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Seismic Shift

Ontario's Changing Labour Market

Kaylie Tiessen

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Executive Summary

THIS STUDY EXAMINES the dynamics of Ontario's labour market and documents how the province is reeling from more than just the 2008–09 global recession: it's been undergoing a seismic shift in the labour market since the turn of the century.

The nature of work is changing. The change started in earnest in 2000, with the decline in Ontario's manufacturing sector, traditionally the bedrock of Ontario's economy. At the turn of the century, manufacturing jobs made up more than 18% of Ontario's labour market. By the end of 2013, after shedding 290,000 jobs over 13 years, the manufacturing sector represented only 11% of the jobs in Ontario's labour market.

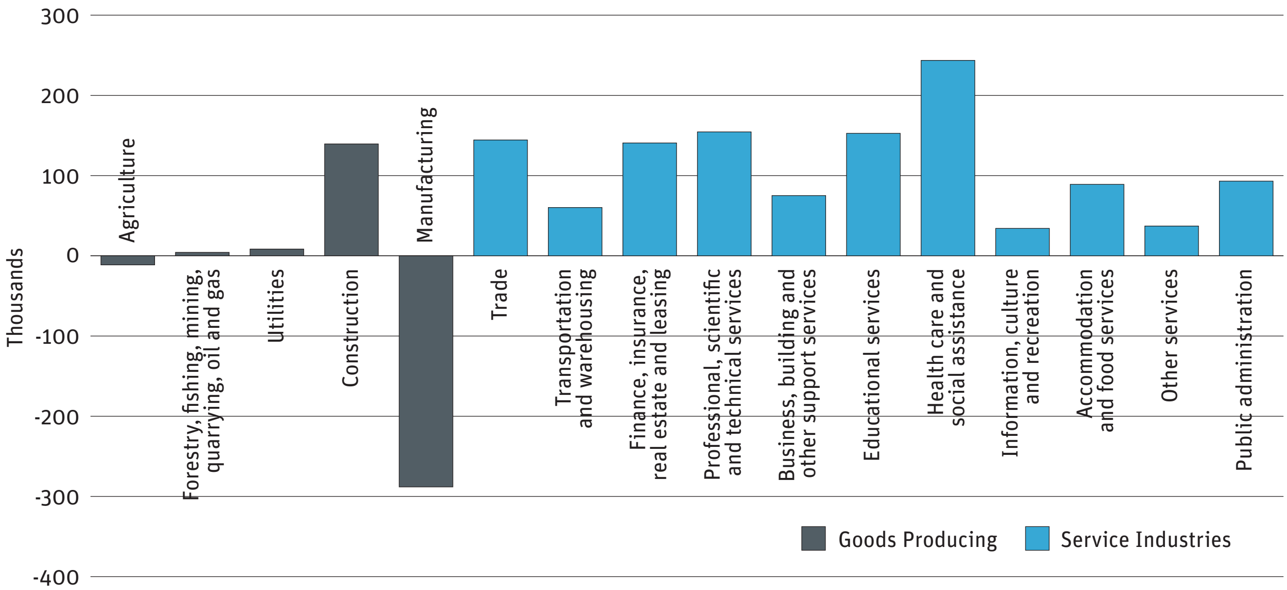
But besides a relatively small loss in agricultural jobs and the staggering job loss in the manufacturing sector, there has also been a dramatic increase in services-related jobs and precarious work — the combination of which characterizes the dramatic shift underway in Ontario's labour market.

As a share of the labour market, positions in service producing industries increased from 73% of Ontario jobs in 2000 to 79% in 2013. The province produced more than one million new jobs in service-producing industries.

Construction jobs have also been the subject of considerable growth — in fact they've been the single most important contributor to job growth in the goods producing sector since 2000, representing 140,000 new jobs, 55% of which were created in Toronto.

The global financial crisis and ensuing recession certainly hit Ontario hard. However, this study documents how the structural changes in On-

Net Change in Jobs in Ontario, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0060

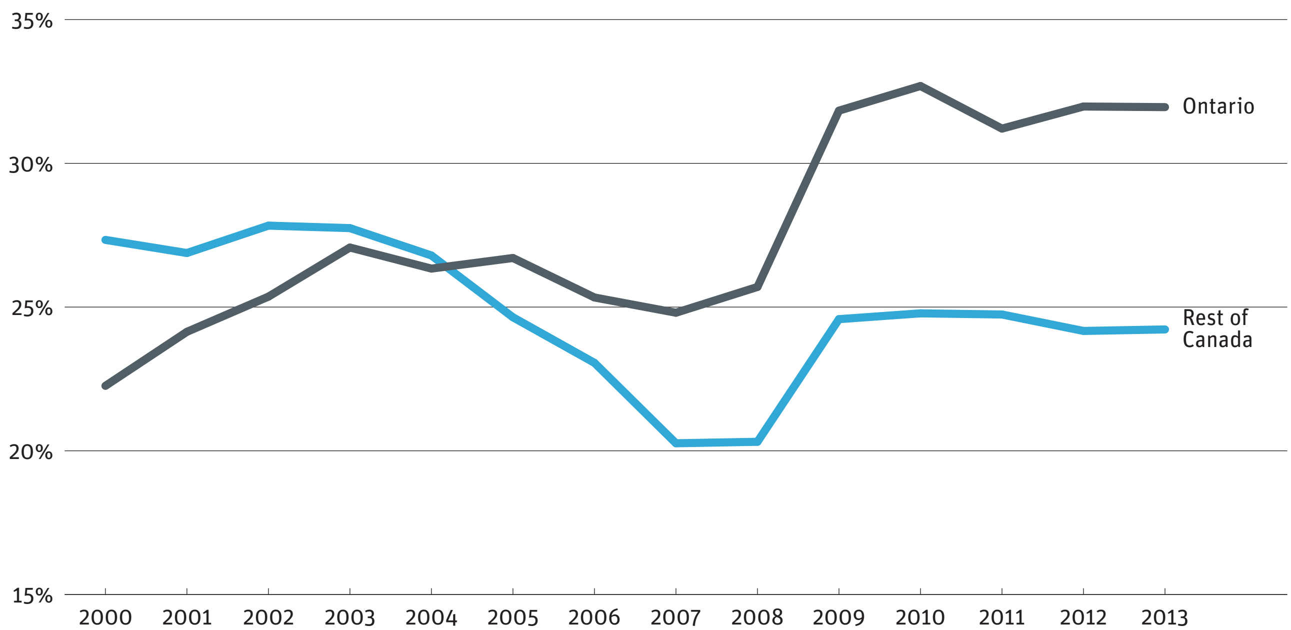
tario's labour market had already begun exacting their toll even before the recession began. Temporary and part-time work grew faster than full-time and permanent work. The squeeze on the middle class had begun, and employment precarity had become a typical feature of employment for many individuals.

During the recession, Ontario lost 266,000 jobs. Though the economy has seen a net replacement in the jobs lost since then, job creation has not kept up with population growth. In fact, Ontario needs at least 270,000 new jobs in order to return to the pre-recession employment rate of 63.7% in September of 2008.

There remain about 125,000 more unemployed workers in Ontario than before the recession. In fact, long-term unemployment is the worst in the country. In Ontario, the average duration of unemployment has increased by more than 50% since 2009 and has maintained a steady hover at 22 weeks since the summer of 2010. The average duration of unemployment in Ontario is the second highest in the country, behind Quebec. The share of long-term unemployed in Ontario is just over 23% — five percentage points higher than the national average and an increase of more than 75% since 2009.

