

BACKGROUNDER

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TWELVE YEARS OF LABOUR IN ALBERTA A TALE OF THREE POLITICAL ERAS

LEE HARDING

Executive Summary

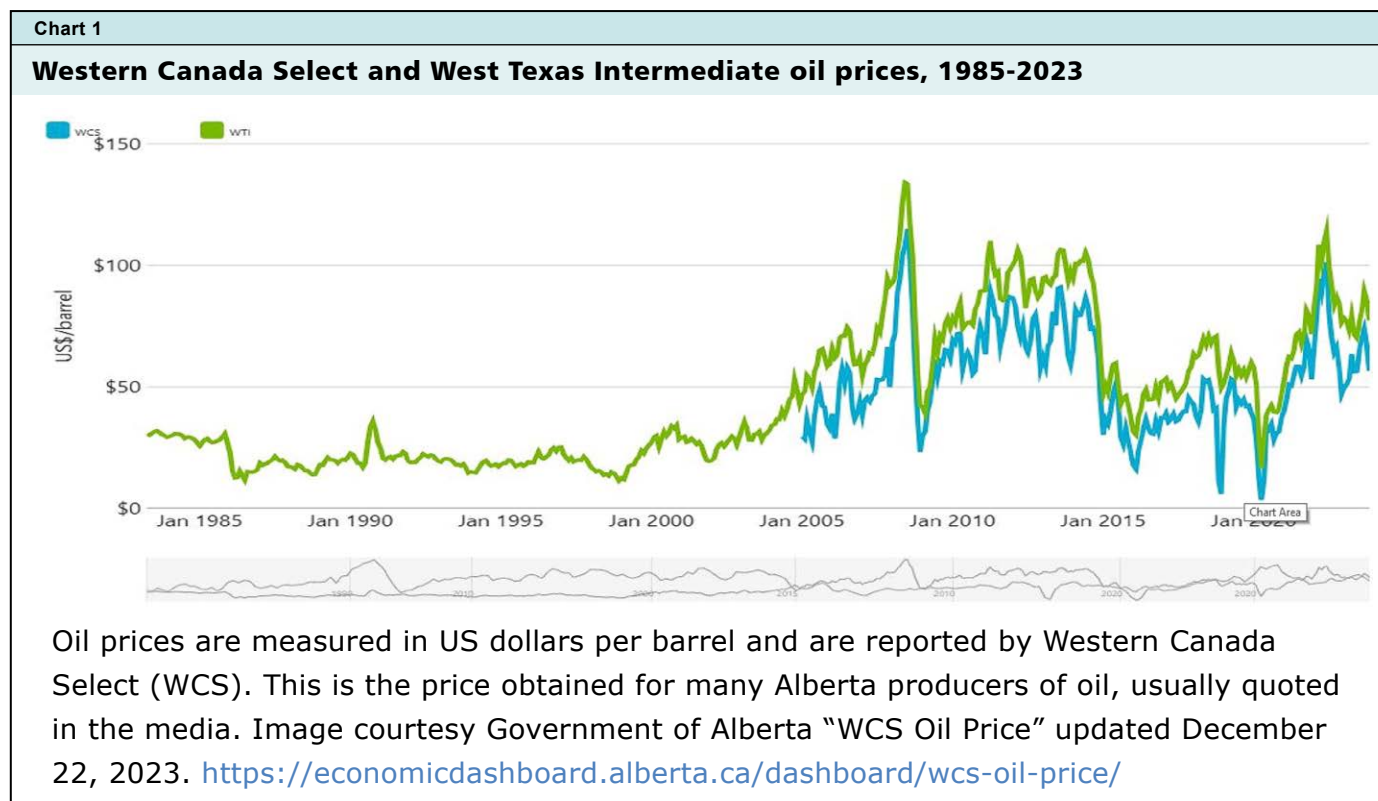
In Alberta and nationally, the percentage of employees in the public sector has grown at the expense of the self-employed.

This paper uses Statistics Canada data to examine labour growth in Alberta in its recent political eras. The first time in view is the last part of the Progressive Conservative era from October 2011 forward, led successively by premiers Alison Redford and Jim Prentice. This was followed by the NDP term of Rachel Notley that began in May of 2015. The United Conservative Party era began with the election of Jason Kenney to the premiership in April of 2019 and continued through Danielle Smith. This era continues but the scope of statistics this paper has in view ends in November 2023.

- Alberta's employed population grew by 17.1 percent from October 2011 to November 2023, but the working-age population grew by 26.1 percent. Growth of employees was one-third less than the growth of the working-age population. The growth of both the working age population (4.9 percent) and employment (1.9 percent) was weakest during the NDP term.
- In all political eras, Alberta outpaced Saskatchewan in worker growth, but Saskatchewan's gap between working-age population growth and employee growth was less than Alberta's.
- From October 2011 to November 2023, the combined category of agriculture, forestry, fishing, and hunting, and the combined category of health care and social services were the only ones where the growth in total wages and salaries exceeded the Canadian average.
- During this period, total wages and salaries grew 40 percent in Alberta and 70.2 percent in Canada. (Since May 2015, the growth was 13.4 percent versus 46.8 percent, respectively.)
- As well, wages in mining and oil and gas extraction grew by 13.7 percent in Alberta while it grew by 24.2 percent in Canada. In Alberta, wages in agriculture, forestry, fishing, and hunting grew by 82.5 percent, followed by the wages of federal bureaucrats grew by 65.8 percent.
- In Alberta, non-participation rates in the workforce grew by 63.9 percent for men and 39.8 percent for women compared with 26.2 percent and 18.2 percent respectively, nationally.
- In Alberta and nationally, the percentage of employees in the public sector has grown at the expense of the self-employed. During the UCP era, Alberta has excelled beyond its provincial neighbours and national averages for growth in the working age population, the labour force, numbers employed, and full-time employees, while the numbers unemployed have dropped in comparison with the national average.

