

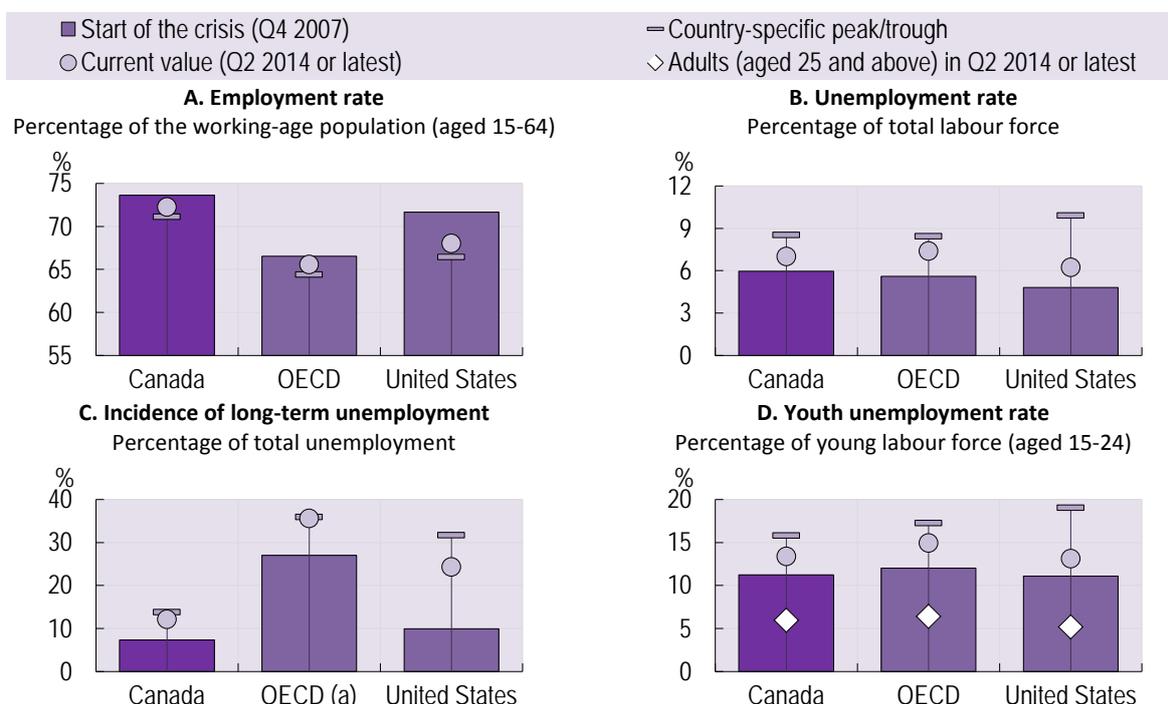
### OECD Employment Outlook 2014

The 2014 edition of the OECD Employment Outlook reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes.

For further information: [www.oecd.org/employment/outlook](http://www.oecd.org/employment/outlook)

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#### Unemployment is falling in Canada, but youth are being left out of the economic recovery



a) OECD is the weighted average of 33 OECD countries excluding Chile.

Source: OECD calculations based on quarterly national Labour Force Surveys and *OECD Short-Term Labour Market Statistics* (database), (<http://dx.doi.org/10.1787/data-00046-en>).

#### Canada is enjoying a fairly solid labour market recovery

Canada did not suffer as much during the 2008-2009 global recession as most other countries and its economy has since rebounded sharply. The employment rate among workers aged 15-64 stood at 72.2% in the second quarter of 2014, 1.4 percentage points below its level at the start of the global financial crisis compared with 2.5 percentage points deficit at the worst point of the crisis. The unemployment rate was 7.0% in the

second quarter of 2014, down from a recession peak of 8.5% in the third quarter of 2009. According to the 2014 *OECD Employment Outlook*, the recovery will continue in Canada bringing unemployment down to 6.5% by the end of 2015, still slightly above its pre-crisis level of 5.9%. By comparison, the average unemployment rate for the OECD area was around half a percentage point higher at 7.5% in the first quarter of 2014. For the first time in five years, unemployment in Canada has surpassed the rate in the United States (6.2%).

### But long-term unemployment needs to be reduced further

While unemployment is declining in Canada, the share of the unemployed looking for a job for more than one year was still 12.1% in the first quarter of 2014 – 4.8 percentage points above its pre-crisis level, although well below the OECD average. Long-term unemployment can push up structural unemployment as a result of skill depreciation and declining motivation to find a job. Therefore, the *Outlook* suggests that countries should focus policies on the long-term unemployed, including more intensive, personalised approaches to case management, e.g. regular face-to-face interviews and the development of individual action plans, and remedial schemes based on the acquisition of skills and work experience.

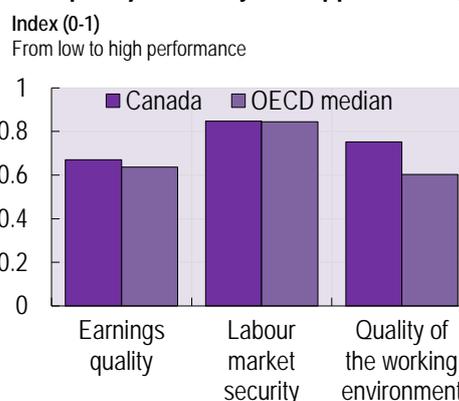
### Tackling youth unemployment and the rising number of young people out of work and out of school should be a priority

Although Canada has weathered the recent global recession comparatively well, employment prospects for young adults have barely improved. In the second quarter of 2014, the unemployment rate of youth (aged 15 to 24 years) was more than double that of prime-aged workers (aged 25 years and over), 13.4% as compared to 5.9%. The proportion of young Canadians, who were neither employed nor in education and training (NEET), has also risen by 1.4 percentage points since the onset of the crisis to 9%. By comparison, the NEET rate barely increased in the OECD area as a whole. The *2014 Employment Outlook* shows that individuals with lower educational attainment and weaker information-processing skills are more likely to be NEET and this association increases with age. Policies focusing on improving the skills of early school leavers through prevention and remedial

learning, for example second-chance schools/programmes with access limited to youth should be strengthened.

### Canada scores well on some indicators of job quality but less well on others

#### Job quality and job opportunities, 2010



Source: OECD Employment Outlook, 2014.

Looking beyond the sheer quantity of jobs available, the *2014 Employment Outlook* paints a broad picture of job quality across OECD countries using a newly-developed set of indicators. Job quality is measured according to three dimensions: earnings quality (average earnings and earnings equality), labour market security (the risk of job loss and unemployment insurance) and quality of the work environment (a combination of the demands of a worker's job and the resources available to cope with those demands). Compared with other OECD countries, Canada is higher than the OECD median in two of these three dimensions. It ranks in eleventh place among OECD countries with respect to the quality of the work environment and twelfth in terms of earnings quality. The index of labour market security is similar to the OECD median as Canadian workers faced a relatively high risk of becoming unemployed in the reference year (2010). However, labour market security is likely to have improved since due to the decline in the risk of unemployment.

**OECD Employment Outlook 2014** is available to journalists on the **password-protected** website or on request from the Media Relations Division. For further comment on Canada, journalists are invited to contact Mark Keese (+33 1 45 24 87 94; [mark.keese@oecd.org](mailto:mark.keese@oecd.org)) or Shruti Singh (+33 1 45 24 19 48; [shruti.singh@oecd.org](mailto:shruti.singh@oecd.org)) from the OECD Employment Analysis and Policy Division.