

BC Jobs Plan Reality Check

The First Two Years

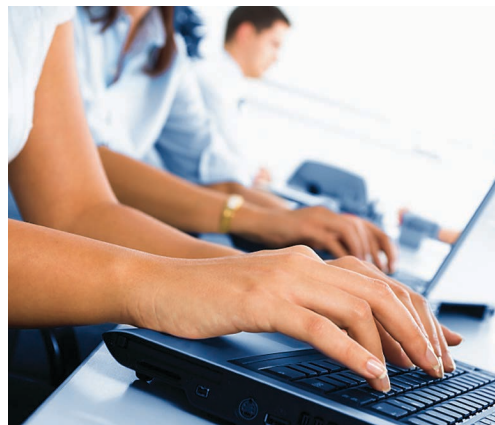
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by Igluka Ivanova

JANUARY 2014



CCPA
CANADIAN CENTRE
for POLICY ALTERNATIVES
BC Office



BC JOBS PLAN REALITY CHECK: THE FIRST TWO YEARS

By Iglia Ivanova

January 2014

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Contents

SUMMARY	5
PART 1: INTRODUCTION.....	8
PART 2: REALITY CHECK	11
Unemployment Rate Remains High.....	11
Low Employment Rate Raises Concerns	12
Job Creation Has Stalled in 2013	13
Private Sector is Shedding Jobs in 2013	14
The Quality of Jobs is Deteriorating	16
Growth in Full-Time Work is the Only Silver Lining.....	16
Temporary Jobs Replace Permanent Jobs	17
Real Wages are Being Buoyed by Low Rates of Inflation	18
Most Job Growth is in the Service Sector	20
Recession Job Losses Not Recovered Outside the Lower Mainland	23
Vulnerable Groups See Little Improvement in Their Job Prospects	26
Temporary Foreign Worker Numbers Surge Outside Urban Areas.....	30
PART 3: CONCLUSION AND POLICY RECOMMENDATIONS.....	32

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BC Jobs Plan Reality Check

The First Two Years

IN SEPTEMBER 2011, the provincial government launched the BC Jobs Plan. The plan was a direct response to the slow labour market recovery that followed the 2008-2009 recession, and aimed to “create good jobs families can count on.” Since the plan’s launch, the province has issued progress reports every six months that declared the plan a success.

This report offers an independent assessment of the BC Jobs Plan, and uncovers a very different story. We take a closer look at BC’s recent job market performance, and find significant weaknesses two years into the government’s plan, chiefly:

- While the total number of jobs in BC has increased since the plan was announced in 2011, job creation has been weaker than it was in the first two years of the recovery, particularly in the private sector. The private sector lost over 12,000 jobs in the first ten months of 2013.
- BC’s job market stalled in 2013, losing close to 4,000 jobs in the first ten months of the year, while most other provinces have seen employment growth. This puts BC in eight place on job creation in 2013, far from the BC Jobs Plan target of first or second place.
- The Jobs Plan was supposed to stimulate job creation in all areas of the province, and particularly outside the Lower Mainland and Victoria. However, most jobs created since the recession have been in the Lower Mainland. The only other BC regions that have recovered the number of jobs lost in the recession are the Kootenay and the Northeast.

Four years after the economic recovery began, and two years after the BC Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance. BC’s recovery has been weaker than the Canadian average so far and the Jobs Plan does not seem to have changed that.

- **Low employment rate:** Only 71 per cent of working age British Columbians have jobs today, effectively unchanged since the start of the BC Jobs Plan and almost as low as during the recession. In order to return to BC’s pre-recession employment rate (the proportion of working age British Columbians who have jobs), the province would need 94,000 more jobs.

BC’s recovery has been weaker than the Canadian average so far and the Jobs Plan does not seem to have changed that.

- **High unemployment rate:** BC's unemployment rate was 6.7 per cent as of the third quarter of 2013, compared to just over 4 per cent before the recession. The unemployment rate went down even though BC actually lost jobs in the first ten months of 2013; this is because more people stopped actively looking for work.
- **Fewer permanent jobs:** BC has fewer permanent jobs today than we did before the recession. Almost two thirds of the jobs created since the Jobs Plan have been seasonal or casual. There has been some growth in full-time jobs, but fewer British Columbians have full-time jobs than residents of other provinces.
- **More new jobs going to temporary foreign workers:** Of the new jobs created since the recession, 29 per cent have been filled by temporary foreign workers. The increase in temporary foreign workers has been concentrated in areas outside urban centres.
- **Little relief for vulnerable groups:** The Jobs Plan focused on providing more economic opportunities to Aboriginal people, but there is no evidence of measurable improvement in their unemployment or employment rates. The plan does not specifically address challenges faced by youth or recent immigrants, two other groups likely to be vulnerable in the labour market.

Instead of waiting for the private sector to invest and boost hiring, the provincial government should increase its own role in job creation.

RECOMMENDATIONS: INVEST AND DIVERSIFY

BC needs an economic strategy that is better diversified and less environmentally risky, and that puts more British Columbians to work in well-paying, family-supporting jobs. More working British Columbians means more income for families, which means more spending, and a healthier economy.

Instead of waiting for the private sector to invest and boost hiring, the provincial government should increase its own role in job creation. In BC, the public sector has been the main engine of net job creation since the BC Jobs Plan was announced, adding 20,000 new jobs, primarily in education services, and health and social assistance.

The government must also step away from its narrow focus on resource extraction and exports, specifically on making LNG the main economic driver for the province. The industry may seem poised for a boom now, but it is far too risky to pin the province's economic future on one sector, particularly one so vulnerable to the ups and downs of global commodity markets. And, of course, developing the oil and gas sector would come at a great environmental price, threatening northern communities with air and water pollution and endangering our climate.

While much is made of the role the (often better-paid) resource sector plays in BC, the reality is that just 2 per cent of British Columbians are directly employed in mining, oil and gas extraction and forestry and logging combined. This sector remains such a small share of the job market that even a doubling or tripling of employment would not place it among top employment sectors in BC.

A more diversified and environmentally sound jobs plan will include public investments in:

- High quality, accessible and affordable childcare, and education at all levels.
- Making our homes, schools and hospitals more energy-efficient.

- A large-scale reforestation program to aid recovery from the pine-beetle devastation.
- Youth-focused employment initiatives and specific measures designed to help Aboriginal people and recent immigrants do better in the job market.

Whether it is by hiring workers to enhance public services and make them more accessible, by purchasing goods and services from BC businesses or by initiating work on needed infrastructure projects, governments can create jobs and significant spin-off hiring in the private sector.

An effective job creation strategy will cost money, but without investing more of our collective resources in our communities, the BC government cannot provide the leadership needed to remedy a slow economy and persistent joblessness.

Introduction

To many ordinary British Columbians who are still out of work, it might feel like the recession is not quite over.

THE GLOBAL RECESSION OF 2008–09 HIT BC HARD, costing tens of thousands of jobs. While the BC economy, measured by gross domestic product (GDP), recovered in 2010 and has been growing since, the job market has been particularly fragile and slow to rebound. To many ordinary British Columbians who are still out of work, it might feel like the recession is not quite over.

In response to the slow job market recovery, Premier Christy Clark introduced the BC Jobs Plan in September 2011. The plan was billed as a major new policy initiative aimed at increasing investment and boosting the economy across all regions of BC, including rural areas, which experienced particularly high job losses in the recession.

The BC Jobs Plan aimed to expand resource exports to Asian markets, strengthen transportation networks to make the movement of goods (for export) easier and “streamline” regulations to clear the path for faster resource development (committing not to introduce new regulations without eliminating existing regulations first.¹) None of these ideas was new. In fact, they had been the backbone of economic policy in BC for the last 20 years.

At the time the BC Jobs Plan was released, the Canadian Centre for Policy Alternatives criticized it as being inadequate, noting that very few of the measures included would lead to new employment and those that did would come many years into the future and at great environmental cost.² For example, the development of the liquefied natural gas (LNG) industry and the opening of a number of new mines in the province are key planks of the Jobs Plan, but it is unclear if all these proposed resource projects will go ahead. And even if they do, they will not be built for a number of years, and after the initial surge in employment generated during their construction phase,

1 The BC government called this a commitment to “net zero” new regulations, treating regulations as arbitrary barriers to doing business, not as legitimate restrictions on business activities put in place to protect human or environmental health, or ensure our publicly owned resources are managed sustainably.

2 Marc Lee and Iglia Ivanova (2011). “A clever new slogan, but where are the jobs?” *The Vancouver Sun*. Sept. 23.

very few permanent jobs will be created.³ Attracting more international students to BC universities (50 per cent more over just four years), ramping up skills-training programs across the province, and improving access to education opportunities for Aboriginal students are the other key planks of the Jobs Plan. While improvements to education make sense in principle, little new funding was made available to meet these goals, and that money was earmarked primarily for setting up initiatives to identify the needs of industry in different regions, rather than improving access to training for unemployed or underemployed British Columbians.

Two years after the launch of the provincial government's Jobs Plan, it is time for a reality check on how the BC job market is doing. While two years is too short a timeframe to fully assess the success or failure of a new public policy program like the BC Jobs Plan, it is important to keep track of how the labour market recovery progresses. The BC government has declared the plan a success in each of its twice-yearly progress reports, but a closer look at some of the major job market indicators in BC reveals areas of significant weakness. This report uses data from Statistics Canada's Labour Force Survey to examine the job market recovery in BC in detail.

The report analyses trends in the unemployment rate, the employment rate and various measures of job quality. Because the BC Jobs Plan was announced at a time when the labour market was recovering from the 2008-09 recession and these indicators were already showing some improvement (though rather slowly), simply registering improvement in the indicators is not sufficient to declare the Jobs Plan successful. It is important to compare the changes in key labour market performance indicators since the announcement of the BC Jobs Plan (2012 and the first ten months of 2013) with the recovery in those same indicators before the BC Jobs Plan was announced (2010 and 2011). With the recession ending in 2009, BC is now well in its fourth year of the recovery, and the BC Jobs Plan announcement in late September 2011 splits the recovery period into two almost equally long periods (2010 and 2011, and 2012 and the first ten months of 2013).

The report also separately examines key job market trends for each of BC's seven economic regions⁴ and looks into the post-recession experience of recent immigrants, Aboriginal people and youth—groups that are traditionally vulnerable in the job market.

The report finds that while a number of indicators show evidence of recovery over the last two years, the gains have tended to be small and often followed by setbacks, with indicators up one month and down the next. Four years after the economic recovery began, and two years after the BC Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance. The province's recovery has been weaker than the Canadian average so far. In fact, the job market in BC has stalled since the fall of 2012 while the recovery continues in most other provinces. No net new jobs have been created in BC since

Four years after the economic recovery began, and two years after the BC Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance.

3 The BC Jobs Plan committed to bringing at least one LNG pipeline and terminal online by 2015 (in Kitimat) and to having three in operation by 2020. It also committed to having eight new mines in operation and facilitating nine upgrades/expansions to currently operating mines by 2015.

4 Statistics Canada groups neighbouring geographical areas with similar economic characteristics into economic regions large enough to produce reliable estimates from the Labour Force Survey. BC is divided into seven economic regions: Vancouver Island and Coast, Lower Mainland-Southwest, Thompson-Okanagan, Kootenay, Cariboo, North Coast and Nechako, and Northeast. For more information refer to Statistics Canada's 2013 *Guide to the Labour Force Survey*. <http://www.statcan.gc.ca/pub/71-543-g/71-543-g2013001-eng.htm>

January and the private sector has lost over 12,000 jobs in the first ten months of 2013, which is a rare occurrence outside of recessions.⁵

While the unemployment rate in BC has come down somewhat since the height of the recession when it reached 8 per cent, this apparent improvement is partially due to unemployed British Columbians giving up looking for work, given the lack of opportunities, and dropping out from the official unemployment statistics.⁶ The proportion of working-age British Columbians with a job is almost as low today as during the summer of 2009 when the recession hit its lowest point, and the new jobs being created are largely casual and seasonal positions, which lack the economic security that permanent jobs provide. There were 16,000 more temporary foreign workers in BC as of December 2012 than four years earlier at the start of the recession, and they held 29 per cent of all net new jobs created over those four years.

