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Table of contents

[Statistical Profile of Canada's Children](#)
[Linking Home Environment and Child Development](#)
[Flexible Work Arrangements - Gaining Ground](#)
[The Canada-U.S. Unemployment Rate Gap](#)
[Canadians Want to Work More, Not Less](#)
[Many Drop-Outs Go Back to School](#)
[Welfare Rates Affect Single Mothers' Labour Force Participation](#)
[More Job Loss Concentrated Among Older Workers](#)
[Structural Change and Employment in Canada: Knowledge in the Driver's Seat](#)
[No Need to Cross the Street: Aggression Decreases as Children Grow Older](#)
[Children at Risk are Found in All Family Types](#)
[Measuring Schools' Performance](#)
[Sector Councils: Tackling the Challenges of Human Resource Development in the Private Sector](#)
[Social Indicators: What Are They All About?](#)
[List of Studies Presented in this Bulletin](#)

Statistical Profile of Canada's Children

Last November, Statistics Canada and Human Resources Development Canada (HRDC) released *Growing Up in Canada*, a compendium of studies based on the first wave of data from the National Longitudinal Survey of Children and Youth (NLSCY). This edition of the *Bulletin* presents several articles based on those studies, which were performed by several experts on child development.

The first wave of the NLSCY gives decision makers, policy specialists and front-line practitioners an in-depth statistical portrait of Canada's 4.67 million children and their families.

"While there is broad agreement that what a child experiences in his or her environment is important, there is much that we don't know about the specifics or pathways of how environment affects child development," wrote David P. Ross, Katherine Scott and Mark Kelly in an overview of the survey.

"The power of the NLSCY is that it is going to allow us to turn this static snapshot into a 'video'. We will be able to follow these same ... children for years, which will allow us to figure out how not only low income, but (also) other influences on their lives, are affecting their development. Or if they escape from the adverse influences of poverty, what 'protective' factors contributed"

The survey brought together data on 22,831 children aged zero to 11 years. The NLSCY will track the children at two-year intervals until they reach adulthood. Results were based on interviews with the "Person Most Knowledgeable" about each child, supplemented by questionnaires completed by 10 and 11-year-olds, teachers, and school principals.

Most children in Canada are physically, emotionally and socially healthy.

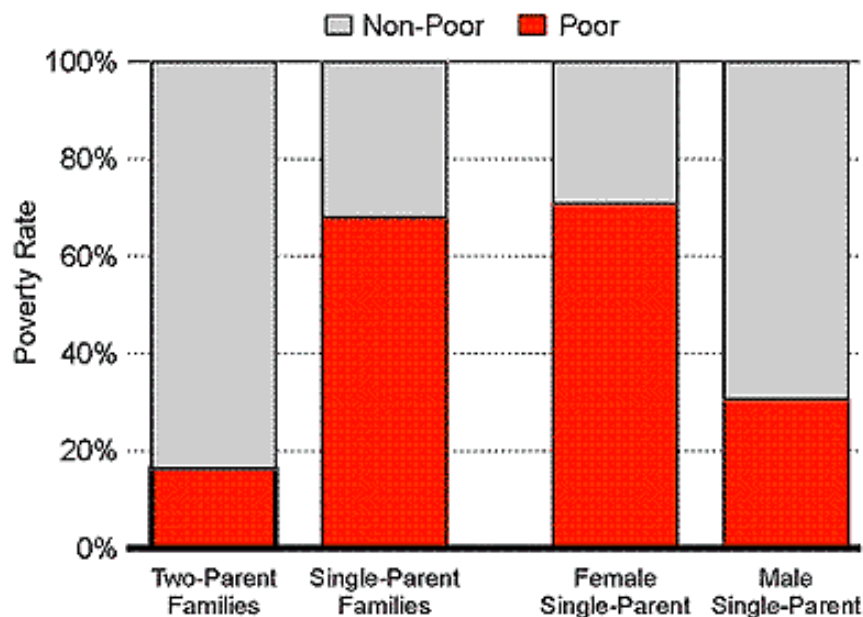
"On the whole, we found that children in Canada are physically, emotionally and socially healthy," the authors reported. "But averages almost always conceal disparities, and in the survey results we see that a number of children were experiencing difficulties" which could lead to ill health, poor school performance, unsatisfactory social relationships, and fewer job opportunities in the future.

Based on the NLSCY and other research, the study team reported that:

- Children aged zero to 11 made up 16 percent of Canada's population in 1994, reflecting a dramatic drop in Canada's fertility rate since the height of the baby boom in the late 1950s.
- 82 percent of children live in urban centres. "The romantic vision of small, tightly-knit communities is no longer the Canadian reality," the overview report noted. "Living in cities has many advantages (but) is also associated with smaller families, higher divorce rates, social and economic mobility, and a diminished sense of community. City living today offers children and families at least as many challenges as it does opportunities."
- Children make up a much larger proportion of the population in aboriginal communities. Surveys conducted in 1986 and 1991 found that nearly 40 percent of people living in Indian reserves and Inuit communities were under the age of 15, and 60 percent were under 25.
- Between 1961 and 1994, the proportion of children living with a lone parent virtually doubled, from 11 percent to 20 percent. Since the first wave of the survey could provide only a snapshot of the population, the overview stated, "many of the younger children in the survey will likely experience the separation or divorce of their parents at some point in the future". Over time, the accumulation of NLSCY data will make it possible to trace the movement of children through different families and identify any impacts on child development.
- Mothers' average age at the birth of their first child increased from 23.3 in 1971 to 26.6 in 1992. "One implication of this is that many more children are likely to live in families where one or both parents have a more secure footing in the labour market - and hence relatively higher incomes." While the majority of children live with mothers and fathers aged 30 to 39, 35 percent of children in lone-parent families are being raised by a young parent - almost always the mother.

Child Poverty by Family Type

Children Aged 0-11, 1994-1995



Note: Poverty is measured using Statistics Canada's Low-Income Cut-Off Lines.

Source: NLSCY

- 17 percent of children in two-parent families and 68 percent of children in single-parent families were living in poverty, based on Statistics Canada's 1994 Low-Income Cut-Off Lines (LICO). Infants were over 20 percent more likely than 11-year-olds to be living in poverty, primarily because younger families have higher poverty rates. One in ten Canadian children live in households that are supported primarily by social assistance.

17% of children in two-parent and 68% in single-parent families live in poverty.

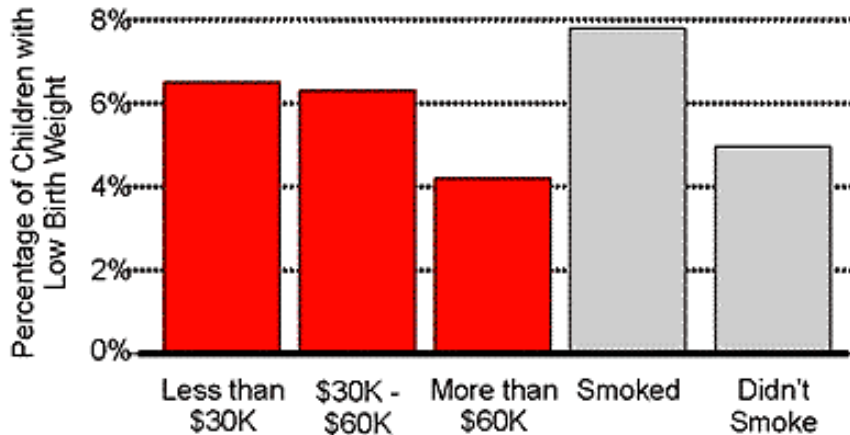
- Only 0.4 percent of children live with teen mothers. "However," the overview report stated, "even though the numbers were relatively small, this group of children demands particular attention because of the heightened risk of growing up in a poor household and having poor child outcomes."
- Child outcomes were examined in the areas of emotional and behavioural functioning, academic functioning

and social functioning. Most children had no problems in these areas - only 26 percent had one or more problems.

- About 10 percent of Canadian babies are born prematurely, and 5.7 percent had a low birth weight. "There is a well-established link between important indicators of health at birth - such as low birth weight and prematurity - and health and social problems later in life," the authors of the report stated. Also, the NLSCY corroborated past research linking low household income and mothers who smoked during pregnancy with a higher incidence of low birth weight.

Association of Low Birth Weight with Household Income and Mother's Smoking During Pregnancy

1994-1995

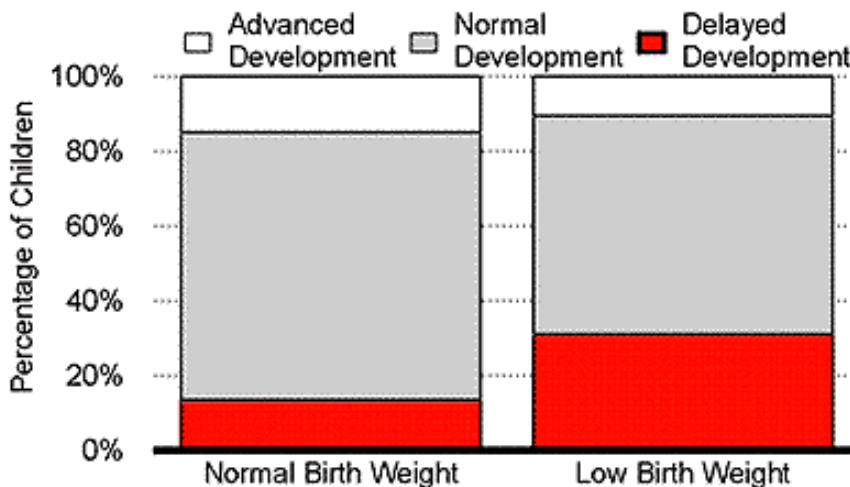


Source: NLSCY

- Up to the age of three, equal numbers of girls and boys "fell within the band of normal (motor and social) development." However, more girls than boys are considered advanced, and more boys were found to be delayed in their development. Children who were born with low birth weights are more than twice as likely to be assessed as developmentally "delayed."

Children's Motor and Social Development by Birth Weight

Ages 0-3, 1994-1995



Source: NLSCY

- At the time of the survey, about 32 percent of Canadian children aged zero to 11 years were enrolled in some form of child care while their parents worked or studied. Of those who were not, almost 40 percent had been in

child care at some point in the past.

- A series of questions addressed to ten- and 11-year-olds revealed that few pre-teens found their relationships with parents to be negative or hostile, and most "adopt a caring attitude towards others". Indeed, the children's survey responses indicated that they cared more about others than their parents may have realized.

Linking Home Environment and Child Development

Decisions by families, communities and societies have a tangible, measurable impact on child development, according to the first wave of research results generated by the National Longitudinal Survey of Children and Youth (NLSCY).

