

## 2.0 MANITOBA AS A PLACE TO WORK

### 2.1 OVERVIEW

Between 1998 and 2003, **Manitoba registered positive gains in all WORK indicators but real wages**. Further, on the real wage measure, Manitoba enjoyed the highest ranking of all jurisdictions if only because it experienced the smallest *decline*. In the past five years, Manitoba's comparative **gains in the employment rate and wage parity also ranked high** – second only to British Columbia. On the other hand, Manitoba's performance in educational attainment and job creation was fairly unimpressive ranking fourth place vis-a-vis other jurisdictions on both.

The year 2002-2003 may have marked a reversal of previous poor performance as employment losses in agriculture tapered off, and production improved. Manufacturing in certain goods picked up in 2003, and out-migration to other provinces declined by half. Manitoba posted the best performance in real wage and employment rate in 2003, but ranked in fifth place for the other indicators. Manitoba's diversified economy has been critical in helping to soften the economic blow of earlier years, and helps provide a basis for renewed growth.

In the long term, one of Manitoba's greatest challenges will be to boost participation rates in post-secondary training and education, and to boost the educational attainment of its labour force. In-migration is welcome but can be only a partial solution to enhancing labour force skills, as the province must also find ways to enhance and upgrade its existing human resources.

Three of the WORK indicators have received more in-depth analysis: **Educational Attainment of the labour force, Wage Equality and Job Creation**.

### 2.2 EDUCATIONAL ATTAINMENT

All jurisdictions have seen the educational attainment of their labour forces increase. Within this overall pattern of improvement, Manitoba has not excelled. Between 1998 and 2003, our province sustained a **low absolute level of educational attainment in its labour force**, ranking fourth out of six jurisdictions for five-year change. The greatest improvement was in Saskatchewan, where the five-year level of labour force educational attainment rose by 10 per cent. Ontario followed at 9.5 per cent, the national average was 7.2 per cent, and Manitoba trailed, with a growth rate of 5.2 per cent.

**Table 2.1 percentage of Labour Force Age 25-54 with a Post-Secondary Certificate Diploma or Higher**

<b>Jurisdiction</b>	<b>1998</b>	<b>2003</b>	<b>Change 98-03</b>
Saskatchewan	51.3	56.5	+10.0 %
Ontario	56.3	61.7	+9.5 %
Canada	56.7	60.7	+7.2 %
Manitoba	51.7	54.3	+5.2 %
BC	56.7	58.6	+3.2 %
Alberta	56.9	58.7	+3.1 %

Manitoba's ranking for this indicator slipped to fifth place in 2002-2003, with a growth rate of 1.4 per cent, compared to national average of 1.8 per cent. Only Alberta did worse, with a *decline* in educational attainment of 1.2 per cent.

While the labour forces in Manitoba and Saskatchewan still have the lowest absolute levels of educational attainment, our western neighbor broke away with a dramatic increase since 2001, leaving Manitoba at the back of the pack.

Several factors contribute to Manitoba's relatively slow gains in educational attainment:

- Manitoba's economic fortunes -- Despite its relatively diversified industrial sector, Manitoba's economic performance was flat between 2001 and 2003, as output in both the mining and utilities sectors took a hit. Fewer employment opportunities no doubt contributed to an increase in the **outflow of skilled workers** to other provinces, lowering the overall level of attainment.
- Relatively **slow growth in the high tech and knowledge sectors**, which is retaining and attracting younger workers with new skills elsewhere in Canada.

With a declining student population and lower-than-average post-secondary participation, Manitoba faces long-term challenges. Improving the quality of its labour force is vital to meet future job market demands, improve productivity and sustain a high standard of living.

## 2.3 WAGE EQUALITY

Higher labour force participation in Canada has brought improved earnings for women, shrinking the traditional gap that exists between the wages of men and women. There is no question that women have seen a big improvement in their comparative earning power since the 1960s. However, a puzzling differential still persists.

In Manitoba the **gap between female and male workers' wages has shrunk significantly** over the past five years. The female/male wage ratio rose from .80 in 1998 to .85 in 2003. Manitoba ranked second in improvements to the wage ratio, with a five year increase of 4.4 per cent, second only to British Columbia. Employment growth in well-paid, female-dominated occupations (health services and education), as well as favourable wage settlements, ramped up women's average wages and, consequently, the wage ratio in this province.

