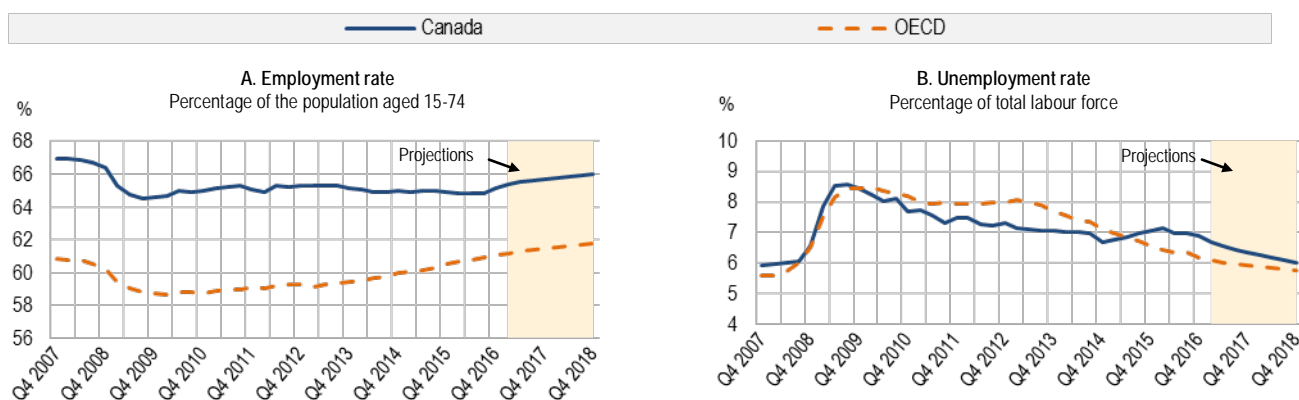


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Canada



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in 2016, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Despite a strong recovery since the recession, Canada's labour market has weakened since mid-2014 due to low commodity prices.
- Unemployment has risen to above the average across OECD countries. At 6.9% at the end of 2016, it is also still above the pre-crisis level (5.9% in 2007).
- The employment rate was 65.1% in the fourth quarter of 2016, just under two

percentage points below its pre-crisis level. Even still, Canada's employment rate remains well above the average across OECD countries (61.0%).

- OECD projections suggest that Canadian employment rates will continue to rise slowly through the end of 2018, with the unemployment rate continuing to fall.
- In its 2017 Budget, the Canadian government announced plans to improve labour market performance by investing more in skills training and increasing access to education for people from disadvantaged backgrounds. To improve job quality, the government will also give federally-regulated workers the right to request flexible work arrangements from their employers.

Scoreboard of labour market performance for Canada



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in USD adjusted for inequality. *Labour market insecurity*: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. *Job strain*: Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. *Low income rate*: Share of working-age persons living with less than 50% of median equivalised household disposable income. *Gender labour income gap*: Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. *Employment gap for disadvantaged groups*: Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#),

Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE CANADIAN LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, employment security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The Canadian labour market generally performs better than the OECD average on most indicators. In particular, Canada employs a higher share of its working-age population than the average OECD country. It also scores well on measures of job quality, with relatively high average earnings

quality, having low labour market insecurity and low job strain. Canada also does better than the average OECD country at integrating disadvantaged groups in the labour market.

- On the other hand, Canada performs closer to the middle of the pack on other indicators, including the unemployment rate, despite recent improvements, as well as how well women fare in the labour market compared with men. Although the gap between the employment rate of men and women is low in Canada, the gap in their earnings is average compared with other OECD countries.
- Canada has a slightly higher-than-average share of working-age persons living in poor households (12.8% vs. 10.6%). The low income rate computes the share of the population with income of less than one-half the median income (adjusted for household size).

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