

Québec's employment challenges: Outlook facts

Ministère de l'Emploi et de la Solidarité sociale

August 18, 2008

Introductory notes by Bernard Matte before
The Institute of Public Administration Canada – Tuesday, August 26, 2008

Introduction plan

- Québec's labour market and its medium-term outlook
- The rise in the standard of living
- Challenges
- Steps taken
- Change of outlook
- Looking ahead: towards a new employment policy

Québec's labour market

- **Record employment rates in Québec for more than 30 years**
- **In 2007 Québec posted:**
 - record employment rates for its age 15 and over population: 61.0% (71.6% for 15 to 64 years)
 - the lowest unemployment rate in 30 years: 7.2%
 - sustained rise in the hourly wage rate of employees (+ 16.8% since 2002)
- **Between 2003 and 2007, there was a net creation of jobs**
 - 222,900 net jobs created (78% of which were full-time jobs)
- **Québec's labour market continues to post sustained job growth**
 - Unemployment rate of 7.2% in June 2008
 - Employment rate of 61.0% (June 2008)

Source : Labour Force Survey (LFS) , Statistics Canada; seasonally adjusted data.

Labour market outlook for Québec: 2007 – 2011

- **According to Emploi-Québec, 700,000 jobs will need to be filled between 2007 and 2011**
 - 240,000 additional jobs will be created
 - 460,000 jobs will become available for recruitment (retirement departures)

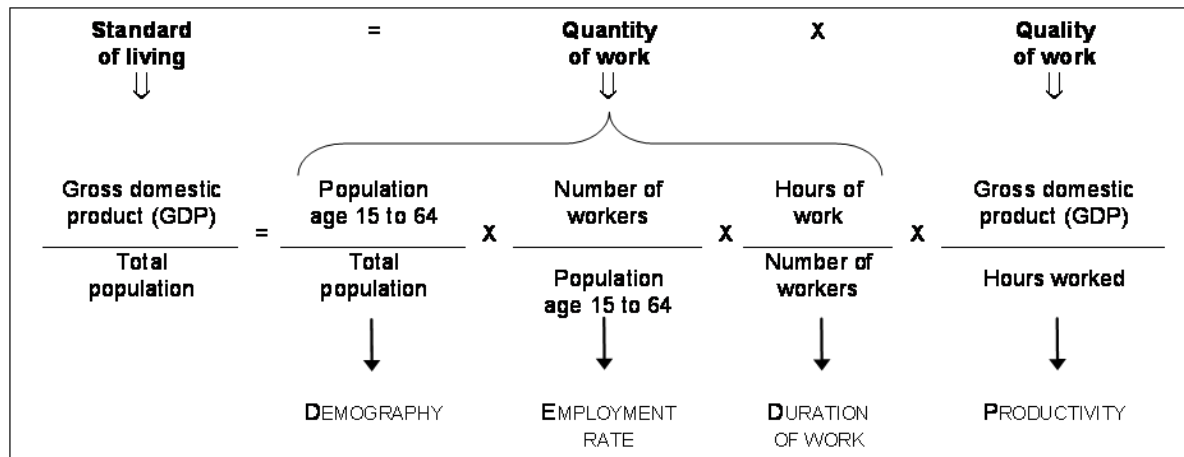
http://emploiquebec.net/publications/pdf/06_imt_pp_20062010_en.pdf

- **In spite of the current economic slowdown in OECD countries, problems related to a depleted workforce have been reported**
 - in several economic sectors
 - for several occupations
 - in certain regions

- **Labour market adjustment difficulties have intensified because of:**
 - the weak demographic growth of our population
 - technological changes, the strength of the Canadian dollar and fierce international competition which have moved firms to hire more highly skilled workers
 - the difficulty in recruiting skilled resources due to a lack of available workers

The rise in the standard of living in Québec

- The rise in our standard of living (GDP per capita) is influenced by two major factors:
 - The quantity of work performed to produce goods and services
 - The quality of work (productivity) directly influenced by the quality and the skills of the workforce



- In order to reduce the downward pressures exerted on our living standard, the Government must take steps:
 - To raise the level of employment by making optimum use of available worker pools
 - Improve the productivity of our firms

1st challenge: a better fit between labour force supply and demand

- **On the one hand, 700,000 jobs are to be filled from now to 2011. On the other hand, labour force pools, estimated at 400,000 persons in 2007, remain under utilized.**

- **To meet this challenge, employers must increasingly call upon available workers to fill their recruitment needs.**
 - Skilled workers (age 55 and more) constitute an under-represented group on the labour market (employment rate: 31.7%; unemployment rate: 4.8% - LFS 2007)
 - Immigrants and members of visible minorities, often with more education than the average Quebecer have a high unemployment rate (unemployment rates for very recent immigrants – 5 years or less (age 25 to54): 14.2% - LFS 2007)
 - Handicapped persons, wanting to work, but under-represented on the labour market (employment rate: 40.9%; unemployment rate: 12.6% - EPLA/PALS 2006)
 - Youths without qualifications who have difficulty integrating the labour market (16.7% of youths (age 18 to 24) and who have schooling below a secondary diploma: unemployment rate: 19% in 2007 against 9.1 % for all other educated youths); LFS 2007.
 - Recipients of social assistance programs able to work (social assistance rate in Québec: 7.4% in April 2008).