The report finds evidence of persistent weakness in BC's job market that the BC Jobs Plan has failed to mitigate, and makes policy recommendations to address it.

5 The job market is dynamic: new jobs are created and some jobs are lost every month. What we are interested in is net new job creation.

6 Statistics Canada requires people to be "actively" looking for work to be considered part of the labour force. The proportion of the working age population counted as being in the labour force has declined every year since 2008, with the exception of 2012 when it flatlined.

Reality Check

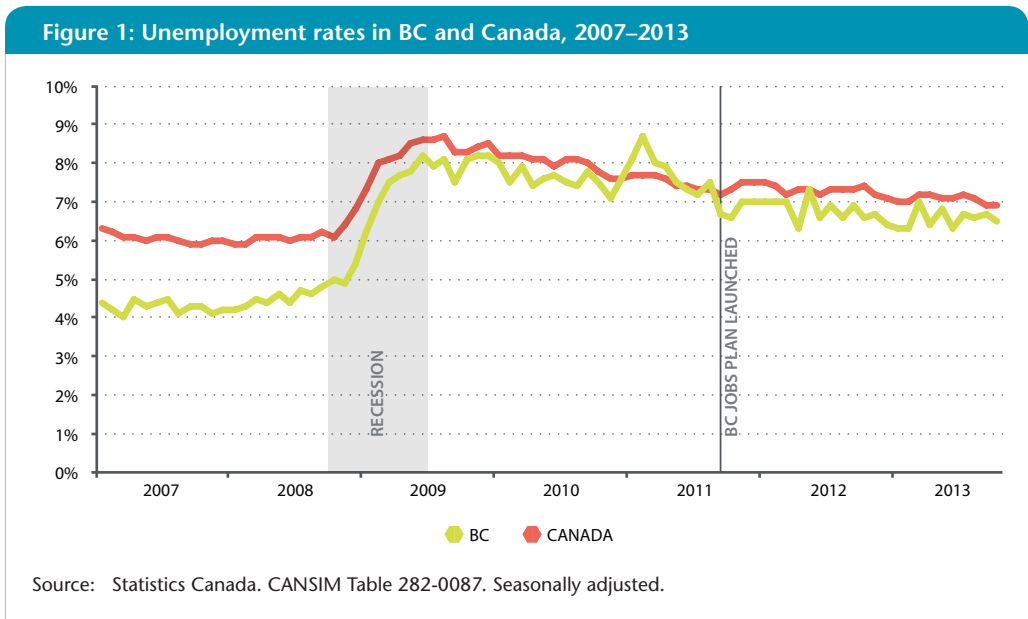
UNEMPLOYMENT RATE REMAINS HIGH

FIGURE 1 SHOWS that BC’s unemployment rate grew rapidly after the recession hit in late 2008, but the recovery has been very gradual and seems to have lost momentum since late 2011. In the third quarter of 2011, as the Jobs Plan was announced, BC’s unemployment rate averaged 7.1 per cent and in the third quarter of 2013, two years later, it has only declined by 0.4 percentage points to 6.7 per cent and remains considerably higher than pre-recession levels of just over 4 per cent.⁷

The notable slowdown in the jobs recovery since 2011 is not just a BC phenomenon; it is happening across the country. Only in Saskatchewan and Newfoundland are the unemployment rates lower today than they were before the recession.

As Figure 1 shows, BC’s unemployment rate used to be considerably lower than the Canadian average but has risen to comparable levels since the recession. As of October 2013, BC has the fourth-lowest unemployment rate in Canada, trailing the other three western provinces and dropping from third place before the recession.

BC’s unemployment rate used to be considerably lower than the Canadian average but has risen to comparable levels since the recession.



7 Monthly fluctuations in provincial Labour Force Survey statistics don’t always reflect changes in economic conditions and might instead be due to changes in the survey sample of relatively small number of households (and recent budget cuts have reduced the number of households sampled), known as sampling variability. One can have more confidence when consecutive movements are in the same direction, which is why I look at quarterly averages for a more accurate assessment of overall trends.

LOW EMPLOYMENT RATE RAISES CONCERNS

The unemployment rate is the most commonly used indicator of how the job market is doing, but a decline in the official unemployment rate is not always a sign of strength. For example, even though BC lost more than 5,000 jobs in October 2013, the province's unemployment rate was down to 6.5 per cent that month (from 6.7 per cent in September). It is important to remember that people who have stopped looking for work because of poor job prospects (what economists often call "discouraged workers") are not considered to be part of the labour force and are thus excluded from the official unemployment statistics.⁸

This is why the employment rate—the share of the working-age population, those aged 15 to 64, that is employed—is a better measure of the strength of the job market than the unemployment rate, especially during a slow economy.

The share of working-age British Columbians with jobs has barely budged since the worst of the recession, still three full percentage points behind its 2008 level.

Figure 2 shows that while more than 74 per cent of working-age British Columbians had jobs in early 2008, fewer than 71 per cent were employed in late 2009.⁹ BC's employment rate remained at these low levels for a couple of years, with workers seeing no real job recovery despite the fact that the economy grew in 2010 and 2011. Only in late summer/fall of 2011 did BC's employment rate rebound slightly to 71 per cent. However, improvements in 2012 proved short-lived and today the employment rate for working-age British Columbians is back to the same levels as in September 2011, effectively unchanged since the launch of the BC Jobs Plan. The share of working-age British Columbians with jobs has barely budged since the worst of the recession, still three full percentage points behind its 2008 level.

What Figure 2 shows is that the new jobs created by the BC economy so far during the recovery are barely sufficient to keep up with population growth, and we have not yet replaced the jobs lost during the recession. To return to the same share (74 per cent) of working-age British Columbians with jobs as before the recession, BC would need 94,000 more jobs for workers aged 15 to 64.¹⁰

The persistently low employment rate in BC explains why for so many British Columbians the recovery has not materialized in any meaningful sense. This is a very different picture than the one painted by the official unemployment rate (down to 6.7 per cent in the third quarter of 2013 from recession highs of more than 8 per cent), and it is precisely why it is necessary to look at more than just headline indicators to get an accurate reading of the strength or weakness of the job market.

As Figure 2 shows, BC's job market was more adversely affected by the recession than many other provinces (BC's employment rate fell by 3 percentage points compared to a decline of 2.1 percentage points on average for Canada), and the recovery has been a lot slower in BC. On average, Canada has recovered about half of the lost ground in working-age employment rates

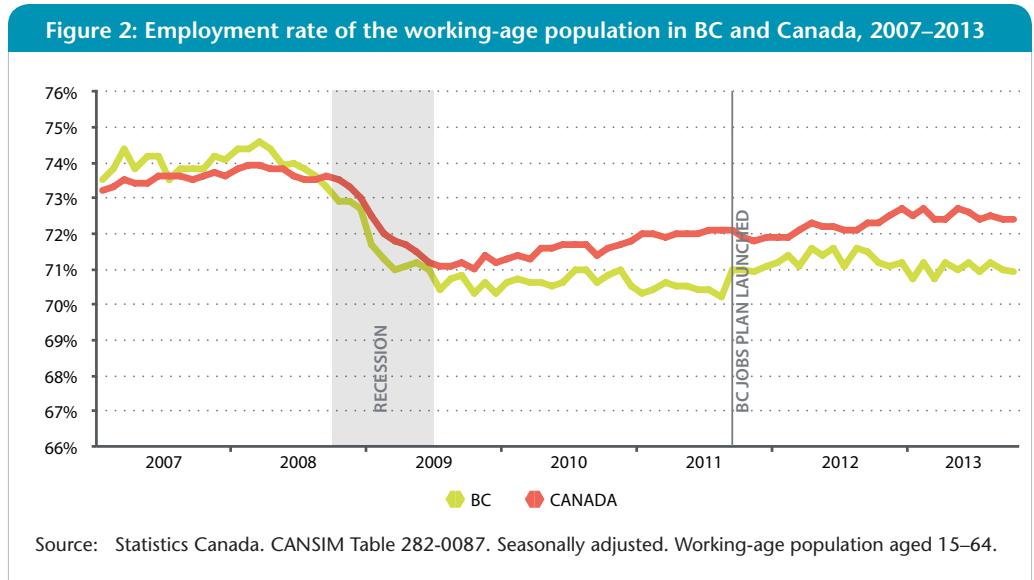
8 To be included in Statistics Canada's official labour force statistics, one needs to be actively looking for work in the four weeks preceding the Labour Force Survey week. The labour force participation rate, which is the proportion of the population over 15 which is included in the labour force count, fell from 64.1 per cent in September to 63.7 per cent in October 2013.

9 In this report, I focus on the employment rate of the population aged 15 to 64 instead of the broader definition of ages 15 and up, to ensure that any declines shown in the data are not being driven by an increase in the share of seniors in the BC population. Seniors (aged 65 and older) have a much lower employment rate than the working-age population.

10 Notably, the employment rate of seniors both in BC and nationally has been increasing rapidly since 2001 after 25 years of decline, and is now higher than it has ever been since 1976 (when data first became available). The employment rate of seniors aged 65 and over was 12 per cent in both BC and Canada in 2012, double the 2001 rates of 6 per cent for Canada and 4.9 per cent for BC. This is driven in part by inadequate pensions forcing more seniors to supplement their retirement income with paid work.

(1.1 percentage points) whereas BC has barely recovered one-tenth of the drop (0.3 percentage points), which is virtually no recovery at all.

BC now has the fourth-lowest working-age employment rate in Canada, behind all but the Atlantic provinces (except PEI, which has a working-age employment rate of 73.3 per cent). We used to have the fourth highest in the country before the recession.



BC experienced faster job creation than the Canadian average before the recession, but we have lagged behind the rest of the country in the recovery period, including after the introduction of the BC Jobs Plan.

JOB CREATION HAS STALLED IN 2013

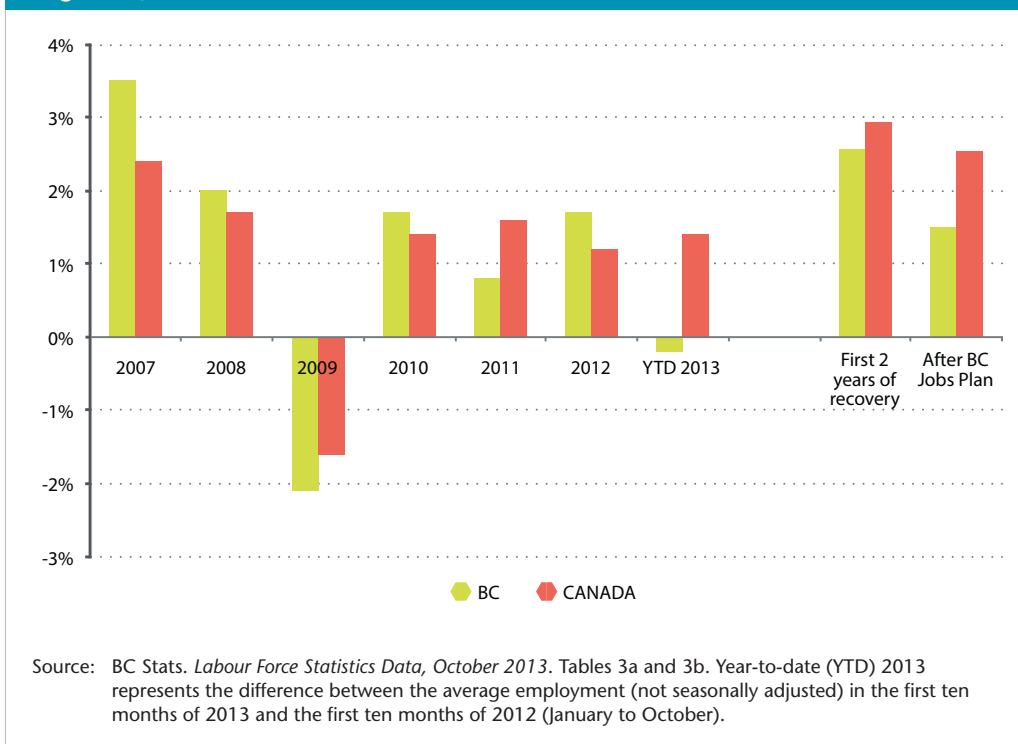
The BC Jobs Plan set a goal for BC to be in the top two in the country on job creation but so far this target remains far out of reach. In 2011, when the Jobs Plan was announced, BC was tied for sixth in terms of net job creation as a percentage of all employment (the only way to compare provinces of different size). We jumped to fourth place in 2012 but have slipped back to eighth in 2013, which is to say we have the third-lowest rate of job creation in the country. BC, along with New Brunswick and Nova Scotia, has actually lost jobs in the first ten months of 2013 while all other provinces have created jobs this year.