Introduction

Over the past 12 years, Alberta has undergone a significant transformation in its political landscape, all while facing persistent challenges. The period under Progressive Conservative premiers Alison Redford and Jim Prentice witnessed a substantial downturn in oil prices, which had adverse consequences on employment opportunities. Additionally, southern Alberta communities grappled with a major flood in High River, causing billions of dollars in damage.



In 2015, the Rachel Notley-led NDP government took power. During its tenure, it imposed emissions limits on the oil sands industry, and the province faced a devastating wildfire in Fort McMurray.

This research paper reveals the challenges the province suffered during the NDP's time in office. The only bright spot is that growth in the total pay to provincial bureaucrats was restrained, even as the private sector economy suffered.

The Justin Trudeau federal Liberal government was elected in October 2015 and sworn in on Nov. 4 of that year. It subsequently introduced policy changes that impacted the energy industry. These changes hindered resource extraction, pipeline development, and exports to tidewater. Meanwhile, there was an increase in the number of federal employees, the scope of the welfare state, and

immigration, which further added to the challenges faced by Alberta's economic development.

Jason Kenney became United Conservative Party premier of Alberta in 2019. However, the COVID-19 panic sidelined many of his government's legislative goals, although it persisted in pursuing them despite the government's focus on Covid and lockdown subsidies. Fortunately, higher oil prices and lower taxes helped facilitate an economic resurgence and balanced budgets.

During her tenure, which spans a little over a year, Premier Danielle Smith has stayed the course set by Kenney. Her policies to establish a more independent Alberta have frequently led to disagreements with the federal government.

This paper divides its analysis into 12-year periods. The NDP term was slightly longer than the combined Redford-Prentice PC term and slightly shorter than the Kenney-Smith UCP term. Even so, the differences are so stark that the slight variation in time periods does not affect the significance of the findings.

Alberta employment growth trails working-age population growth

Table 1 shows the growth of the working age population in Alberta from 2011 to 2023, the number of Albertans employed, and the percentage growth in the working age population and employed Albertans.

Table 1					
Population and Employment Growth 2011-2023, Seasonally adjusted					
Category	Time Frame	Canada	B.C.	Alberta	Sask.
Working Age Population	Oct 11-May 15	3.7%	6.2%	8.3%	4.1%
Working Age Population	May 15-Apr 19	5.4%	6.9%	4.9%	3.7%
Working Age Population	Apr 19-Nov 23	7.5%	8.1%	11.1%	6.0%
Working Age Population	Oct 11-Nov 23	17.4%	22.7%	26.1%	14.4%
Employed	Oct 11-May 15	3.5%	5.4%	6.7%	3.9%
Employed	May 15-Apr 19	6.8%	12.6%	1.9%	1.8%
Employed	Apr 19-Nov 23	6.3%	5.3%	7.7%	4.4%
Employed	Oct 11-Nov 23	17.5%	25.0%	17.1%	10.5%
Employment growth/ population growth	Oct 11-May 15	-4.1%	-12.8%	-18.9%	-4.3%
Employment growth/ population growth	May 15-Apr 19	27.3%	83.9%	-61.8%	-50.8%
Employment growth/ population growth	Apr 19-Nov 23	-16.4%	-34.7%	-30.2%	-25.6%
Employment growth/ population growth	Oct 11-Nov 23	0.6%	10.1%	-34.5%	-27.0%

Calculations by FCPP. Data set: Statistics Canada. Table 14-10-0287-01 Labour force characteristics, monthly, seasonally adjusted. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028701>.

When Alison Redford assumed office as PC premier in 2011, Alberta had a working-age population (ages 15 to 64) of 3.03 million. As of November 2023, the most recent data available, this figure had increased to 3.82 million, marking a substantial 26.1 percent growth in the working-age population.

However, during the same period, the number of employed Albertans grew from 2.13 million to 2.50 million, representing a 17.1 percent increase in employment. This means that employment in the province expanded at a rate that was only two-thirds of the population growth rate.

Over the same period, employed Albertans grew from 2.13 million to 2.50 million people, representing a 17.1 percent increase. This means that employment grew by only two-thirds the rate that the population grew. Among Canadian provinces, only Newfoundland and Labrador have done worse than Alberta.

The employment rate in Alberta faced particular challenges during the NDP's term in office. Under Rachel Notley's leadership, the working-age population grew by a modest 4.9 percent. However, the number of individuals employed in the province only increased by 1.9 percent during this period. This means that population growth outpaced employment growth, with population growth being 2.6 times higher than employment growth.

It's worth noting that the NDP era stands out as the only period in which both the growth of the working-age population and the growth of the employed population lagged behind the national average.

In the rest of Canada, over this 12-year span, the working-age population and the number of employed individuals both increased at a similar rate, around 17.5 percent. However, Canada achieved its employment growth with a slightly lower increase in the working-age population, specifically 17.4 percent (from 28 million to 32.88 million). In contrast, Alberta experienced job growth amid a significantly higher rise in the working-age population, reaching 26.1 percent. This indicates that other provinces outperformed Alberta in terms of job creation relative to their working-age populations.