"Children sit at the centre of overlapping social, economic, cultural and spiritual environments," according to an NLSCY overview produced by David P. Ross, Katherine Scott and Mark Kelly. "The task facing families, communities, and society at large is to create environments that assist children in confronting their difficulties and in fostering their strengths and capabilities."

School readiness is linked to income, parents' education and parenting style.

The report stresses that everyone can play a role in creating the nurturing childhood environments that are critical to an individual's future health and well-being. "At the broadest level, society and governments set the basic environment within which families raise children. The distribution of income and the distribution of community resources are obviously two of the most important influences on the healthy development of children. It is within this environment that families must make choices - subject to their resources and other constraints - about household size and structure, consumption, work and leisure, education, and the allocation of income and time."

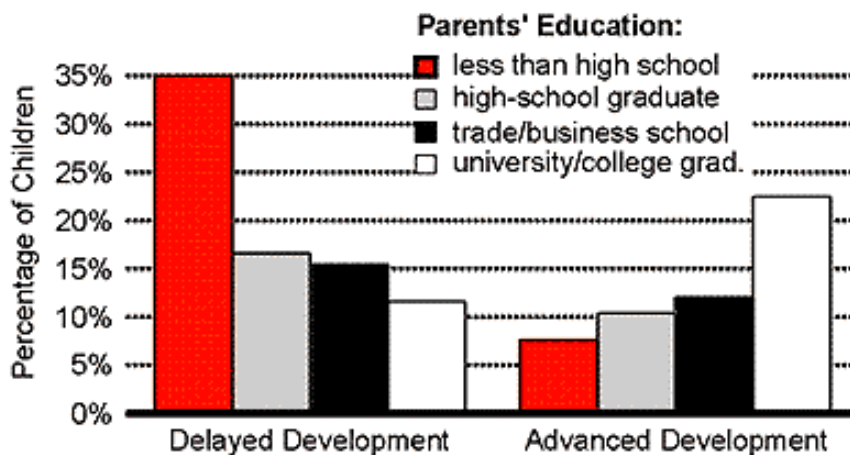
"Parents also make choices about how they care for and nurture their children," the report continues. "Taken together, all of these factors set children on their life courses, at some point during which they begin to make life decisions on their own behalf."

Although more data will be available over time, the NLSCY has already confirmed a number of associations between childhood environment and developmental outcome:

- School readiness appears to be linked to household income. Results based on the Peabody Picture Vocabulary Test (PPVT) indicate that 25 percent of children from lower-income households (annual household income less than \$30,000) faced developmental delays, compared to 16 percent in middle-income households (\$30,000 to \$60,000) and nine percent in upper-income families (more than \$60,000).
- Parents' educational levels have a significant impact on school readiness.

School Readiness by Parents' Level of Education

Children Aged 4-5, 1994-1995



Note: As measured on the Peabody Picture Vocabulary test or l'Échelle de vocabulaire en images Peabody. Education level is based on that of the parent with higher education level.

Source: NLSCY

The survey underscores the link between school readiness and educational performance. "Research shows that children who do well in school often approach school 'ready to learn'. These children have already been exposed to books and numbers, they have been introduced to problem-solving techniques, and they have developed the social skills needed in group settings," the overview report says. "Succinctly stated, children who have been introduced to the basics and have a positive attitude toward learning will do better in school over the long term." The test results suggest that children's school readiness increases with their parents' educational attainment.

- Parenting style is another important factor shaping school readiness. Based again on the PPVT results, 69 percent of children whose parents had average or high scores on a positive interaction scale were within the normal developmental range, compared to 47 percent of children whose parents had the lowest positive parenting scores.
- Positive parenting also contributes to healthy motor and social development. The overview report states that "only 13.5 percent of children under age two whose parents scored high on positive parenting showed 'delayed' motor and social development, compared with 35.2 percent of children (almost three times the proportion) whose parents had low positive parenting scores."
- Household income emerges as an important factor determining how well families function. An estimated 15 percent of lower-income children lived in households considered dysfunctional, compared to eight percent of middle-income children and five percent of those whose families had higher incomes.
- Lower-income parents are almost four times as likely to be depressed as parents with higher incomes. Of the children in lower-income households, 17.5 percent lived with parents who showed many symptoms of depression, the report states. By comparison, 8.3 percent of children living in middle-income households had a depressive parent, and only five percent of children living in higher-income families had a parent with depressive tendencies.

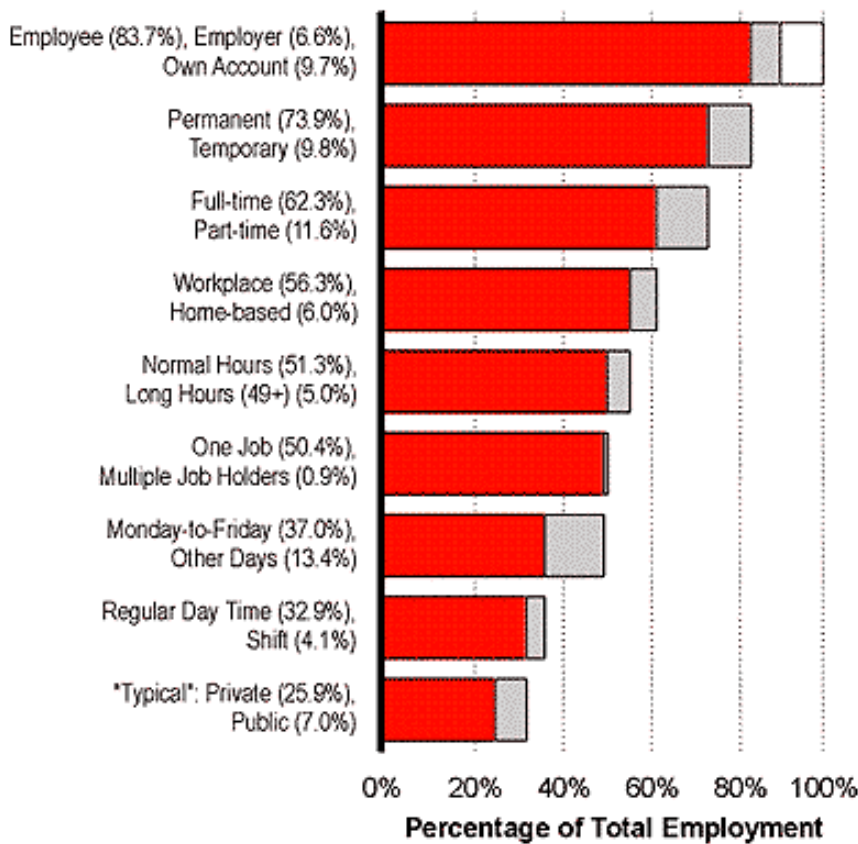
The study team stressed that the NLSCY has not yet reached a stage where researchers can suggest a causal relationship between different factors in a child's life. However, "they (links between factors found by the researchers) are suggestive of what might be the most productive lines of research to pursue in the effort to better understand the complexities of child development."

Flexible Work Arrangements - Gaining Ground

Most Canadian workers head off in the morning to a full-time, permanent, nine-to-five, Monday-to-Friday job with one employer. Or do they? Early results from the 1995 Survey of Work Arrangements (SWA), sponsored by Human Resources Development Canada and conducted by Statistics Canada, challenge this view of "typical" employment. According to this very narrow definition, only one in three Canadian workers held a "typical" job in 1995.

Flexible work arrangements - including temporary jobs, part-time jobs, jobs with more than 49 hours a week, job sharing, home-based or telework, flextime, weekend work, compressed work week, shift work, and self-employment - are now the norm. This wide array of arrangements has the potential to meet the needs of employers and workers as we restructure to meet the demands of a round-the-clock world of production and commerce while striving to balance work and family life. This "atypical" employment, however, often comes with less security and fewer tangible rewards than "typical" employment. This is the main finding in a recent research paper, *Flexible Work Arrangements*, by Brenda Lipsett and Mark Reesor of the Applied Research Branch. In the authors' descriptive analysis, based on the 1991 and 1995 SWA results, they identify key facts, point out some of the critical issues surrounding these arrangements, and suggest possible trends, acknowledging that 1991 and 1995 represent different points in the economic cycle.

Only One in Three Canadian Workers Held a "Typical" Job in 1995



As the chart indicates, a focus on particular work arrangements makes "typical" jobs difficult to define. If we consider a typical job to be a full-time, permanent, Monday-to-Friday, nine-to-five day job performed outside of the home for a single employer, only 32.9 percent of Canadian workers held a typical job in 1995.

Referring to the chart, the tip of each horizontal bar successively highlights a portion of the labour force that can be considered in "atypical" employment, and this portion of workers is removed from the bar that follows below it. For example, the first bar separates workers into paid workers and the self-employed. The second bar represents only the paid workers and highlights the portion that are temporary workers. The third bar represents permanent paid workers and highlights the portion that are part-time workers. And so on ... until we are left with only one in three Canadian workers in "typical" jobs.

Note: Full time is defined as 30 hours and over; home based includes all those who work some or all of their paid work at home; normal weekly hours are 30 to 48 hours; and shift includes rotating, evening, night and split shifts, irregular schedules and on-call or casual.

Source: HRDC calculations based on the 1995 Survey of Work Arrangements, Statistics Canada

Three flexible work arrangements in particular are increasing in usage - shift work, flextime and telework. These arrangements - and their growing popularity - come with both costs and benefits for employers and employees. Who reaps the benefits? And who bears the costs?

- Data related to work schedules indicate that the two percentage point decline from 1991 to 1995 in the share of workers working a regular daytime schedule (and the corresponding increase in rotating, night, evening, irregular and split shifts) has been increasingly due to employer, not employee, preferences. This said, almost half of part-time workers still choose their schedules for personal reasons.

