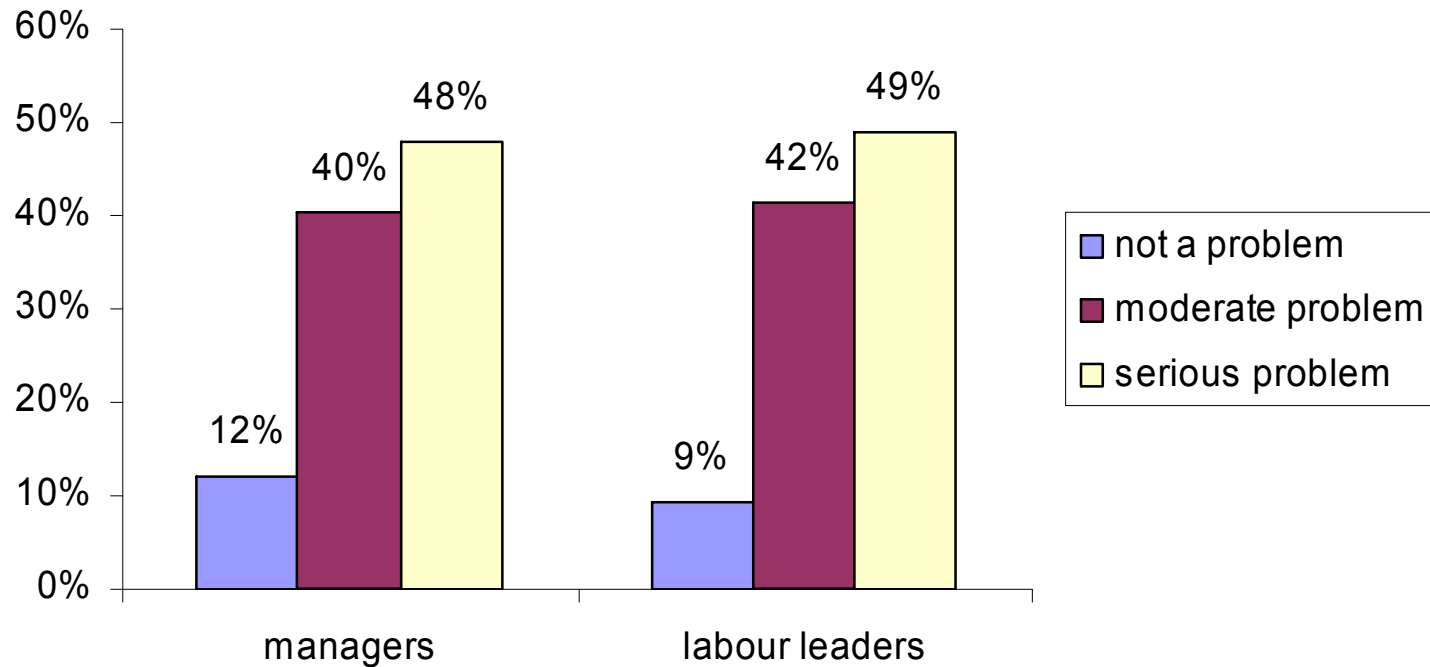
% of business and labour leaders saying it is a “serious problem” is on the rise



