

Regional disparities and non-permanent employment

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Underemployment, the labour market's inability to support and fully satisfy the labour supply, is reflected in many ways. Some workers start their own businesses when they cannot find other jobs. Others become unemployed or take on involuntary part-time work. And increasing numbers are accepting jobs with no security.

The growth in non-permanent jobs is a symptom of underemployment. In November 1995, 12% of paid workers had non-permanent jobs; that is, seasonal, temporary or casual employment, or work obtained through temporary help agencies (see *Data source and definitions*).

How good are these jobs? More specifically, what types of job are available in the various provinces, regions and cities of Canada? A study published recently in *Perspectives* took a national look at non-permanent jobs and workers with these jobs (Grenon and Chun, 1997). This note adds a geographic dimension to that discussion, focusing on regional disparities of non-permanent job rates.¹ It also examines job characteristics to determine whether, at the provincial level, non-permanent jobs include fewer benefits than permanent ones.

Provincial rates vary

In absolute terms, most non-permanent jobs were in Ontario (426,000), Quebec (369,000) and British Columbia (130,000). However, non-permanent work, like unemployment, is relatively concentrated in the Atlantic provinces and, to a lesser extent, Quebec (Chart). In November 1995, about 10% of workers in Ontario, Manitoba and British

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Data source and definitions

The **Survey of Work Arrangements (SWA)**, sponsored by Human Resources Development Canada, was conducted in November 1995 as a supplement to the Labour Force Survey. This version of the SWA adopted a new definition of non-permanent job (see *Temporary, term or contract*), making it difficult to compare with the original 1991 survey. Hence, this analysis concentrates on permanent and non-permanent jobs held by paid workers in November 1995.

The distinction between a permanent and non-permanent job relates to the job and not to the worker's intentions. For example, a student working at a permanent job is considered permanent even if he or she plans to stay in the job only temporarily.

A **permanent** job is often referred to as indeterminate since it has no specified date of termination.

A **non-permanent** job ends on a predetermined date or as soon as a specified project is completed. Non-permanent jobs include seasonal, temporary and casual jobs and work obtained through temporary help agencies.

Seasonal jobs last for one or more limited periods at the same time each year. They are structured by the annual labour demands of industries such as farming, fishing, forestry, construction and tourism.

Temporary, term or contract (non-seasonal) jobs end on a specified date or at the completion of a specified task or project, as determined by the employer prior to hiring. The definition used in the 1991 SWA covered only jobs with a term of six months or less.

Columbia and 11% in Saskatchewan and Alberta had to be content with non-permanent work; the Canadian average was 12%. In view of the

On-call or casual jobs have no pre-arranged schedule. Hours of work vary widely from week to week, since employees are called to work only when they are needed. In addition, workers are usually not paid for time not worked, and their prospects for regular work over the long term are limited.

For **jobs obtained through temporary help agencies**, the workers are hired and paid by the agencies themselves. Because the data on this type of employment are limited, even at the national level, and estimates variable, figures cannot be published. These jobs are, however, included in the totals, along with jobs classed as "other" and unspecified.

Average hourly wage applies to all paid workers, whether they are paid by the hour or salaried. It is expressed in dollars per hour.