During the recession, there was also a sharp rise in involuntary part-time work and it's not getting any better: in 2013, 32% of all part-time work-

Share of Part-Time Employees Involuntarily Working Part-Time, Ontario and Rest of Canada, 2000–13



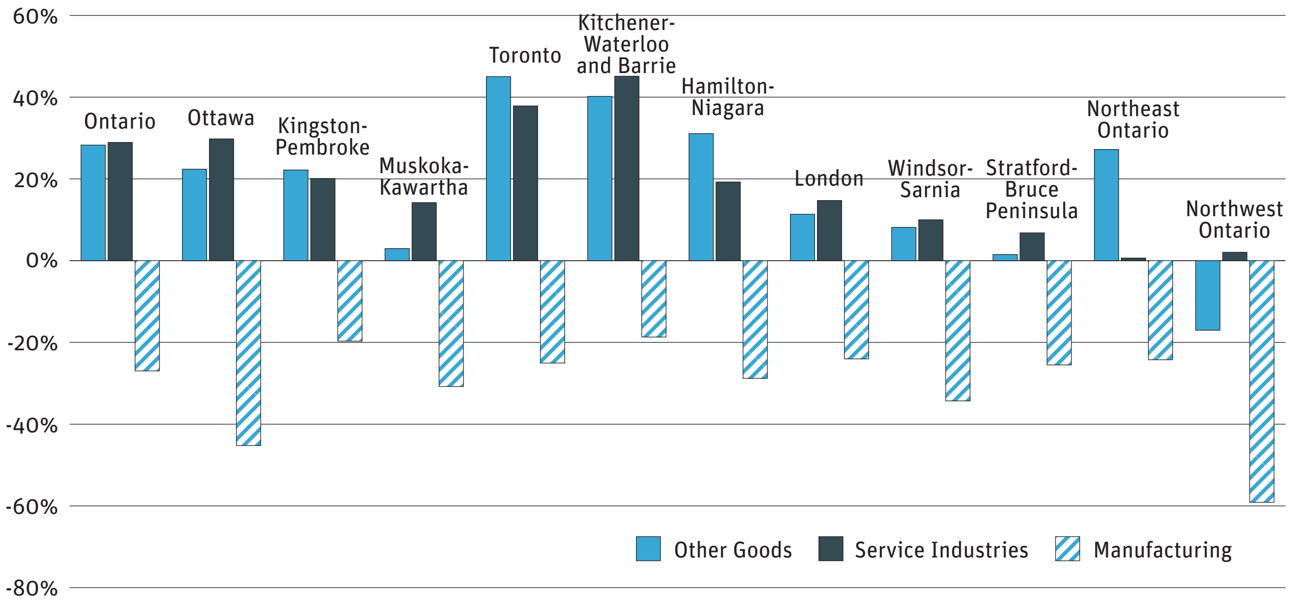
Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0014

ers in Ontario would rather have been be working full-time. That's an increase of almost 43% since 2000. Once again, the growth in part-time work was a trend that had begun even before the recession. Since the turn of the century, full-time jobs grew by 16%, cumulatively, while part-time jobs grew by 25%, cumulatively.

The regional snapshot is also revealing: Without exception, each economic region in Ontario has lost at least 18% of the manufacturing jobs that existed in 2000. Job creation, on the other hand, has been uneven across the province. Windsor-Sarnia and Northwestern Ontario have seen the local labour market shrink by 2.3% and 13% respectively, while Kitchener-Waterloo, Barrie, Ottawa and Toronto have seen the labour market grow by at least 20% over 2000 levels. As a whole, Southwestern Ontario has seen near stagnant growth in jobs as London and Hamilton-Niagara have experienced a net loss in jobs since 2008.

Not only has the labour market undergone dramatic structural changes in terms of the types of jobs on offer in Ontario, but policy makers will have to come to grips with the fact that external economic conditions were much more favourable in 2000 compared to today:

Percent Change in Jobs in Selected Industries, Ontario and Economic Regions, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0060

Low dollar: The value of the Canadian dollar had not yet begun its slow and steady appreciation, which was tough on Ontario's manufacturing-based economy.

U.S. coat tails: The American economy was continuing the longest peacetime expansion on record and showed no signs of slowing (International Monetary Fund, 1999) — coat tails that cannot be relied upon today.

Red hot economic growth: GDP growth across North America was strong. In Ontario it averaged 4.7% between 1996 and 2000 (Ontario Ministry of Finance, 2001) — a golden era that may not be replicated for some time.

The absence of these key economic drivers suggests brand new policy solutions are required to address this long-term seismic shift in Ontario's labour market. The policies of the mid-1990s and early-2000s clearly were created in another era — and there's no going back to that place and time.

Ontario's Shifting Labour Market

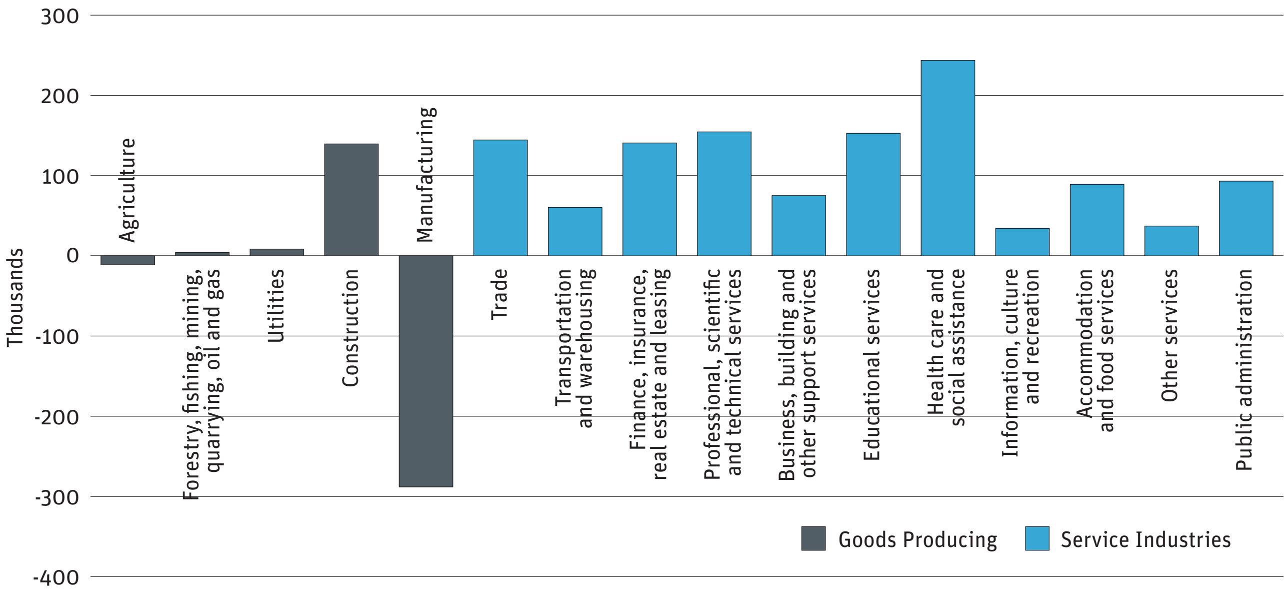
ONTARIO'S LABOUR MARKET has undergone a fundamental restructuring since the turn of the century. The labour market is also struggling with some lingering consequences from the recession, namely high long-term unemployment and growing involuntary part-time work. With implications for employment stability, social and economic inequality, and economic growth, this is a shift that merits attention. The following section sheds light on the decline in the manufacturing sector and the subsequent erosion of middle-income jobs in Ontario.

Manufacturing Sector Decline

At the turn of the century, manufacturing jobs made up more than 18% of Ontario's labour market. By the end of 2013, after shedding 290,000 jobs over 13 years, the manufacturing sector represented only 11% of the jobs in Ontario's labour market. *Figure 1* shows this staggering job loss.

2012 and 2013 alone witnessed a stream of plant closures and job cuts in the manufacturing sector that continue to rock Southwestern Ontario's labour market performance. From Peterborough to Windsor, from food processing plants to cell phone production lines, manufacturing jobs took a hit in all areas of the industry and in all regions across the province.

FIGURE 1 Net Change in Jobs in Ontario, 2000–13



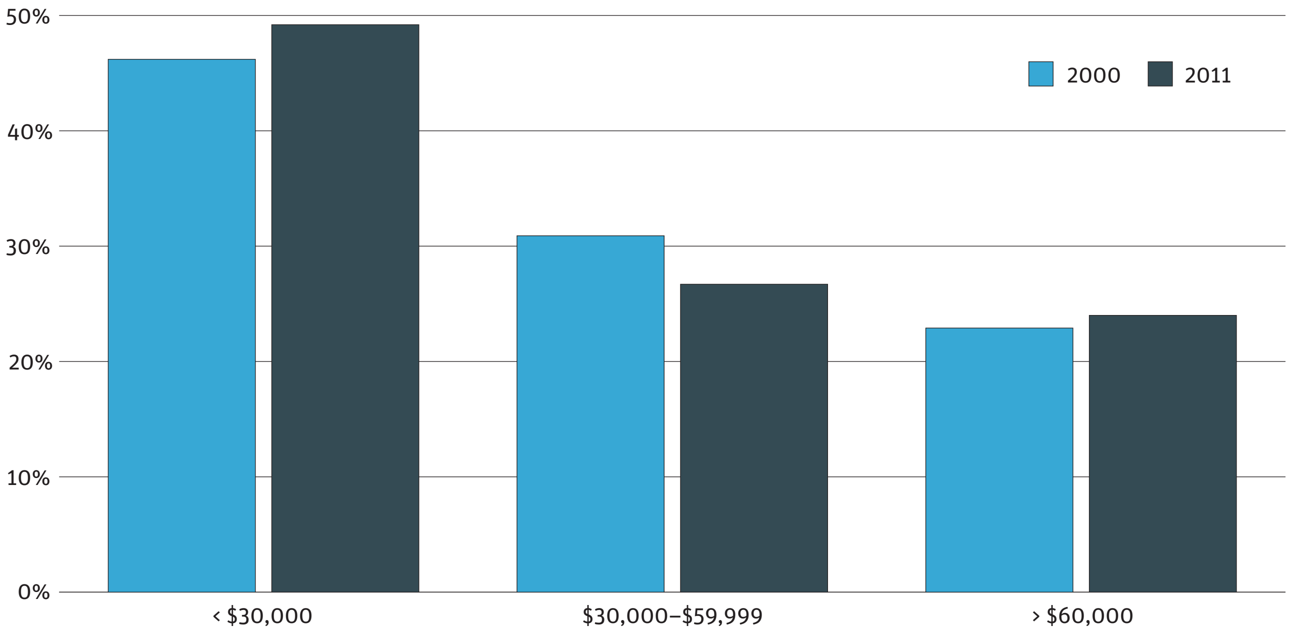
Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0060

