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# Interjurisdictional employment in Canada, 2002 to 2019

by Hanqing Qiu

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When Canadian workers cannot find jobs locally or see better paid jobs in other regions, they may choose to work in other jurisdictions, i.e., other provinces or territories. Some of those who want to work in other jurisdictions may leave their region. Others may choose to maintain their primary residence in their home province or territory while working outside this province or territory: these workers are interjurisdictional employees (IJE).

Along with interjurisdictional labour mobility, interjurisdictional employment is an important source of labour adjustment. It helps fill job vacancies in booming provinces or territories while providing increased job opportunities for residents of jurisdictions that face relatively high unemployment rates. Since the early 2000s, economic activity has often grown at a different pace in different jurisdictions. During these periods, interjurisdictional employment has helped narrow regional differences in employment opportunities (Green et al. 2019).

While they contribute to the reduction of labour shortages in some provinces or territories and to the narrowing of cross-regional differences in employment opportunities, IJE earn wages and consume public services in their province of employment but pay income taxes in their province of residence. This asymmetry has attracted the attention of local governments—especially those in small provinces and territories, where the percentage of the workforce involved in interjurisdictional employment is relatively high—and has increased the demand for information on the evolution of interjurisdictional employment in Canada. Using data from the Canadian Employer–Employee Dynamics Database (CEEDD), this study provides such information for the 2002-to-2019 period.<sup>1</sup>

A given province or territory may provide workers to other jurisdictions (outgoing IJE) and receive workers from other jurisdictions (incoming IJE). From the perspective of Alberta, for example, incoming IJE are individuals who receive earnings from Alberta employers but report a different province or territory of residence on their income tax forms.<sup>2</sup> Conversely, outgoing IJE are individuals who reside in Alberta in a given year but receive earnings from a different province or territory that year.<sup>3</sup>

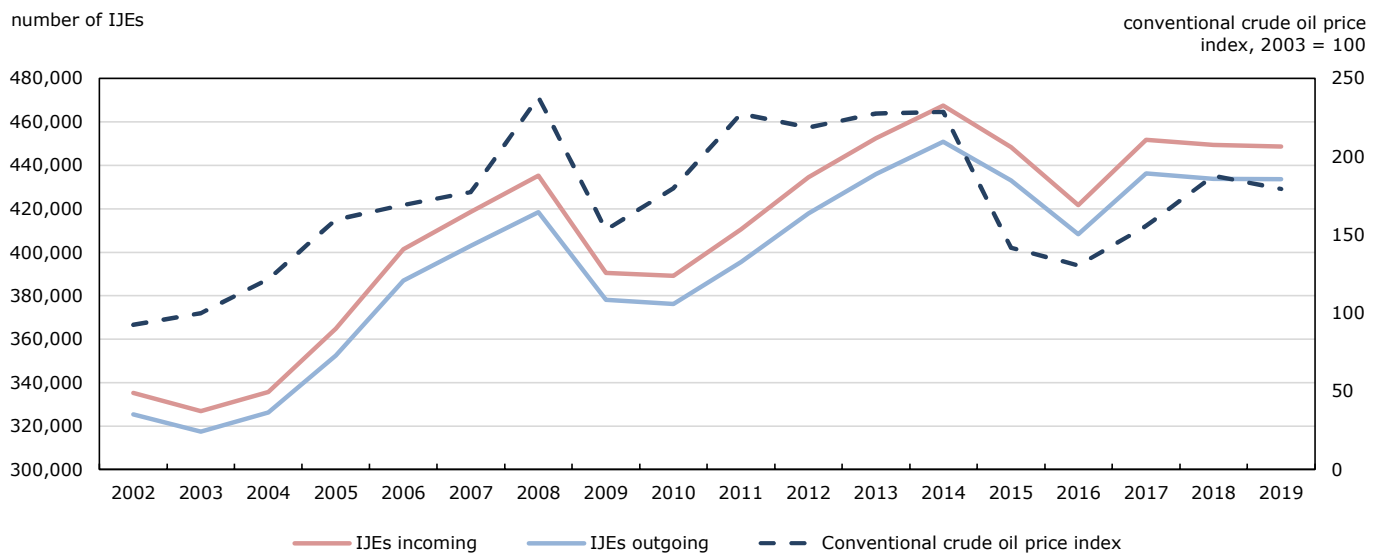
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1. The in-scope population for IJE consists of employees aged 18 or older earning at least \$1,000 in 2016 dollars within Canada.
  2. Workers who move out of Alberta are excluded from incoming IJE. They can be identified as individuals who (i) had T4 earnings in Alberta in year T but resided in another province or territory at the end of year T, (ii) resided in Alberta in the previous year (T-1), and (iii) were still residing outside Alberta the following year (T+1).
  3. Workers who move to Alberta are excluded from outgoing IJE. They can be identified as individuals who (i) had T4 earnings in another province or territory in year T but resided in Alberta at the end of year T, (ii) resided outside Alberta in the previous year (T-1), and (iii) were still residing in Alberta the following year (T+1).