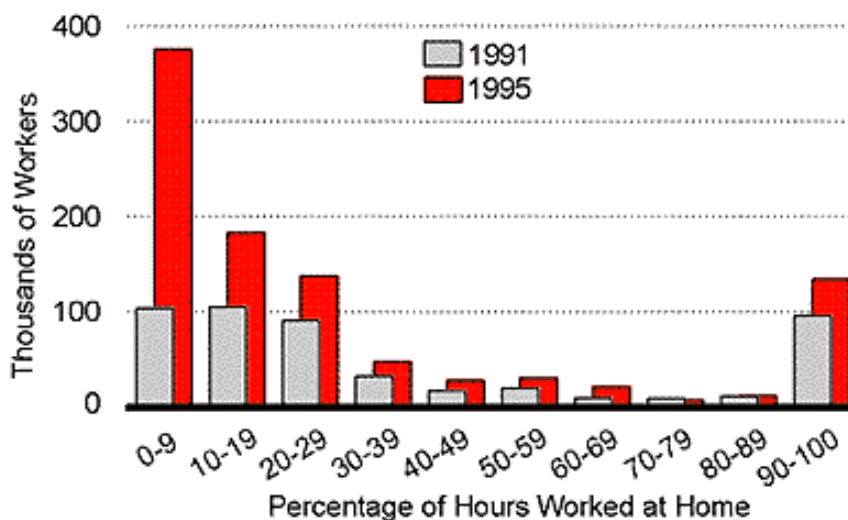
Reasons for Schedule for Full- and Part-Time Employees, 1991 and 1995				
Reason	Percentage of Full-Time Employees		Percentage of Part-Time Employees	
	1991	1995	1991	1995

Required of the Job	86.9	90.2	47.5	53.4
Personal Reasons	7.5	5.9	47.1	42.4
Other	5.6	3.9	5.4	4.2
Share of Paid Employment	81.8	82.0	18.2	18.0

Note: Full-time employees usually work 30 or more total hours per week, part-time employees usually work less than 30 total hours per week. Source: HRDC calculations based on the 1991 and 1995 Survey of Work Arrangements, Statistics Canada

- Flextime, a flexible work arrangement where employees can vary the beginning and end of their workday, is one innovation in work arrangements that can provide benefits to both employees and employers. The percentage of employees on a flexible schedule increased from 17 percent in 1991 to 24 percent in 1995. Dual-earner, husband-wife workers, particularly those with children under six, are the most likely to have a flextime schedule - an advantage when balancing work and family life. In addition, flextime can benefit employers by reducing the average *length* of employee absences for illness or personal reasons - 18 hours for those with flextime absent in the week the survey was conducted versus 24 hours for those without a flextime schedule. Flextime, however, has little effect on the *number* of workers absent for those reasons.
- More companies are allowing or asking their employees to work from home. (See chart.) There are three dominant types of teleworkers: those who do overtime work at home, those who work some normally scheduled hours at home (predominantly one to two days a week or less than 40 percent of their hours worked), and those who do not have an external office and do all their work from home. In 1995, half of all home-based workers were provided with equipment to support their work: 22 percent received a computer, 14 percent a modem, and 11 percent a fax machine. Although the main reasons for working at home related to personal choice, it was a requirement of the job for 44 percent of home-based workers.

Distribution of Home-Based Workers by Share of Hours Worked at Home
1991 and 1995



Note: For 1995 results, the survey classified usual overtime work done at home as "home-based work". This accounts for the large increase in the number of workers who do a small percentage of their paid work at home.

Source: Labour Force Survey, Statistics Canada

Job-Related Employee Benefits by Work Arrangement Characteristics, 1995					
	Percentage of Employees Entitled to Benefit				
	Pension Plan Other Than CPP/QPP	Health Plan Other Than Prov. Health Care	Dental Plan	Paid Sick Leave	Paid Vacation Leave

Full-Time	58.4	68.1	63.4	65.7	81.9
Part-Time	18.7	17.8	15.9	17.8	29.9
Permanent	55.5	64.4	60.0	62.2	78.5
Temporary	19.9	19.3	16.5	19.3	28.4
Firm Size < 20	12.8	22.1	19.7	29.2	55.3
Firm Size > 500	74.6	77.2	73.8	72.9	81.3
Union	81.1	82.8	75.9	77.0	84.2
Non-Union	33.0	44.4	41.9	44.8	65.3

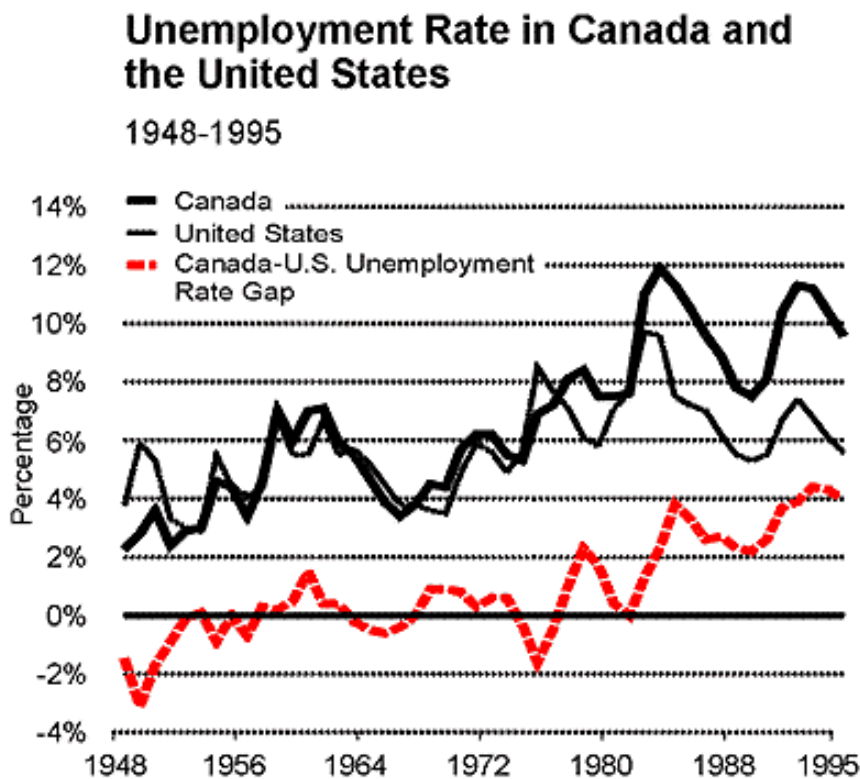
Note: With respect to paid vacation leave, respondents answered "yes" to the question, "Through his/her employer, is ... entitled to paid vacation leave?" if they are allowed to take paid time off work. Respondents answered "no" if they are paid four percent of their salary as "vacation pay" but are not entitled to take any vacation time off.

Source: HRDC calculations based on the 1995 Survey of Work Arrangements, Statistics Canada

New in the 1995 SWA were questions on job-related employee benefits. The answers to those questions revealed that both temporary and part-time workers are *much* less likely to be entitled to supplemental pension, health and dental plans or paid sick leave and vacation leave than their permanent and full-time counterparts. Large, unionized firms are also more likely to provide these fringe benefits than their small, non-unionized counterparts. The Applied Research Branch is currently conducting further analysis of the factors determining entitlement to benefits.

The Canada-U.S. Unemployment Rate Gap

The divergence of the Canadian and American unemployment rates is one of the most important labour market developments of the past 15 years. From 1948 to 1981, the unemployment rate in Canada was, on average, the same as that in the United States. That changed during the 1980s when the Canadian unemployment rate averaged more than two percentage points higher than its American counterpart. In the 1990s, the gap rose to almost four points. A comprehensive overview of this issue is provided in *The Canada-U.S. Unemployment Rate Gap: An Assessment of Possible Causes*, a report prepared by Andrew Sharpe. The report was presented at a conference on the Canada - U.S. unemployment rate gap sponsored by Human Resources Development Canada and the Canadian Employment Research Forum.



Some Facts

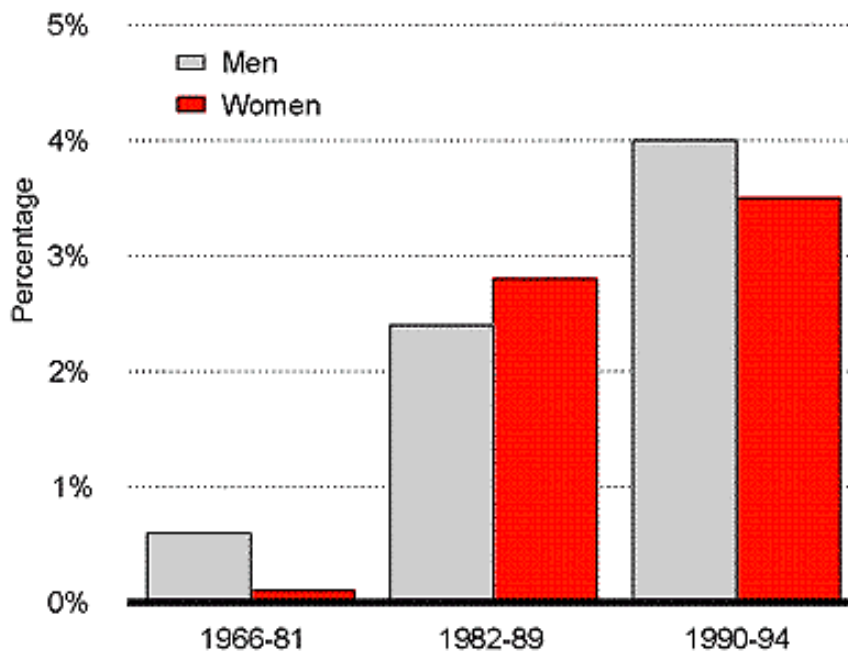
There is a fundamental difference in the labour market dynamics behind the development of the unemployment gap of the 1980s and the increase in that gap in the 1990s.

Between the 1981 and 1989 cyclical peaks, the Canadian labour market performed relatively well. The participation rate and the employment-population ratio rose. Labour force and employment levels grew too. After rising during the 1982 recession, the unemployment rate returned to its pre-recession level by 1989. But the American market performed even better. A Canada-U.S. unemployment rate gap emerged partly because the U.S. unemployment rate fell two percentage points from its pre-recession level.

Between 1989 and 1994, the Canadian labour market performed poorly and the unemployment rate rose significantly. The unemployment rate gap grew two additional percentage points because American labour markets recovered more rapidly from the 1991 recession. Average annual employment growth in the United States was 1.0 percent over that period compared to 0.3 percent in Canada.