As Figure 3 shows, BC experienced faster job creation than the Canadian average before the recession, but we have lagged behind the rest of the country in the recovery period, including after the introduction of the BC Jobs Plan.¹¹

These slow rates of job creation do not bode well in a job market that was hit hard during the recession. BC suffered the third-highest job losses in the country in 2009, shedding 2.1 per cent of all the jobs in the province, a rate considerably higher than the national average of 1.6 per cent (only Newfoundland and Ontario suffered bigger losses, 2.9 per cent and 2.5 per cent respectively). Losing 2.1 per cent of all jobs might not sound like an enormous loss but it is the biggest BC has experienced in thirty years since 1982, when a recession destroyed 5 per cent of all jobs. In 2009, it meant losing 48,500 jobs.

¹¹ In Figure 3 and subsequent figures, the recovery period since the 2008-09 recession is split in two approximately equal time periods: “first 2 years of the recovery,” defined as the years 2010 and 2011, and “after BC Jobs Plan” defined as the calendar year 2012 and the first ten months of 2013 (the most recent data available at the time of writing).

Figure 3: Job creation in BC and Canada, 2007–2013



In BC, the public sector has been the main engine of net job creation since 2012, adding 20,000 new jobs (primarily in education services and in health and social assistance).

PRIVATE SECTOR IS SHEDDING JOBS IN 2013

The BC Jobs Plan was launched to spur job creation by the private sector, but as Figure 4 demonstrates, that sector has actually lost momentum in BC since. In 2012, BC’s private sector created fewer jobs than in each of the previous two years since the recovery started and it actually lost jobs in the first ten months of 2013. This trend is in contrast to Canada as a whole, where private sector job creation in 2013 continues at rates similar to those recorded in 2012. Nova Scotia is the only province besides BC where the private sector has been shedding jobs in 2013.

Figure 4 shows that in BC, the public sector has been the main engine of net job creation since 2012, adding 20,000 new jobs (primarily in education services and in health and social assistance).¹² This fact highlights the important role of the public sector as an employer, helping stabilize the job market, particularly at times when the private sector is in a downturn. Close to one in five jobs in our province is in the public sector. This includes police and firefighters; teachers, nurses and social workers who provide government-funded education, health and social services; and all employees in publicly funded colleges and universities. It also includes employees of ministries, departments and agencies at the municipal, provincial and federal levels who provide support for policy development and direct service delivery as well as key regulatory and oversight functions, and employees of Crown corporations such as BC Hydro and BC Transit.

Throughout Canada, the public sector served as a backstop to the job market downturn during the recession, when the private sector shed a large number of jobs very quickly. The public sector doesn’t just create jobs directly, it also spurs job growth in the private sector by purchasing

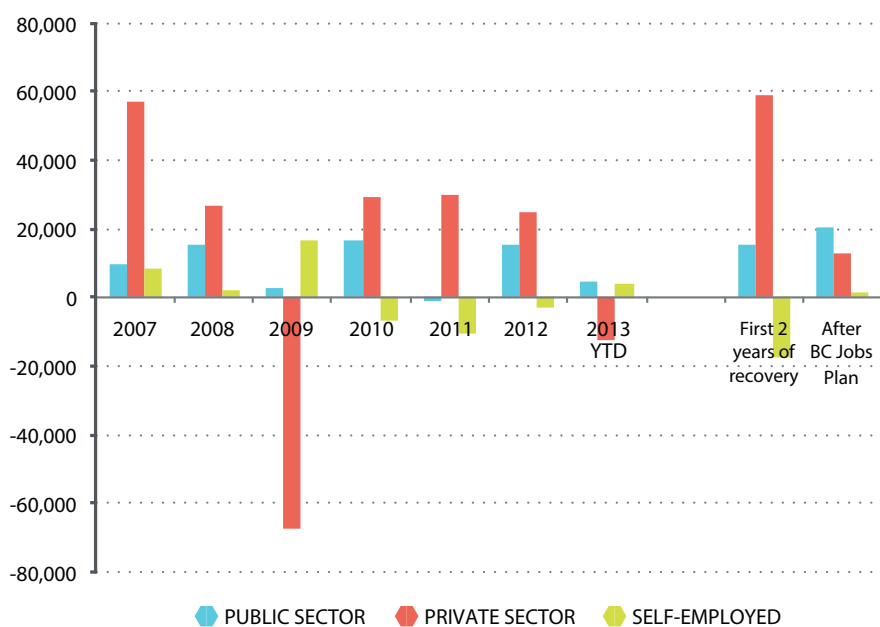
¹² The breakdown of public sector jobs by industry is available in Statistics Canada, CANSIM Tables 282-0011 and 282-0012.

from and contracting with businesses. Spending by the government, mainly on infrastructure projects built by the private sector, helped stimulate the economy and buoyed private sector job creation in 2010 and 2011. However, the BC government's recent focus on deficit-reduction has led to spending restraint and frozen budgets in many areas of the provincial public sector, which represents an effective cut in the face of inflationary cost pressures. This has acted as a fiscal drag on the BC job market. The provincial government has launched a core review of its spending that may lead to job losses in the public sector in Budget 2014. In the current fragile economic environment when we are seeing less hiring in the private sector, job cuts in the public sector would only increase unemployment, lower family incomes and weaken the economic recovery even further.

In 2013, self-employment accounts for almost one in five jobs (18 per cent) in the province, which is only slightly lower than the share of public sector jobs (19 per cent). As Figure 4 shows, the ranks of the self-employed swelled during the recession, fell in times of solid job creation in the public and private sectors (2010, 2011 and 2012) and grew again in 2013 in the face of anemic job creation in the public sector and actual job loss in the private sector. This trend indicates that a big part of the recent growth in self-employment may not be an expression of entrepreneurship but an attempt to cobble together enough small contracts to make a living in the absence of other employment opportunities. The growth of self-employment in 2013 should therefore be interpreted as a sign of weakness in the job market.

The public sector doesn't just create jobs directly, it also spurs job growth in the private sector by purchasing from and contracting with businesses.

Figure 4: Number of jobs created in BC by sector and year, 2007–2013



Source: Statistics Canada. CANSIM Tables 282-0011 and 282-0012. Year-to-date (YTD) 2013 represents the difference between the average employment in the first ten months of 2013 and the first ten months of 2012.

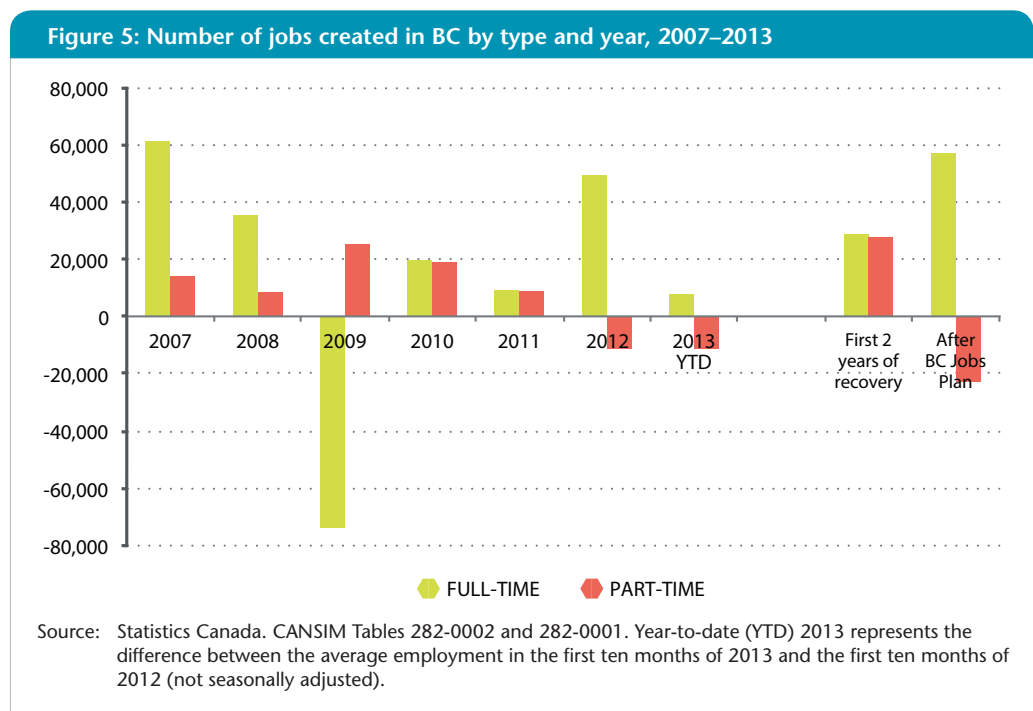
THE QUALITY OF JOBS IS DETERIORATING

Job creation numbers alone don't tell the whole story. In Statistics Canada's employment numbers, a person working 10 hours per week in a casual job for minimum wage is "employed" the same as a person working 40 hours per week in a permanent, unionized job with a decent wage, benefits and pension. While there is no definitive measure of job quality in Canada, data from the Labour Force Survey allows us to look at three additional indicators to assess the strength of the job market: hours of work (full-time vs. part-time), job permanence and wage growth.

Growth in full-time work is the only silver lining in a weak job market, but fewer British Columbians have full-time jobs than residents of other provinces

As Figure 5 illustrates, all net new job creation since 2012 has been in full-time jobs, which is a welcome development for BC workers, as full-time jobs tend to be better paid and more secure.¹³ However, after four years of recovery BC has only just regained the number of full-time jobs that were lost in the recession. All in all, BC has only 12,000 more full-time jobs today than in 2008 before the recession hit. The largest gain in the job market by far is in part-time jobs (BC now has 30,000 more part-time jobs than in 2008).

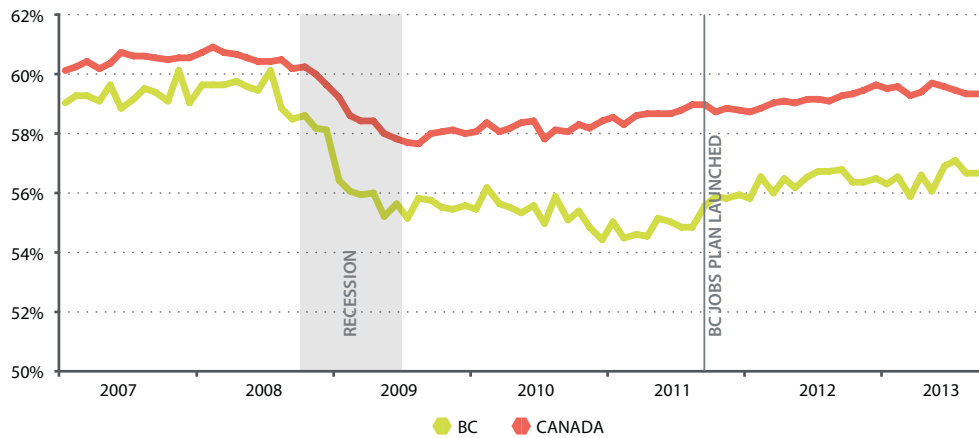
Only 57 per cent of BC's working-age population has a full-time job today, considerably less than the Canadian average of 59 per cent.