There have been many reasons given for the decline in the manufacturing sector. Many economists agree that the appreciation of the Canadian dollar over the U.S. dollar has certainly played a starring role (Spiro, 2013; Stanford, 2014). Low wage competition from both the United States and developing countries has also been implicated as an important factor. In an attempt to entice manufacturing jobs back to Ontario, governments have lowered tax rates and offered corporate incentives (McMahon, 2013). These incentives have not translated into the good jobs Ontarians have been promised and, instead, have led to greatly reduced government fiscal capacity despite unprecedented cash stocks, as corporations hold on to the money as opposed to investing it in Ontario's economy (Carmichael et al. 2012).

Growth in Service Sector Jobs

As can be seen in *Figure 1*, work in the service sector (both public and private) has increased substantially since 2000. As a share of the labour market, service sector positions increased from a total of 73% to 79% of the jobs in the province. Most notably, jobs have been created in the following sec-

FIGURE 2 Share of Workers in Select Income Categories, Ontario, 2000 and 2011



Source Author's calculations with data from Statistics Canada, Survey of Labour and Income Dynamics, CANSIM Table 202-0101

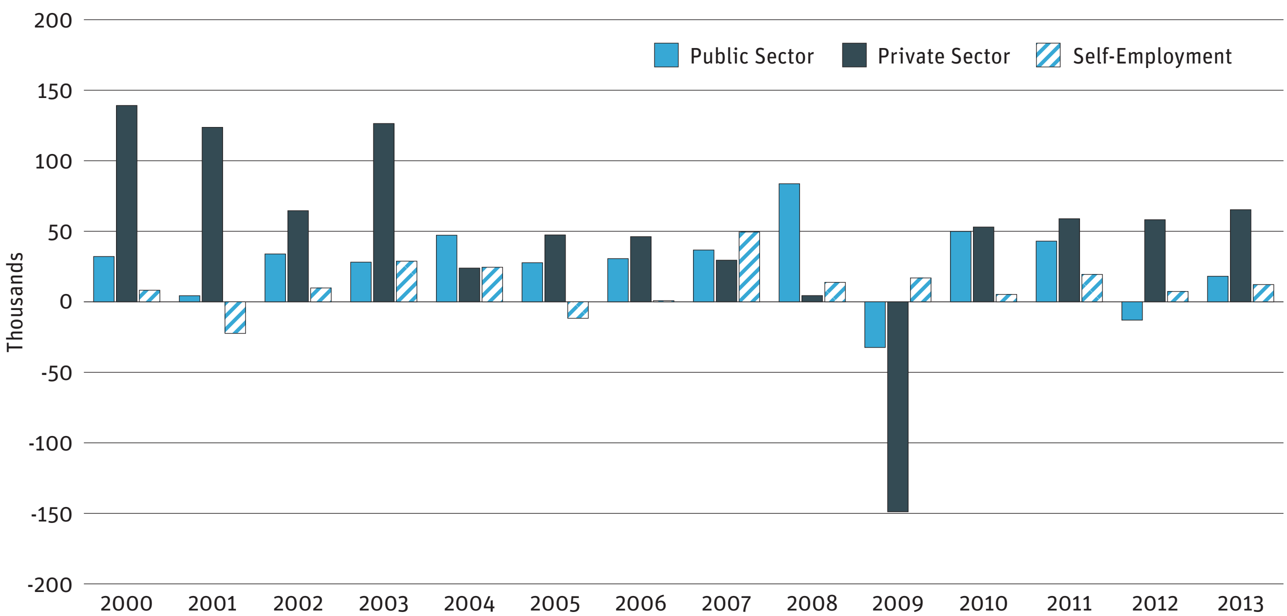
tors: health care and social assistance, professional, scientific and technical services, education and trade.

Construction jobs have been the single most important contributor to the growth of jobs in the goods producing sector. Since 2000, the industry has created almost 140,000 jobs, 55% of which were in Toronto. All of these industries, though some to a greater extent than others, saw an increase in employment precarity from 1999–2009 (Noack and Vosko, 2011).

The Middle Class Squeeze

One result of the shrinking manufacturing sector has been a new stress on Ontario's middle class. Growing inequality in Ontario is a well-documented phenomenon (eg. Yalnizyan, 2007; Employment and Social Development Canada, 2014; Statistics Canada, CANSIM Table 204-0002). Not only have part-time and temporary positions grown at a faster pace than full-time and permanent jobs since 2000, Ontario has also seen a decline in middle-income jobs in favour of jobs at the extreme ends of the skills spectrum. In a 2013 report, TD Bank economists showed that Ontario has seen a polariza-

FIGURE 3 Net New Jobs by Sector, Ontario, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0012

tion in the level of skill required for new jobs across the province. Middle-skilled jobs have decreased significantly and are being replaced by both high- and low-skilled work.

The polarization of skilled work has been accompanied by a growing share of income going to those at the very upper end of the income spectrum. As can be seen in *Figure 2*, as a share of all workers, more Ontarians are earning either below $30,000 per year or above $60,000 compared to 2000, while the share of workers earning between $30,000 and $60,000 (in 2011 constant dollars) has shrunk from 31% in 2000 to 26.5% in 2011. It's further evidence of the hour-glassing of Ontario's labour market (Zizys, 2011) and a squeeze on middle-income jobs.

Public and Private Sector Workers and the Self-Employed

The sectoral make-up of Ontario's labour market has also shifted since 2000. Private sector employees now make up 65% of Ontario's labour force, a decrease of 2.5 percentage points since 2000. As can be seen in *Figure 3*, in absolute terms, private sector job creation has been slowly gaining steam since the recession, with gains coming largely in the service-producing sector, spread among a number of industries, including professional, scientific and technical services, business, building and other supports and accommodation and food services.

At the same time, job creation in the public sector has slowed. In 2012, the year of Ontario's first austerity budget, the public sector shed 13,000 jobs. The sector bounced back in 2013 with the creation of 18,000 jobs to support the delivery of public services such as education and health care, which Ontarians rely on every day. Since the recession, public sector employment gains have come almost wholly in education, health care and social assistance.

As a share of the total labour force, self-employment has changed very little since the turn of the century: self-employed individuals make up 15% of the labour market. What has changed is the nature of self-employment. Prior to the recession, self-employment with no employees made up 65% of all self-employment. Today, that share has risen to 69%. Questions about the stability of self-employment abound, since there is a growing reliance by business and government on contracting out as a cost-saving measure, replacing work that used to be done in-house.

Job Growth

With the exception of 2009, a recession year, job growth in Ontario has held fairly steady since the turn of the century. Two big years — 2000 and 2003 — saw job growth of 3%, yet the four years leading up to and the four years preceding the recession saw job growth hover between 1% and 2%.

Post-recession, Ontario's economic recovery has been lackluster. The dull performance has been exacerbated by an austerity agenda at both the federal and provincial level that acted as a fiscal drag on the economy (Hennessy and Stanford, 2013).

Even before recession struck — and even without the burden of austerity measures — Ontario's labour market was experiencing a long-term shift.