Canada-U.S. Unemployment Rate Gap by Gender

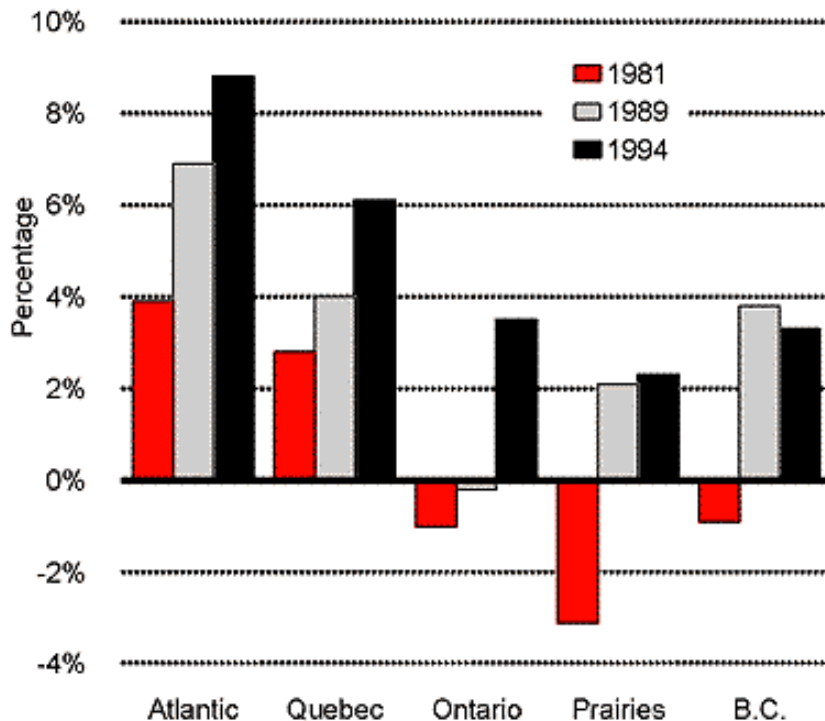
1966-1994



A noteworthy feature of the unemployment gap - the increase in the unemployment rate in Canada relative to the United States between 1981 and 1994 - is a *generalized* phenomenon, affecting all groups more or less equally, including both genders, all age groups, regions, industries, occupations and skill groups. But again, the 1981-89 and 1989-94 periods are somewhat different from each other. In the 1980s, the unemployment gap for females experienced a disproportionate increase while in the 1990s, the gap for males increased strongly. From a regional perspective, the gap increased much more in Western Canada in the 1980s and in Ontario during the 1990s.

Unemployment Rate Gap between Canadian Regions and the U.S. Average

1981-1994



Another interesting feature is the importance of increased duration of unemployment spells in accounting for the emergence of the gap. Between 1981 and 1989, average unemployment duration in Canada rose from 15.1 to 17.9 weeks, while in the United States both incidence and duration fell with the overall decline in the unemployment rate. In the 1990s, average unemployment duration in Canada rose further, hitting 25.7 weeks in 1994, with the incidence of unemployment actually lower than in 1989. In the United States, the small increase in the unemployment rate between 1989 and 1994 was associated with a very steep fall in incidence. The increased length of unemployment in Canada further explains the emergence of the unemployment rate gap between the two countries.

Other Factors

Canada and the United States employ household surveys (the Labour Force Survey and the Current Population Survey respectively) to measure the unemployment rate. These surveys are comparable but minor differences do exist. Persons whose only job search activity is looking at help-wanted ads are counted as unemployed in Canada, but excluded from that category in the United States. The author reports that this definitional difference in the measurement of unemployment accounted for about one-fifth of the Canada-U.S. unemployment rate gap in 1993.

The report looks at the evolution of the "non-accelerating-inflation rate of unemployment" (NAIRU). The NAIRU is an important concept, indicating the rate of unemployment that can be sustained over time without causing inflation to rise. As a result, the NAIRU is a measure of the rate of unemployment that provides an indication of the relative importance of cyclical and structural unemployment in the two countries. Cyclical or demand-deficient unemployment is defined as the difference between the actual unemployment rate and the NAIRU.

According to the author, a "reasonable" estimate of the NAIRU in 1994 was around 7.5 percent in Canada and around six percent in the United States. The actual unemployment rate was 10.4 percent in Canada and 6.1 percent in the U.S. - a 4.3 percentage point gap. The implication? Cyclical causes accounted for two-thirds of that gap (calculated as the difference between the Canadian actual unemployment rate and the NAIRU). The remaining one-third of the gap (the difference between the Canadian and the American NAIRU) was structural.

To explain the structural differences, the author examines unemployment insurance in both countries. In Canada, the UI system is more generous than in the United States. Not only does it offer a higher benefit replacement rate and more extensive coverage but it also requires less prior work than the typical UI program in the United States. In the

United States, unemployment insurance is a state responsibility, with the result that conditions vary from one state to the next. Research indicates that the greater generosity of the Canadian system raises labour force participation and increases the duration of unemployment in Canada relative to the United States.

Differences in generosity of UI, union density, and labour compensation partly account for the unemployment rate gap.

Increases in the generosity of Canada's UI may account for the emergence of the unemployment rate gap in the 1980s but not for the growth in the gap in the 1990s. There are timing issues to explain, however. The relative generosity of UI in Canada increased with the 1971 reform and the 1978 introduction of regionally extended benefits. But the sustained Canada-U.S. unemployment rate gap emerged only in the 1980s. This casts doubts about the role of UI on the emergence of the gap in the 1980s. According to one argument, the lag can be explained by a stronger macroeconomic environment in Canada during the 1970s that served to mask the increase in structural unemployment arising from UI changes. Another argument is the possible impact on unemployment of the introduction of regionally extended benefits in 1978.

The 1990s present another timing issue. The Canada-U.S. unemployment gap hit record levels in 1993-94, when the generosity of Canada's UI system was falling significantly. Behavioural lags in the response of individuals to the UI changes could partly account for this paradox.

A growing gap between the density of unions in Canada and the United States, arising from a falling unionization rate in the United States and a roughly stable rate in Canada, has been suggested as a possible explanation of the unemployment gap. Empirical importance of this factor is unclear, however. No major studies of the Canada-U.S. unemployment gap have explicitly looked at the effect of unionization on unemployment. The lack of attention to this issue may be due to the fact that the exact nature of the unionization-unemployment linkages are difficult to specify. In any case, unions have not increased unemployment in Canada - since the unionization rate has not risen - but the decline of density in unions in the United States may have reduced unemployment in that country.

Real labour compensation increased at a faster rate in Canada than in the United States in both the 1980s and 1990s. It is possible that this led to less substitution of capital for labour in the United States and, therefore, faster employment growth. Poorly paid workers in particular have experienced a more severe deterioration of their wages in the United States. This may have led to greater employment opportunities relative to comparable Canadian workers.

Finally, the report finds little evidence in either country that the differences in demographic structures, the pace of structural change or the extent of labour market mismatch has contributed to the sustained increase in the unemployment gap between Canada and the United States in either the 1980s or 1990s.

In summary, the most compelling explanation of the emergence of the Canada-U.S. unemployment rate gap in the 1980s is that it is rooted in a number of structural factors leading to an increase in the NAIRU in the 1970s. However, the much stronger Canadian economy during that decade masked this increase in structural unemployment in Canada and delayed the emergence of a gap until the late 1970s. In the 1980s, Canada's macroeconomic performance was no longer superior to that of the United States and Canada's higher NAIRU led to a higher actual unemployment rate. In the 1990s, Canada's relative economic performance deteriorated significantly, resulting in a further widening of the unemployment rate gap even though there was no major change in the NAIRU in either country.

Canadians Want to Work More, Not Less

Do Canadians want to work more or less hours? What are the public policy implications of their preferences in this regard?

The prospects for a "work-sharing" strategy to lower unemployment have been a topic of interest recently. For work sharing to represent a promising voluntary approach to reducing unemployment, however, considerable "buy-in" on the part of workers would be needed. These issues were examined in an analysis of hours of work preferences conducted by Mark Reesor and Brenda Lipsett of the Applied Research Branch (ARB), and based on the 1995 Survey of Work Arrangements (SWA). The SWA, an addendum to the November 1995 Labour Force Survey conducted by Statistics Canada, was funded by Human Resources Development Canada.

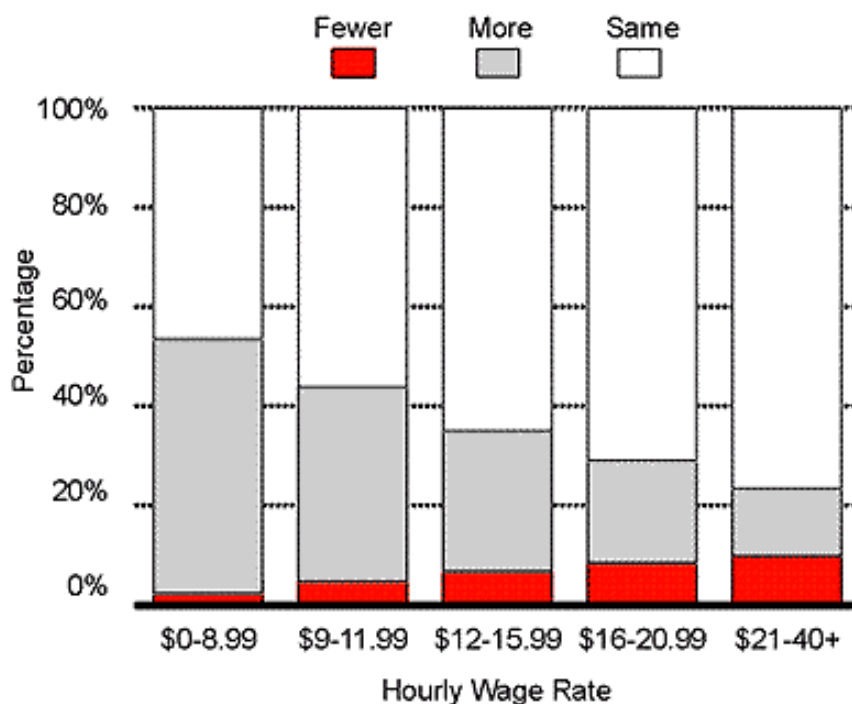
Overall, two-thirds of Canadian employees state that they are happy with the number of hours they work at their current rate of pay. However, of those not satisfied, the overwhelming majority (27 percent of all employees) want

more hours of work with a proportional increase in pay rather than fewer hours accompanied by a proportional decrease in pay (six percent). These preferences vary for persons with different incomes, marital and parental status. While the ARB analysis does not control for the possible influence of other variables in examining these relationships, an analysis soon to be published by Statistics Canada does statistically control for these effects and indicates similar findings.

Lower Wages Mean More Work Wanted

Wage is the single most important factor determining hours of work preferences. More than half of the workers with an hourly wage of less than nine dollars want more hours of work, and this proportion decreases as hourly wage increases. Conversely, the percentage of workers who want to reduce their hours increases with wages. The higher the hourly wage, the more one is willing to forego work for other pursuits.

Hours Preferences by Hourly Wage Groupings, 1995



Source: Survey of Work Arrangements, 1995

The majority of Canadian workers (88 percent) do not work paid or unpaid overtime hours. Of those who work paid overtime, only five percent want to reduce their hours for proportionate reductions in pay compared with 13 percent of the unpaid overtime workers. Work-sharing proponents often specifically target overtime workers. It is important to realize two relevant facts: there are not that many overtime workers and, for the most part, they're not willing to reduce their overtime hours.

Traditional Family Roles Reflected in Hours of Work Preferences

Overall, there is little difference in the hours of work preferences between the genders. However, when other familial characteristics are considered, differences between men and women become apparent. A higher percentage of married workers want to decrease their hours of work than single workers. There is little difference in the preferences of single men and women. However, married women with at least one child are more likely to want to reduce their hours than their male counterparts.