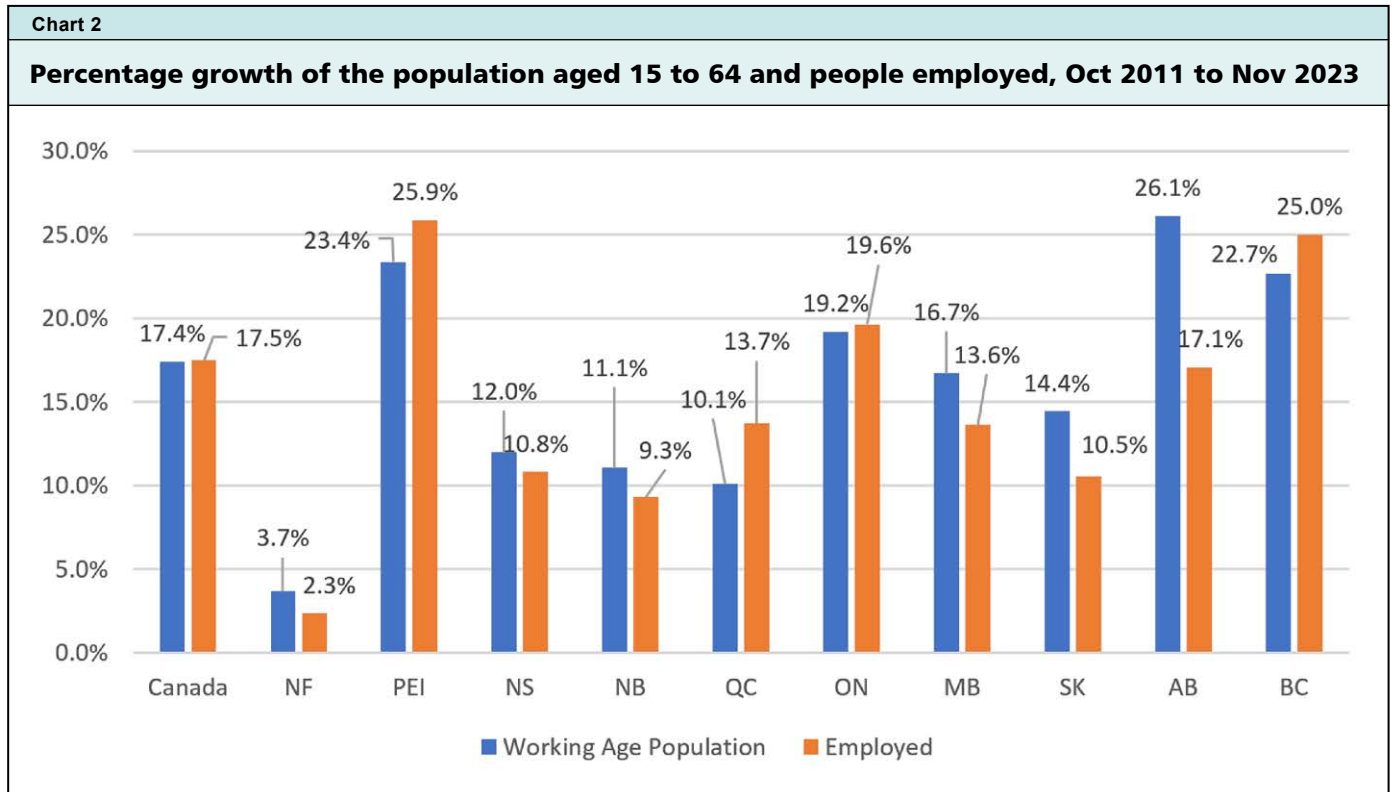
Alberta outperformed Saskatchewan in the growth of the working-age population, but the latter performed better in terms of aligning employment growth with its expanding working-age demographic.

Since October 2011, under the leadership of the Saskatchewan Party government, first led by Brad Wall and then Scott Moe since Feb. 2, 2018, Saskatchewan's working-age population has grown from 816,400 to 934,200 people. Concurrently, the employed population increased from 545,700 to 603,200. In other words, the employment growth was less than 50 percent of the working-age population growth.