1st challenge: a better fit between labour force supply and demand (cont.)

- **Increased participation of unemployed workers is needed to meet the needs of firms. This requires measures and programs that:**
 - put a value on work
 - encourage the rapid integration into the labour market of unemployed workers
 - encourage youths to complete qualification training (to lower school dropout rates)
 - ensure a better fit in the selection of immigrants in order to meet market needs and a better integration of these persons into the labour market
 - encourage older workers to remain active longer

- **Objective of public policies: to accompany persons who are seeking employment in order to assist them in adequately preparing for integration into the labour market and to support employers to meet their labour force requirements.**

2nd challenge: contribute to improving the productivity of firms through labour force training

- Improvement of our living standard will follow from a more productive development of our economy
- Since 1997, firms in Québec have increasingly invested in structured training of their workers.
 - In 2002, 32.7% of workers in Québec were in structured training activities, a major improvement with respect to 1997 (EEFA/AETS 2003)
 - Canada, like Québec, has work to do in order to catch up with other OECD countries with respect to life-long occupational development.
- **The *Act to promote workforce skills development and recognition* has made it possible to solidify the adherence of firms in accepting responsibility for training their personnel.**
 - More than 1 billion dollars have been invested in training by firms in 2006.
http://emploiquebec.net/publications/pdf/00_fnfmo_bilan2006.pdf (French)
- **Objective of public policies: encourage firms to invest in a sustained manner in their personnel.**

3rd challenge: prepare unemployed workers to reintegrate the labour market

- **Persons from available workforce pools have some difficulties in integrating the labour market**
 - Difficulty in getting recognition for their qualifications earned abroad, absence of a social network and lack of knowledge of the French language for certain immigrants, selection of immigrants to fit labour market needs
 - Low levels of schooling of unemployed workers
 - Little labour market experience (youths, long-term recipients of social assistance)
 - Low numbers of handicapped persons on the labour market
 - Need to maintain and reinforce the incentive to work

- **Objective of public policies: offer services that will allow for the preparation and support of populations more remote from the labour market to integrate jobs.**

4th challenge: improve workforce mobility

- **Faced with a changing labour market, a better response has become necessary to meet the ever increasing need of firms to find skilled workers**
 - Support the efforts of firms in their workforce training efforts and their need to improve worker certification
 - Give greater recognition to the skills of workers and unemployed workers in high-demand certified jobs
 - Facilitate access to high-demand certified jobs for experienced immigrants and workers
 - Ease regulatory labour market provisions in order to foster optimal access to certified jobs
 - Assure coordinated labour market actions on the part of the Government.

- **Objective of public policies: implementation of a public employment policy based on the commitment and partnership of labour market players.**

Steps taken: The Commitment for Employment, a blueprint for society

- **The announcement of the Commitment for Employment is the Government's response to workforce need**
 - http://www.mess.gouv.qc.ca/includes/composants/telecharger.asp?fichier=/publications/pdf/PACTEEMPLOI_EN_04.pdf&langue=en
 - to give Québec a more competent workforce and increase productivity of firms through training

- **The Commitment for Employment: almost one billion in public and private investments (3 years)**
 - Public investments of 548 million\$ over three years
 - Private investments estimated at about 439 million\$ over three years
 - Additional tax measures as work incentives (Work premium) and a significant increase in the minimum wage in May 2008 (from \$8.00 to \$8.50/hr)
 - Reinforcement of active measures for persons more remote from the labour market
 - Increased onsite workforce training measures and a training tax credit for manufacturing firms

- **Our objectives (over 3 years)**
 - Reduce by 50,000 the number of social assistance recipients (488,076 persons in March 2008)
 - Support 52,000 more persons in their efforts to integrate the labour market or to acquire training (240,000 new participants in 2007-2008)
 - Assist 4,800 more firms to offer workforce skills development (8,000 firms were newly assisted in 2007-2008)

Steps taken: Strategy for labour market integration and maintenance of handicapped persons