The age of children also matters (not shown in diagram). The presence of at least one pre-school aged child has opposite effects on men and women. Men with a young child are more likely to want to increase their hours than men without a pre-school aged child. The reverse is true for women. In addition, as children age, women are more likely to

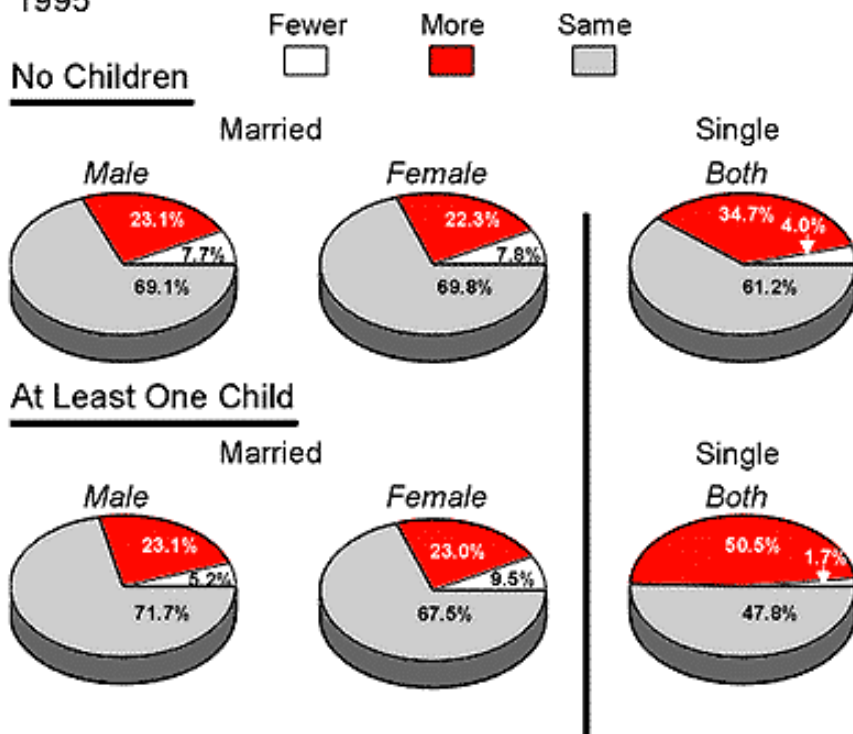
prefer increased hours of work. This evidence suggests that the traditional roles of the breadwinning husband and the wife as the primary caregiver are still prevalent in the modern Canadian household.

Single Parents and the Financial Imperative

More than half of the single parents want more hours of work. The preferences of single mothers are nearly identical to those of single fathers and in contrast to those of married mothers. These results emphasize the financial imperative associated with hours of work preferences.

Hours Preferences by Marital Status and Presence of Dependent Children

1995



Source: Survey of Work Arrangements, 1995

Can Worktime Reduction Combat Unemployment?

Considering only those workers interested in reducing their hours of work, what effect will cutting their hours by ten percent have on the number of unemployed in Canada? Even if the skills of the unemployed match those of the overemployed (those who want to reduce hours) *and* the freed-up hours are not consumed by those who are underemployed (those who want to increase hours), jobs for only about five percent of those unemployed could be supported with these freed-up hours. Since the overemployed are more highly skilled than the unemployed and the freed-up hours would be expected to be consumed to some degree by the underemployed, this calculation overestimates the real effect such a worktime reduction program would have in providing jobs to the unemployed.

Work Sharing: A Useful Tool in Other Respects

Most Canadians are opposed to cutting their hours of work. In fact, they want to work more, not less. The "buy-in" required to make work sharing work on a wide scale just isn't there. In addition, voluntary participation in work-sharing programs could be expected to have a minimal effect on the creation of new jobs. When both sides are willing, however, work sharing can be a helpful tool to avoid layoffs in the face of temporary downturns or to support workers balancing work within their busy lives.

Many Drop-Outs Go Back to School

How do young people today make the transition from school to work? Is this transition in only one direction? There are, in fact, several types of transition. Some young people go to work and then pursue their education while working; others quit work temporarily in order to pursue their education. It is therefore preferable to speak of transition(s) between school and work, thus recognizing the many types of transitions that take place between education (or training) and the labour market.

To study the transitions between school and work among young people, Human Resources Development Canada (HRDC) asked Statistics Canada to survey again those who had participated in the 1991 Survey of School-Leavers, in which some 10,000 young people aged 18 to 20 were interviewed in order to calculate the high-school drop-out rate and to look into the circumstances surrounding this phenomenon. In the high-school leavers' Follow-Up Survey, conducted in 1995, about two-thirds of the respondents in the previous survey (6,284 young people then aged 22 to 24) were questioned again about the transitions they made between education and work after high school.

The preliminary results of the follow-up survey, published recently by HRDC and Statistics Canada, provide answers to the following questions, among others: How much education do these young people have? Did they finish high school? Did they decide to take other courses?

85% of young people aged 22 to 24 have a high school diploma.

When the survey was made in 1991, 63 percent of young Canadians aged 18 to 20 had a high school diploma, 16 percent had dropped out and 21 percent were still in high school. Four years later, 85 percent of them had a high school diploma, 14 percent had dropped out and one percent were still taking high school courses.

A quarter of the school drop-outs had recognized the importance of a high school diploma and completed their schooling between 1991 and 1995. The data clearly show that finishing high school takes longer for some young people than for others.

By 1995, four-fifths (80 percent) of the young high school *graduates* had continued their education (or training) for a certificate or another diploma, while only 24 percent of the young *drop-outs* had done so. Some of those who did not complete high school chose not to pursue their education (or training), while others were unable to do so because they could not meet the admission criteria.

What type of education (or training) did respondents to the 1995 survey choose? Four out of ten high school graduates (42 percent) went to university for a certificate or diploma, while three out of ten (29 percent) continued their education (or training) at college. Of those who did not graduate from high school, 12 percent continued their education (or training) at a vocational training or trade school or through a registered apprenticeship program, while eight percent went to college.

Additional Education (or Training) Among Young People Aged 22 to 24		
Education or Training	High School Graduates	High School Drop-Outs
University	42.0%	**
College	28.8%	7.5%*
Vocational or trade school, registered apprenticeship	6.8%	12.3%
Other studies	2.2%	**
Percentage of young people who continued their education (or training)	79.9%	24.0%
Percentage of young people who did not continue their education (or training)	20.1%	76.0%
Total	100.0%	100.0%

* These data must be interpreted with caution.

** The data are not sufficiently reliable.

Source: 1995 Follow-Up Survey of School-Leavers

Unemployment is lower for those who graduate from high school than for drop-outs. In 1995, the rate of unemployment was 11 percent for high school graduates who had continued their education (or training) to obtain a certificate or another diploma, 13 percent for those who had not continued their education (or training) and 21 percent for young people who had not finished high school.

Dropping out of high school seems to have an especially unfavourable impact on young women, since their unemployment rate (30 percent) is much higher than that of young men (17 percent).

More detailed results of the 1995 Follow-Up Survey will be available in the fall of 1997.

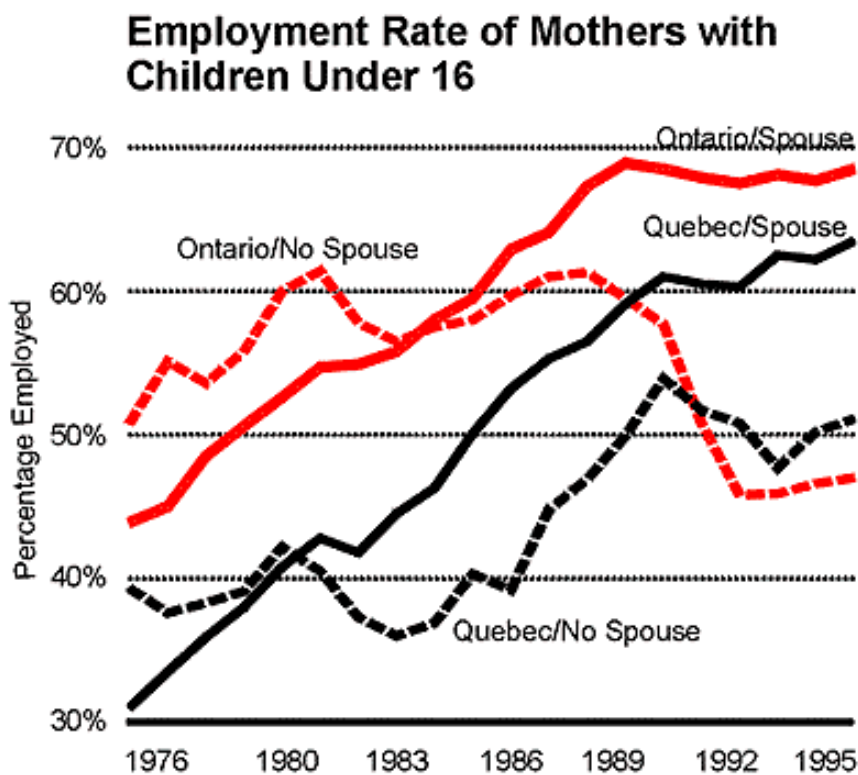
Welfare Rates Affect Single Mothers' Labour Force Participation

Welfare rates in Ontario had an unexpected impact on the labour force participation rates of single mothers in the early 1990s, according to an analysis produced by researcher Constantine Kapsalis.

In a working paper produced for Human Resources Development Canada (HRDC), Kapsalis reported that single mothers' employment rates in Ontario declined from 61.3 to 47.0 percent between 1988 and 1995. Over the same period, the employment rate for mothers with a spouse remained steady; in Quebec, meanwhile, the employment rate for women in both categories increased. (See chart on following page.)

The paper used longitudinal data from the 1988-90 Labour Market Activity Survey to explore social assistance entry and exit rates among lone mothers. The data indicated that each \$1,000 increase in benefit rates is associated with a 1.9 percent reduction in employment rates.

The study raised particular concerns that a higher social assistance level could decrease exit rates from welfare among lone mothers: "Efforts to improve the income situation of lone mothers should be combined with work incentives to avoid a self-defeating reinforcement of long-term dependency on social assistance."



Source: Statistics Canada's "Labour Force Annual Averages" (Catalogue 71-220, CD-ROM Version)

Statistics from the National Council of Welfare and Human Resources Development Canada indicated that:

- Ontario's social assistance rate for a single parent with two children under 16 increased 41 percent, from \$10,331 to \$14,553 per year, between 1988 and 1990. The rate in Quebec increased 15 percent, from \$8,688 to \$9,948.
- Over the same period, the number of single parents receiving social assistance increased 26 percent in Ontario, but declined six percent in Quebec.