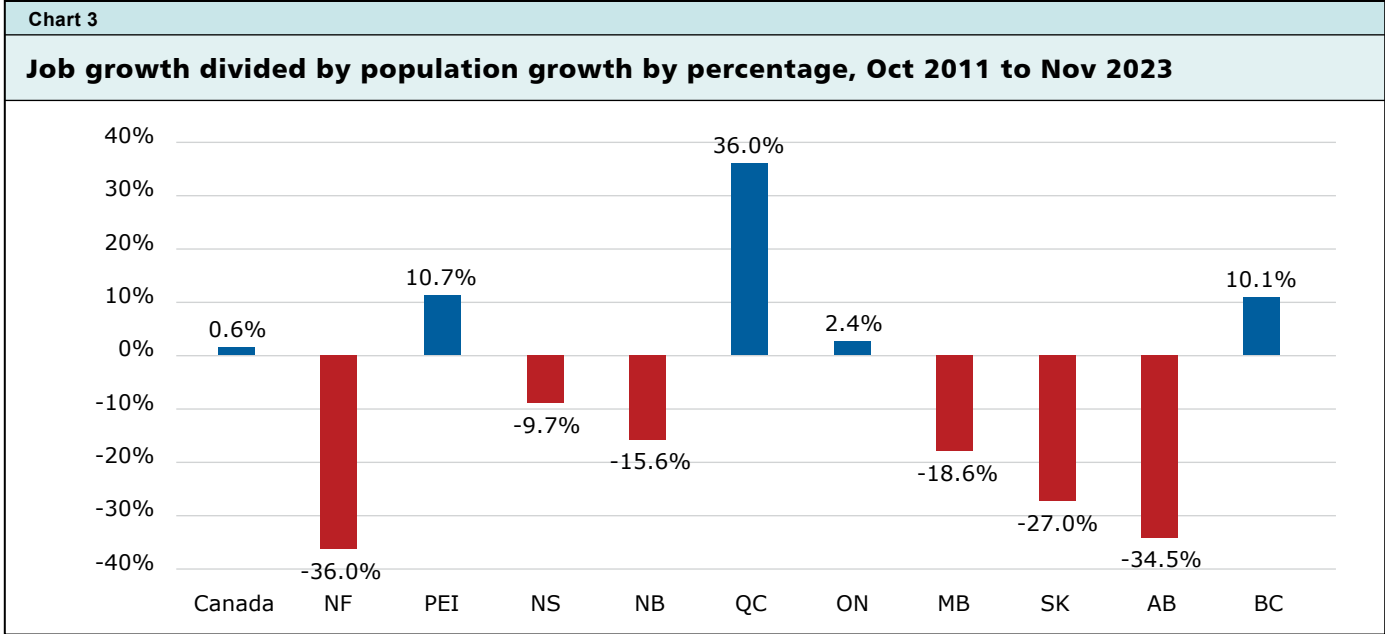
Comparisons with B.C. are more nuanced. B.C. was ruled by Liberals until the NDP gained minority power in 2017 and a majority government in 2020. Alberta outperformed B.C. in working-age population growth and growth of the numbers employed in its PC and UCP eras. However, Alberta trailed B.C. during the 2015-2019 Notley NDP term in Alberta. At that time, the 1.9 percent growth of people employed in Alberta was dwarfed by the 12.6 percent growth in the number employed in B.C. Since 2011, B.C.'s employment numbers have grown 10 percent faster than its working-age population growth, while Alberta's rate has not even kept pace with its population increase.

Employee and working-age population growth across all provinces

Although the Canadian employment rate has kept pace with the working-age population growth over the past 12 years, a wide variance exists between provinces. The prairie provinces have seen employment growth fall behind population growth, as has most of the Atlantic provinces. Ontario has kept pace, while B.C. and Prince Edward Island experienced employment growth faster than the working-age population. Quebec is a notable exception in which employment growth was 36 percent faster than the working-age population growth. Newfoundland and Labrador, with an aging population and economic stagnancy, experienced employment growth 36 percent less than the working-age population growth. These results are presented in Charts 2 and 3.



Calculations by FCPP. Data from Statistics Canada.



Calculations by FCPP. Data from Statistics Canada.

These findings beg for an explanation. Alberta bore the brunt of the federal aversion towards oil and gas development, followed by Saskatchewan and Manitoba. This may explain some of the statistics in Charts 2 and 3.

In contrast, Ontario’s dependence on oil and gas production is relatively modest compared to the Prairie provinces. Additionally, it appears that Toronto and Ottawa received significant support from the federal government, as did certain regions in Quebec.

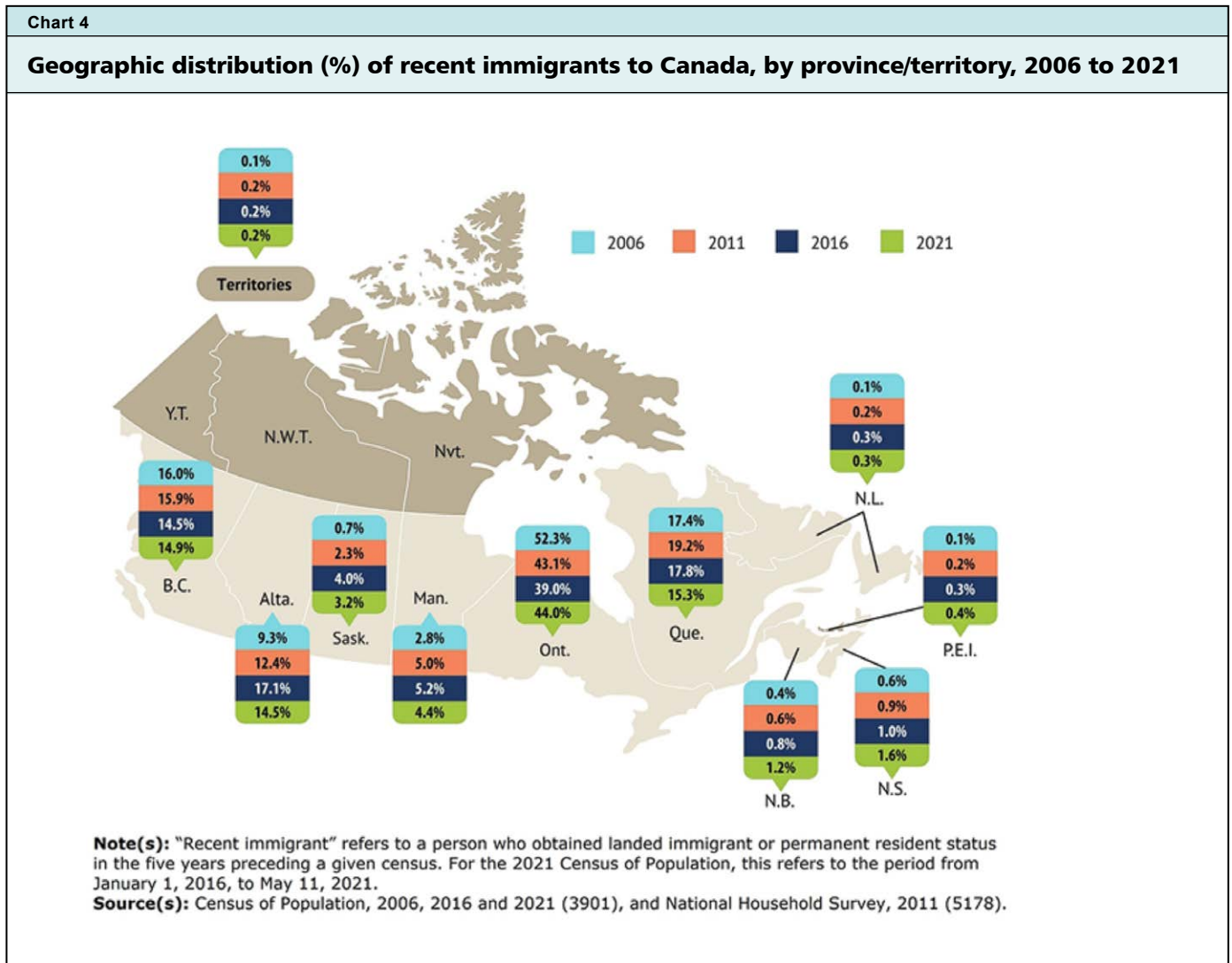
Furthermore, it’s worth noting that the Prairie provinces boast larger and expanding Indigenous communities, while Quebec has a comparatively lower percentage of Indigenous inhabitants. Indigenous employment rates across all provinces and territories tend to be lower than those of non-Indigenous populations.

