



BC Jobs Plan Reality Check

The First Two Years

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SUMMARY

IN SEPTEMBER 2011, the provincial government launched the BC Jobs Plan. The plan was a direct response to the slow labour market recovery that followed the 2008-2009 recession, and aimed to “create good jobs families can count on.” Since the plan’s launch, the province has issued progress reports every six months that declared the plan a success.

This report offers an independent assessment of the BC Jobs Plan, and uncovers a very different story. We take a closer look at BC’s recent job market performance, and find significant weaknesses two years into the government’s plan, chiefly:

- While the total number of jobs in BC has increased since the plan was announced in 2011, job creation has been weaker than it was in the first two years of the recovery, particularly in the private sector. The private sector lost over 12,000 jobs in the first ten months of 2013.

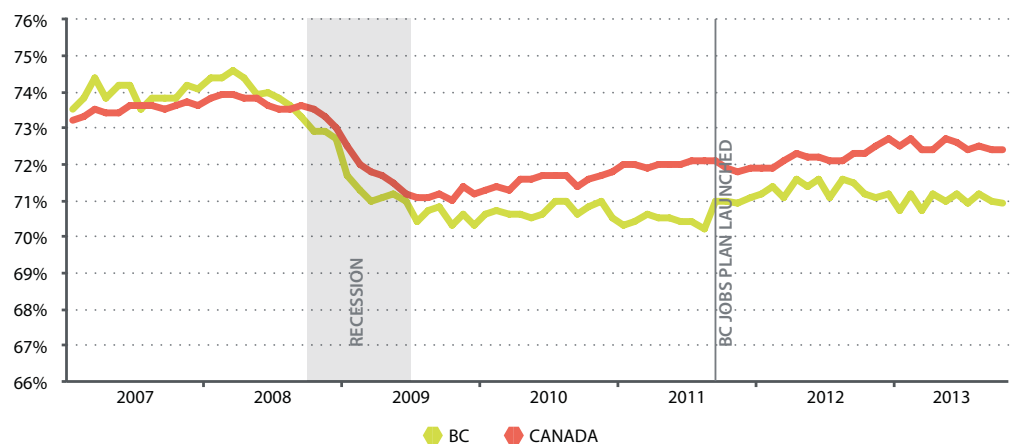
Four years after the economic recovery began, and two years after the BC Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance.

- BC's job market stalled in 2013, losing close to 4,000 jobs in the first ten months of the year, while most other provinces have seen employment growth. This puts BC in eighth place on job creation in 2013, far from the BC Jobs Plan target of first or second place.
- The Jobs Plan was supposed to stimulate job creation in all areas of the province, and particularly outside the Lower Mainland and Victoria. However, most jobs created since the recession have been in the Lower Mainland. The only other BC regions that have recovered the number of jobs lost in the recession are the Kootenay and the Northeast.

Four years after the economic recovery began, and two years after the BC Jobs Plan was launched, BC remains a long way from the pre-recession benchmarks on key measures of labour market performance. BC's recovery has been weaker than the Canadian average so far and the Jobs Plan does not seem to have changed that.

- **Low employment rate:** Only 71 per cent of working age British Columbians have jobs today, effectively unchanged since the start of the BC Jobs Plan and almost as low as during the recession, as seen in the figure below. In order to return to BC's pre-recession employment rate (the proportion of working age British Columbians who have jobs), the province would need 94,000 more jobs.
- **High unemployment rate:** BC's unemployment rate was 6.7 per cent as of the third quarter of 2013, compared to just over 4 per cent before the recession. The unemployment rate went down even though BC actually lost jobs in the first ten months of 2013; this is because more people stopped actively looking for work.

Employment rate of the working-age population in BC and Canada, 2007–2013



Source: Statistics Canada. CANSIM Table 282-0087. Seasonally adjusted. Working-age population aged 15–64.

- **Fewer permanent jobs:** BC has fewer permanent jobs today than we did before the recession. Almost two thirds of the jobs created since the Jobs Plan have been seasonal or casual. There has been some growth in full-time jobs, but fewer British Columbians have full-time jobs than residents of other provinces.
- **More new jobs going to temporary foreign workers:** Of the new jobs created since the recession, 29 per cent have been filled by temporary foreign workers. The increase in temporary foreign workers has been concentrated in areas outside urban centres.
- **Little relief for vulnerable groups:** The Jobs Plan focused on providing more economic opportunities to Aboriginal people, but there is no evidence of measurable improvement in their unemployment or employment rates. The plan did not specifically address challenges faced by youth or recent immigrants, two other groups likely to be vulnerable in the labour market.

RECOMMENDATIONS: INVEST AND DIVERSIFY

BC needs an economic strategy that is better diversified and less environmentally risky, and that puts more British Columbians to work in well-paying, family-supporting jobs. More working British Columbians means more income for families, which means more spending, and a healthier economy.

Instead of waiting for the private sector to invest and boost hiring, the provincial government should increase its own role in job creation. In BC, the public sector has been the main engine of net job creation since the BC Jobs Plan was announced, adding 20,000 new jobs, primarily in education services, and health and social assistance.

The government must also step away from its narrow focus on resource extraction and exports, specifically on making LNG the main economic driver for the province. The industry may seem poised for a boom now, but it is far too risky to pin the province's economic future on one sector, particularly one so vulnerable to the ups and downs of global commodity markets. And, of course, developing the oil and gas sector would come at a great environmental price, threatening northern communities with air and water pollution and endangering our climate.

While much is made of the role the (often better-paid) resource sector plays in BC, the reality is that just 2 per cent of British Columbians are directly employed in mining, oil and gas extraction, and forestry and logging combined. This sector remains such a small share of the job market that even a doubling or tripling of employment would not place it among top employment sectors in BC.

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A more diversified and environmentally sound jobs plan will include public investments in:

- High quality, accessible and affordable childcare, and education at all levels.
- Making our homes, schools and hospitals more energy-efficient.
- A large-scale reforestation program to aid recovery from the pine-beetle devastation.
- Youth-focused employment initiatives and specific measures designed to help Aboriginal people and recent immigrants do better in the job market.

Whether it is by hiring workers to enhance public services and make them more accessible, by purchasing goods and services from BC businesses or by initiating work on needed infrastructure projects, governments can create jobs and significant spin-off hiring in the private sector.

An effective job creation strategy will cost money, but without investing more of our collective resources in our communities, the BC government cannot provide the leadership needed to remedy a slow economy and persistent joblessness.

Download the full report at:
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