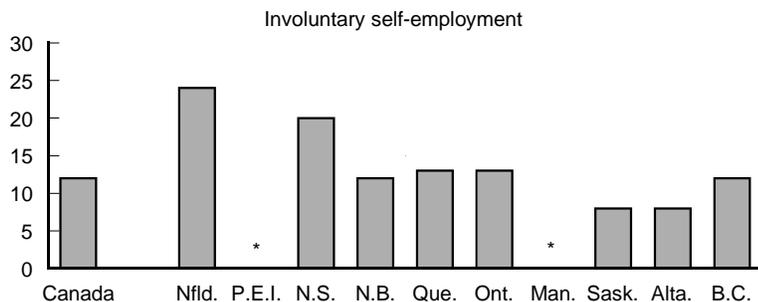
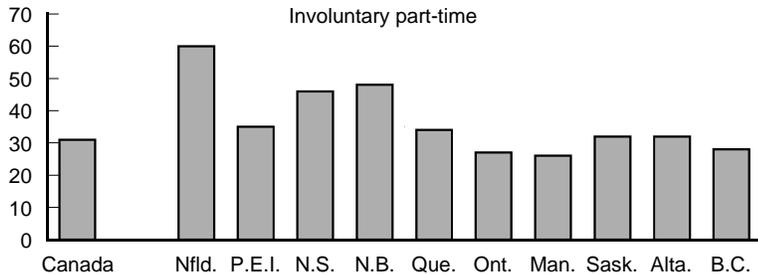
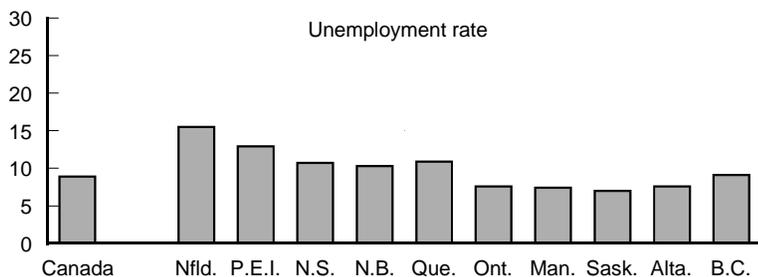
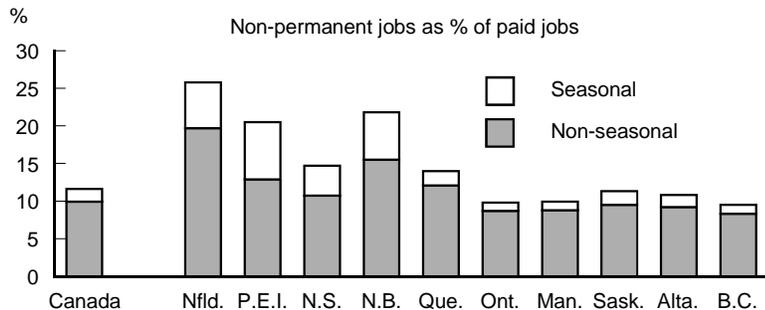
Since the SWA is a household survey, the **census metropolitan area (CMA)** to which the job belongs is determined by the respondent's place of residence and not by place of work.

A census metropolitan area is an urbanized core with a total population of at least 100,000 together with its main labour market area (determined by commuting patterns).

All sample survey estimates will have some level of sampling error. Measurement of the standard error of an estimate is expressed as the coefficient of variation (CV), which is expressed as a percentage of the estimate. For all provinces and regions, estimates with a CV of 16.5% or less are acceptable and released. Estimates with a CV between 16.5% and 25.0% have been **qualified**, and must be used with greater caution. Estimates that were likely to vary by more than 25.0% have been suppressed.

differences in these provinces' economies, the similarity of the rates is noteworthy. In Quebec, the rate was slightly higher at 14%. Fully 26% of

Chart
Several labour market indicators show a similar pattern.



Sources: Survey of Work Arrangements, November 1995 and Labour Force Survey, November 1995

Note: Scale for involuntary part-time differs from the others.

* Amount too small to be expressed.

jobs in Newfoundland were non-permanent, as were 22% in New Brunswick and 20% in Prince Edward Island. Nova Scotia's rate was close to Quebec's.

Historically, most non-permanent jobs have been seasonal. In recent years, other types of non-permanent work arrangement – temporary and casual jobs and, to a lesser degree, work obtained through temporary help agencies – have become more prevalent. Nationally, only 14% of non-permanent jobs were seasonal in November 1995, while 50% were temporary and 33% casual. The pattern was the same at the provincial level: temporary positions outnumbered casual jobs, which in turn outnumbered seasonal jobs. Prince Edward Island was the exception: in that province, seasonal jobs were more common than other non-permanent work arrangements.