The Employment Rate

The employment rate is viewed by many to be a more robust measure of labour market health than the unemployment rate alone. The employment rate measures the number of people in an economy who are working, where-

FIGURE 4 Annual Job Growth, Ontario, 2000–13

Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0055

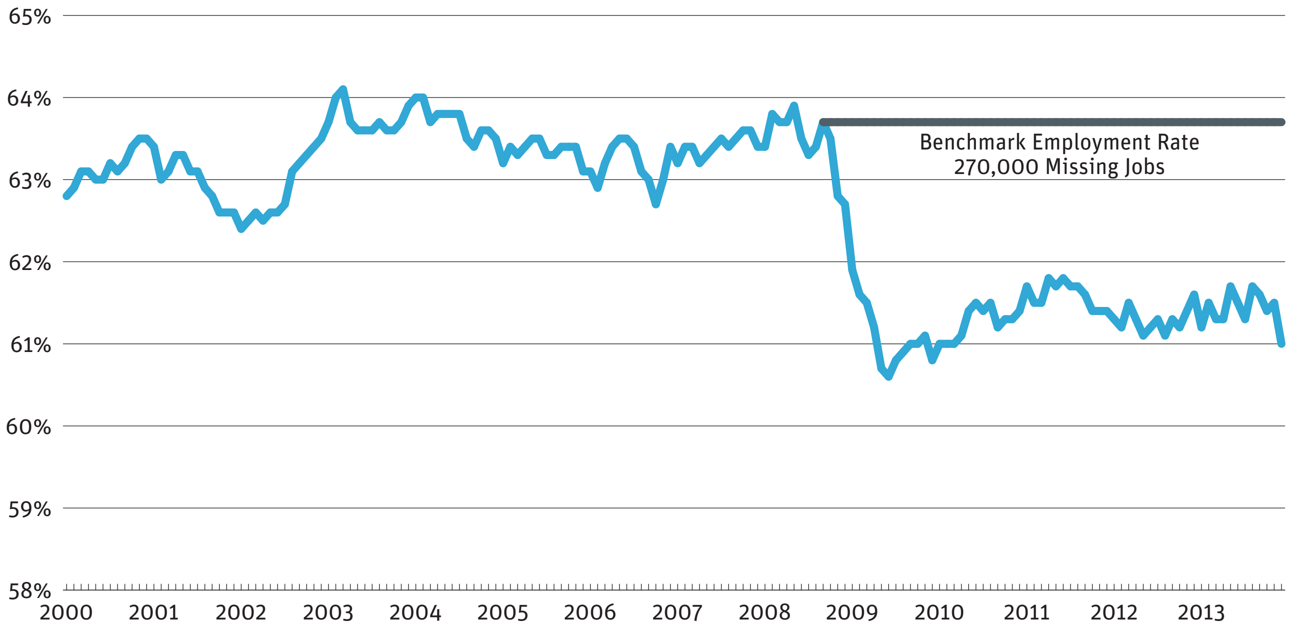
as the unemployment rate measures only the number of people who are actively looking for work (missing out on discouraged workers).

With the exception of a slight dip after 9/11, Ontario's employment rate had been hovering between 63% and 64% for more than seven years before the recession. By the worst of the recession, Ontario's employment rate had dropped significantly, to a low of 60.7% in 2009. The first two years post-recession saw a recovery of sorts in the employment rate, with a post-recession high of 61.8% in June of 2011. Though there have been some small fluctuations, the employment rate has held fairly steady since then, before declining in 2013. Ontario's employment rate remains below pre-recession norms.

Figure 5 illustrates the gap between pre- and post-recession employment rates. It shows that since before the recession, there have not been enough new jobs created to keep up with population growth, nor to resume the pre-recession benchmark employment rate of 63.7% experienced in September of 2008. By this measure, there were still 270,000 "missing jobs" in Ontario by the end of December 2013.

There has been some debate among economists as to why the employment rate has remained low. Some attribute the entire shortfall to an insufficient number of new jobs in the labour market. Others attribute at least some

FIGURE 5 Employment Rate, Ontario, 2000–13



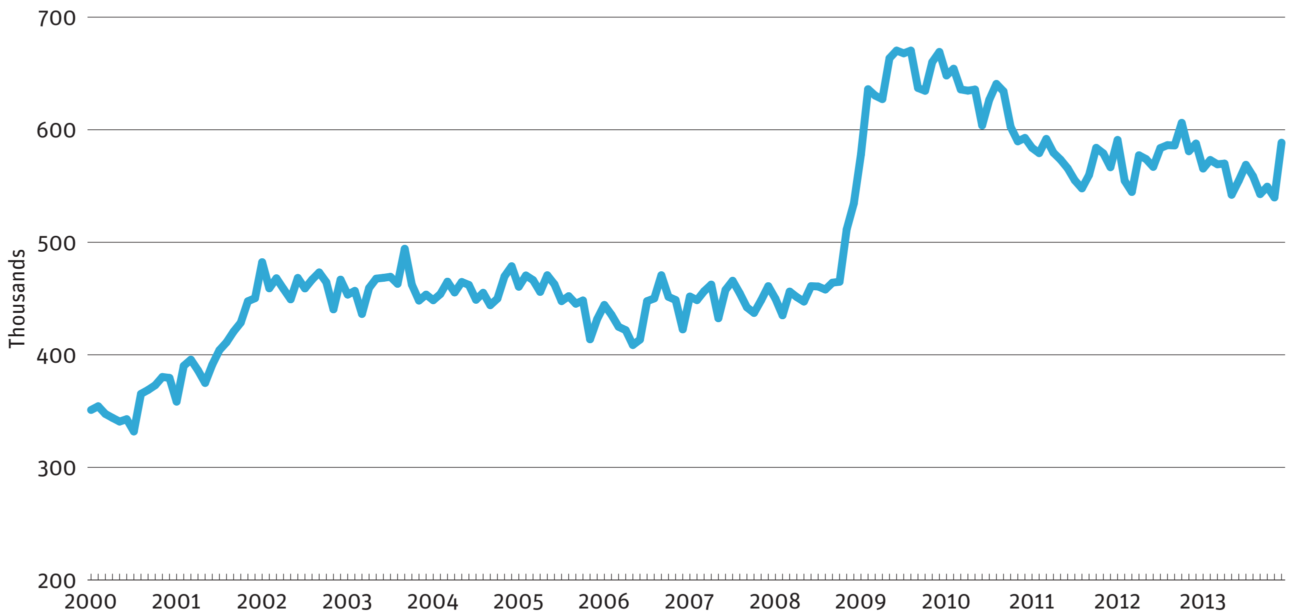
Source Statistics Canada, Labour Force Survey, CANSIM Table 282-0087

of the shortfall to an aging population that would have dropped out of the labour force by this time even if the recession had never hit (see, for example, Gordon, 2014). If this hypothesis is true, then there are fewer missing jobs than indicated by *Figure 5*. Statistics Canada data (CANSIM Table 282-0087), however, indicate that the employment rate among people in Ontario aged 55+ and 65+ has been trending upward since the turn of the century, which suggests the baby boomer generation is working longer over the course of their lifetime than would have been the case for their parents' generation.

The Unemployed and Long-Term Unemployment

In the three years leading up to the recession, Ontario's unemployment rate hovered between a low of 5.9% in May of 2006 and a high of 6.5% in September of 2008. But by the official end of the recession in June 2009, Ontario's economy had shed 266,000 jobs (Ontario Ministry of Finance, 2013) and the number of unemployed Ontarians had increased by almost 70%, to a high of 670,000 unemployed workers. By the official end of the recession, the unemployment rate had climbed as high as 9.4%. The increase in the

FIGURE 6 Number of Unemployed Ontarians, 2000–13



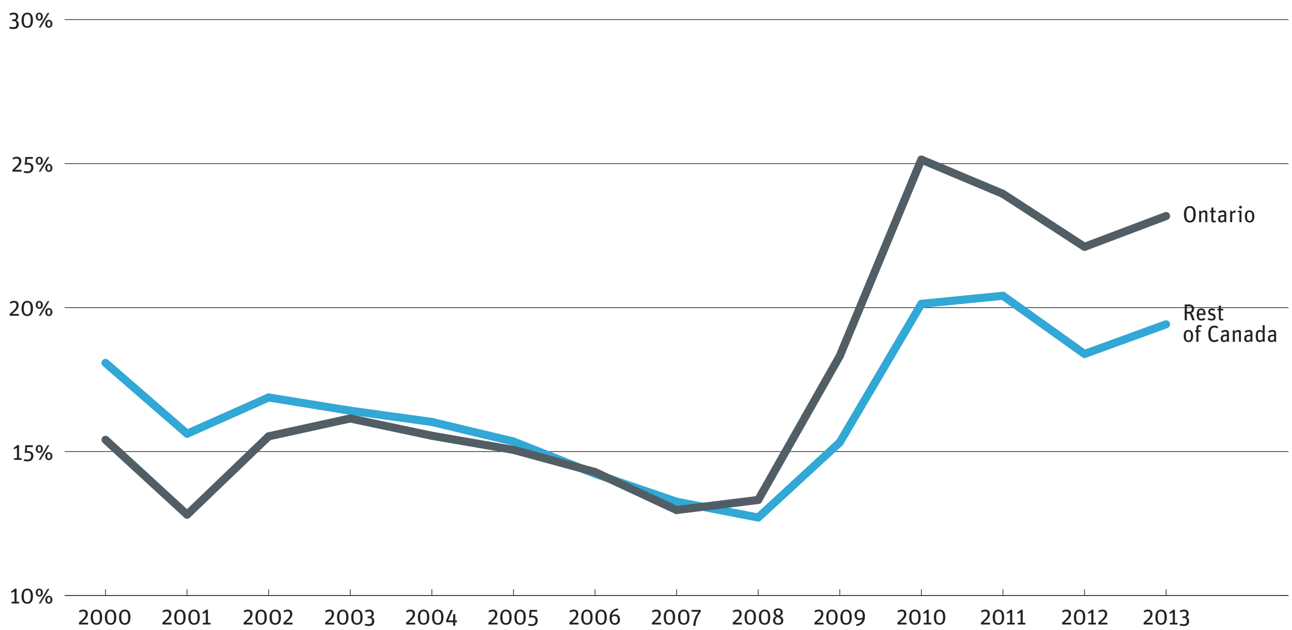
Source Statistics Canada, Labour Force Survey, CANSIM Table 282-0087