<b>Jurisdiction</b>	<b>1998</b>	<b>2003</b>	<b>Change 98-03</b>
BC	.818	.858	+4.9 %
Manitoba	.813	.848	+4.4 %
Saskatchewan	.817	.836	+2.4 %
Alberta	.770	.786	+2.0 %
Canada	.825	.841	+1.9 %
Ontario	.833	.843	+1.2 %

During the period 2002-2003, there was no change in Manitoba's female/male wage ratio, while most other jurisdictions saw some improvement. The greatest improvement in that year was in Alberta, where the ratio increased by 3.2 per cent, while the lowest was a .4 per cent *decline* in Saskatchewan.

This reduction in wage disparity is to a large degree driven by different wage changes for men and women. Between 1998 and 2003, the average nominal hourly wage rate in Manitoba grew at 17.2 per cent for women, and only 12.3 per cent for men. During this time, growth in average earnings for men in Manitoba slowed, as high-paying jobs in the goods-producing sector were lost, particularly resources and oil and gas. Growth in women's earnings was fueled by change in two key factors, including:

- The negotiation of **favourable collective agreements** by the female-dominated labour unions. For example, in April 2002 nurses in Manitoba received a 20 per cent increase in salary over a two year period, plus improvements to premiums.
- **Greater educational attainment by women, and their growing share of better-paying management jobs.** While the female share of better-paying management jobs declined to 32.2 per cent of Manitoba's labour force in 2001, it rose again to 37.2 per cent in 2003.

### 2.3 JOB CREATION

Between 1998 and 2003, Manitoba benefited from the emergence of **33,000 new jobs**. This net number masks the loss of 5,000 jobs in the goods-producing sector, which was more than offset by a gain of 38,000 jobs in the service sector.

In the **goods sector**, Manitoba's **most significant job losses occurred in agriculture**. The inexorable five-year decline in that sector led to a total industry **loss of 7,800 jobs**. The contraction of the agriculture sector may be slowing, however, as farm receipts and production improve.

Declining world market prices for several metals led to the closure of two Manitoba mines in 2001 and 2002, with attendant job destruction. The fortunes of Manitoba's mining sector may be improving, however, with the value of Manitoba's mineral production increasing by 2.4 per cent last year, and production rose for both metallic and non-metallic minerals

**Manufacturing** – particularly in processed foods, transportation equipment and chemicals -- proved to be the bright spot, **with job creation of 6,500 between 1998 and 2003**. This sector is Manitoba's largest, accounting for 13 per cent of the province's real GDP.

The utilities sector was also a source of optimism in Manitoba's job market over the past five years. The value of electricity exports more than doubled between 1997 and 2001, propelled by demand growth in the United States and good water flows.

**Table 2.3 Total Employment (000)**

<b>Jurisdiction</b>	<b>1998</b>	<b>2003</b>	<b>Change 98-03</b>
Canada	14,140.4	15,746.0	+11.4 %
Alberta	1,515.4	1,721.7	+13.6 %
Ontario	5,490.0	6,228.5	+13.5 %
BC	1,870.2	2,023.3	+9.2 %
Manitoba	535.7	568.7	+6.2 %
Saskatchewan	476.3	486.8	+2.2 %

Manitoba's **service sector performed much better** between 1998 and 2003. **Altogether, 38,000 jobs were created in services**, with the best performances by health care and social assistance (11,100 jobs), accommodation & food services (7,700), and educational services (5,600). Both trade and business, building and other support services contributed 3,400 jobs to the economy, with several other sectors (such as FIRE) also accounting for small, positive job gains.

Between 2002 and 2003 growth in real GDP slowed to 1.9 per cent, related to a drop in farm cash receipts and reduced exports. These dampened retail trade, particularly in motor vehicle sales. The trade sector lost all the jobs gained during the previous five years, with retail taking a particularly big hit (5,400 jobs lost). Nonetheless, several sectors continued to perform well and create new jobs, including; wholesale trade, accommodation and food services, building and other support services, and educational services.