- **The National strategy for Labour Market Integration and Maintenance of Handicapped Persons proposes:**
 - to ensure equal opportunity in employment for handicapped persons
 - to increase their participation in the labour market

http://www.mess.gouv.qc.ca/includes/composants/telecharger.asp?fichier=/publications/pdf/ADMIN_strategie_handicapes_en.pdf&langue=en
- **An additional investment of 142.8 million\$ over five years**
- **Target: lessen by 50%, from now until 2018, the gap between the number of jobs held by handicapped persons and those of persons without a disability**
 - Increase the number of handicapped persons in employment by 54,000 in ten years

Steps taken: partnership and decentralization of public employment services

- **Partnership management of public employment services by Emploi-Québec**
 - Decentralized management of public employment services
 - 17 regional labour market partners councils (CRPMTs)
 - 150 local employment centres (CLEs)
 - LMI online (560,000 applications for vacant jobs reported to the National Placement Service)

- **Regional phase of the Employment Pact**
 - Consultation of regional players as to what measures should be implemented to prepare the workforce for the regional labour market (CRPMT)

- **Emploi-Québec intervenes in work environments in difficulty with support programs:**
 - Financial support program for older laid-off workers in the forestry sector (17 million\$ in 2008-2009)
 - Strategy of the Québec fashion and clothing industry (workforce training and French-language training – 2.9 million\$ in 2008-2009)
 - Support programs for workers affected by collective dismissals in a resource region
 - Reclassification committees

Other steps taken

- **Measures aimed at fostering a longer active life for older workers**
 - Amendments to the *Act respecting supplemental pension plans*
 - Objective: encourage a longer active life for older workers by allowing them to add work income to their pension incomes with the possibility of increasing their pension income
 - Planning and work time reduction measures (Emploi-Québec)

- **Measures aimed at fostering work-family arrangements and the maintenance in employment of young parents**
 - Network of childcare centres with subsidized places (\$7.00 a day)
 - Québec Parental Insurance Plan
 - worker benefits for maternity leave, paternity leave, and parental or adoption leave

Other steps taken

- **Measures aimed at better integrating immigrants and members of visible minorities**
 - Offer work experience to workers trained abroad (professional orders)
 - Better support employers in managing diversity (Leaders Diversity Network, Diversity commitment, professional networking)
 - Challenge Montréal: employment integration strategy for immigrants
 - Harmonization of government services and financial support for francization
 - Under the Commitment for Employment, double the number of participants in the program to assist the integration of employed immigrants and visible minorities (PRIIME)

- **Measures to enhance workforce mobility (Québec's new economic space)**
 - Québec – Ontario and Québec – Newfoundland – Labrador bilateral labour force agreements in regulated trades
 - Agreement on Internal Trade (AIT)
 - France – Québec agreement on mutual recognition in regulated trades

Change of outlook

- **The current context requires a change of outlook in public employment policies**

“To meet the main employment challenges, countries must implement sound macroeconomic policies and remove obstacles to employment, both generally and for specific groups, and also improve their human resources.”

- Boosting Jobs and Incomes, OECD, 2006

- **Goals sought:**
 - Maintain, even raise the standard of living
 - Counter the effects of demographic aging
 - Increase productivity and meet the challenges of globalization
 - Reinforce the capacity of our societies to adapt to change

Looking ahead: toward a new integrated labour market policy

- **Public employment policies are changing in Québec**
 - From a strategy to fight unemployment to a strategy to activate and support employment
 - Necessity of harmonization with strategies for economic development and regional development, and combating poverty
 - Necessity of adjusting public interventions to territorial specifics

- **Necessity of transforming employment programs and measures to meet the increasing workforce needs of firms**
 - Assist clients who are more remote from the labour market
 - Develop and adapt public policies and measures that will foster incentives to work
 - Improve advisory services in firms (SMEs) with respect to human resources management
 - Offer greater encouragement to firms to train and certify their workforce
 - Adopt mechanisms and policies that will foster the pursuit of a longer active life for older workers
 - Develop productivity and innovation with appropriate assistance measures

Looking ahead: reinvestment in adapted public employment services

- **Necessity of redeploying the State's limited resources to meet the new challenges**

- **Necessity of finding an adapted response that takes into account:**
 - The limited capacity of the State to develop the level of public employment services and education and training services
 - An increased role for firms, workers and unions in the development of public employment services
 - Necessary reinforcement of a partnership alliance with an external manpower resources network
 - Mobilization, in a normative context, of the personnel at Emploi-Québec around the advisory role of officers and players working with social assistance clients
 - Strengthen the capacity of public employment services to adapt services to local and regional circumstances

Looking ahead: renewed involvement of firms in the qualification of their workforce

- **Necessity of calling upon firms to improve the skills of their employed workforce...**
 - Development of occupational standards to allow for the recognition of labour force skills for trades in demand
 - Life-long training development and the transfer of skills
 - Development of the organization of work in a context of work - family arrangements

- **... and qualifying workers traditionally more remote from the labour market**
 - Immigrants and visible minorities
 - Handicapped persons
 - Young dropouts