According to the 2021 Census, Alberta’s Indigenous population accounted for 6.8 percent of the provincial total, ranking fourth among the 10 provinces. However, this was less than that of Manitoba (18.1 percent), Saskatchewan (17.0 percent), and Newfoundland and Labrador (9.3 percent). Quebec had the smallest Indigenous population share at just 2.5 percent, with Prince Edward Island at 2.2 percent.

Data from the 2021 Census reveals that the employment rate among Indigenous people was 61.2 percent, notably lower than the 74.1 percent employment rate among their non-Indigenous counterparts.

More broadly, the impact of immigration is not evenly distributed across the country. B.C., for instance, boasts a significant immigrant population, often Asians with a strong work ethic. Conversely, Quebec has insisted on provincial autonomy in accepting immigrants, allowing for more targeted and restricted immigration policies. However, the unsecured border crossing at Roxham Road resulted in thousands of refugees pouring into Quebec. Of course, many continued to move to other provinces.

Chart 4 shows where landed immigrants and permanent residents were situated in each province. Over these periods of time, immigrants choose Ontario, Quebec, Alberta, and B.C. Indeed, with Canada’s present labour shortages, immigration could provide at least a partial solution. The benefit, however, depends very much on who and how immigrants arrive.



Total wages by sector reveal a tale of three eras

Table 2 examines the wage and salary growth in major sectors from 2011 to 2023 in Alberta and Canada. These statistics reflect the number of workers times the hours worked, times the average pay, providing a useful comparison of personal-earnings between sectors of the economy.

Sector	Alberta Oct-11	Alberta May-15	Alberta Apr-19	Alberta Sep-23	Alberta 11-'23 Growth	Canada 11-'23 Growth
Compensation of employees	11,545,322	14,426,998	13,551,563	16,456,483	42.5%	69.9%
Wages and salaries	10,334,656	12,767,213	11,934,737	14,473,286	40.0%	70.2%
All goods-producing industries	3,838,891	4,561,222	3,783,367	4,534,853	18.1%	50.8%
Agriculture, forestry, fishing, and hunting	83,251	90,804	108,120	165,711	99.0%	66.4%
Mining and oil and gas extraction	1,471,805	1,615,093	1,541,498	1,672,767	13.7%	24.2%
Manufacturing	824,234	832,504	757,615	913,340	10.8%	37.8%
Construction	1,319,068	1,837,153	1,198,034	1,618,167	22.7%	82.1%
Utilities	140,533	185,668	178,100	164,868	17.3%	21.0%
All services-producing industries	6,495,765	8,205,991	8,151,370	9,938,433	53.0%	77.1%
Trade	1,199,620	1,481,197	1,453,256	1,651,348	37.7%	60.8%
Transportation and storage	477,467	595,384	705,185	864,002	81.0%	83.0%
Information and cultural industries	160,904	173,249	158,874	201,321	25.1%	87.4%
Finance, real estate and company management	743,220	1,049,361	905,986	1,035,149	39.3%	77.6%
Professional and personal services industries	1,902,990	2,481,666	2,234,098	2,893,493	52.0%	98.8%
Educational services	623,442	702,825	761,875	842,844	35.2%	49.7%
Health care and social assistance	811,533	1,035,248	1,195,697	1,568,977	93.3%	91.6%
Federal government public administration	173,386	163,911	194,594	250,556	44.5%	52.8%
Military	52,357	47,939	55,027	58,302	11.4%	26.4%
Federal gov't admin excluding military	121,029	115,972	139,567	192,254	58.8%	58.8%
Provincial and territorial gov't administration	155,198	184,099	189,907	222,873	43.6%	60.1%
Local government public administration	248,005	339,051	351,898	407,870	64.5%	65.9%
Employers' social contributions	1,210,666	1,659,785	1,616,826	1,983,197	63.8%	68.3%

Calculations by FCPP. Data from Statistics Canada.