Source: CLBC, Viewpoints Survey



## High Level of Concern about Skill Shortages among Managers and Labour Leaders in Nova Scotia



Source: CLBC, 2002 Viewpoints Survey

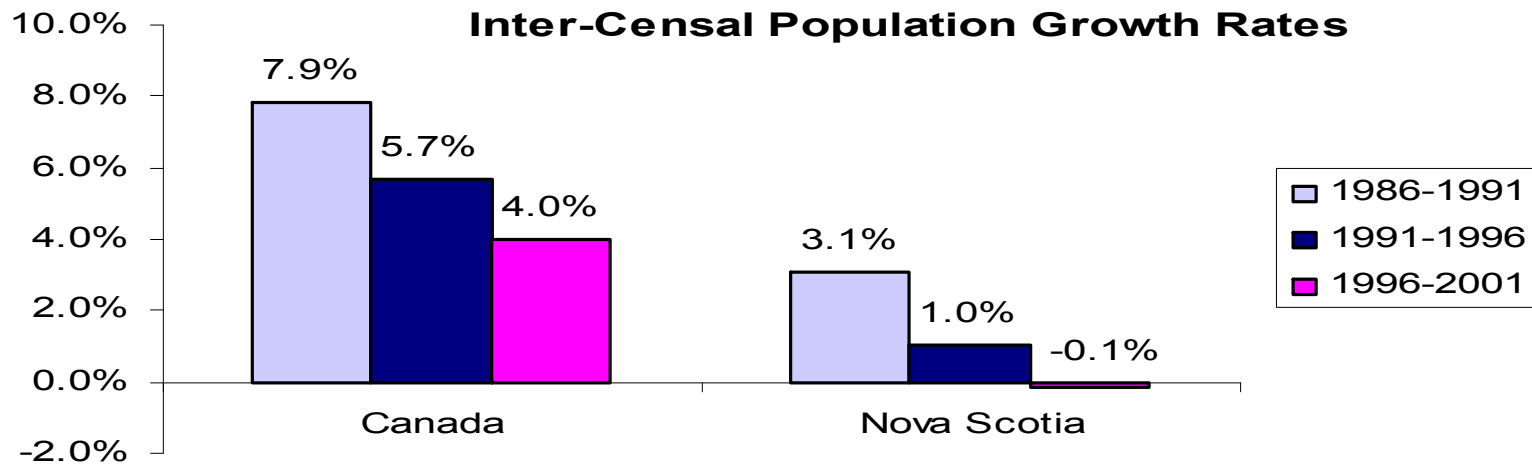


# Underlying Demographic Trends in Canada are Heightening the Skills Challenge

- Slowing population growth
- Projected decline in working age population after 2016
- A rapidly increasing “near-retirement” population
- Growing reliance on immigration for labour force growth



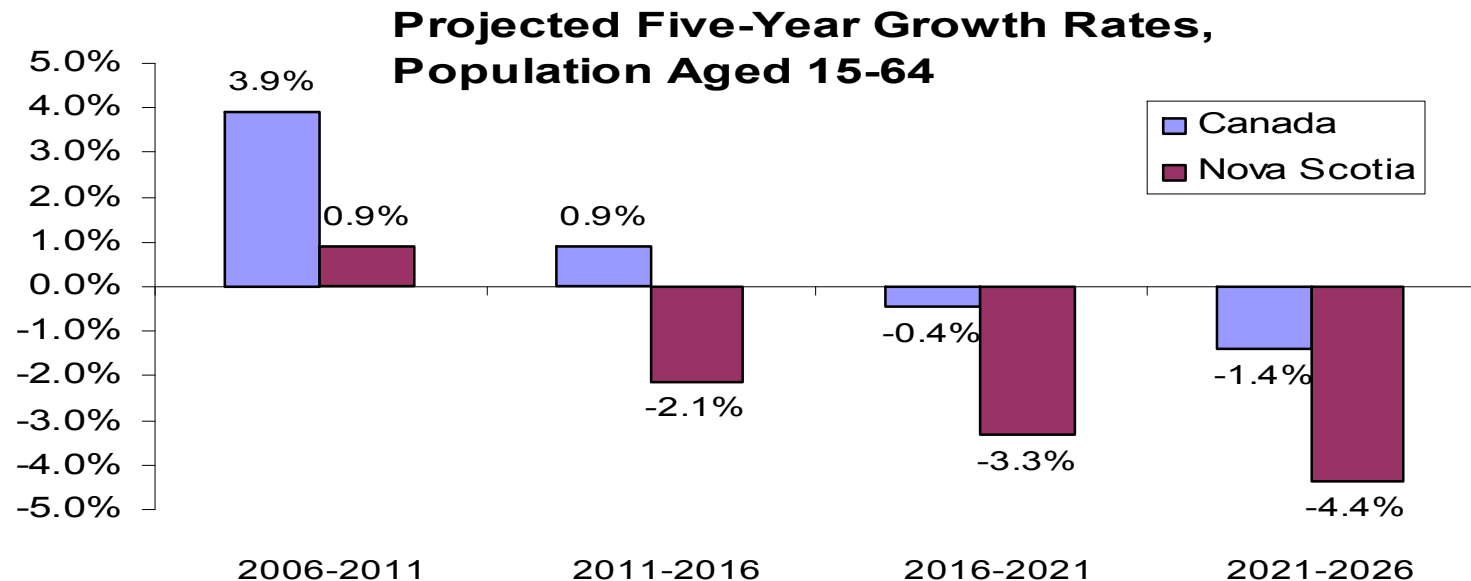
# Demographic Trends (1): Population Growth is Slowing