number of jobless individuals in Ontario represented 55% of the increase in Canada as a whole. Since then, there has been a recovery of sorts, but that recovery has stalled. There remain about 125,000 more unemployed workers in Ontario than prior to the recession. This number does not include discouraged workers.

Not only does Ontario's unemployment rate remain high, but the long-term unemployment rate has increased dramatically as well. Long-term unemployment is defined as experiencing unemployment for 27 or more sequential weeks. Prior to the recession, Ontario's long-term unemployment rate was in line with, or even below, the national average. Since the recession, however, that rate has increased substantially to just over 23% — five percentage points above the national average and an increase of more than 75% since 2009. It's also the highest rate across the country.

Long-term unemployment can inflict real hardship both on the unemployed and on society as a whole. Long-term unemployment is associated with poor socioeconomic outcomes in the future, including lower income, the erosion of existing human capital and the erosion of social capital — the longer an individual remains unemployed, the more connections they lose to the world of work (Nichols et al., 2013). Furthermore, if the social safe-

FIGURE 7 Long-Term Unemployed As a Share of Total Unemployed, Ontario and Rest of Canada, 2000–13

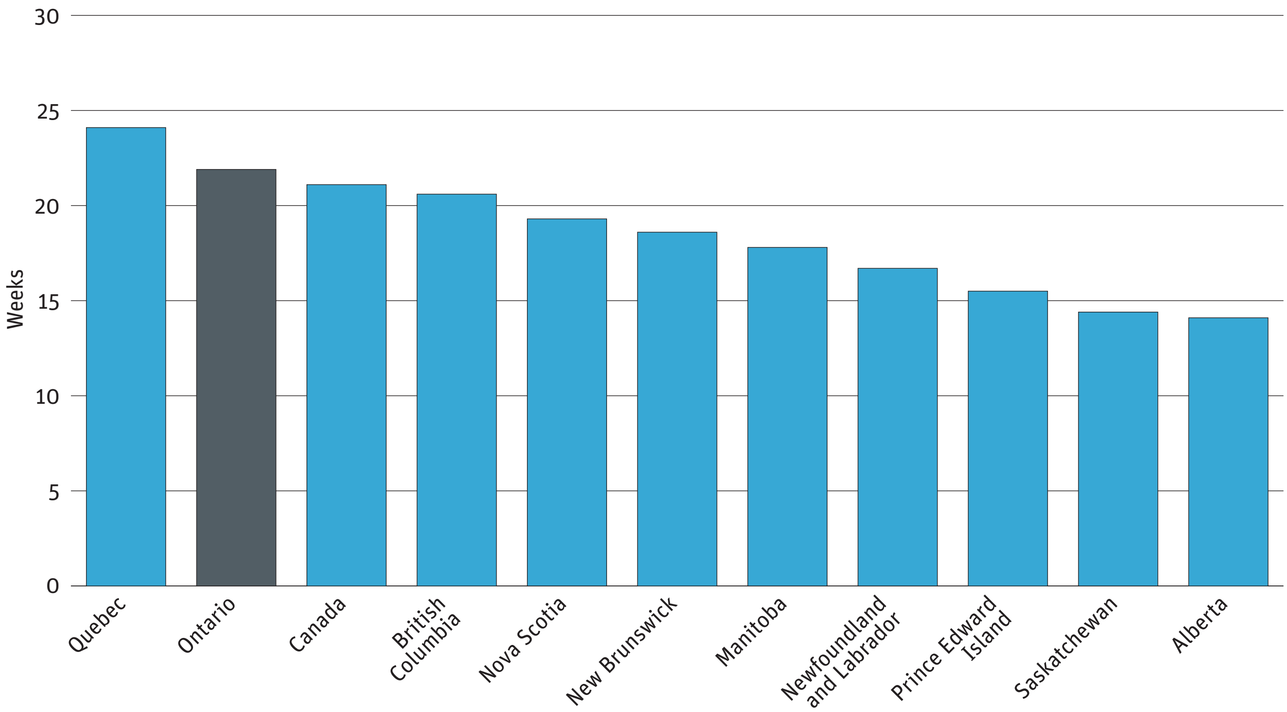


Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0047

ty net is of poor quality, individuals will often have to use up their savings in order to meet household needs while they remain unemployed. As long-term unemployment persists, more research is needed to discover the links between long-term unemployment, household debt, withdrawal of household savings, and RRSP withdrawals.

During previous recessions, Ontario's social safety net did a better job of protecting the long-term unemployed from abject financial hardship. Today, individuals must go it alone and finance long bouts of unemployment with personal savings or debt, risking their financial future in the process. In Ontario, the average duration of unemployment has increased by more than 50% since 2009 and has maintained a steady hover at 22 weeks since the summer of 2010. As *Figure 8* indicates, the average duration of unemployment in Ontario is the second highest in the country, behind Quebec. Overall, this is a trend that shows no signs of abating.

FIGURE 8 Average Duration of Unemployment, 2013



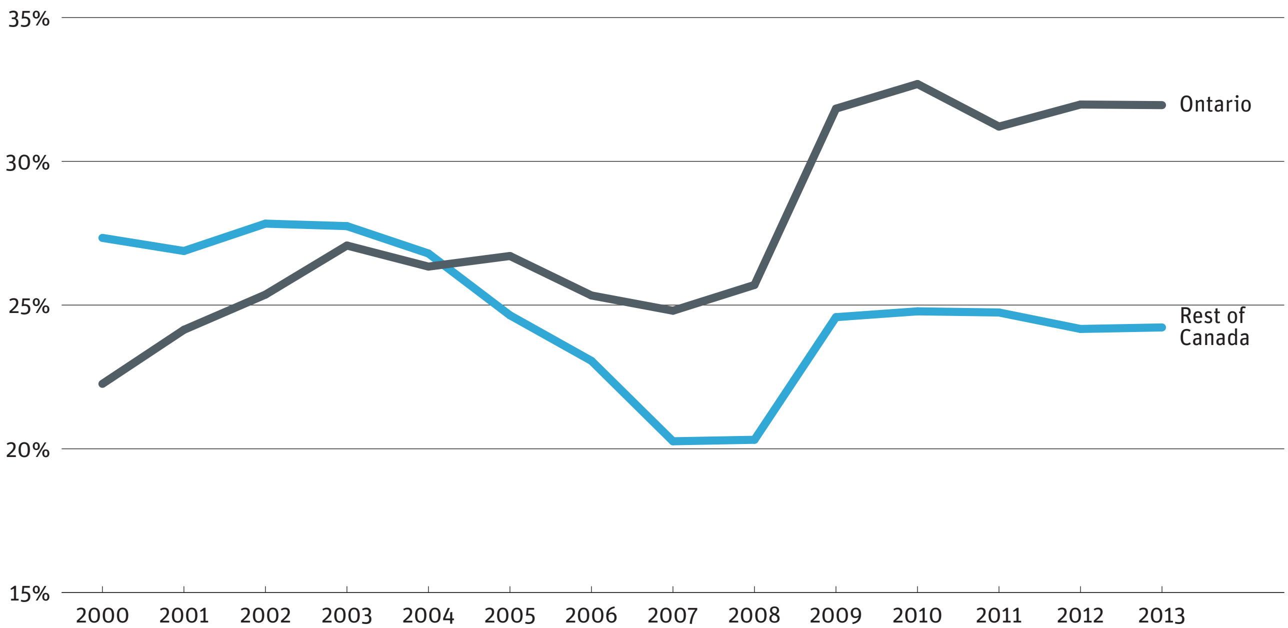
Source Statistics Canada, Labour Force Survey, CANSIM Table 282-0047

Employment Insurance Coverage

When it comes to the long-term unemployed, the OECD has raised alarm bells, specifically for Canada, and suggested that those who remain unemployed for a longer term will require additional assistance meeting household needs and remaining attached to the labour market. Running counter to that advice, however, the federal government made sweeping changes to Employment Insurance (EI) benefits (Government of Canada, 2013) that will likely increase unemployment hardship and cause further detachment from the labour market.