More importantly, while BC's job market has recovered the number of full-time jobs lost in 2009, the province is not creating full-time jobs fast enough to employ our growing workforce. As Figure 6 shows, only 57 per cent of BC's working-age population has a full-time job today, considerably less than the Canadian average of 59 per cent. In addition, the gap between the full-time employment rates of BC and Canada has widened significantly since the 2008-09 recession, and the introduction of the BC Jobs Plan does not seem to have helped us catch up to the rest of Canada.

¹³ In Statistics Canada's Labour Force Survey, workers are considered employed full-time if they are usually scheduled to work 30 hours or more per week in their main job, otherwise they are considered employed part-time. If a worker has more than one job, the job that provides more hours per week is considered the main job.

Figure 6: Share of working-age population in full-time jobs in BC and Canada, 2007–2013



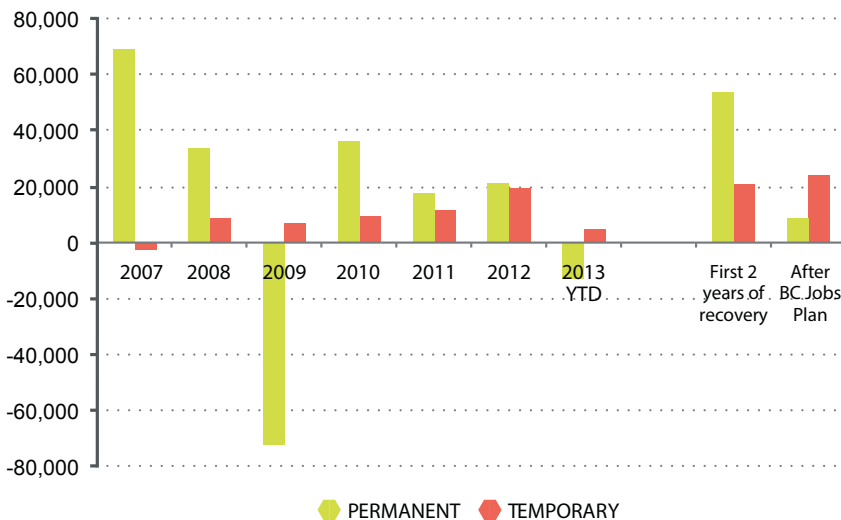
Source: Author's calculations based on Statistics Canada, CANSIM Table 282-0087. Seasonally adjusted. Working-age population aged 15–64.

Temporary jobs replace permanent jobs

Since the 2008 recession, there has been a notable shift in the BC job market away from permanent jobs and toward temporary ones.¹⁴ Figure 7 shows that while the first year of recovery, 2010, saw relatively robust growth in permanent jobs, few permanent jobs have been created since. Overall, BC has fewer permanent jobs today than before the recession hit.

BC has fewer permanent jobs today than before the recession hit.

Figure 7: Number of jobs created in BC by permanence, 2007–2013

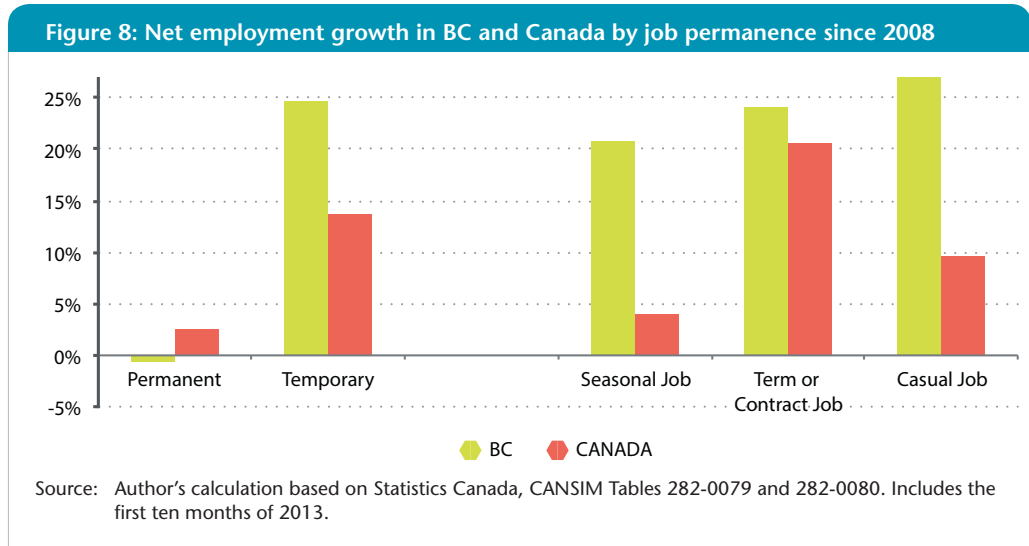


Source: Statistics Canada. CANSIM Tables 282-0079 and 282-0080. Year-to-date (YTD) 2013 represents the difference between the average employment in the first ten months of 2013 and the first ten months of 2012.

¹⁴ In Statistics Canada's Labour Force Survey, jobs are classified as permanent if they do not have a pre-determined end date; that is if they are expected to last as long as the employee wants to stay. Temporary jobs, on the other hand, are expected to end as soon as a specific project is finished. Both permanent and temporary jobs can end in layoff if business conditions deteriorate.

The growth of temporary jobs as a share of all employment is a Canada-wide phenomenon, but as Figure 8 shows, BC is creating a lot more temporary jobs than permanent ones compared with the rest of the country. Seasonal and casual jobs are growing particularly fast in BC.¹⁵ In fact, almost two out of three jobs created in BC since 2012, or after the BC Jobs Plan, have been seasonal or casual (61 per cent). This is worrisome because these jobs tend to be precarious: they rarely provide employment year-round, typically pay less, and thus provide little economic security for workers and their families.

The growth of temporary jobs as a share of all employment is a Canada-wide phenomenon, but BC is creating a lot more temporary jobs than permanent ones compared with the rest of the country.

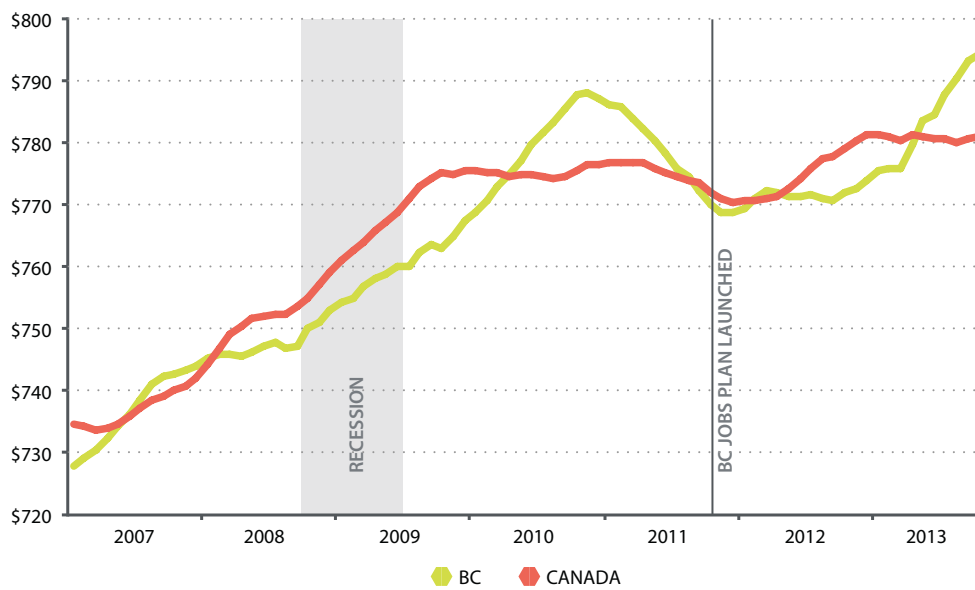


Real wages are being buoyed by low rates of inflation

Figure 9 shows median weekly wages in BC and Canada adjusted for inflation to reflect their “real” purchasing power after price increases are accounted for. The median is the weekly wage level where exactly half of workers earn more and half earn less. It is a better indicator of what a typical worker can expect to earn than the average weekly wage, especially in highly unequal labour markets where the average may not be representative of most people’s wages if it is driven up by a small proportion of very high wage earners at the top.

¹⁵ Temporary jobs are divided into four groups: seasonal, term or contract, casual and other.

Figure 9: Real median weekly wages in BC and Canada, 2007–2013



Source: Author's calculations based on Statistics Canada, CANSIM Tables 282-0069 and 326-0020. Adjusted to 2013 dollars based on annual consumer price index (CPI) forecasts for BC and Canada from June 2013 *BC Budget Update*. Twelve-month moving average is used to smooth out large monthly fluctuations in the wage data.

BC workers had the highest median weekly wages in the country in the late 1990s, but we slipped to a middle-of-the-pack fifth place in 2012.

In BC, real median weekly wages grew through the recession and the first year of the recovery but took a big hit after, falling by more than 2 per cent in one year (2011), and remained low in 2012. Despite an average increase of 1.8 per cent in real weekly wages over the first ten months of 2013, BC median weekly wages are only slightly higher in late 2013 than in late 2010. It is too early to tell whether the recent rapid growth in real wages, which is partly a product of unusually low inflation rates in the province, will be sustained.¹⁶

In Canada, real median weekly wages stagnated in the recovery (falling slightly over 2010 and 2011), rose by about 1 per cent in 2012 and are stagnating again in 2013.

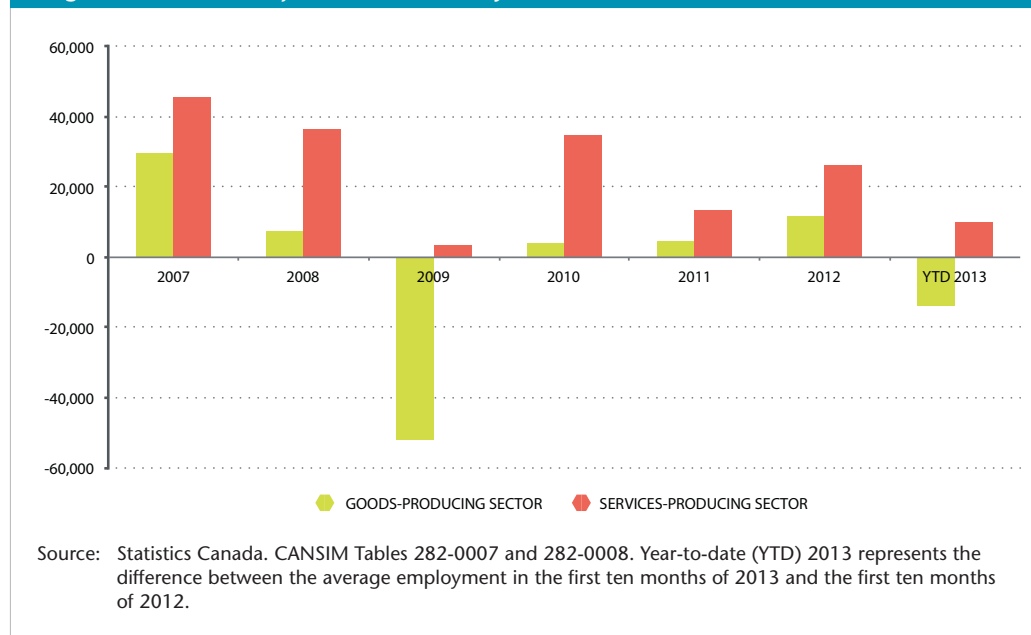
While BC's median weekly wages have grown faster than Canada's over the last five years, this increase comes on the heels of a decade (1998–2008) of virtually no real wage growth in the province compared with 5 per cent growth on average in Canada. BC workers had the highest median weekly wages in the country in the late 1990s, but we slipped to a middle-of-the-pack fifth place in 2012 and are poised to finish fourth in 2013 based on the results of the first ten months of the year.