"Trends in the employment rate of lone mothers are of particular interest from the social policy point of view because of the high incidence of poverty, especially child poverty, among persons in such families," Kapsalis noted. Since single mothers are also at high risk of relying on social assistance, "the employment rate of lone mothers affects both welfare costs and child poverty."

The analysis also suggested strongly that groups at high risk of receiving social assistance, like single mothers, are particularly vulnerable when labour market conditions deteriorate. With the release of an updated Survey of Labour and Income Dynamics, researchers will have an opportunity to explore this issue in more depth.

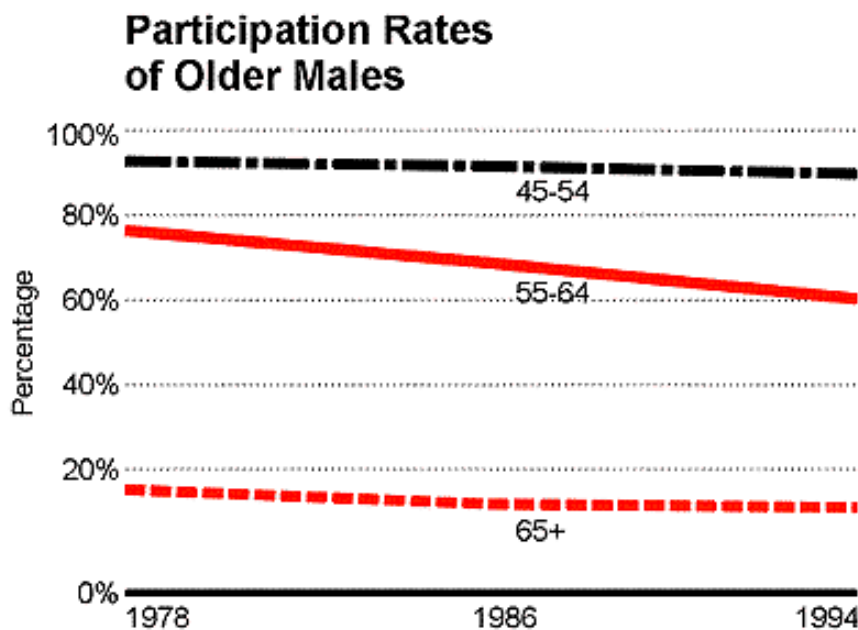
More Job Loss Concentrated Among Older Workers

The labour market has treated older workers fairly well over the years. The majority of workers 55 years of age and over have held down relatively well-paying jobs for long periods of time - jobs that will provide them with access to pensions and benefits, ensuring them a dignified retirement.

It is important to remember though that, as is the case with all age groups, the experiences of older workers are very diverse. Not all older workers have reaped the benefits of "good jobs," and not all of them have entered into retirement by personal choice. In fact, the jobs of significant numbers of 55- to 64-year-olds are concentrated in declining industries where employment growth has been slow or negative since at least the mid-1980s. This is one factor which has pressured some older workers to leave the labour force at a relatively early age.

The early exodus, particularly by older men, has been nothing short of dramatic. In 1978, nearly 80 percent of men aged 55 to 64 were in the labour force, but by 1994, only 60 percent of men that age remained in the workforce.

Early withdrawal from the labour force has been a popular means of labour force adjustment. For workers, retirement is generally welcome, particularly when the retirement decision is freely made.



Source: Statistics Canada, Labour Force Survey

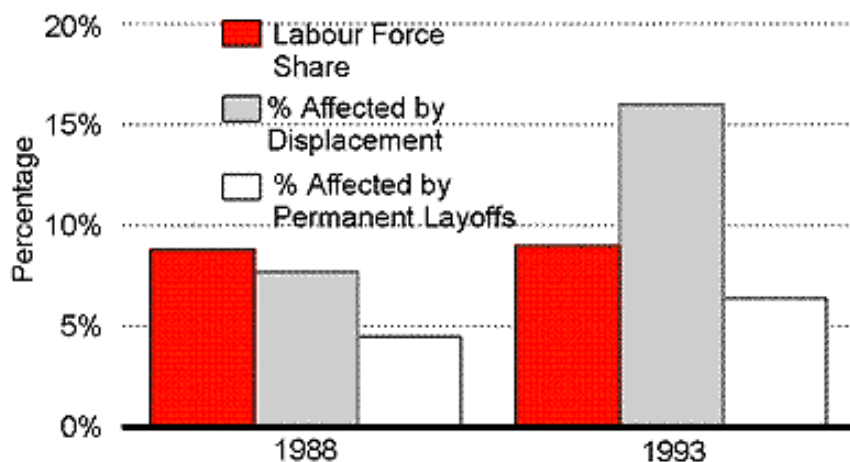
When asked in 1991 about the reasons for their withdrawal from the labour force, retirees reported that they had

wanted to stop working (56 percent), had an income that would adequately provide for this transition (34 percent), had health conditions that necessitated their leaving (30 percent), or were required to leave due to mandatory retirement regulations (18 percent). Overall, fewer than one in ten retirees claimed they left due to lack of work in 1991. This figure is likely a gross underestimate of the true number of involuntary job losses since it excludes all those older workers who may have been involuntarily without work, but who did not consider themselves to be retired at the time.

A preliminary analysis of Statistics Canada's Survey of Labour Income and Dynamics (SLID) for 1993 data, involving a comparison with Labour Market Activity Survey (LMAS) data for an earlier period (1988-90), suggests that the proportion of job loss which is taken up by older workers has increased. In 1988, older workers' share of each of two of the main forms of involuntary job loss (displacement and permanent layoff) represented less than their share of the labour force. However, by 1993, the situation had changed. Older workers' share of displacement (plant closure or relocation) was 7.7 percent of the total in 1988, but that share rose to 16 percent in 1993 - over twice as high as their proportionate share of the labour force over this period. Less than five percent of permanent layoffs were experienced by older workers in 1988, but this share also increased, to 6.4 percent in 1993.

Share of Involuntary Job Loss Among Older Workers

1988 vs 1993



Note: Displacement is defined as plant closure or relocation.

Source: This graph compares age groups 55-64 (1988 LMAS) and 54-63 (1993 SLID). Both surveys were conducted by Statistics Canada.

A consideration of the general work characteristics of older workers in the context of changing workplace requirements reveals some disturbing facts. Many older workers simply do not have the education levels, job search experience, flexibility and mobility that today's workplace demands of its participants.

	Older Worker Characteristics	Changing Workplace Requirements
Education	In 1995, 37.4% had less than high school education.	While the economy will continue to create low-skilled jobs, over 40% of the new jobs created before 2000 will be of the high-skill variety, requiring greater than 16 years of education and training combined. (COPS: 1993)
Access to Jobs	Under-represented in most forms of nonstandard employment, such as part-time and short-term contracts.	Nonstandard employment growth has been stronger than that for standard employment, increasing steadily from 24% of total employment in 1976 to 30% in 1995.

Experience in Finding Work	Given their history of longer tenures, older workers are less experienced in job search.	More frequent job changes required in today's labour markets places emphasis on skills related to the "job of looking for a job."
Participation in Training	Workers 55 and over are only half as likely as prime-aged workers (25-44) to receive employer-supported, job-related training.	Adult education and training are an important means of adapting to change in the workplace.
Flexibility/ Mobility	Flexibility and mobility are both assets in the changing workplace. When workers 55 and over are laid-off: - less than 20% change occupations, - less than 10% change industries, - less than a third change employers.	For younger laid-off workers (aged 25-44): - over 50% change occupations, - over 40% change industries, - nearly 75% change employers.

Source: Morrison, Kelly. *Canada's Older Workers: A Discussion of Labour Market Issues*. HRDC, June 1996

Generalized characteristics cannot be applied to all older workers, however. Significant numbers of older workers have the skills and characteristics to regain employment following job loss. In a recent unpublished report prepared for HRDC on older worker job loss and adjustment occurring in the late 1980s, it was noted that approximately half (48 percent) of persons 55 to 64 who had lost jobs due to plant closure and relocation, and 84 percent of those permanently laid off did regain employment within a two-year time span. A more up-to-date assessment of older worker transition success rates will be possible once additional years of data are added to the SLID file.

There are many reasons to believe that older workers will become increasingly successful in adjusting to changing workplace requirements, even in the face of intensified adjustment pressures. Future generations of older workers will not only be better educated than today's cohort, but will also be more accustomed to continuous workplace change. In the meantime, it will continue to be important for policy-makers to carefully scrutinize the diverse characteristics and experiences of older people in the labour market to ensure that adjustment measures support the ability of all older workers to participate in the Canadian labour market.

Structural Change and Employment in Canada: Knowledge in the Driver's Seat

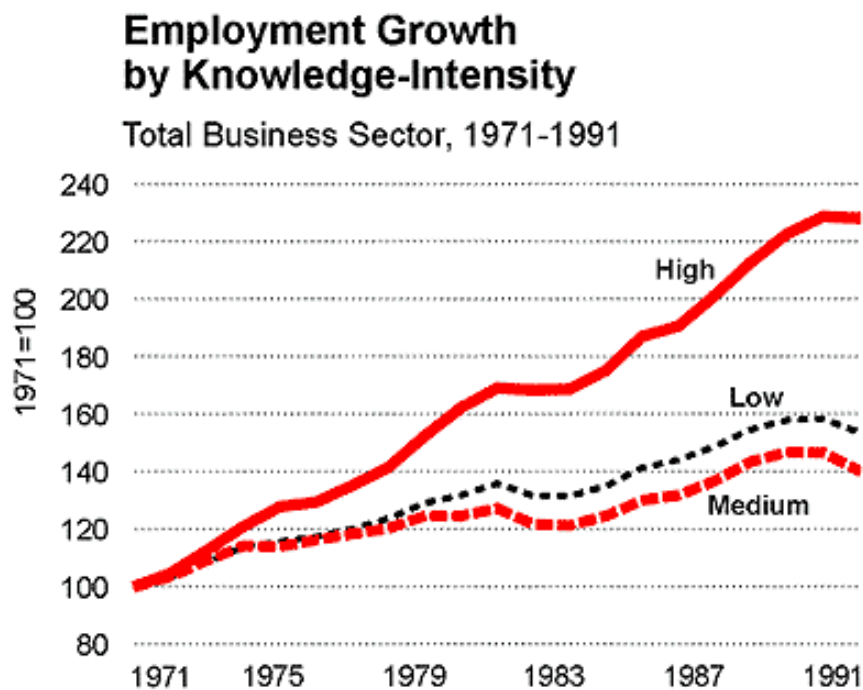
Knowledge and technology are becoming the forces driving employment growth. The structure of employment in Canada is shifting toward knowledge- and technology-intensive sectors of the economy. That is the main conclusion of *Employment Performance in the Knowledge-Based Economy*, a recent study by Philippe Massé of Human Resources Development Canada and Surendra Gera of Industry Canada. The study represents the second half of a joint research project between Human Resources Development Canada, Finance Canada and Industry Canada that examines shifts in production and employment in the various industrial sectors of the Canadian economy.