- Nova Scotia's population growth rate is below the national rate, and was negative between 1996 and 2001
- Canada's fertility rate is well below replacement level; Nova Scotia has second lowest rate among provinces



## Demographic Trends (2): Projected decline in the working age population



- In Nova Scotia, the decline in the working age population will happen sooner and be more pronounced than in Canada overall
- Nova Scotia's dependency ratio (the percentage of children and elderly to the total working age population 15-64) is projected to increase from 45.3% in 2006 to 60.0% in 2026



## Demographic Trends (3): Canada and Nova Scotia have rapidly increasing near-retirement populations

	Canada	Nova Scotia
Percentage increase in the number of workers less than 55 years of age (1998-2004)	9.8%	7.3%
Percentage increase in the number of workers age 55 and over (1998-2004)	50.1%	61.7%
Number of workers aged 55 and over (2004)	2,088,500	56,600
Percentage of workers within 10 years of the median retirement age (1987)	11.4%	10.2%
Percentage of workers within 10 years of the median retirement age (2002)	19.8%	21.6%

Source: Statistics Canada, Labour Force Survey and Perspectives on Labour and Income, Feb., 2004.



## Demographic Trends (4): Growing Reliance on Immigration for Labour Force Growth

	Canada	Nova Scotia
Labour Force in 1991	14,474,940	447,525
Labour Force in 2001	15,872,070	451,375
Labour force growth, 1991-2001	1,397,130	3,850
Recent Immigrants (1991-2001) in the labour force	977,555	4,770
Recent Immigrants as % of labour force growth	70%	124%

- In Canada, immigration represented 70% of net labour force growth between 1991 and 2001
- In Nova Scotia, where the labour force increased by less than 1% between 1991 and 2001, immigration accounted for all net labour force growth