The evidence of this has already begun to trickle in as Ontario's EI coverage rate — the portion of unemployed receiving EI — has dropped from a pre-recession rate of more than 30% to an average rate of 28% in the 12 months leading up to October 2013 (Statistics Canada, CANSIM Tables 282-0001 and 276-0020). It is expected to decline even further as changes continue to take effect.

FIGURE 9 Share of Part-Time Employees Involuntarily Working Part-Time, Ontario and Rest of Canada, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0014

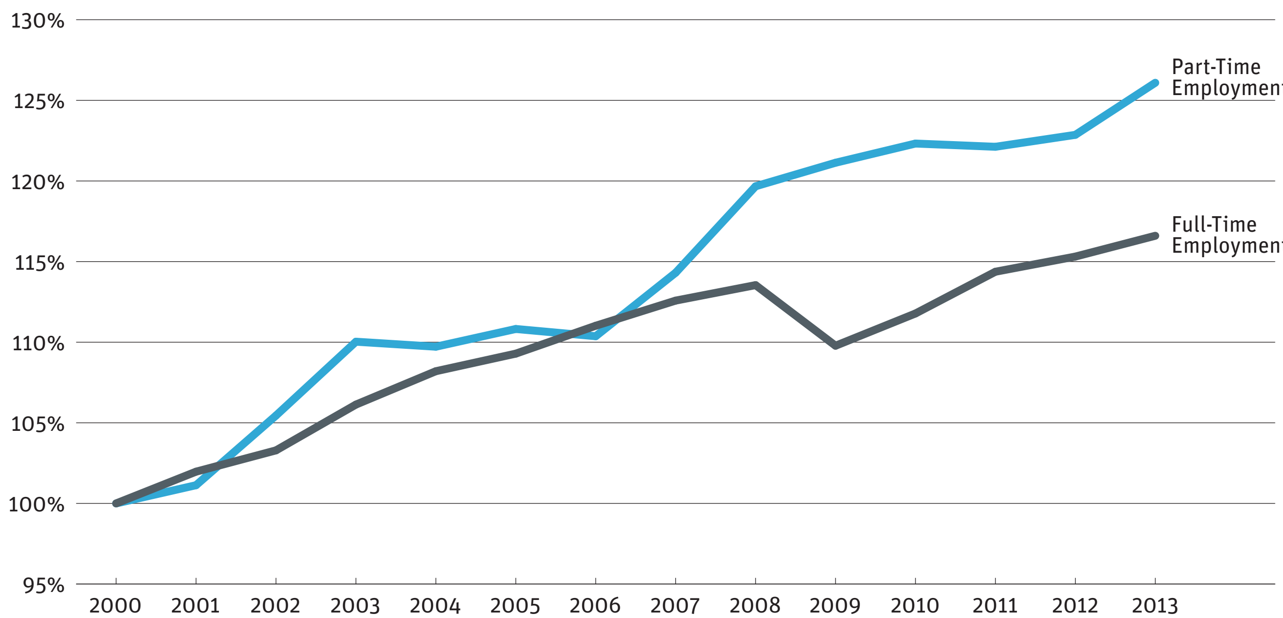
Involuntary Part-Time Work

For those who desire it, part-time work can offer flexibility and an element of freedom. Unfortunately, almost one-third of all part-time workers in Ontario would rather be working full-time but are unable to find a full-time job. In 2013, 32% of all part-time workers in Ontario would rather be working full-time — an increase of 43% since 2000.

Until 2004, the share of part-time workers involuntarily working part-time in Ontario was below the average for the rest of Canada. In fact, in 2000 it was 5 percentage points below the average for the rest of Canada. Between 2004 and 2008, Ontario's involuntary part-time rate hovered between 25% and 27% while the average for the rest of Canada dropped considerably to a low of 20% just before the recession.

By 2013, Ontario had pulled away from the rest of Canada — it now has an involuntary part-time rate almost 8 percentage points higher than the average for the rest of the country. Taking a look at the provincial breakdown, only the Atlantic provinces have comparable rates at over 30%.

FIGURE 10 Cumulative Growth Part-Time and Full-Time Employment, Ontario, 2000–13



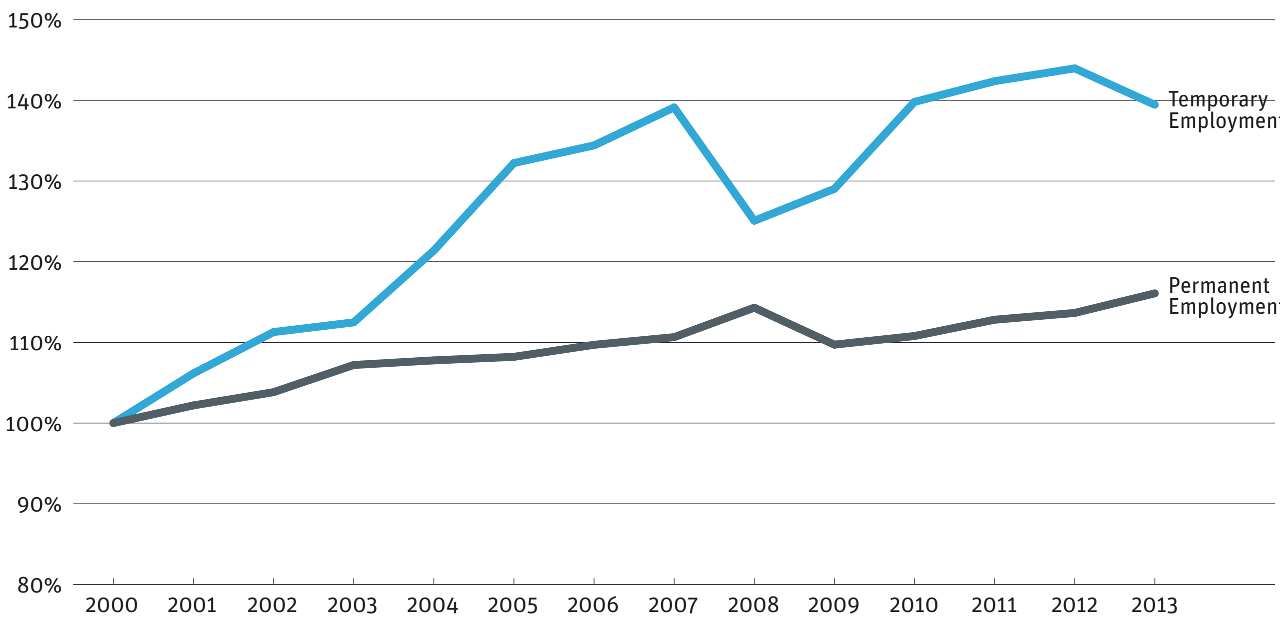
Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0055

One factor closely connected to the increasing share of involuntary part-time employees is the reality that, cumulatively, part-time jobs have grown faster than full-time jobs. As *Figure 10* indicates, full-time work has grown by 16%, cumulatively, since 2000 while part-time employment has increased by 25% over the same time period. It is important to note here that the number of individuals who are working more than one part-time job in order to piece together full-time hours are counted as full-time employees in the chart below. Also of note is the fact that part-time jobs increased in 2009, even as the economy shed almost 2.5% of the jobs across the province.