The results of the first portion of this project, *Changing Canadian Industrial Structure: Shifts in Output Growth*, were reported in the Summer 1995 edition of the *Applied Research Bulletin*. This second study examines changes in the industrial structure of employment with a focus on the employment implications of the emergence of the "knowledge-based" economy.

How is the structure of employment changing in Canada?

The analysis of the changes in the structure of employment in Canada revealed that employment growth has been more rapid in knowledge-intensive industries - those showing the highest levels of R & D activity, high-skilled occupations and highly educated workforces - than in medium- and low-knowledge industries. Between 1971 and

1991, employment in high-knowledge industries grew by an average of 4.2 percent per year compared to only 1.7 and 2.2 percent per year in medium- and low-knowledge industries respectively.



Source: Gera, S. and P. Massé. *Employment Performance in the Knowledge-based Economy*. HRDC, 1996.

While the industrial structure of employment is shifting toward high-knowledge sectors, the pace at which this transformation is occurring does not appear to be rising. According to the study, the pace of structural change may have accelerated in the early part of the 1980s, but it actually decreased in the late 1980s to a level similar to that in the 1970s.

High-knowledge industries still account for only 15 percent of business-sector employment.

The study not only found that employment grew faster in high-knowledge industries, it also determined that employment in these industries is less sensitive to cyclical downturns than employment in the medium- and low-knowledge sectors. High-knowledge industries accounted for around 15 percent of business-sector employment, but they only accounted for about 1.5 percent of all jobs lost during each of the last two recessions. Despite their growth, however, high-knowledge industries still account for only a small share of the business sector - the Canadian economy is still primarily medium- to low-knowledge intensive.

Which factors are contributing the most to structural changes in employment?

In particular, what is the role of domestic demand, trade, technology and productivity? According to the study, domestic demand and labour productivity remain important engines of employment growth, particularly in services. However, trade and technology are becoming increasingly important determinants of changes in employment.

For example, exports have stimulated employment growth, particularly in high-knowledge, high-technology industries, while import penetration has adversely affected employment growth in low-knowledge, low-technology industries. In manufacturing, exports and imports together accounted for 55 percent of gross changes in business-sector employment over the 1986-91 period compared to only 31.1 percent between 1971 and 1981. Overall, the net impact of trade on employment in Canada was positive. Between 1971 and 1991, 719,000 jobs were created as a result of trade, accounting for 23 percent of new employment generated in the Canadian business sector over that period.

For its part, technological change has become an increasingly important determinant of employment changes in both manufacturing and services industries, particularly in the second half of the 1980s. For example, in service industries, technological change accounted for 12.9 percent of gross changes in employment over the 1986-91 period, up from

8.6 percent during 1971-81. It should be noted that the authors measure technological change somewhat indirectly as changes in input-output coefficients. This measurement essentially shows changes in the recipe of intermediate inputs going into an industry's production.

How has the emerging knowledge-based economy affected workers?

The authors argue that the increased importance of knowledge is associated with a shift in the structure of labour demand in favour of skilled workers as measured by the share of white-collar workers in total employment. The share of white-collar workers increased from 53.4 percent in 1971 to 68.3 percent in 1995, while the share of blue-collar workers fell from 46.6 to 31.7 percent over the same period. Most of the increase in the share of white-collar employment was due to a rise in the share of white-collar high-skilled jobs (management, scientific occupations, professionals, technicians and supervisors). According to the study, this phenomenon appears to be widespread, occurring within all industrial sectors, and not merely the result of employment shifting towards industries that tend to employ more white-collar workers.

Occupational Group	1971	1981	1991	1995
White-Collar	53.4	60.3	67.8	68.3
Blue-Collar	46.6	39.7	32.2	31.7
White-Collar High-Skilled	24.0	27.0	32.8	33.1
White-Collar Low-Skilled	29.5	33.3	35.0	35.2
Blue-Collar High-Skilled	15.3	13.1	10.0	9.6
Blue-Collar Low-Skilled	31.3	26.6	22.2	22.1

Note: Shares exclude employment in postal services, religious services and public administration.
Source: Authors' calculations based on data from the Canadian Occupational Projection System

The increased demand for high-skilled workers has been reflected in the employment and wages of workers with different skills. The authors show that the wages of more experienced and educated workers have increased relative to younger and less-educated workers. In addition, high-skilled workers enjoy higher employment rates and lower unemployment rates. Thus, knowledge is not only increasingly important in determining how industries perform in terms of employment, it also appears to be an increasingly important determinant of how workers succeed on the labour market.

No Need to Cross the Street: Aggression Decreases as Children Grow Older

Children rely less and less on physical aggression as they grow older, according to a research paper based on data from the National Longitudinal Survey of Children and Youth (NLSCY).

"Most adults will cross the street if they see a group of adolescent boys standing on a street corner at night," stated Richard E. Tremblay and six colleagues in a recent analysis conducted for Human Resources Development Canada. But "the traditional image of mild-mannered, innocent children becoming physically aggressive as they reach adolescence is certainly not confirmed by these studies."

The report acknowledged that the majority of young adults will commit some form of delinquent act, but noted that about six percent of the adolescent population accounts for the majority of violent acts and arrests.

While boys consistently show more physical aggression than girls, girls rely more heavily on "indirect aggression" - defined as behaviours designed to hurt another person without physical violence. Data drawn from the NLSCY indicate that physical aggression in both genders decreases with age, while indirect aggression increases.

Physical Aggression Scores of Children by Family Socio-Economic Status (SES)

1994-1995



Note: Each family was classified in one of six socio-economic categories, based on parents' education, occupational status and household income.

Source: NLSCY

Based on this analysis, Tremblay and his colleagues concluded that household environment is linked to aggression in children. "The more socio-economically disadvantaged the family, the higher the risk that the children will make use of indirect aggression, as well as physical aggression," they wrote. "It is important to note that the effects of living in a socio-economically disadvantaged family appear very early in children's lives and continue to have the same importance for older children."

The data also confirmed that the siblings of physically aggressive children are very likely to show high levels of aggression, hyperactivity, and emotional disorder. Overall, the research indicates that, independent of age, the highest risk of frequent physical aggression can be found in boys from lower socio-economic backgrounds who have siblings with behaviour problems.

Tremblay and his colleagues underscore the value of longitudinal research in building a profile of children who remain physically aggressive as they grow older. "As children grow older, most learn not to use physical aggression. However, there are children who do not learn, or who do not learn as well as others," they wrote. "As children become older, it will be possible to characterize those who maintain or increase their aggressive behaviours and those who abandon these behaviours."

Children at Risk are Found in All Family Types

While single-mother families are more likely to live in poverty, early intervention programs for children with emotional, behavioural, social, or academic problems must target all family types, according to an analysis of the data based on the first wave of the National Longitudinal Survey of Children and Youth (NLSCY).

Most children with difficulties ... did not come from single-mother families.

One in six children in the NLSCY sample lived in a single-mother family (single-father families were excluded from the analysis because only 7.3 percent of single parents were fathers, and because single fathers' incomes are much closer to those of two-parent families than those of single mothers). The survey found that the average income in a

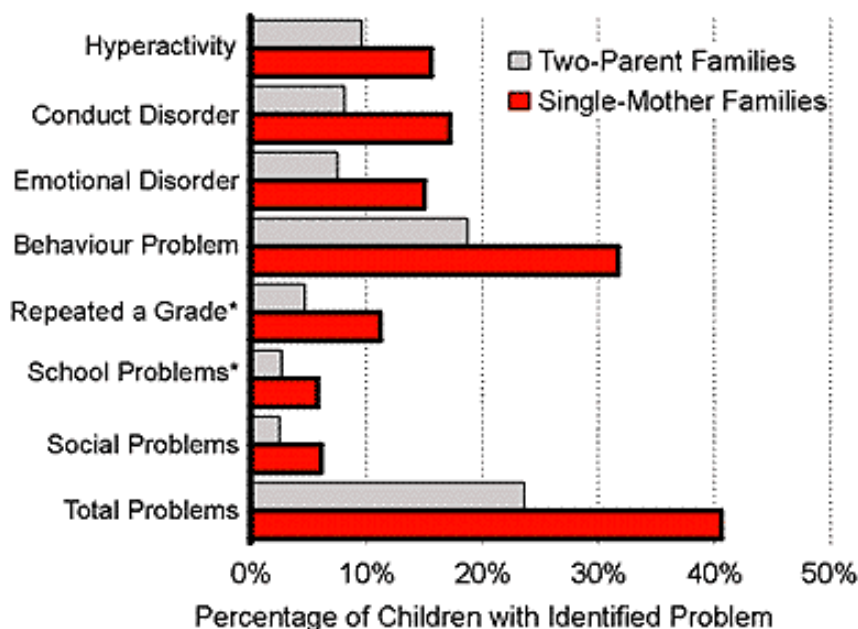
single-mother family was less than half that of a two-parent family, and noted that children of single parents "were at increased risk of a range of difficulties." Even so, the authors report that the majority of at-risk children come from two-parent families.

"Contrary to popular opinion, most children with difficulties ... did not come from single-mother families," they write. "Clearly, programs aimed at helping children with emotional and behavioural problems and social and academic difficulties must be aimed at children from all types of families."

While the majority (75 percent) of at-risk children lived with both parents, single-mothers did parent a disproportionate share of children with a range of different problems. The author estimated that 16.3 percent of children aged four to 11 years - a total population of 457,659 children - lived in single-mother families. By contrast, the NLSCY found that 23.9 percent of hyperactive children, 29 percent of children having problems at school, and 32.8 percent of children with "social impairments" lived in single-mother families.

Rates of Problems for Children Aged 4-11 by Family Type

1994-1995



* Data is available for 6-11 year olds only.

Source: NLSCY

"Both single-mother family status and low income significantly and independently influenced child well-being," the authors conclude. "Strategies to improve the psychosocial health of children from single-mother families should include income support, but this will not suffice. As the causal pathways through which single-mother status influences childhood well-being become better known, so will our understanding of which non-economic interventions are most likely to help."

Measuring Schools' Performance

A preliminary review by J. Douglas Willms of data collected for the National Longitudinal Survey of Children and Youth (NLSCY) has determined that Canada's schools do a good job of limiting the impacts of gender and socio-economic status on students' math achievement.