In Ontario, Quebec and the western provinces, seasonal job rates were relatively low: only 1% or 2%, compared with 5% on the east coast. Yet seasonal jobs, such as those in the fishing industry, accounted for only part of the difference in non-permanent job rates. For instance, if seasonal employment is excluded and the comparison confined to temporary or casual jobs and work obtained through temporary help agencies, the difference persists: in Ontario and all provinces to the west, only 8% to 9% of jobs were temporary or casual in November 1995, compared with 12% in Quebec and 14% in the Atlantic provinces (19% in Newfoundland alone).

Because the data have not been seasonally adjusted, they should be interpreted with caution. For example, construction of the Confederation Bridge may have affected non-permanent employment rates, in Prince Edward Island especially. The general trend is worth noting, however.

Table 1
Non-permanent jobs by type of job and geographic area

	Paid jobs **	Non-permanent jobs	Non-permanent jobs as % of paid jobs ***	Non-permanent jobs whose types are known				
				Total	Seasonal	Non-seasonal		
						Total †	Temporary	Casual
	'000					%		
Canada	11,084	1,272	12	100	14	86	50	33
CMA	7,351	784	11	100	9	91	53	34
Non-CMA	3,734	488	13	100	22	78	45	30
Atlantic provinces	787	154	20	100	27	73	39	32
Newfoundland	163	42	26	100	24 *	76	39	34
St. John's	73	14 *	19	100	--	90 *	39 *	49 *
Non-CMA	90	28	31	100	31 *	69	40	26 *
Prince Edward Island	45	9	20	100	37	63	32 *	29 *
Nova Scotia	321	47	15	100	27	73	41	31
Halifax	139	15	11	100	--	98	63 *	35 *
Non-CMA	182	32	18	100	40	60	31	29 *
New Brunswick	258	56	22	100	29	71	37	33
Saint John	54	10 *	19	100	--	96	54 *	42 *
Non-CMA	204	46	23	100	34	66	33	31
Quebec	2,671	369	14	100	14	86	52	31
Québec CMA	292	48	17	100	--	89	37 *	50 *
Montréal	1,340	160	12	100	--	91	61	27
Four other CMAs ††	244	35 *	15 *	100	--	85	43 *	--
Non-CMA	795	126	16	100	20 *	80	49	27 *
Ontario	4,407	426	10	100	11	89	54	31
Ottawa †††	305	55	18	100	--	95	51 *	42 *
Toronto	1,748	161	9	100	--	95	60	30 *
Eight other CMAs ‡	1,125	81	7	100	--	87	51	33 *
Non-CMA	1,229	129	11	100	19 *	81	50	27 *
Prairies	1,813	192	11	100	14	86	46	38
Manitoba	419	41	10	100	--	88	47	39
Winnipeg	303	27	9	100	--	91	46	43 *
Non-CMA	116	13 *	12 *	100	--	83	49 *	--
Saskatchewan	326	37	11	100	--	84	49	34
Regina	92	11 *	12 *	100	--	91	70 *	--
Saskatoon	86	11 *	12 *	100	--	76 *	--	--
Non-CMA	149	15 *	10 *	100	--	84	40 *	44 *
Alberta	1,068	115	11	100	14 *	86	44	39
Edmonton	368	44	12	100	--	84	40 *	43 *
Calgary	349	38	11	100	--	87	44 *	38 *
Non-CMA	351	33 *	10	100	--	86	50 *	35 *
British Columbia	1,407	130	10	100	13 *	87	49	36
Vancouver	721	50	7	100	--	90	58 *	30 *
Victoria	113	23 *	22 *	100	--	88 *	--	--
Non-CMA	573	57	10	100	--	84	44 *	39 *

Source: Survey of Work Arrangements, November 1995

* Qualified data (see Data source and definitions).

** Includes paid workers who did not specify job permanence.

*** Paid jobs whose permanence is known.

† Includes temporary and casual jobs, work obtained through temporary help agencies and any other kind of non-seasonal work.