The data reported in this table are not seasonally adjusted. Seasonally adjusted statistics were available for Canada but not Alberta, so they were not used. Nevertheless, the contrast between the eras is clear, with the NDP era standing out from the Conservative eras.

Total wages in Alberta dropped in almost every sector during the NDP era, as shown by the figures in red. Modest growth in transportation and storage and the combined category of agriculture, forestry, fishing, and hunting were the only sectors that increased during the NDP era.

In this 12-year period, this category and health care and social services were the only sectors in which the total wages in Alberta grew at a faster rate than in Canada. Remarkably, mining, oil, and gas extraction grew about twice as fast in Canada (24.2 percent) than in Alberta (13.7 percent). Federal strategies to stifle the energy sector are largely to blame. Now that the federal government has started a net zero reduction in fertilizer emissions and cattle production, Alberta's other resource pillar, agriculture, is under considerable threat.

Alberta and Ottawa contrast in all Alberta eras

Table 3 compares total wages by sector in Alberta to those in Canada in each of the three political eras.

Geography Governing Party Time frame	AB PC 2011-15	CAN CPC 2011-15	AB NDP 2015-19	CAN LPC 2015-19	AB UCP 2019-23	CAN LPC 2019-23	AB NDP/UCP 2015-23	CAN LPC 2015-23
Compensation of employees	25.0%	15.7%	-6.1%	11.3%	21.4%	31.9%	14.1%	46.8%
Wages and salaries	23.5%	14.9%	-6.5%	11.6%	21.3%	32.7%	13.4%	48.1%
All goods-producing industries	18.8%	9.9%	-17.1%	4.4%	19.9%	31.4%	-0.6%	37.2%
Agriculture, forestry, fishing, and hunting	9.1%	6.5%	19.1%	1.7%	53.3%	53.6%	82.5%	56.2%
Mining and oil and gas extraction	9.7%	8.2%	-4.6%	1.3%	8.5%	13.4%	3.6%	14.8%
Manufacturing	1.0%	7.3%	-9.0%	10.1%	20.6%	16.7%	9.7%	28.4%
Construction	39.3%	16.0%	-34.8%	-0.6%	35.1%	57.9%	-11.9%	57.0%
Utilities	32.1%	1.5%	-4.1%	3.4%	-7.4%	15.3%	-11.2%	19.2%
All services-producing industries	26.3%	16.7%	-0.7%	14.0%	21.9%	33.1%	21.1%	51.8%
Trade	23.5%	17.2%	-1.9%	11.8%	13.6%	22.7%	11.5%	37.2%
Transportation and storage	24.7%	21.6%	18.4%	22.1%	22.5%	23.2%	45.1%	50.5%
Information and cultural industries	7.7%	16.7%	-8.3%	20.1%	26.7%	33.6%	16.2%	60.6%
Finance, real estate and company management	41.2%	23.8%	-13.7%	9.4%	14.3%	31.2%	-1.4%	43.5%
Professional and personal services industries	30.4%	19.3%	-10.0%	14.1%	29.5%	46.0%	16.6%	66.6%
Educational services	12.7%	11.3%	8.4%	12.0%	10.6%	20.0%	19.9%	34.5%
Health care and social assistance	27.6%	17.0%	15.5%	17.6%	31.2%	39.2%	51.6%	63.8%
Federal government public admin	-5.5%	-5.5%	18.7%	18.7%	28.8%	36.1%	52.9%	61.6%
Military	-8.4%	0.3%	14.8%	9.0%	6.0%	15.6%	21.6%	26.0%
Federal gov't admin (not military)	-4.2%	-6.8%	20.3%	21.1%	37.8%	40.6%	65.8%	70.3%
Provincial and territorial gov't admin	18.6%	11.1%	3.2%	13.3%	17.4%	27.2%	21.1%	44.1%
Local government public administration	36.7%	16.2%	3.8%	7.6%	15.9%	32.6%	20.3%	42.8%
Employers' social contributions	37.1%	21.2%	-2.6%	9.4%	22.7%	26.9%	19.5%	38.8%

Calculations by FCPP. Data from Statistics Canada.

The PC term: The percentage growth in Alberta outpaced Canada in all sectors in the Redford-Prentice era except for manufacturing, information, and cultural sectors. In addition, military spending in Alberta dropped while it had a slight growth in Canada.

The NDP term: Total wages trailed in Alberta compared to total wages in Canada during the Notley NDP era, except for agriculture, forestry, fishing, and hunting.

The UCP era: Since the spring of 2019, Alberta's percentage growth in manufacturing has outpaced many other provinces, but trails Canada. Health care and social services spending has grown twice as fast under the UCP than

under the NDP. Also, the growth of the total pay to provincial and municipal bureaucrats during the NDP era has since quadrupled.

The final two columns in Table 3 show the total growth during the NDP and UCP eras, which encompass the final few months of the Harper Conservative rule in Ottawa and slightly more than the first seven years under Justin Trudeau's Liberal government. Since 2015, total pay to federal bureaucrats has grown faster (52.9 percent) than any other sector in Alberta, except for agriculture, forestry, fishing, and hunting (82.5 percent).