## About 440,000 workers were interjurisdictional employees in 2019, up from roughly 330,000 in 2002

Interjurisdictional employment did not grow steadily over the last two decades. The number of IJEs grew from 2002 to 2008, fell in 2009 and increased again from 2010 to 2015 (Chart 1). After a small drop in 2016, the number increased in 2017 and remained almost unchanged from 2018 to 2019. By 2019, Canada had roughly 440,000 IJEs, up from about 330,000 in 2002. In 2019, IJEs represented about 2.6% of all employees in Canada.

Interjurisdictional employment and oil prices moved in tandem from 2002 to 2019. The sharp growth in world oil prices from 2002 to 2008 contributed to the expansion of interjurisdictional employment during that period, as many workers from the Atlantic provinces started new jobs in Alberta while maintaining their primary residence in their home region (Green et al. 2019). As world oil prices fell during the 2008/2009 recession, the number of IJEs also fell. Both indicators recovered from 2010 to 2014 and fell again, following the 2015 oil bust.

**Chart 1**  
Oil prices and interjurisdictional employment in Canada, 2002 to 2019



**Note:** IJEs = interjurisdictional employees.  
**Sources:** Statistics Canada, Common Output Data Repository tables 14-10-0433-01 and 18-10-0268-01.

## On average, Ontario, Alberta and the territories were net recipients of interjurisdictional employees from 2002 to 2019

Each year, every province or territory is receiving IJEs and sending IJEs to other jurisdictions. From 2002 to 2019, the Atlantic provinces, Quebec, Manitoba, Saskatchewan and British Columbia sent out more IJEs than they received. For example, Newfoundland and Labrador sent, on average, 19,000 IJEs per year and received roughly 6,000 IJEs (Table 1). The net outflows of IJEs from the Atlantic provinces partly reflect the fact that, during this period, the Atlantic provinces had higher unemployment rates than other provinces. Along with factors such as cross-regional differences in general economic performance

and wage growth, these unemployment disparities provided employees in the Atlantic provinces incentives to accept jobs in other provinces or territories.

In contrast, Ontario, Alberta and the territories were net recipients of IJEs. For instance, Alberta received, on average, close to 100,000 IJEs per year, almost twice the number of IJEs it sent to other jurisdictions (52,000). The relatively high wages paid in the oil industry attracted employees from other regions and were likely an important driver of the net inflows of IJEs in Alberta (Chan and Morissette 2016).

**Table 1**  
Average number and percentage of interjurisdictional employees during the 2002-to-2019 period, by province and territory

	IJEs incoming		IJEs outgoing	
	count	percent	count	percent
Newfoundland and Labrador	5,960	2.7	18,920	8.0
Prince Edward Island	3,050	4.6	4,480	6.6
Nova Scotia	16,310	4.0	20,350	4.9
New Brunswick	12,250	3.5	17,990	5.1
Quebec	48,850	1.3	98,870	2.7
Ontario	134,940	2.3	81,610	1.4
Manitoba	12,410	2.3	14,980	2.8
Saskatchewan	21,060	4.6	26,270	5.7
Alberta	98,190	5.3	51,960	2.9
British Columbia	44,330	2.3	56,510	2.9
Yukon	2,270	12.1	1,600	9.0
Northwest Territories	6,470	23.6	1,520	6.8
Nunavut	4,090	23.2	1,020	7.8
Canada	410,170	2.7	396,100	2.6

**Notes:** IJEs = interjurisdictional employees. The average percentage of IJEs is calculated by the share of IJEs among the sum of IJEs and resident employees. Resident employees are individuals who worked and resided in the same jurisdiction during the entire year (e.g., individuals who only resided and only worked in Alberta for the reference year).

**Source:** Statistics Canada, Common Output Data Repository table 14-10-0433-01.

## The share of interjurisdictional employees in the workforce is uneven across provinces and territories

Nationwide, IJEs represented slightly less than 3% of all employees from 2002 to 2019 (Table 1). However, they accounted for a larger share of the workforce in some jurisdictions. In general, small provinces and territories had a greater percentage of their workforce involved in interjurisdictional employment than larger ones. For example, outgoing IJEs represented at least 4.9% of all employees in the Atlantic provinces, Saskatchewan and the territories. In contrast, outgoing IJEs accounted for between 1.4% and 2.9% of the workforce of the four largest provinces (Quebec, Ontario, Alberta and British Columbia).

The relative importance of incoming IJEs also varied across jurisdictions. Incoming IJEs represented 12.1% to 23.6% of the workforce of the territories and a significant share (5.3%) of Alberta's workforce. In contrast, the relative importance of IJEs varied from 1.3% to 2.3% in Quebec, Ontario and British Columbia.

## Conclusion

Along with interjurisdictional labour mobility, interjurisdictional employment is an important source of labour adjustment in Canada. Using CEEDD data, this study documented the evolution of interjurisdictional employment from 2002 to 2019.<sup>4</sup> Additional estimates of the number of IJEs and of their employment income, disaggregated by industry, age and gender, are released annually by the Social Analysis and Modelling Division of Statistics Canada via the Common Output Data Repository. Users should consult the most recent release on February 6, 2023, for more details:

[The Daily — Estimates of interjurisdictional employment in Canada by province and territory, 2002 to 2019 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/92-628-x/2023001/article/00001-eng.htm)

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4. See Laporte and Lu (2013), Laporte et al. (2013) and Morissette and Qiu (2015) for previous studies on this issue.

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