†† Chicoutimi-Jonquière, Hull (Quebec portion of Ottawa-Hull CMA), Sherbrooke and Trois-Rivières.

††† Ontario portion of Ottawa-Hull CMA.

‡ Hamilton, Kitchener-Waterloo, London, Oshawa, St. Catharines-Niagara, Sudbury, Thunder Bay and Windsor.

Rates usually lower in census metropolitan areas (CMAs)

Nationally, the non-permanent job rate was slightly lower within CMAs (11%) than outside (13%), though it varied at the regional level (Table 1). The gap was particularly wide in Newfoundland: 19% of jobs in St. John's were non-permanent, compared with 31% in the rest of the province.

Vancouver had the lowest non-permanent job rate in the country, at just 7%. Montréal, Toronto and Vancouver were similar to one another: aside from the fact that the non-permanent job rate was relatively low in their respective provinces, roughly 60% of such jobs in each city were temporary, 30% casual, and the remainder seasonal.

Non-permanent job rates were higher for the CMAs of Victoria, Ottawa-Hull (Ontario portion) and Québec (22%, 18% and 17%) than for the corresponding provinces (10%, 10% and 14%). In all three CMAs, rates for the public and private sectors were roughly alike, although the estimates were variable: the rates for temporary jobs were higher in the public sector, while casual jobs were more likely to be found in the private sector.

Each CMA in the Prairies – Winnipeg, Regina, Saskatoon, Edmonton and Calgary – had a non-permanent job rate close to its corresponding provincial figure.

Job quality

Permanent jobs tend to provide higher wages and better benefits than non-permanent ones. Part of the advantage may be due to factors other than job permanence. For example, industry type, company size, region, job duration, and the age, sex and occupation of workers may explain some of the differences. These other factors are not examined here, but should be borne in mind.

Nationally, the average hourly wage was almost \$3 higher for perma-

nent jobs than for non-permanent work (Table 2). A gap existed in every province, most noticeably in Manitoba (\$4) and Nova Scotia (about \$3.50).

Overall, the best-paid non-permanent jobs were temporary positions, paying an average \$14.63 an hour. Seasonal work paid \$11.93 per hour, casual or on-call jobs, \$10.04. This pattern applied to most regions, with a few exceptions; for instance, seasonal employment paid less than casual work in some places.

Permanent, seasonal and temporary jobs generally paid \$1 more per hour within CMAs than elsewhere. The size and direction of the wage difference between CMAs and non-CMA regions varied from province to

province and city to city. The best-paid work arrangements were permanent jobs in the Ottawa area, averaging \$17.04 an hour.

Furthermore, according to the SWA, permanent positions are more likely than non-permanent jobs to include benefits² such as employer-sponsored pension plans, health insurance, dental insurance, paid sick leave and paid annual vacation leave (Table 3). In fact, 65% of permanent jobs in Canada boasted at least three of the five benefits in 1995, whereas only 18% of seasonal, temporary, casual or other jobs did so. Moreover, 16% of permanent positions offered none of these benefits, compared with 60% of seasonal, temporary and casual jobs.

Other symptoms of underemployment

The higher rate of non-permanent jobs in eastern Canada is only one regional disparity in the labour market (Chart). The unemployment rate is another. In November 1995, it generally diminished from east to west: from 15.5% in Newfoundland, to 12.9% in Prince Edward Island, 10.7% in Nova Scotia, 10.3% in New Brunswick, 10.9% in Quebec and 7.6% in Ontario. The rate was even lower in the Prairie provinces (from 7.0% to 7.6%), rising to 9.1% in British Columbia.

Involuntary part-time work is another symptom of a weak labour market. The Survey of Work Arrangements gathered data on the reasons for part-time work. Nationally, 31% of part-time workers reported that it was the only work they could find. This reason was more frequently cited in eastern Canada, less so out west: 60% of respondents gave this explanation in Newfoundland, 46% did so in Nova Scotia, 48% in New Brunswick, 34% in Quebec, 27% in Ontario, and 26% – the lowest rate – in Manitoba. Involuntary part-time work was slightly more frequent in Saskatchewan and Alberta (32%), but dropped back to 28% in British Columbia. Involuntary part-time work is less frequent in Prince Edward Island than elsewhere in the Atlantic provinces.