Permanent vs Temporary Jobs

Much like part-time job growth, cumulative growth in temporary employment in Ontario has outpaced that of permanent positions in Ontario since at least 2000, with the exception of a dip in 2008 and 2013. As of the end of 2013, 12% of Ontario's workers were employed in temporary positions — up from 10.5% in 2000 and 9.2% 1997. The decline in the growth rate of temporary employment between 2007 and 2008 reflects how temporary work-

FIGURE 11 Cumulative Growth, Permanent and Temporary Work, Ontario, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0080

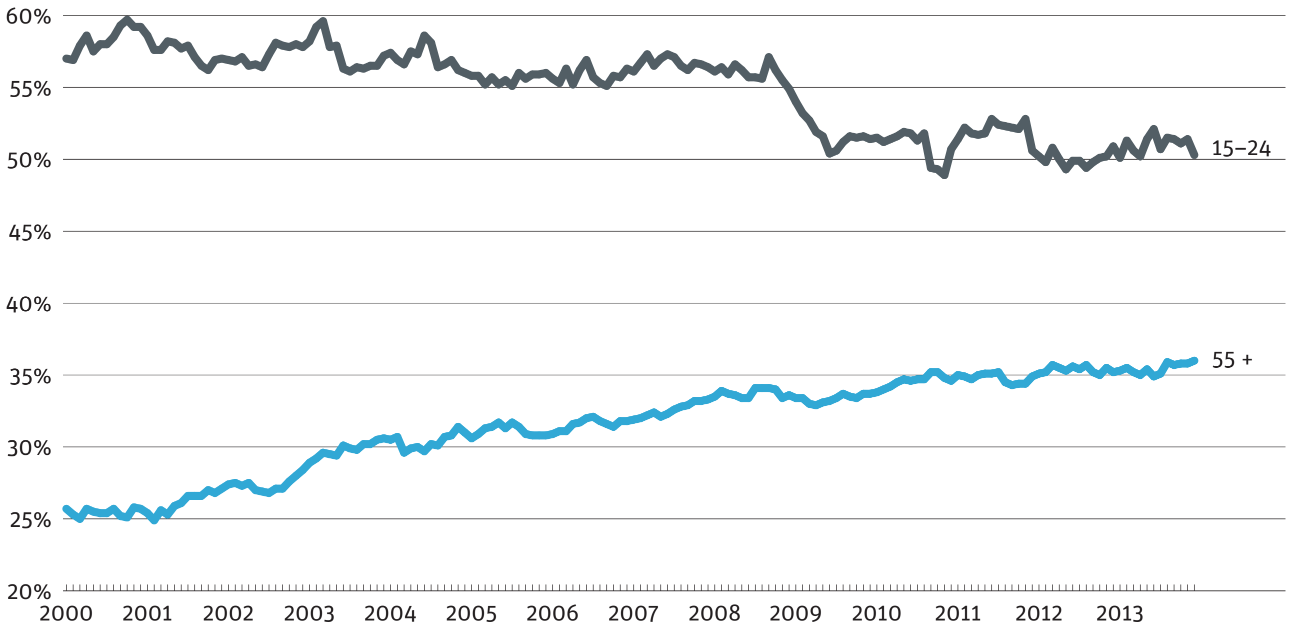
ers were the first to be let go when the recession took hold. Permanent jobs have seen slow but steady growth since 2008, while temporary positions rose sharply in 2009 and 2010, saw moderate growth in 2011 and 2012, and fell off again in 2013—possible evidence of the precarious conditions in which temporary workers find themselves.

Young and Old Workers

Some demographic groups have experienced greater difficulty in Ontario's post-recession labour market than others. Youth and young adults, for example, continue to be laden with persistently high unemployment rates as well as an employment rate that falls far below the national average (Geobey, 2013).

There has been much discussion as to whether or not this difficulty is caused by older workers either staying in the labour force longer or re-entering the labour force at lower paying jobs after retirement. Munnell (2013), for example, finds that, though not evident in times of economic growth,

FIGURE 12 Employment Rate, Select Age Demographics, Ontario, January 2000–December 2013



Source Statistics Canada, Labour Force Survey, CANSIM Table 282-0087

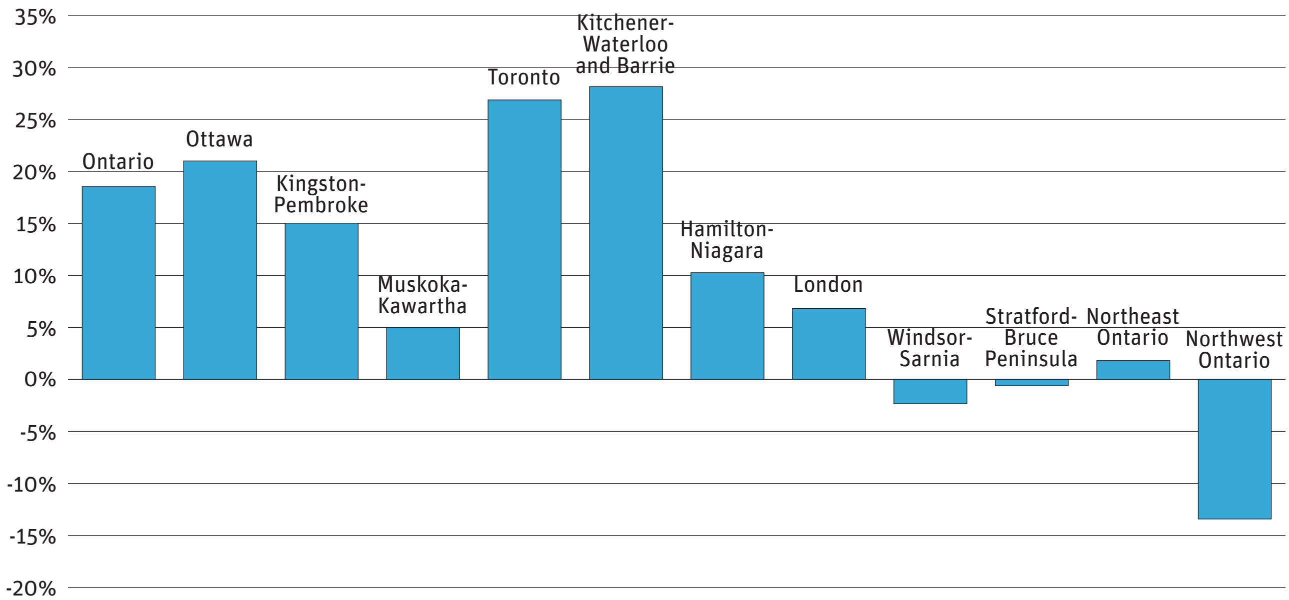
it may be true that youth and older workers compete for jobs during "prolonged periods of stagnation."

In Ontario, there is some evidence that the emerging phenomenon of older workers working longer is having a pronounced effect on the employment of younger workers (Jackson, 2014). Not only has the employment rate for young workers remained stubbornly low (it sits at 50% — four percentage points below the national average), but the employment rate for workers aged 55 and over has continued to increase since the recession, rising from 33% in September 2008 to 36% by the end of 2013.

Vulnerable Populations

The fact that vulnerable populations experience, on average, poorer labour market outcomes than culturally dominant groups is well documented (see for example Block and Galabuzi, 2011; Geobey, 2012 and; Government of Ontario, 2012). New immigrants, racialized individuals, Indigenous peoples, women and young people experience greater discrimination, have lower rates of pay, face higher rates of unemployment and/or lower rates of em-

FIGURE 13 Percent Change in Size of Labour Market, Ontario and Economic Regions, 2000–13



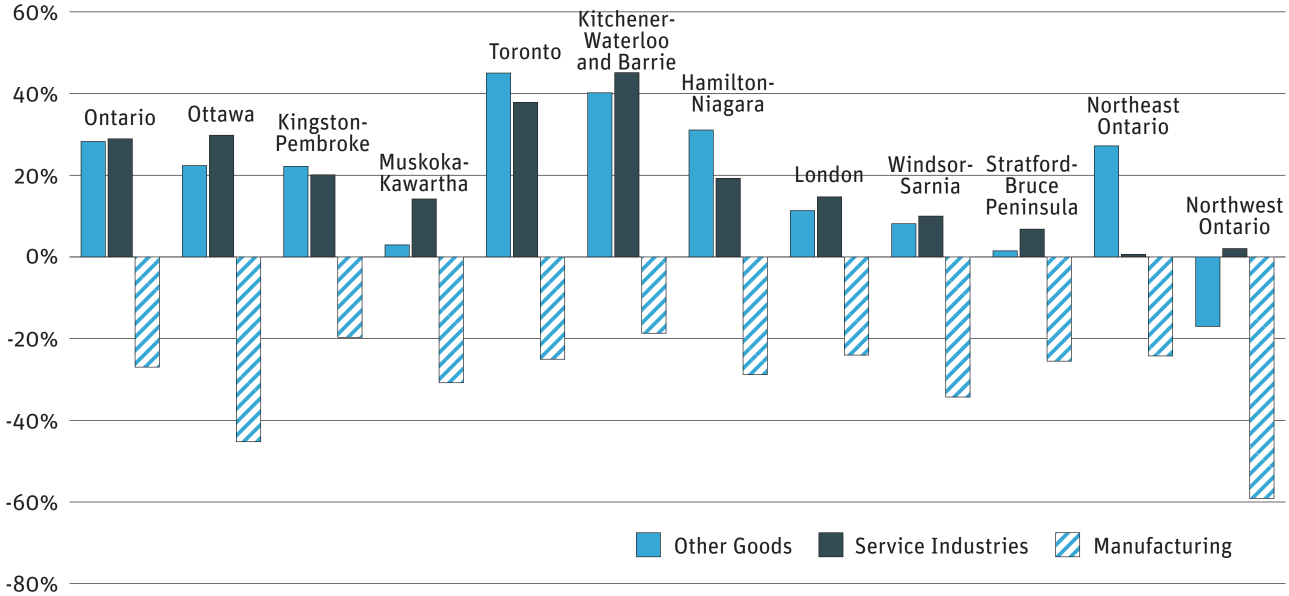
Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0060

ployment than the rest of Ontarians. Data from the labour force survey (CANSIM Table 282-0101) indicate this pattern has continued since the recession. The unemployment rate of recent immigrants remains more than twice that of Canadian born workers, increasing slightly in recent years from 14.2% in 2012 to 14.7% in 2013. At the same time, the unemployment rate for immigrants landed at least 5 years has come down slightly since 2011 and is now almost on par with Canadian born workers at 7.4%.