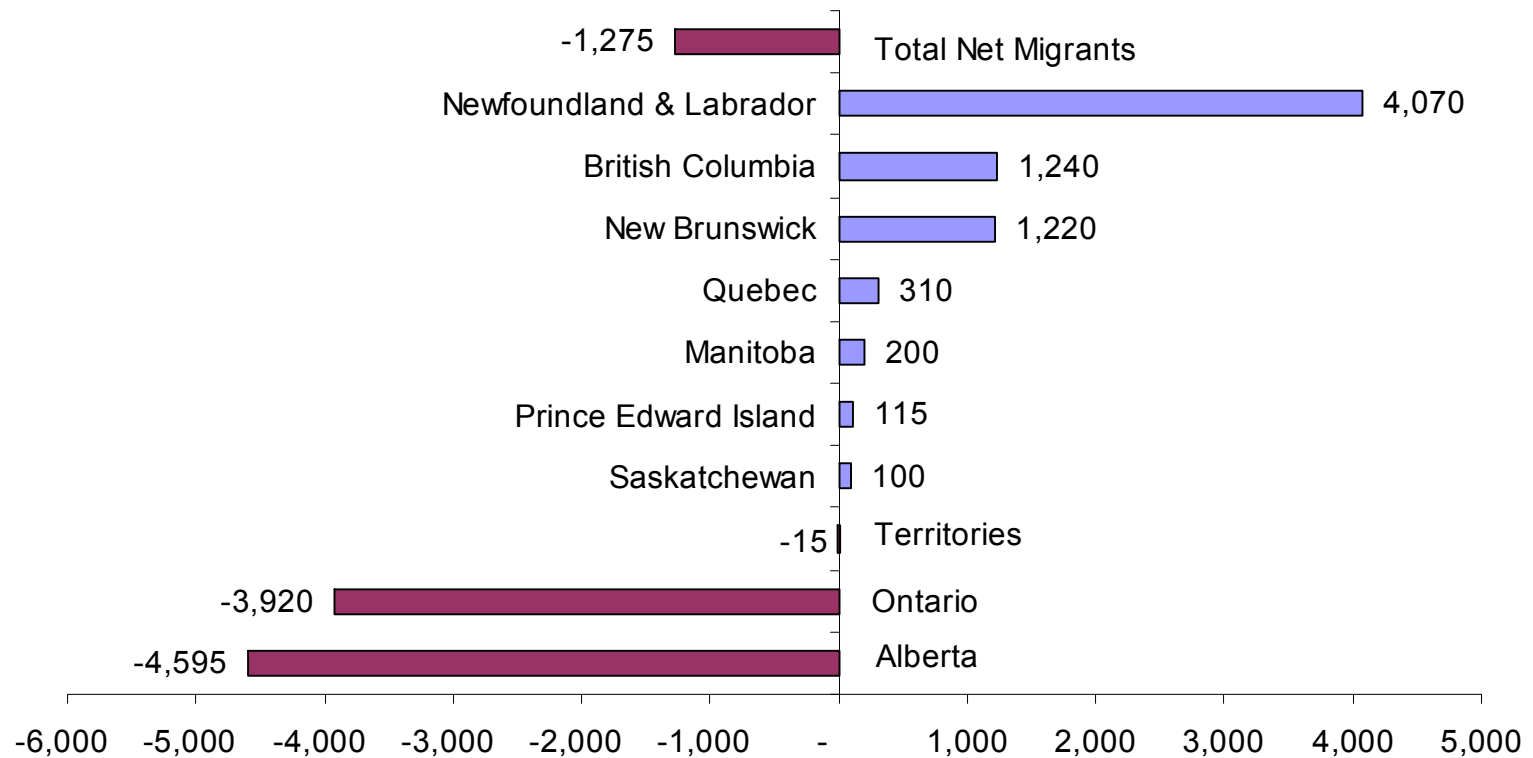


# Rising Education and Skill Requirements

- Between 1991 and 2001, managerial and professional occupations requiring university, college or apprenticeship training account for 74% of Canada's labour force growth (Statistics Canada)
- The number of workers with a university degree increased