Some workers would like to work more than their usual hours, but are not able to because of labour market conditions. In the SWA, paid workers were asked whether, at their current rate of pay, they would prefer to work fewer hours for less pay, the same hours for the same pay, or more hours for more pay. A majority of respondents reported a preference for the same number of hours. The option of working more hours, selected by 28% of paid workers nationally, was most popular in Newfoundland, Nova Scotia and New Brunswick, though Alberta and Ontario were not far behind. Prince Edward Island and Quebec had the lowest percentages.

Other people start their own businesses when they cannot find work. The 1995 SWA covered self-employed workers for the first time. They were asked to state their main reason for being self-employed. In every province, a desire for independence was most often cited. Even so, 12% of respondents said their main reason was an inability to find other work. The figure for the Atlantic provinces was even higher, at 18%. Two provinces, Nova Scotia (20%) and Newfoundland (24%), accounted for this high percentage. New Brunswick had a lower rate, similar to those for Quebec, Ontario and British Columbia.

Table 2
Average hourly wage ** by type of job and geographic area

	Permanent jobs	Non-permanent jobs	Non-permanent jobs whose types are known			
			Seasonal	Non-seasonal		
				Total	Temporary	Casual
				\$		
Canada	15.49	12.64	11.93	12.76	14.63	10.04
CMA	15.92	13.00	12.66	13.04	15.15	9.91
Non-CMA	14.67	12.05	11.46	12.23	13.62	10.27
Atlantic provinces	13.23	10.38	9.77	10.61	11.93	9.30
Newfoundland	14.40	11.82	11.45 *	11.91	13.96	10.20
St. John's	15.71	12.36 *	--	12.45 *	15.38 *	10.98 *
Non-CMA	13.15	11.53	11.50 *	11.54	13.32	9.39 *
Prince Edward Island	12.69	10.20	8.68	11.05	11.99 *	10.00 *
Nova Scotia	12.83	9.40	9.96	9.19	10.25	8.03
Halifax	13.89	8.50	--	8.50	9.02 *	7.29 *
Non-CMA	12.03	9.87	9.96	9.80	12.39	8.36 *
New Brunswick	13.14	10.10	8.96	10.60	11.67	9.47
Saint John	14.79	13.35 *	--	13.60	16.06 *	10.30 *
Non-CMA	12.68	9.39	8.98	9.64	10.10	9.23
Quebec	15.33	13.02	12.09	13.18	15.21	10.07
Québec CMA	16.14	11.71	--	12.19	15.50 *	10.30 *
Montréal	15.78	13.51	--	13.61	15.90	9.36
Four other CMAs ***	16.52	12.59 *	--	12.64	14.01 *	--
Non-CMA	13.91	12.91	12.34 *	13.07	14.33	10.85 *
Ontario	16.23	13.46	12.93	13.52	15.36	10.63
Ottawa †	17.04	13.10	--	13.25	14.96 *	10.55 *
Toronto	16.80	14.05	--	13.92	15.65	11.30 *
Eight other CMAs ††	15.95	13.61	--	13.63	16.18	9.69 *
Non-CMA	15.57	12.77	12.03 *	12.96	14.57	10.38 *
Prairies	14.10	10.92	12.22	10.73	12.40	8.59
Manitoba	13.90	9.87	--	9.90	12.00	7.14
Winnipeg	14.33	10.11	--	10.32	13.20	7.36 *
Non-CMA	12.79	9.40 *	--	8.93	10.00 *	--
Saskatchewan	13.69	11.43	--	11.55	12.81	9.96
Regina	14.95	11.48 *	--	11.76	11.47 *	--
Saskatoon	13.75	11.43 *	--	11.55 *	--	--
Non-CMA	12.75	11.39 *	--	11.38	13.17 *	9.60 *
Alberta	14.31	11.12	13.39 *	10.78	12.42	8.67
Edmonton	14.50	11.98	--	11.02	14.14 *	7.26 *
Calgary	14.77	10.81	--	11.26	12.46 *	10.41 *
Non-CMA	13.67	10.40 *	--	9.93	10.64 *	8.79 *
British Columbia	16.51	14.39	13.64 *	14.51	16.10	11.93
Vancouver	16.23	15.06	--	14.97	15.41 *	13.29 *
Victoria	16.87	13.71 *	--	13.94 *	--	--
Non-CMA	16.76	14.21	--	14.40	16.09 *	12.64 *