An interesting sidenote is that, when military spending is included, federal bureaucratic spending growth in Alberta matched the national average during the CPC/PC era (-5.5 percent) and the NDP/LPC (Liberal Party of Canada) era (18.7 percent) but has trailed since the UCP took power (28.8 percent vs 36.1 percent). It is not clear why this happened, but one possibility are the disputes between Ottawa and Alberta.

Alberta has never recovered from the PC-era collapse in male employment

Table 4 compares the growth in employment in various sectors in Alberta, in the neighbouring provinces, and in Canada. An interesting finding is that the number of unemployed men in Alberta increased by 49.2 percent from October 2011 to May 2015 as oil prices collapsed and the flood devastated communities in southern Alberta. In later years, the numbers of unemployed grew very slightly in the NDP era but have decreased during the UCP era. Regardless, the number of unemployed in Alberta was still 49.2 percent higher in November 2023 than in October 2011, like what it was at the end of the PC era.

Table 4								
Seasonally adjusted growth percentages of people aged 15 to 64, Canada and selected provinces								
Geography	Canada		British Columbia		Alberta		Saskatchewan	
Sex	Males	Females	Males	Females	Males	Females	Males	Females
Oct 2011-May 2015								
Population	3.9%	3.4%	5.8%	6.5%	8.4%	8.1%	4.7%	3.5%
Labour force	3.0%	2.5%	5.6%	3.1%	7.7%	8.4%	3.7%	5.5%
Employed	3.4%	3.7%	6.8%	3.9%	5.6%	8.1%	3.0%	5.1%
Full-time	3.5%	4.3%	8.5%	7.5%	5.4%	7.1%	3.2%	7.9%
Part-time	2.7%	2.0%	-3.2%	-4.3%	6.5%	11.1%	1.0%	-2.2%
Unemployed	-1.2%	-12.5%	-9.0%	-7.6%	49.2%	13.2%	21.1%	13.3%
Non-participants	6.2%	4.9%	6.2%	11.8%	11.3%	7.6%	7.9%	0.1%
May 2015 - April 2019								
Population	5.5%	5.2%	6.7%	7.0%	3.9%	5.9%	3.8%	3.7%
Labour force	5.2%	6.0%	9.2%	13.6%	0.2%	4.4%	3.5%	1.3%
Employed	6.8%	6.9%	10.8%	14.7%	0.1%	4.0%	2.0%	1.7%
Full-time	5.7%	7.9%	8.6%	15.8%	-2.0%	4.1%	1.1%	1.5%
Part-time	14.6%	3.9%	24.9%	12.0%	20.5%	3.7%	9.4%	2.4%
Unemployed	-14.2%	-7.4%	-14.5%	-4.5%	2.1%	11.5%	34.2%	-5.5%
Non-participants	6.2%	4.0%	1.2%	-2.6%	18.9%	8.8%	4.7%	8.1%
April 2019-Nov 2023								
Population	7.8%	7.2%	8.0%	8.3%	10.9%	11.3%	6.2%	5.7%
Labour force	6.1%	6.5%	6.3%	5.3%	7.1%	7.2%	2.8%	5.4%
Employed	6.2%	6.4%	5.9%	4.6%	7.8%	7.7%	3.5%	5.6%
Full-time	6.5%	9.8%	7.9%	6.4%	7.9%	10.1%	2.3%	8.7%
Part-time	4.1%	-3.5%	-4.9%	0.3%	7.0%	0.9%	13.0%	-3.2%
Unemployed	4.7%	9.0%	13.1%	18.6%	-2.1%	-0.4%	-6.5%	2.2%
Non-participants	11.9%	8.4%	12.0%	13.4%	23.8%	19.4%	16.5%	6.1%
Oct 11-Nov 2023 (All three Alberta eras)								
Population	18.1%	16.7%	21.9%	23.4%	24.8%	27.4%	15.4%	13.5%
Labour force	15.0%	15.8%	22.6%	23.4%	15.5%	21.4%	10.3%	12.7%
Employed	17.2%	17.9%	25.3%	24.6%	13.8%	21.1%	8.6%	12.9%
Full-time	16.4%	23.6%	27.1%	32.4%	11.4%	22.8%	6.8%	19.0%

Calculations by FCPP. Data from Statistics Canada.

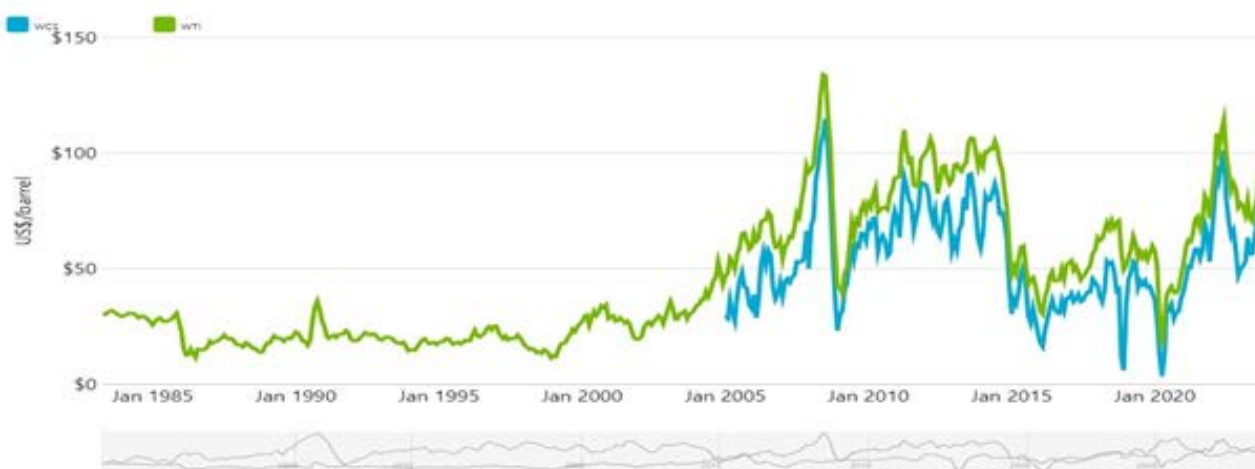
Rachel Notley NDP Government (May 2015-April 2019)