by 49% between 1994 and 2004 (36% in Nova Scotia), while the number of workers with less than high school declined by 25% (29% in Nova Scotia)



# Net Migration between Nova Scotia and other Provinces and Territories, 1996-2001\*



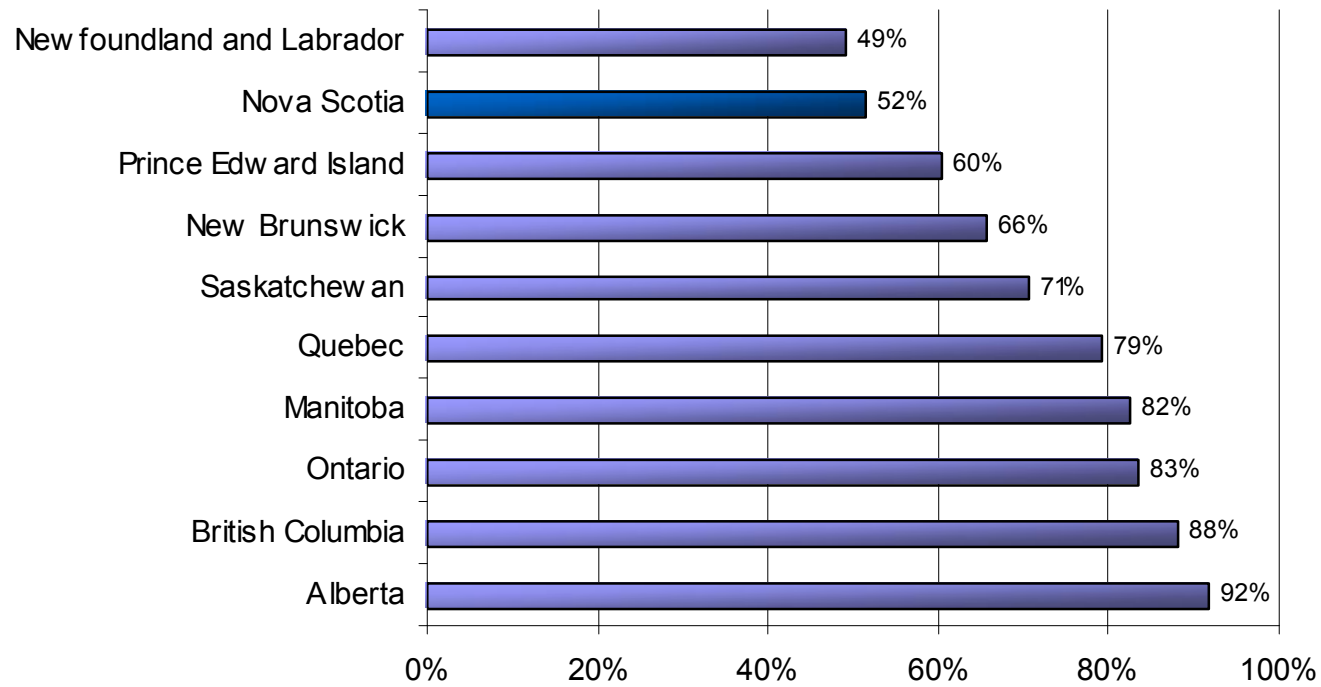
\*Excludes persons who were not living in Canada in 1996