¹⁶ The rate of inflation in BC is projected to be only 0.9 per cent in 2013, much lower than Canada's average inflation rate of 1.5 per cent (June 2013 *BC Budget Update*).

MOST JOB GROWTH IS IN THE SERVICE SECTOR

BC's economy is primarily service-based, with about 80 per cent of all workers in the province employed in the service sector.¹⁷ As Figure 10 reveals, while job losses in the recession were concentrated in the goods sector (in industries like construction and manufacturing), the vast majority of jobs created since then have been in service sector industries. This trend remained unchanged after the introduction of the BC Jobs Plan in September 2011.

Figure 10: Number of jobs created in BC by sector, 2007–2013



Employment related to mining, oil and gas extraction has grown by 32 per cent since 2008, but this only represents about 4,000 new jobs out of a total of 2.3 million jobs in BC.

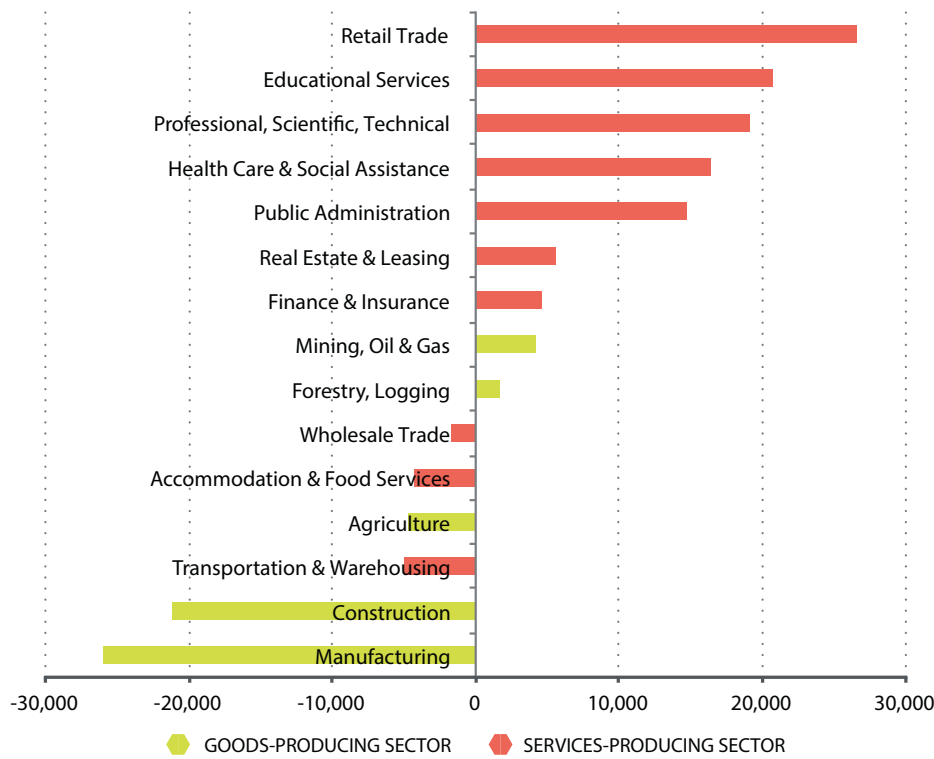
Figure 11 (opposite) shows net job creation in the major sectors of the BC economy. Retail trade has created the most net new jobs for British Columbians since the recession: one out of four new jobs created in BC was in this sector.

Worth noting in Figure 11 is the job growth in industries associated closely with the public sector, such as educational services, health care and social assistance, and public administration (as discussed earlier in this report).

The BC Jobs Plan relies on resource industries to create jobs in BC, but the reality is that very few British Columbians are directly employed in mining, oil and gas extraction (1.3 per cent of all BC workers) or in forestry and logging (0.8 per cent). Employment related to mining, oil and gas extraction has grown by 32 per cent since 2008, but this only represents about 4,000 new jobs out of a total of 2.3 million jobs in BC. Mining, oil and gas extraction remains such a small share of the BC job market that even doubling or tripling the number of jobs would not place it among the top employment sectors in BC.

¹⁷ The economy is divided into two sectors: the goods sector, which makes tangible products like bricks, furniture, or cars, and the service sector, which covers all other economic activity, from knowledge-based industries like high tech to preparing and serving food. Employment in the service sector has increased from 69 per cent in 1976 to 80 per cent in 2013.

Figure 11: Net job creation or loss in BC by industry since 2008



Source: Statistics Canada. CANSIM Tables 282-0007 and 282-0008. Includes the first ten months of 2013

Since the announcement of the BC Jobs Plan a number of service industries have created far more net new jobs than forestry and logging, and mining, oil and gas.

Figure 12 (over) allows us to compare net job creation by industry in the first two years of the recovery (2010 and 2011), before the BC Jobs Plan was introduced, with the period after 2012, when the BC Jobs Plan was in place. Among the goods-producing industries, forestry and logging and mining, oil and gas have had the strongest growth since the BC Jobs Plan, adding about 5,000 net new jobs each, partly because of an uptick of commodity prices and global demand over this period.

Figure 12 also shows that since the announcement of the BC Jobs Plan a number of service industries have created far more net new jobs than forestry and logging, and mining, oil and gas. The most significant contributors have been trade (close to four times as many jobs, two-thirds of which were in retail); finance, insurance and real estate (close to three times as many); and educational services (twice as many). Job growth in public administration and professional, scientific and technical services has been on par with the fastest-growing resource industries.

Figure 12a: Job creation/loss in BC's goods-producing industries since 2008

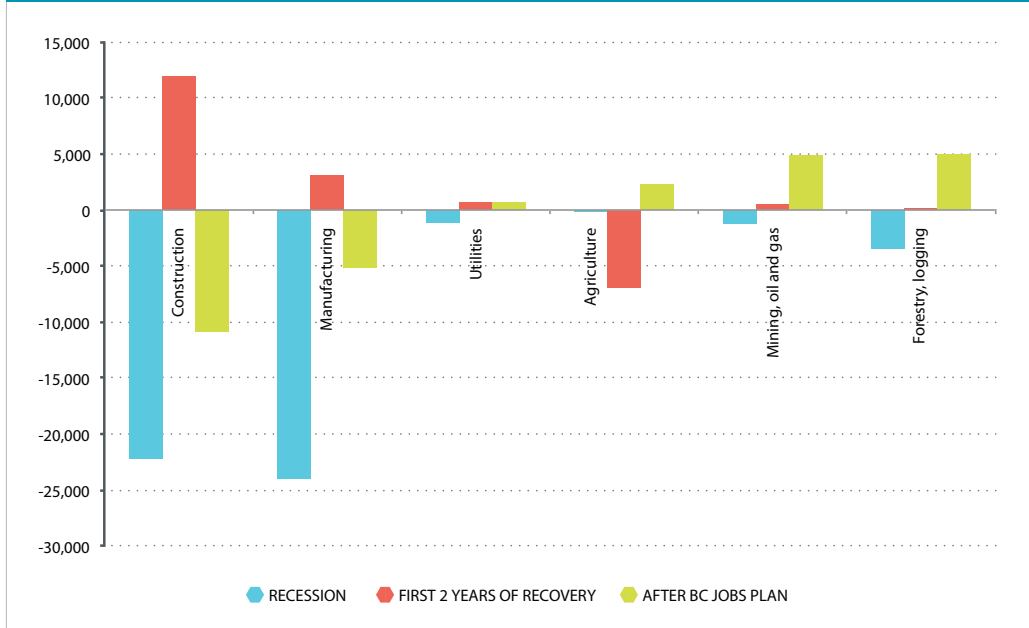
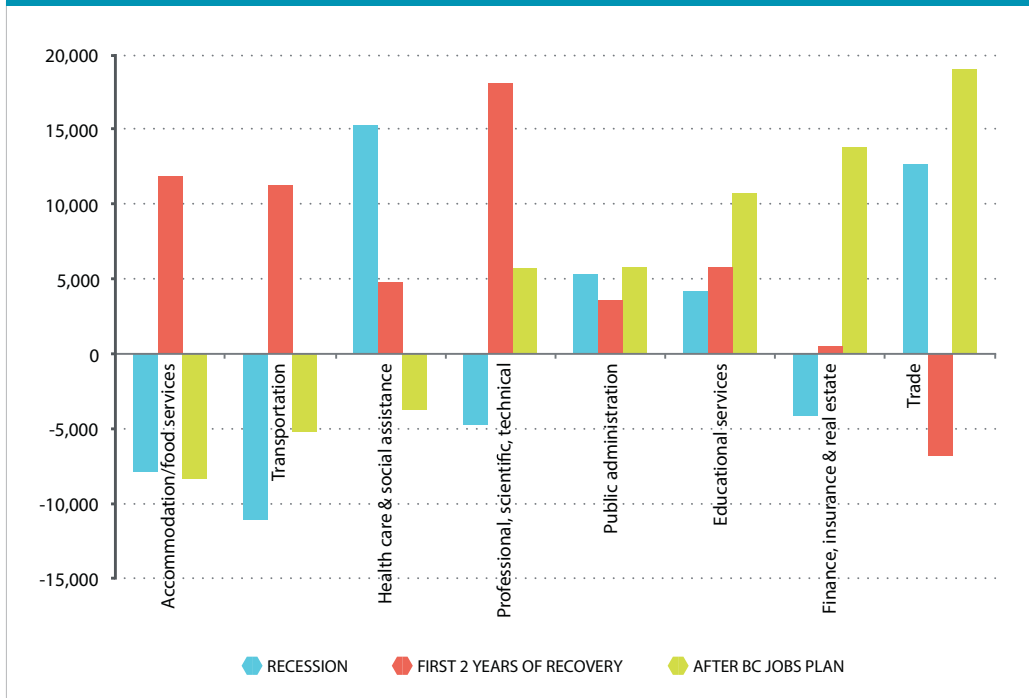


Figure 12b: Job creation/loss in BC's service-producing industries since 2008



Source: Statistics Canada. CANSIM Tables 282-0007 and 282-0008. Recession job creation/loss is the difference between annual employment by industry in 2009 and 2008. Includes the first ten months of 2013.

MOST REGIONS OUTSIDE THE LOWER MAINLAND HAVE NOT RECOVERED THE JOBS LOST IN THE RECESSION

Looking at the aggregate BC indicators masks the split between the Lower Mainland and Greater Victoria regions, which are highly diversified, and the rest of the province, where regional economies are more resource-dependent and thus vulnerable to swings in international commodity markets. The 2008-09 recession hit economic regions outside the Lower Mainland particularly hard, as global markets for our exports shrank.¹⁸ Almost 1 out of every 10 jobs in the Cariboo economic region disappeared in 2009, as did 1 out of every 13 jobs in the North Coast and Nechako, and 1 out of every 20 jobs in the Northeast (see Figure 13 below). In contrast, the net job loss in the Lower Mainland was only 1 per cent of total employment, or 1 out of every 100 jobs.¹⁹

Table 1 shows regional unemployment rates since 2007. Unemployment rates have decreased notably in 2013 in the resource-intensive North Coast and Nechako, Kootenay and Cariboo regions, which were particularly affected by the recession. These regions now have lower unemployment rates than in 2008, partly because of outmigration since the recession hit.²⁰ In contrast, unemployment in the Lower Mainland is still 2.6 percentage points higher than before the recession despite significant job creation because the region's working-age population grew by more than 8 per cent in those four years and a lot more people were competing for the available jobs.