Uneven Job Creation Across the Province

There is, of course, much variation in the health of regional labour markets across the province. *Figure 13* illustrates the change in the size of the labour market in each economic region across the province since 2000. Northwestern Ontario, Windsor-Sarnia and Stratford-Bruce have all seen their labour market shrink in absolute terms. Kitchener-Waterloo and Barrie, Ottawa and Toronto, on the other hand, have seen the number of jobs grow by more than 20%, though the quality of jobs in each of these regions is quite different.

FIGURE 14 Percent Change in Jobs in Selected Industries, Ontario and Economic Regions, 2000–13



Source Author's calculations with data from Statistics Canada, Labour Force Survey, CANSIM Table 282-0060

Figure 14 clearly shows that each economic region in the province has been impacted by the decline in Ontario's manufacturing sector, though some to a greater extent than others. In absolute numbers, Windsor-Sarnia, Ottawa and Kitchener-Waterloo, and Barrie have lost the most manufacturing jobs since 2000. However, in percentage terms, the change in manufacturing jobs looks quite different. Northwestern Ontario, for example, lost 60% of its manufacturing jobs between 2000 and 2013 while Kitchener-Waterloo and Barrie saw the smallest relative decrease in manufacturing jobs at 18.5%.

The Greater Toronto Area

The Greater Toronto Area (GTA) is home to almost 65% of the net new jobs created in the province since 2000, but 28% of those jobs have been part-time in nature. The most predominant goods-producing jobs that have been added in Toronto's labour market have been in the construction industry. However, as important as construction has been to Toronto's economy, growth in those jobs, in absolute numbers, is vastly eclipsed by growth in Toronto's service sector — particularly in health care, social services, finance, insurance, real estate and leasing.

Not only have jobs in Toronto been shifting from the goods producing sector to the service-producing sector, but jobs are also becoming much more precarious in the GTA and Hamilton. Recent research from the PEPSO (Poverty and Employment Precarity in Southern Ontario) Research Alliance (2013) found that at least 40% of workers in the region were in employment situations with at least some form of precarity.

Kitchener-Waterloo and Barrie Performing Relatively Well

In addition to adding 125,000 new jobs in the service sector, Kitchener-Waterloo and Barrie have offset the loss of more than 20,000 manufacturing jobs with 20,000 new jobs in the goods-producing sector. That's buoyed the employment and participation rates in those communities to 66.2% and 70.8% respectively — much higher than the provincial average of 61.4% and 66.4%. More than 80% of these net new jobs are full-time positions, indicating they are creating higher quality jobs than in other regions in the province.

Kitchener-Waterloo is home to one of the largest technology hubs in North America. Significant investments have been made in a number of incubators, including the Communitech Hub (funded by a mix of private dollars and investments from the provincial and federal governments) and the Quantum Nano Centre, a centre for research and innovation in Nanotechnology. These investments have contributed to a burgeoning start-up tech sector, which is providing a strong base of good jobs around which the local economy can potentially grow. Not even the significant job cuts at Blackberry have been able to stop the activity that is happening in Kitchener-Waterloo.

Southwestern Ontario Almost Stagnant

In contrast to Kitchener-Waterloo and Barrie, the rest of Southwestern Ontario has seen very little job creation and employment rates remain low. Windsor-Sarnia, for example, has seen its labour market shrink by 7,000 jobs since 2000. A double whammy of 27,000 fewer manufacturing jobs, coupled with a high Canadian dollar which may have had a significant effect on cross border traffic, has rendered Windsor-Sarnia one of only two economic regions in Southern Ontario to experience a net job loss since 2000. Stratford-Bruce lost 900 jobs over the same time period. And the Windsor-Sarnia region continues to face trouble as jobs continue to disappear. In Budget 2014, the federal government recommitted funds to move ahead with a plan to build a second span next to the Ambassador Bridge in order to improve cross border traffic flow (Department of Finance, 2014). Unfortunately, with no momentum on the other side of the border, building continues to stall (Detroit Free Press, 2014).

London has not fared much better. Between 2000 and 2008, London lost 6,000 manufacturing jobs. Another 8,000 have been lost since then. In the years leading up to the recession, London was creating jobs in other goods-producing sector and in the service-producing sector. However, since 2008, London has seen a net loss of 6,000 jobs, many of them in the service-producing sector. Since 2008, the region has lost over 12,000 full-time jobs, 6,000 of which have been replaced with part-time work.

Adding Stratford-Bruce Peninsula and Hamilton-Niagara into the analysis, we find that, with the exception of Kitchener-Waterloo and Barrie, Southwestern Ontario's job market has performed poorly overall. Total overall job creation, not including Waterloo Region, amounts to fewer than 80,000 net new jobs since 2000 — more than one-third of which are part-time.

Along with Kitchener-Waterloo, Barrie, Toronto, Hamilton and Niagara have seen a significant surge in service producing jobs. Though almost 100,000 net new jobs have been created since 2000, the region has seen a loss of 8,000 full-time jobs since the recession and the creation of 5,300 part-time jobs in their place. This is particularly troubling, given the poignant evidence of the rise in precarious work in the Hamilton area (PEPSO, 2013).

Despite Southwestern Ontario's near stagnant labour market, some analysts predict a resurgence in Ontario's exports to the United States as the loonie continues to depreciate against the American dollar and the American economy is predicted to strengthen (The Canadian Press, 2013).

Northern Ontario

Northwestern Ontario lost almost 60% of its manufacturing jobs and more than 5,000 forestry and agriculture jobs since 2000. As a result, the region's total working age population has declined by 3%, or 6,600 people, since 2000, as residents have looked for and found work in other regions across the country.

Northeastern Ontario, on the other hand, is the only region in the province that has experienced greater growth in goods-producing industries (other than manufacturing) than the service-producing sector, in absolute terms. Between 2000 and 2013, Northeastern Ontario saw construction and forestry, mining, and fishing jobs more than replace the 5,300 manufacturing jobs that were lost during the same time period. The increase occurred almost entirely pre-recession. Post-2008, Northeastern Ontario has seen a net decrease of 12,500 jobs — 30% of the loss occurred in the forestry, mining and fishing industries.

There is potential for new job growth in natural resource industries in Ontario's North, particularly in the mining industry. As a plan for the Ring of Fire is negotiated, care must be taken to ensure the region benefits from the new employment, as many of the jobs created in the area will be fly-in, fly-out positions that could potentially be filled by any worker from across the country and not necessarily from a resident of Northern Ontario (McKie, D. 2013).

Conclusion

Since the turn of the century, Ontario's labour market has undergone a fundamental restructuring and weathered a tough global recession. Industries where employment has traditionally been quite strong are shrinking, most significantly the manufacturing sector. Jobs in both construction and service-producing industries have moved in to take their place. This has coincided with a polarization of Ontario's labour market, where job growth occurs predominantly at either end of the income spectrum, with fewer prospects in the middle-income range. Additionally, part-time and temporary employment has grown faster than full-time and permanent positions during the same time period.

The recession launched a second set of troubling trends. Long-term unemployment, as a share of total unemployment, has increased substantially since 2008, from a low of 13% to 23% in 2013. And at 22 weeks, the average duration of unemployment is one of the highest in the country, second only to Quebec.

Involuntary part-time work has increased substantially as well. In 2013, 32% of all part-time employees reported they would rather be working full time — an increase of 43% since 2000. This trend indicates that Ontario's labour market is not delivering the hours or incomes that help ensure economic security.

These new and emerging trends suggest that brand new policy solutions are in order. Ontario would benefit from active and pointed attention from policymakers to prioritize long-term, high quality job creation.

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