Source: Statistics Canada, Catalogue 96F0030XIE2001006



# “Retention Rates” – Recent Immigrants (1996-2001) by Province

Recent Immigrants Living in a Given Province as a Percentage of Immigrants who Intended to Live in that Province When They Landed



Source: Prepared by the Canadian Labour and Business Centre  
using Citizenship and Immigration Canada data and Statistics Canada, Census data

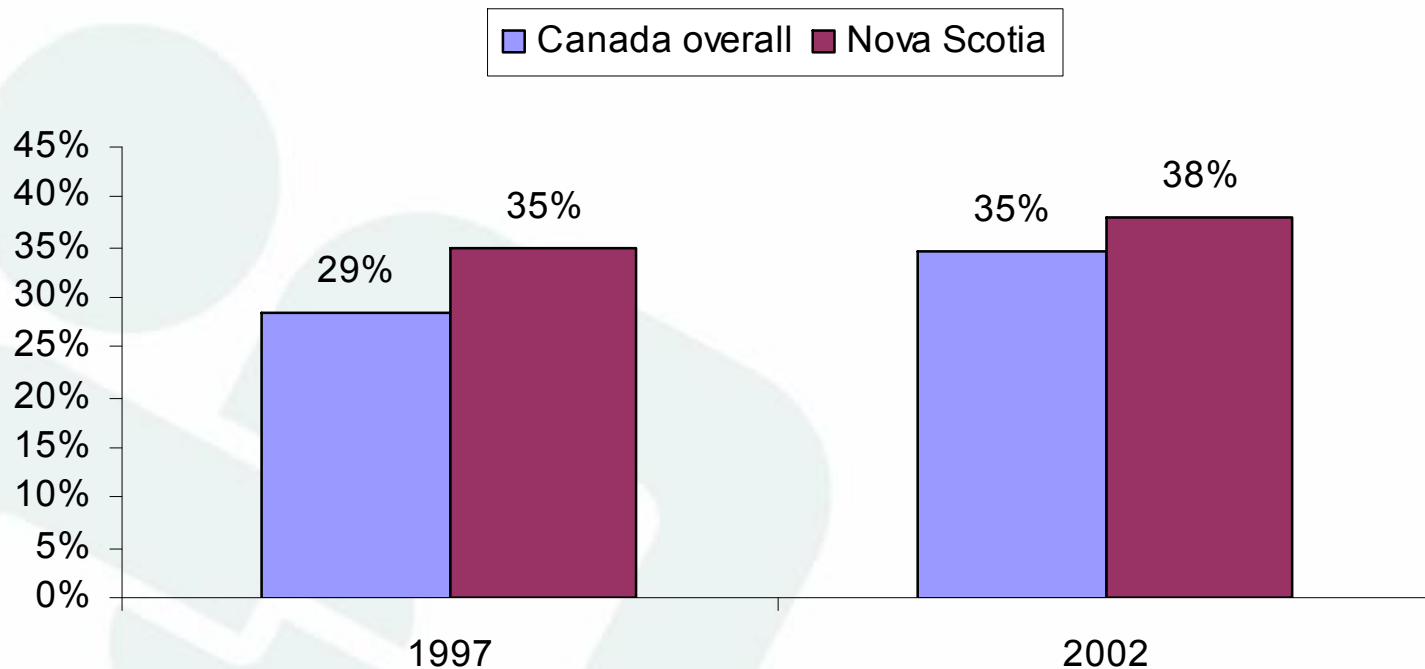


## Managers and Labour Leaders in Canada Agree on Top 5 Actions to Address Skills Requirements

Ranking based on percent saying action is “very important”	Managers	Labour Leaders
Upgrading Skills of Current Employees	1	1
Improve Succession Planning	2	3
Mentoring of Young Workers by Older Workers	3	2
Specific Measures to Retain Current Employees	4	5
Hiring Young Labour Market Entrants	5	4