Looking at the aggregate BC indicators masks the split between the Lower Mainland and Greater Victoria regions, which are highly diversified, and the rest of the province, where regional economies are more resource-dependent and thus vulnerable to swings in international commodity markets.

Table 1: BC regional unemployment rates by economic region, 2007–2013

	BC	VANCOUVER ISLAND/COAST	LOWER MAINLAND/SOUTHWEST	THOMPSON-OKANAGAN	KOOTENAY	CARIBOO	NORTH COAST & NECHAKO	NORTHEAST
2007	4.3	4.3	4.0	4.4	5.5	5.1	8.1	N/A
2008	4.6	4.4	4.3	5.5	4.9	6.7	7.8	4.8
2009	7.7	7.3	7.2	8.8	8.7	12.1	10.6	7.0
2010	7.6	6.3	7.6	8.6	9.3	8.1	10.2	6.8
2011	7.5	7.7	7.3	7.9	8.2	7.6	8.6	4.9
2012	6.7	6.0	6.8	6.9	7.3	7.0	10.7	4.1
2013 Jan–Oct	6.6	6.3	6.9	6.9	4.9	5.8	6.6	4.8*

Source: BC Stats. *Labour Force Statistics Data, October 2013*. Table 9.

*The average for the Northeast region is Feb–Oct 2013, as Statistics Canada did not release a January estimate for the region's unemployment rate.

18 BC is divided into seven economic regions: Vancouver Island and Coast, Lower Mainland-Southwest, Thompson-Okanagan, Kootenay, Cariboo, North Coast and Nechako, and Northeast.

19 Author's calculations based on data from Statistics Canada, CANSIM Table 282-0061.

20 Outmigration means that fewer people are competing for the available jobs and can lower the unemployment rate even when no new jobs are being created (or jobs are being lost).

It is hard to say to what extent the rapid declines in the unemployment rates in northern BC regions are due to the Jobs Plan or simply to commodity price increases. In 2010 and 2011, as metals, minerals and energy prices rose quickly, unemployment rates in the Cariboo, in the North Coast and Nechako and in the Northeast fell fast. The two following years, 2012 and 2013, saw a slight drop in overall commodity prices, especially for minerals and metals, but also a significant increase in forestry prices, which has led to new jobs in the Kootenay and Cariboo regions.

As discussed earlier in this report, the unemployment rate alone does not tell us enough about the health of a particular labour market. While the four northern economic regions in BC are reporting lower unemployment rates than before the recession, Table 2 shows that the employment rate has fully recovered only in the Northeast and the Kootenay regions. In contrast, the North Coast and Nechako region and the Cariboo have seen a significant decrease in their employment rate since pre-recession levels.

Table 2: BC regional employment rates by development region, 2007–2013

	BC	VANCOUVER ISLAND/ COAST	LOWER MAINLAND/ SOUTHWEST	THOMPSON-OKANAGAN	KOOTENAY	CARIBOO	NORTH COAST & NECHAKO	NORTHEAST
2007	63.2	60.4	64.1	60.7	62.7	66.8	62.4	71.3
2008	63.2	61.8	63.8	61.1	57.8	65.4	66.7	72.4
2009	60.5	58.9	61.6	58.1	56.7	59.1	61.8	69.0
2010	60.5	59.1	61.1	59.3	54.9	62.9	60.3	71.6
2011	60.2	56.0	61.4	58.2	56.7	63.7	64.9	72.4
2012	60.6	56.1	61.6	58.9	58.9	67.2	59.5	76.6
2013 Jan–Oct	60.0	56.5	60.8	57.1	62.4	64.3	61.8	74.0

Source: Statistics Canada. CANSIM Tables 282-0054 and 282-0055. The employment rate is the share of the population over the age of 15 that is employed.

The resource focus of the BC Jobs Plan was supposed to breathe life into regions outside the Lower Mainland and Greater Victoria, which were hit particularly hard by the recession. However, four of our seven economic regions now have fewer actual jobs than in 2008.

The resource focus of the BC Jobs Plan was supposed to breathe life into regions outside the Lower Mainland and Greater Victoria, which were hit particularly hard by the recession (after already struggling with the decline in forestry). However, four of our seven economic regions now have fewer actual jobs than in 2008. Figure 13 shows the share of jobs created/lost in each region since the recession, dividing the recovery into two parts: before and after the BC Jobs Plan was announced. In the figure, BC’s regions are ordered according to job growth since pre-recession levels.

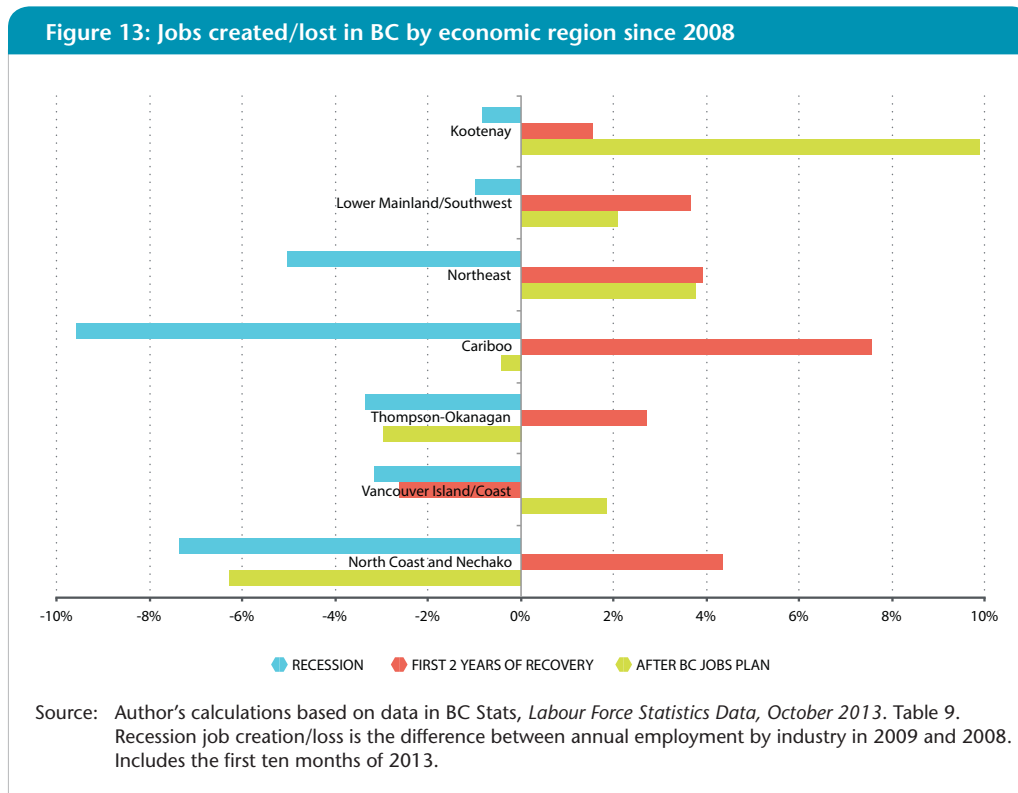
The Thompson–Okanagan and the Vancouver Island/Coast regions both have 4 per cent fewer jobs than before the recession, which means a loss of 9,500 jobs in Thompson-Okanagan and 15,400 in Vancouver Island/Coast.

In fact, the majority of net job creation between 2008 and October 2013 was concentrated in the Lower Mainland, where most British Columbians live. Since the start of 2013 that region has

accounted for almost two-thirds of all jobs in the province (62.7 per cent), slightly higher than before the recession. This is the highest proportion of the job market held by the Lower Mainland since 1995 (the earliest regional statistics available).

Both Vancouver and Abbotsford-Mission census metropolitan areas in the Lower Mainland/Southwest region have seen net increases in employment of more than 5 per cent compared with their pre-recession levels. Outside the Lower Mainland, the only regions that have recovered the number of jobs lost in the recession are the Kootenay (which has seen rapid job growth since 2011) and the Northeast. The Cariboo, Thompson-Okanagan, the North Coast and Nechako, and Vancouver Island/Coast regions each have fewer jobs today than in 2008, and the first three have actually lost jobs since the Jobs Plan was announced. The only reason that unemployment rates in northern areas of BC aren't higher is that people have migrated from those regions to the Lower Mainland/Southwest.

Figure 13: Jobs created/lost in BC by economic region since 2008



Outside the Lower Mainland, the only regions that have recovered the number of jobs lost in the recession are the Kootenay (which has seen rapid job growth since 2011) and the Northeast.

Since the BC Jobs Plan was announced, there has been strong job creation in the Kootenay and Northeast regions. It may well be that the focus on expanding resource extraction and LNG exports in particular is starting to create some jobs in rural areas where they are badly needed. However, most of the jobs stemming from these planned major resource projects will be created during their construction stage, so any lift to the local economies is likely to be short-lived, and there is concern that many of the jobs may be filled by temporary foreign workers or skilled workers coming from other parts of the country rather than by local unemployed workers. In addition, instead of needed diversification, the economic strategy of the BC Jobs Plan would only entrench resource dependence in these areas.

VULNERABLE GROUPS SEE LITTLE IMPROVEMENT IN THEIR JOB PROSPECTS

The labour market is not homogeneous, and we know that vulnerable groups such as recent immigrants (less than five years in Canada), Aboriginal people and youth typically experience higher unemployment rates and lower employment rates than the average for the province.²¹

Figures 14, 15 and 16 show that all three groups experienced larger increases in their unemployment rates during the recession than other British Columbians, and these high unemployment rates persisted longer than for other British Columbians. The gap between the employment rates for youth and Aboriginal people compared with other British Columbians widened significantly during the recession and has remained so, but stayed about the same for recent immigrants.

Youth (ages 15 to 24) were particularly affected by the recession. Youth experienced the biggest drop in employment rates of all disadvantaged groups during the recession (7 percentage points). In addition, more than 60 per cent of all net jobs lost in 2009 were jobs held by youth, even though youth only account for 16 per cent of the job market (that is, 1 in 12 youth jobs disappeared). Net job losses for youth continued in 2010, 2011 and 2012, and this group has only just begun to see a reduction in its unemployment rates, and a very small one at that.

Aboriginal people continue to have the worst job market outcomes of all groups, suffering a higher unemployment rate than recent immigrants and youth and a comparable employment rate to youth.

The BC Jobs Plan was silent on the job market difficulties faced by immigrants and youth. The plan targets reforms in skills-training and apprenticeship programs in BC, and, in particular, increasing access to this type of training, which may benefit jobless youth. These plans are still at the consultation stage between industry, organized labour and educational institutions, and specific reforms are yet to be agreed on and implemented.

The BC Jobs Plan did, however, aim to improve economic opportunities available to Aboriginal people in the province and has established the Aboriginal Business and Investment Council, which appears focused primarily on facilitating resource development in First Nations communities. The plan also specifies a goal of improving First Nations access to education and their educational outcomes, but proposes to achieve these objectives “with consistent and rigorous analysis” of what works and what doesn’t rather than with additional funding for education. Figure 15 shows no measurable improvement in Aboriginal job market outcomes since the BC Jobs Plan was announced. In fact, the Aboriginal unemployment rate rose again in 2013.

There is no measurable improvement in Aboriginal job market outcomes since the BC Jobs Plan was announced. In fact, the Aboriginal unemployment rate rose again in 2013.

²¹ They also generally find themselves overrepresented in lower-paying sectors and jobs, and earn lower incomes as a result.