Source: Survey of Work Arrangements, November 1995

* Qualified data (see Data source and definitions).

** This refers to all paid workers, whether paid by the hour or salaried.

*** Chicoutimi-Jonquière, Hull, (Quebec portion of Ottawa-Hull CMA), Sherbrooke and Trois-Rivières.

† Ontario portion of Ottawa-Hull CMA.

†† Hamilton, Kitchener-Waterloo, London, Oshawa, St. Catharines-Niagara, Sudbury, Thunder Bay and Windsor.

Table 3
Employee benefits provided, by job permanence and province

	Permanent jobs			Non-permanent jobs		
	None	1 or 2 benefits	From 3 to 5 benefits	None	1 or 2 benefits	From 3 to 5 benefits
	%					
Canada	16	20	65	60	21	18
Atlantic provinces	17	19	65	68	18	15
Newfoundland	13	16	71	56	21 *	23 *
Prince Edward Island	20	16	65	71	--	--
Nova Scotia	18	19	63	72	15 *	13 *
New Brunswick	16	20	63	72	17 *	11 *
Quebec	10	25	65	51	27	23
Ontario	17	16	67	65	19	16
Prairies	18	20	62	58	24	18
Manitoba	17	17	66	57	22 *	20 *
Saskatchewan	15	22	62	44	29 *	27 *
Alberta	19	20	60	63	23 *	14 *
British Columbia	19	21	61	67	14 *	19 *

Source: Survey of Work Arrangements, November 1995

Note: The benefit types are employer-sponsored pension plan, health insurance, dental insurance, paid sick leave and annual vacation leave.

* Qualified data (see Data source and definitions).

This relationship between employee benefits and job permanence was observed in every province, though to differing degrees. In Saskatchewan, Quebec and Newfoundland, a larger proportion of jobs, both permanent and non-permanent, featured benefits packages. According to the SWA, these three provinces were also heavily unionized. In Saskatchewan, 56% of non-permanent jobs offered benefits (29% had one or two, and another 27%, from three to

five). Quebec ranked second, with about 49% of its non-permanent positions offering a benefits package. Newfoundland, in third place, contrasted sharply with the Maritime provinces: 44% of its relatively large share of non-permanent jobs included one or more benefits, compared with only about 28% in Prince Edward Island, Nova Scotia and New Brunswick.

Conclusion

These observations illustrate an important point: non-permanent jobs are not necessarily inferior to permanent ones. However, a more detailed study by industry and other variables would be required to explain certain findings. The redesigned Labour Force Survey (LFS) provides an opportunity to gather such data. Since January 1997, a question on job permanence has been part of the monthly survey, whose sample is twice as large as the SWA's. In early 1998, annual estimates for 1997 will be used to eliminate seasonal variation.

□

Notes

1 Statistics Canada is currently putting together a publication of findings from the SWA (titled *Work Arrangements in the 1990s*), to be published in 1998. The publication will include analysis on provinces as well as data for CMAs.

2 The criterion here is simply whether a benefit (a pension plan, for example) is provided; the quality (or generosity) of the benefit is not considered.

References

Grenon, L. and B. Chun. "Non-permanent paid work." *Perspectives on Labour and Income* (Statistics Canada, Catalogue no. 75-001-XPE) 9, no. 3 (Autumn 1997): 21-31.

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