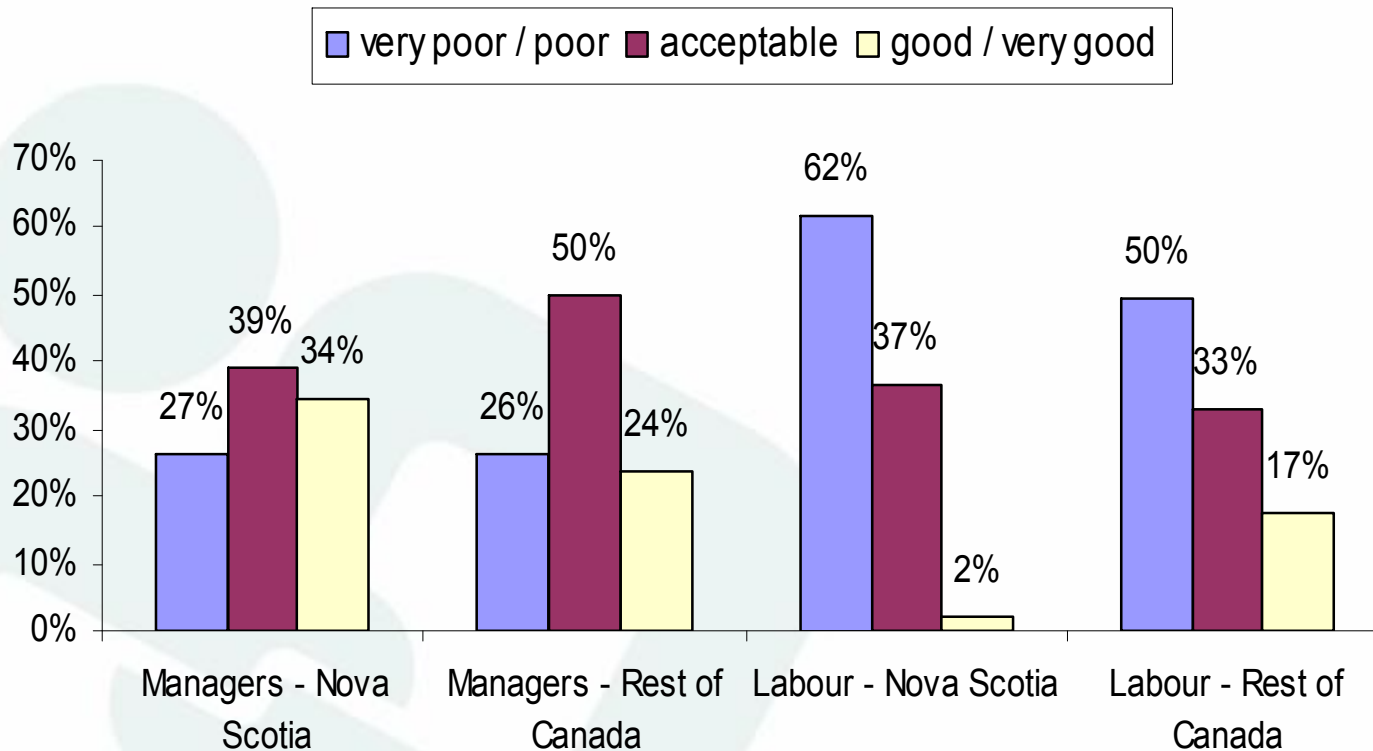


# Participation rate in formal job-related training, Canada and Nova Scotia, 1997 and 2002





# Perspectives on the State of Labour Management Relations, 2002

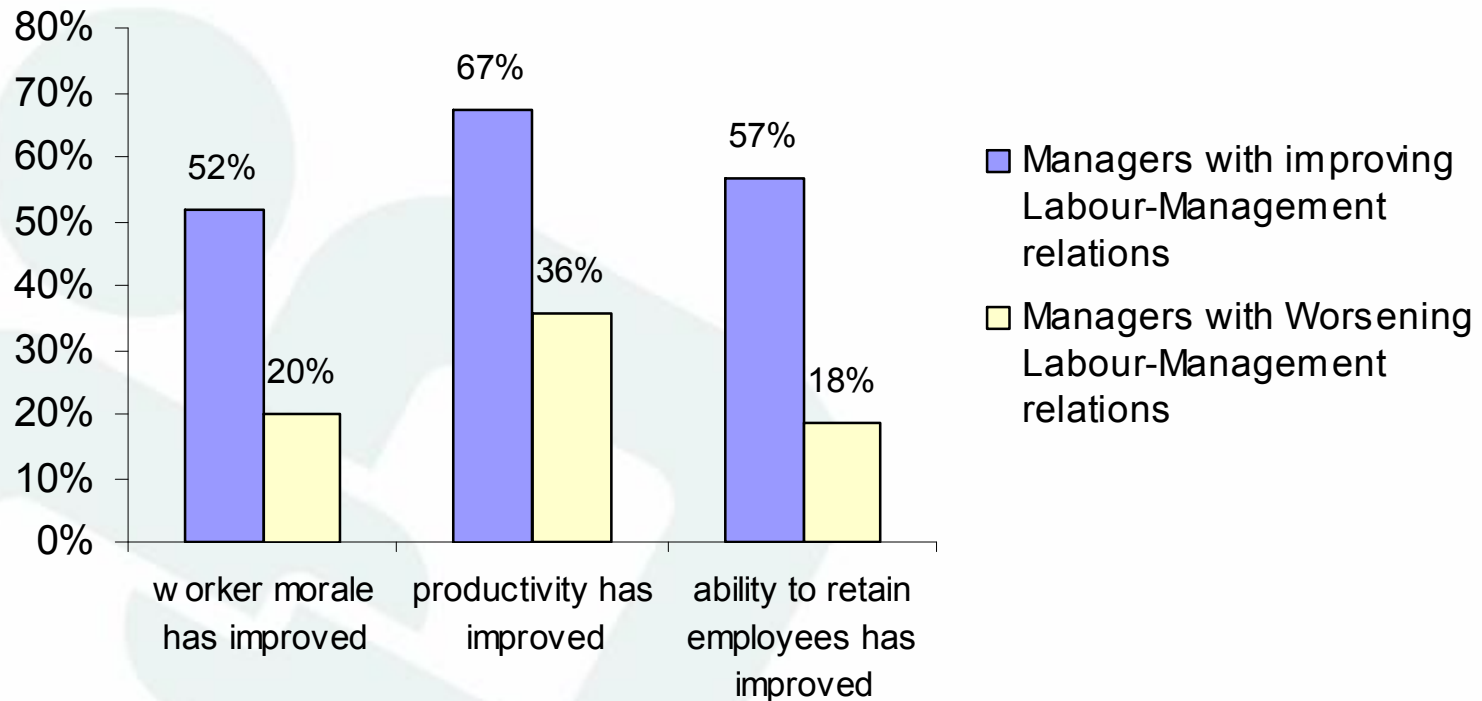


Source: CLBC, 2002 Viewpoints Survey



## Does it matter?

# The Impact of Labour-Management Relations on Workplace Performance – Managers' View

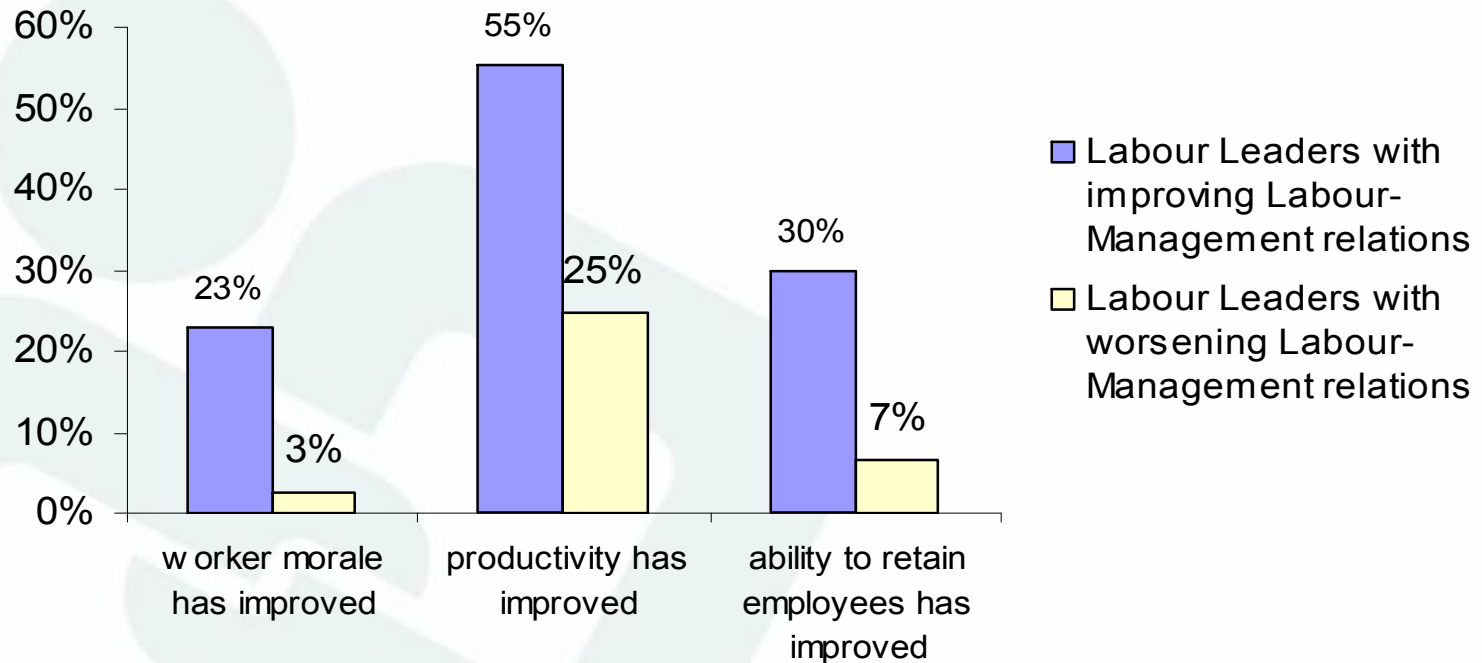


Source: CLBC, 2002 Viewpoints Survey



## Does it matter?

# The Impact of Labour-Management Relations on Workplace Performance – Labour View



Source: CLBC, 2002 Viewpoints Survey



# Summary and Key Observations

- Relative to G8 and OECD countries, Canada is performing well in terms of economic growth, national debt, formal levels of educational attainment and employment
- Continuing cause for concern around global competition and productivity, learning and skills development, workforce demographics and skill shortages
- All provinces, including Nova Scotia are facing a demographic crunch; concern about skill shortages on the rise
- Business, labour and public sector leaders agree that upgrading skills of current employees through training is the #1 required action to meet future skill requirements
- Multipartite collaboration and partnerships offer great advantages in dealing with today's economic, labour market, and skills challenges



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Thank You!  
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