Figure 14a: Unemployment rate in BC by immigrant status, 2007–2013

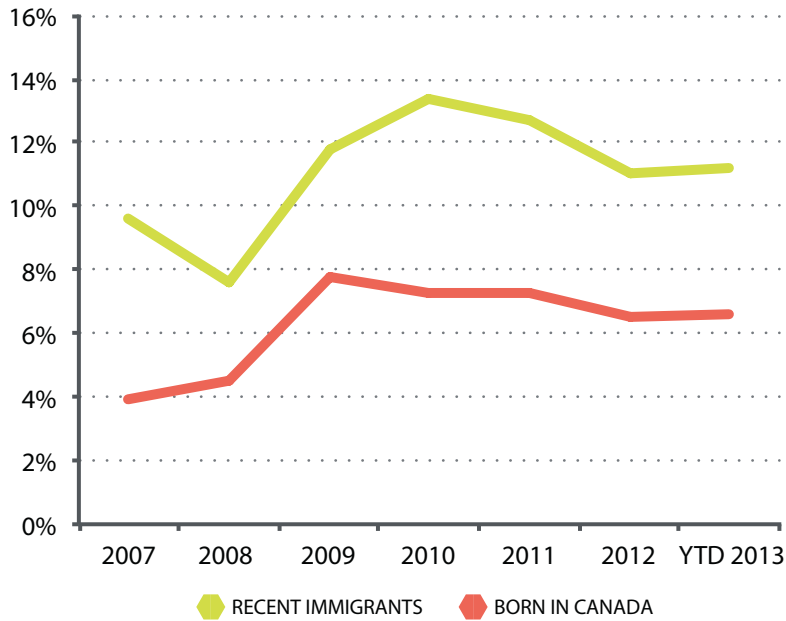
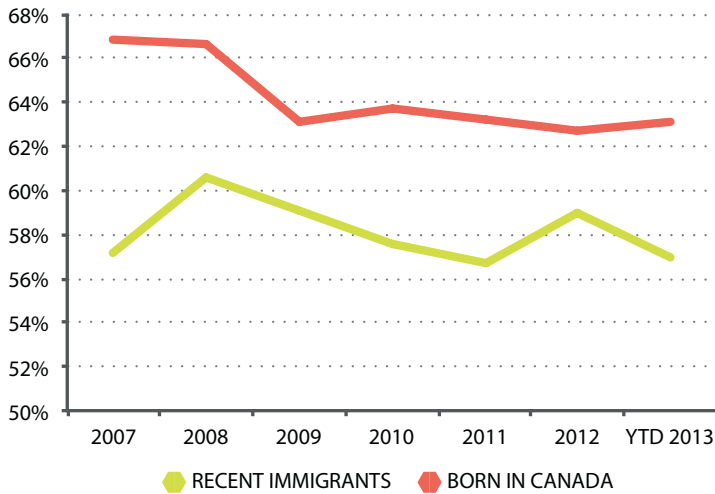


Figure 14b: Employment rate in BC by immigrant status, 2007–2013



Source: Statistics Canada. CANSIM Tables 282-0101 and 282-0102. Year-to-date (YTD) 2013 represents the average of the first three quarters of 2013, not seasonally adjusted. Employment and unemployment rate for population aged 15 and over.

Figure 15a: Unemployment rate in BC by Aboriginal identity, 2007–2013

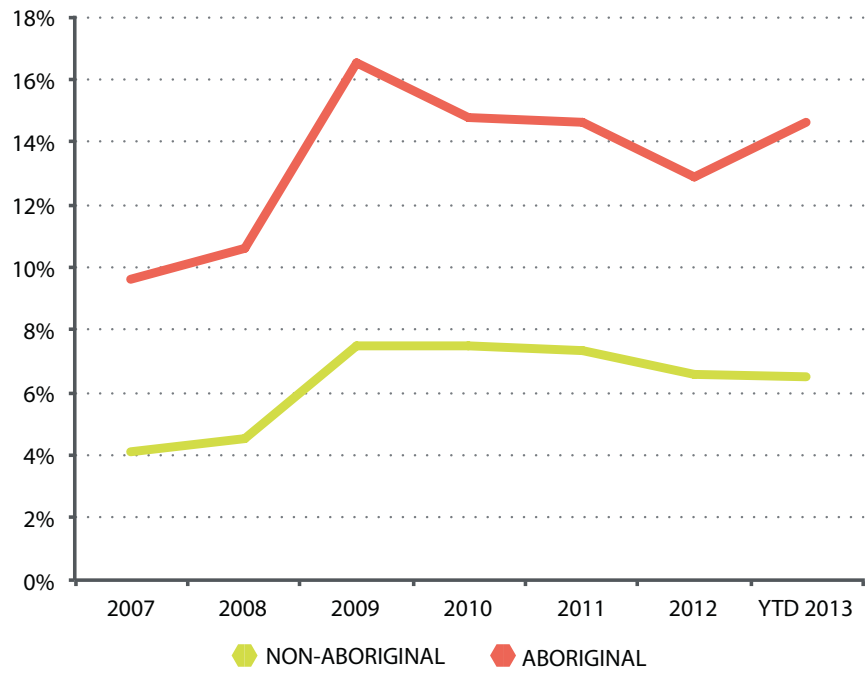
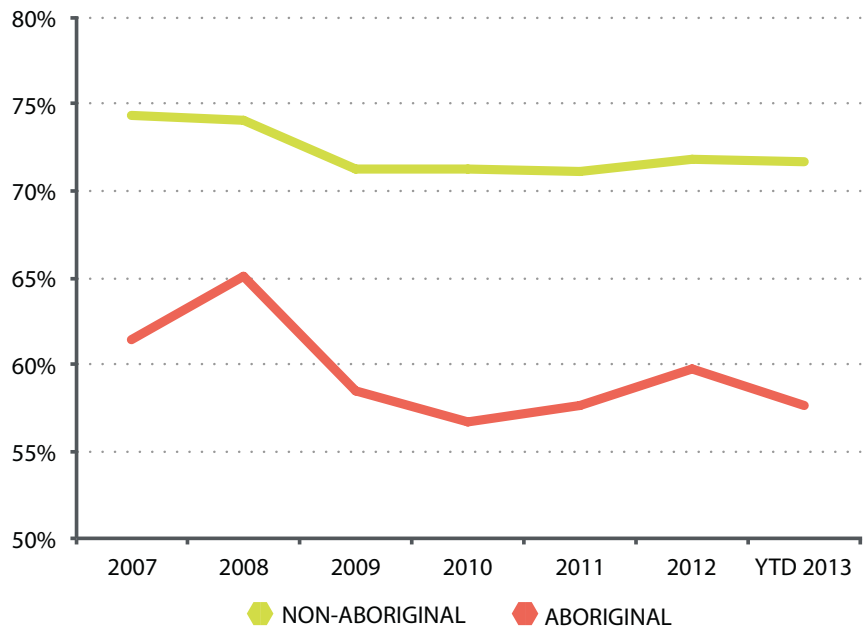
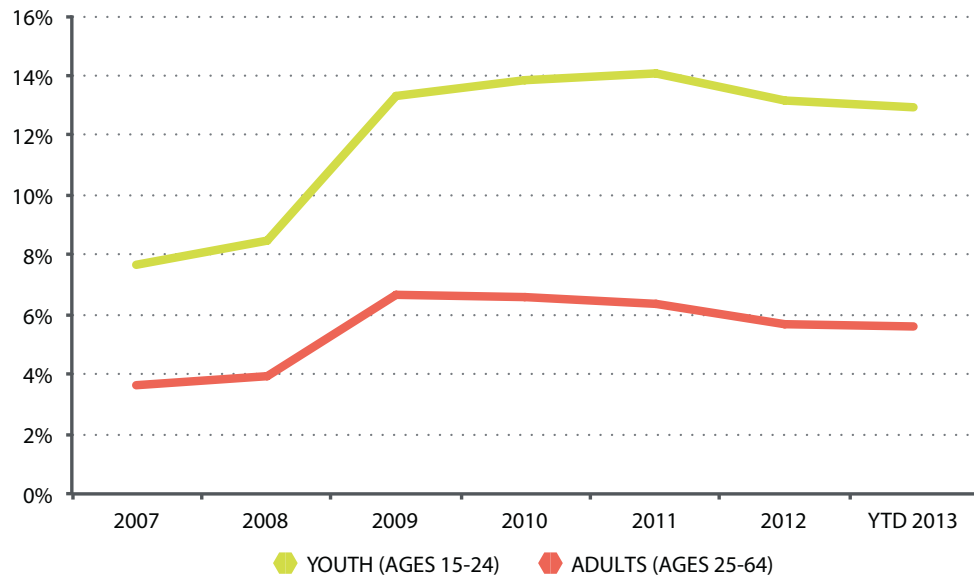


Figure 15b: Employment rate in BC by Aboriginal identity, 2007–2013



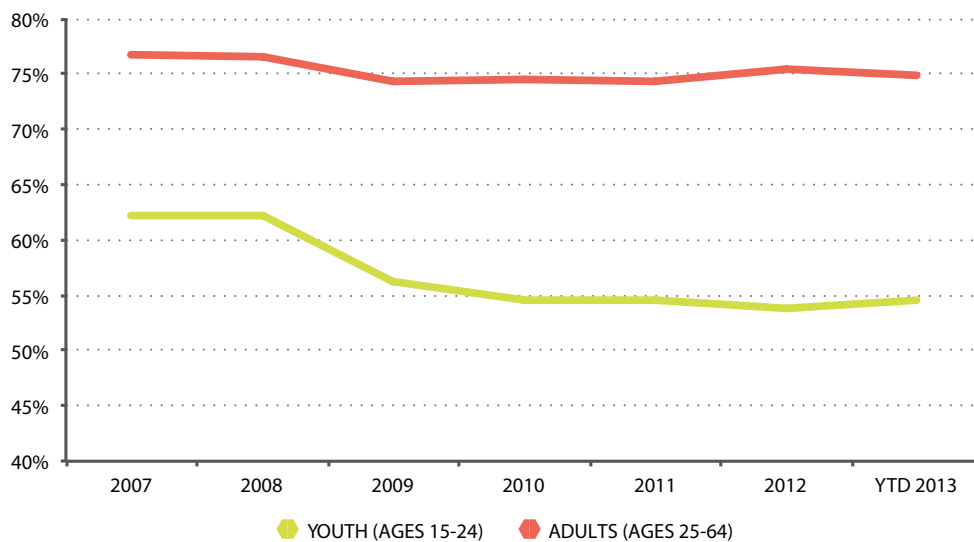
Source: Annual data 2007 to 2012 provided by BC Stats, based on Aboriginal People’s Labour Force Survey (unpublished, provided by request). Year-to-date (YTD) 2013 represents the average of the first three quarters of 2013, not seasonally adjusted, based on BC Stats. *Aboriginal People’s Labour Force Survey Quarterly Estimates for BC*. September 2013. Employment and unemployment rate for population aged 15 to 64.

Figure 16a: Youth and adult unemployment rates in BC, 2007–2013



The gap between the employment rates for youth and Aboriginal people compared with other British Columbians widened significantly during the recession and has remained so even after the launch of the BC Jobs Plan.

Figure 16b: Youth and adult employment rates in BC, 2007–2013



Source: Statistics Canada. CANSIM Tables 282-0001 and 282-0002. Year-to-date (YTD) 2013 represents the average of the first ten months of 2013, not seasonally adjusted.

TEMPORARY FOREIGN WORKER NUMBERS SURGE OUTSIDE URBAN AREAS

Several high-profile cases of temporary foreign workers being brought in to staff new projects like the Murray River coal mine in northeastern BC have raised questions about whether the new jobs created in Canada's resource sector (particularly in Western Canada) are actually providing opportunities for previously unemployed local residents.²²

Citizenship and Immigration Canada reports on the number of temporary foreign workers as of December 1 each year. These statistics inevitably omit foreign seasonal agricultural workers who are only in the country during the growing season, and thus underestimate the total number of temporary foreign workers in the Canadian labour market. Nevertheless, the statistics show that the hiring of temporary foreign workers has expanded significantly since the recession, from about 58,000 in 2008 to 74,000 in 2012. This represents an increase of 28 per cent in just four years, which is slightly less than the 36 per cent increase in temporary foreign workers Canada-wide.