"A measure of a schooling system's success is whether it can achieve both high levels of academic attainment and relatively shallow gradients - in other words, the differences in its students' attainment are relatively unrelated to social

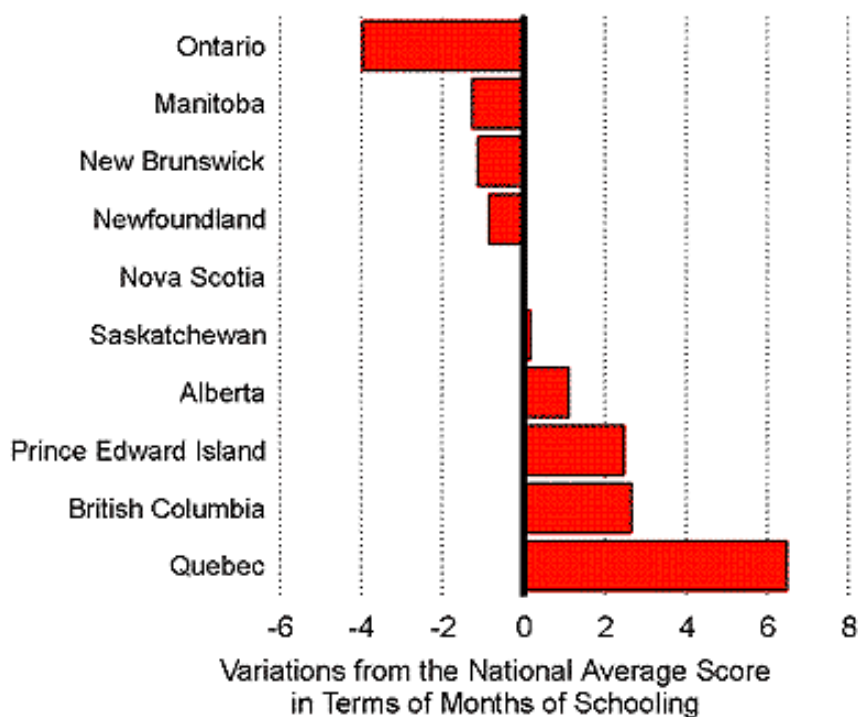
status," states the author. Family background accounted for less than five percent of the variation in the mathematics achievement of students in grades 2, 4 and 6, compared to a 10 to 15 percent difference attributed to socio-economic status in other countries. NLSCY data also reinforce the findings of a previous study, which found that Canada out-performed the United States, the United Kingdom, and several other developed countries in student math scores.

In addition to math scores, the NLSCY captured children's test scores on the Peabody Picture Vocabulary Test in English and the *Échelle de vocabulaire en images Peabody* in French.

Willms notes that his analysis was limited by small sample sizes in some provinces. In addition, detailed information collected from teachers and school principals was not yet available, and it was therefore not possible to determine the impact of differences in school processes on student achievement. Still, he concludes that the level of education of a child's primary caregiver was a significant predictor of verbal ability at ages four and five, and of math achievement in grades 2 and 4. Children in single-parent families and larger families tended to score lower on tests of verbal ability, but social class had only a limited impact on verbal or math scores.

Relative Grade 6 Math Scores by Province

1994-1995



Note: Scores have been adjusted for socio-economic status. The figures indicate how well a child of average household income and average levels of parental education and occupational prestige scored in each province

Source: NLSCY

"This indicates that inequalities in verbal ability and mathematics achievement along social-class lines are not large during the preschool and elementary school years," Willms writes. "It may be that preschools and elementary schools offset some of the differences associated with family environment."

The data also suggest large differences in student achievement among provinces, but shed no light on the reasons for those differences. Willms suggests that this finding "point(s) to the need for a stronger system for monitoring school outcomes at the national and provincial levels."

Sector Councils: Tackling the Challenges of Human Resource Development in the Private Sector

Considerable attention has focused on sector councils recently. These Canadian institutions, which bring together labour market partners to address the human capital development needs of individual sectors, are seen as a new institutional structure that may contribute to Canada's adeptness in the knowledge economy.

The possible strengths and weaknesses of sector councils recently stimulated a discussion paper and subsequent interdepartmental seminar, sponsored by the Applied Research Branch. The discussion paper was authored by Andrew Sharpe of the Centre for the Study of Living Standards.

In Canada, the first sector councils began to emerge in the mid- to late 1980s. In 1992, the federal government took a crucial step in support of sector-level labour force development by announcing the Sectoral Partnerships Initiative. Currently, 22 sector councils are operating with the help of federal support and more are in the preliminary stages of development.

A critical feature of the sectoral council approach to labour force development is the ability of each council to autonomously identify and respond to the needs of its particular sector. This autonomous approach to problem solving results in a great deal of diversity among councils. This diversity displays itself in the ways employees may be represented on a council, in the focus or interest of the membership, or in the types of activities eventually undertaken by each council. The human resource development objectives package established by each of these business-labour teams has the potential to evolve and keep pace with the actual "on-the-ground" needs of each sector, an important device for gaining or maintaining a competitive edge in an increasingly global marketplace.

This capacity to evolve in a unique way, and pursue human resource directions that are distinct from other councils, makes it difficult to measure the precise effects of these new institutions on the overall functioning of the labour market and economy. Sector councils are a relatively new labour market institution, and arguably little is known or understood about the links between them and improved productivity and job growth. Interestingly, participants at a recent conference jointly organized by the OECD and the government of Canada, "Workplace Practices: Achieving Better Outcomes for Enterprises, Workers and Society," striving to identify labour market institutions that contribute both to increasing productivity and to an equitable sharing of the gains, noted that the Canadian experience with sector councils represents a promising new labour market innovation.

Sector councils represent a promising new labour market innovation for Canada.

Given its pan-Canadian or interprovincial focus with respect to the labour market, the federal government is keenly interested in the broader challenges as well as the wider benefits for society that sector councils may represent. The discussion paper points to a number of broad, external challenges that represent an economic rationale for sector councils, including:

- an inadequate provision of labour market information,
- the inability of private sector companies, acting independently, to set occupational and industrial standards,
- an undersupply of employer-sponsored training, and
- the unwillingness of companies to invest individually in human resource development when others may "free-ride" on their efforts.

Institutionally, sector councils have made progress in a number of these challenging areas, resulting in some wider benefits to society. These include:

- a greater climate of trust between business and labour within certain sectors leading to better collaboration on human resource issues,
- more effective development and delivery of labour market programs,
- better public policy that is based on joint advice of business and labour, and
- new labour market mechanisms (e.g., training trust funds) and initiatives.

The discussions that occurred as part of a recent HRDC seminar on sector councils reviewed these challenges and opportunities in the context of an emerging pan-Canadian role for the federal government in labour market development. Participants shared the following insights.

- Sector studies are crucial supports for industry in identifying significant human resource deficiencies that can only be addressed through common resolve.
- Sector councils are critically important in sectors where there is a preponderance of "microbusinesses," and the potential benefits of pooling resources are therefore high.

- In other industries, sector councils are proving themselves to be adept instruments for getting information and skills-upgrading products to an increasingly diverse workforce.

Sectoral development throughout the country remains a key element in the federal government's emerging pan-Canadian labour market strategy. An important challenge for sector councils will be to continue to address their human resource needs while recognizing the changing role of governments.

Social Indicators: What Are They All About?

Social indicators are back in vogue. Social analysts are showing interest once again in identifying and standardizing measurements of human well-being.

After an extended dormant period lasting from the late 1970s to the early 1990s, a number of interests are rediscovering the promise and potential of a movement originally associated with the optimism of the growth period in social policy. However, this time the impetus comes from a concern with the impact of social expenditure reduction in an environment of high unemployment and growing inequality.

Many interests are trying to make systematic and practical use of social statistics.

Human Resources Development Canada (HRDC) recently asked the Canadian Council on Social Development to convene a symposium on social indicators and measures of well-being in order to find out what work is being done and what directions are being contemplated. What the symposium demonstrated is that there is no single social indicator movement in the 1990s. What *is* out there is a wide range of interests, each trying to make more systematic and practical use of social statistics for a variety of purposes. While the interests of particular individuals and organizations are complex and multi-faceted, those attending the symposium seemed to be focused on one of the four following directions.

First, there are the community-based social activists. More than most, this group is concerned that expenditure reduction represents a withdrawal of governmental activity that will lead to lower levels of social well-being and increasing polarization. What they are looking for is a rough and ready set of existing indicators, a social report card that will monitor these trends and link them as directly as possible to actions of governments. One challenge they face is that information is very hard to collect at the community level and standardization between communities is hard to develop and maintain.

Another group represents the institutions traditionally involved in social policy at the federal level. This group, including government departments, academics and members of the voluntary sector, are struggling with defining new social policy roles at the national level. In this group, the term "social audit" is often heard. Although the term has several meanings, it generally refers to a set of social indicators designed to increase public accountability. For some, it is a national activity with some arm's length from government that speaks with moral authority on the direction of social development programs. Others of this group see "social audit" as something that the federal government or a joint federal-provincial institution would use to monitor the expenditure of social dollars.

A third group, many of whom have roots in the social indicator movement of the 1970s, are more focused on the issue of measurement per se. Many are concerned when Gross National Product (GNP) is used as a measure of economic welfare, since GNP was not designed for this purpose. Some are looking for alternatives to GNP. A presentation was made at the symposium by Statistics Canada on their work on the Genuine Progress Indicator and on the construction of an Index of Social Health for Canada in partnership with HRDC. These measures were the topic of much discussion. Others in this group look to social indicator accounting, which usually entails the collection of additional statistical information from large-scale surveys to complement the existing system of national statistics.

Finally, a fourth group is composed of government departments, voluntary sector participants and some academics - most of whom are directly involved in health and social service delivery. For them, social indicators hold the promise of demonstrating the benefits of social programming. These benefits had often been taken for granted in the past. But in a more cost-conscious and conservative environment, social programmers feel the need for more rigorous evaluation. The need is to show what works and also to improve on their own programming.

The social indicator "movement" of the 90s will likely move in many directions at the same time.

So what are social indicators all about? It depends on to whom you are speaking. The social indicator "movement" of

the 90s will likely move in many directions at the same time. The only commonality is a desire to increase the use of social statistics in a range of different policy and program contexts. And it is upon this commonality that HRDC will play a role. By focusing on substantive research-oriented development of new social indicators, the HRDC research program can support the various directions being taken. Part of the effort will be in promoting the implementation of new surveys. Another part of the effort will be in the development of new social indicators where gaps currently exist. For example, the potential for measures of hunger and economic insecurity are being investigated as well as the development of new life-path indicators. HRDC will also continue its work on aggregate indicators such as the Index of Social Health. Finally, over the next year, HRDC will explore the possibility of intergovernmental work on social indicators through the Federal-Provincial-Territorial Social Development Research and Information Working Group.

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