Figure 17 shows a notable shift in the location of temporary foreign workers in 2012, away from Vancouver toward rural areas of the province. Interestingly, BC's net job creation in the year between December 2011 and December 2012 was concentrated in Vancouver and the province's three other census metropolitan areas (60.4 per cent of all net new jobs).²³ Only 39.6 per cent of net new jobs in the province in 2012 were created outside these four major urban areas, in the regions where virtually all net new temporary foreign workers were located.

The net increase in temporary foreign workers located outside major urban areas between December 2011 and December 2012 exceeded the net new jobs created in those parts of the province that year. While it remains to be seen whether this is the beginning of a new trend or an artifact in the dataset for that year, the rapid growth of temporary foreign workers outside urban areas is something to monitor in the future.

Province-wide, while temporary foreign workers take up a small share of available jobs (just over 3 per cent in December 2012), the net increase in temporary foreign workers (16,000 workers) between 2008 and 2012 represents about 29 per cent of the net increase in jobs (a total of 55,100 jobs) over the same time period.²⁴ This is a higher share by far than in any other province (the second-highest is Saskatchewan, where 20 per cent of net new jobs since 2008 have gone to temporary foreign workers), except for Nova Scotia and New Brunswick, which have experienced net job losses since the recession but still have more temporary foreign workers than they used to. In Canada overall, about 15 per cent of net new jobs created between 2008 and 2012 were taken by temporary foreign workers.

In other words, only about two-thirds of the net new jobs created over the last four years went to British Columbians.

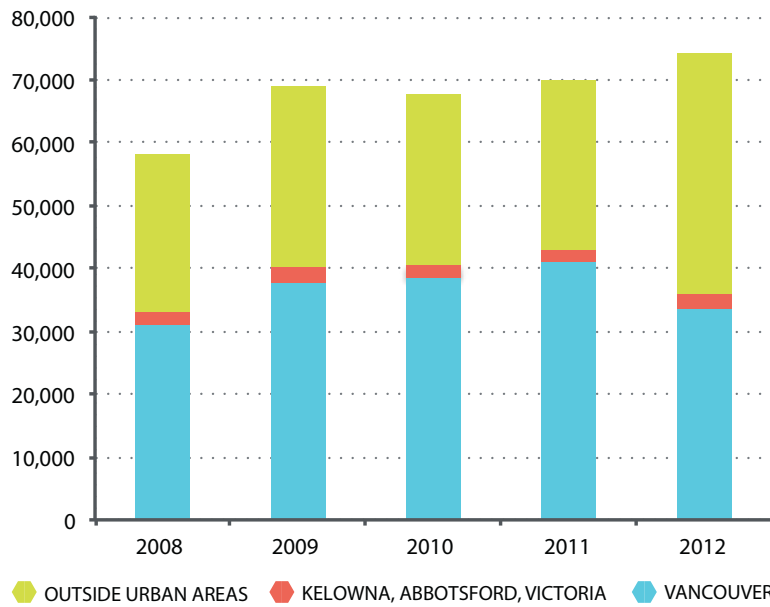
22 In 2012, HD Mining International received permits to hire 201 Chinese workers for its new BC coalmine operation near Tumbler Ridge. The permits were challenged in court by two unions (Local 1611 of the Construction and Specialized Workers' Union and Local 115 of the International Union of Operating Engineers), but the Federal Court dismissed the case in May 2013.

23 Job creation patterns vary by season, so December to December employment growth is used to match the temporary foreign workers numbers available. Census metropolitan areas included are Vancouver, Victoria, Abbotsford-Mission and Kelowna, based on data from Statistics Canada, CANSIM Table 282-0109. To match three-month moving average data for the metropolitan areas, BC job creation numbers are based on CANSIM Table 282-0060.

24 This is the net increase in BC jobs between December 2008 and December 2012 from Statistics Canada, CANSIM Table 282-0001. A December-to-December comparison (not seasonally adjusted) is used to match the timing of estimates of temporary foreign workers, reported as of December 1 each year.

The net increase in temporary foreign workers (16,000 workers) between 2008 and 2012 represents about 29 per cent of the net increase in jobs over the same time period. In other words, only about two-thirds of the net new jobs created over the last four years went to British Columbians.

Figure 17: Number of temporary foreign workers in BC by urban area, 2008–2012



Source: Citizenship and Immigration Canada. *Canada—Temporary foreign workers present on December 1 by province or territory and urban area, 2008–2012.*

Conclusion and Policy Recommendations

[A DETAILED LOOK AT THE AVAILABLE STATISTICS](#) reveals significant areas of weakness in BC's job market, which does not seem to have been significantly boosted by the BC Jobs Plan. The persistently high unemployment rate, still over 2 percentage points higher than pre-recession levels, is only the tip of the iceberg. Jobs created since the recession have been primarily temporary positions and have not kept up with BC's growing population of workers. In fact, today the province would need 94,000 more jobs to reach its pre-recession benchmark of 74 per cent of working-age British Columbians with jobs.

Two years after the introduction of the BC Jobs Plan, the recovery in the labour market appears to have stalled: BC did not create any net new jobs in the first ten months of 2013, losing close to 4,000 jobs instead, and the private sector has significantly cut positions. In the meantime, employment growth continues in much of the rest of the country (New Brunswick and Nova Scotia are the only other Canadian provinces that lost jobs in the first ten months of 2013).

Prolonged job market weakness has significant consequences for those British Columbians who cannot find work and suffer personal hardship and possibly poverty. It also has consequences for the province as a whole: fewer employed British Columbians means less income for families, which means less spending, which means a slower economy.

The BC Jobs Plan is focused on attracting (mostly foreign) investment in the resource sector, which is what the premier calls "the first new dollar." The idea that all governments can do is create favourable conditions for foreign investors to create jobs in BC is not just false but also very limiting for our province.

Governments themselves can be a source of that "first new dollar" both directly, by hiring workers to provide public services, and indirectly, by driving private sector job creation (and leveraging investment) when purchasing goods and services from businesses or funding large infrastructure projects to meet community needs. The reality is that government investment has significant private-sector spin offs.

Some of the biggest recent investments in the BC economy are government-funded, including the \$8-billion shipbuilding contract awarded to North Vancouver's Seaspan in 2011 (and expanded by another \$3.3 billion in the fall of 2013).

The idea that all governments can do is create favourable conditions for foreign investors to create jobs in BC is not just false but also very limiting for our province.

However, instead of spurring job creation, the BC government's current fiscal policy has worked against its job market goals, because cost-cutting governments that reduce jobs and do not purchase goods and services only serve to prolong the economic slowdown.

The BC Jobs Plan ties the economic future of BC to resource exports, and particularly to developing a new liquefied natural gas (LNG) industry. This approach is economically risky because it makes the province vulnerable to the inevitable booms and busts of global commodity markets, and it comes at a great environmental price, threatening northern communities with air and water pollution, and endangering the future of our climate.²⁵ It also has not been particularly effective in generating private sector employment, and the planned resource project jobs will be short-lived, concentrated in the construction phase of projects, with few permanent job opportunities staying in the province.

BC needs an economic strategy that is better diversified and less environmentally risky, and that puts more British Columbians to work in well-paying, family-supporting jobs.

A more diversified and environmentally sound jobs plan will invest more of our collective resources in initiatives that meaningfully address serious social and environmental problems such as climate change, poverty and the affordability crisis in housing and childcare. This approach will create more jobs per dollar invested than resource industries and provide a greater boost to incomes locally, while improving quality of life and setting the foundations for a robust and sustainable economy in the future.²⁶

What does this mean concretely? A CCPA report by economists Marc Lee and Kenneth Carlaw provides a useful framework for thinking about this at the provincial level.²⁷ It means investments in high-quality, universal and affordable early childcare and education, hiring more teachers to relieve crowded classrooms and provide support for students with special needs, and boosting funding to make post-secondary education and skills-training accessible to all who need it.

Public investments in making our homes, schools and hospitals more energy efficient will create jobs in construction province-wide, reduce energy consumption and help us meet our climate goals. A large-scale reforestation program to replace trees lost to the pine-beetle devastation will not just constitute sound forestry management practice, it will spur job creation in rural communities struggling after decades of forest industry decline. Youth-focused initiatives should also be on the table, to deal with the massive un- and underemployment plaguing that cohort. Specific measures should also be designed to reduce the barriers Aboriginal people and recent immigrants experience in the job market.

There is no shortage of ideas. An effective job creation strategy will cost money, but there are ways to raise the needed revenues equitably.²⁸ And without investing more of our shared resources into our communities, the BC government cannot provide the kind of leadership needed to remedy a slow economy and persistent joblessness.

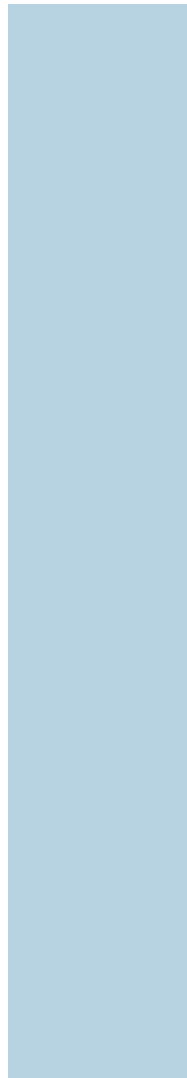
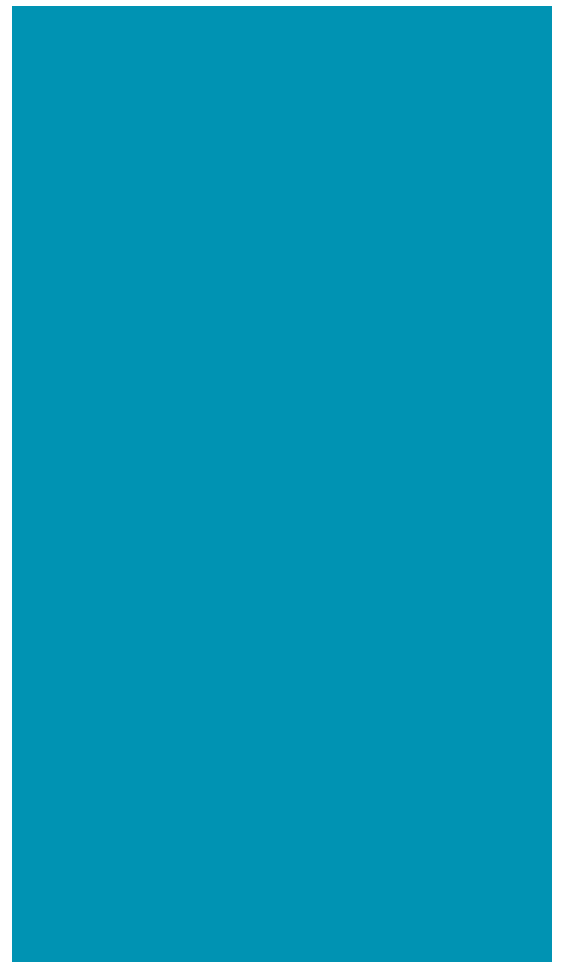
A more diversified and environmentally sound jobs plan will invest more of our collective resources in initiatives that meaningfully address serious social and environmental problems such as climate change, poverty and the affordability crisis in housing and childcare.

25 It has been widely acknowledged (including most recently in internal government documents) that an LNG development strategy threatens BC's legislated goals to reduce greenhouse gas emissions. A reduction in global greenhouse gas emissions is absolutely crucial for tackling climate change.

26 As demonstrated by Marc Lee and Kenneth Carlaw, who model the employment impact of new investments in different industries for BC, based on input-output models developed by BC Stats. Marc Lee and Kenneth Carlaw (2010). *Climate Justice, Green Jobs and Sustainable Production in BC*. Vancouver: Canadian Centre for Policy Alternatives.

27 Ibid.

28 As shown in Igljika Ivanova and Seth Klein (2013). *Progressive Tax Options for BC: Reform Ideas for Raising New Revenues and Enhancing Fairness*. Vancouver: Canadian Centre for Policy Alternatives.



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