In the Notley NDP era in Alberta, male part-time employment grew by 20.5 percent and female unemployment grew by 11.5 percent. Despite growth in the working age population of 3.9 percent and 5.9 percent for males and females respectively, the evidence shows that full-time employment was static for males while it grew by 4 percent for both part-time and full-time working women. But non-participation rates increased by 18.9 percent for men and 8.8 percent for women during this time. It seems that increasing more people stopped looking for work. Some of this change may be due to a diminished oil patch work because of low oil prices (See Chart 1).

While an NDP government in Alberta allowed the economy to flounder, employment in B.C. and nationally grew, especially for men (over 14 percent) while unemployment dropped as much. But male unemployment grew in Saskatchewan during those years (34.2 percent), while more women left the workforce than joined the workforce.

Chart 1

Western Canada Select and West Texas Intermediate oil prices, 1985-2023



Oil prices are measured in US dollars per barrel and are reported by Western Canada Select (WCS). This is the price obtained for many Alberta producers of oil, usually quoted in the media. Image courtesy Government of Alberta "WCS Oil Price" updated December 22, 2023. <https://economicdashboard.alberta.ca/dashboard/wcs-oil-price/>

Kenney-Smith UCP Government (April 2019-Nov 2023)

While the

unemployment rate shrunk in Alberta (mostly due to people leaving the workforce), in B.C. there was a substantial growth...

The UCP era illustrates that Alberta is headed in an economically more positive direction. The economic performances of both males and females in Alberta have excelled males and females in the neighbouring provinces in growth in the working age population, their participation in the labour force, numbers employed, and full-time employment. The number of unemployed has decreased during this era.

On the negative side, non-participation rate in the labour force has continued to rise at rates almost twice the national average at 23.8 percent for men and 19.4 percent for women. One can only guess, but perhaps employees have chosen early retirement.

The trends have been somewhat different in Alberta's neighbours. B.C. matched Alberta's growth in full-time employment for males, but trailed in full-time employment for females. While the unemployment rate shrunk in Alberta (mostly due to people leaving the workforce), in B.C. there was a substantial growth in the number of unemployed men and both men and women leaving the workforce.

Compared to Alberta, Saskatchewan had more men in part-time work (7 and 13 percent respectively) and larger reductions in the percentage of unemployed men. The percentages of Saskatchewan residents, especially women, who left the workforce rose less dramatically than in Alberta.

The public sector grows at the expense of the self-employed

Table 5 shows that in Alberta and Canada, the share of employment represented by private sector workers is about the same as it was 12 years ago, but the public sector has grown, seemingly at the expense of the self-employed.

Table 5									
Employment by class of worker, monthly, seasonally adjusted, thousands									
Alberta									
Class of worker	Oct 2011	May 2015	April 2019	Nov 2023	2011-2015	2015-2019	2019-2023	2011-2023	2011-2023
Total employed	2,131.7	2,274.5	2,316.9	2,495.9	6.7%	1.9%	7.7%	17.1%	364.2
Employees	1,791.1	1,906.5	1,959.4	2,149.3	6.4%	2.8%	9.7%	20.0%	358.2
Public sector	354.5	383.0	433.0	462.9	8.0%	13.1%	6.9%	30.6%	108.4
Private sector	1,436.7	1,523.5	1,526.4	1,686.5	6.0%	0.2%	10.5%	17.4%	249.8
Self-employed	340.5	368.0	357.5	346.6	8.1%	-2.9%	-3.0%	1.8%	6.1
Canada									
Class of worker	Oct 2011	May 2015	April 2019	Nov 2023	2011-2015	2015-2019	2019-2023	2021-2023	2021-2023
Total employed	17,286.8	17,897.2	19,116.4	20,312.5	3.5%	6.8%	6.3%	17.5%	3,025.7
Employees	14,635.6	15,210.7	16,293.9	17,653.6	3.9%	7.1%	8.3%	20.6%	3,018.0
Public sector	3,400.2	3,518.1	3,773.8	4,322.3	3.5%	7.3%	14.5%	27.1%	922.1
Private sector	11,235.4	11,692.6	12,520.1	13,331.3	4.1%	7.1%	6.5%	18.7%	2,095.9
Self-employed	2,651.1	2,686.5	2,822.5	2,658.9	1.3%	5.1%	-5.8%	0.3%	7.8

Statistics Canada. Table 14-10-0288-01 Employment by class of worker, monthly, seasonally adjusted, and unadjusted, last 5 months (x 1,000). <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801>.

It is interesting to note that the salaries of provincial bureaucrats increased less under the NDP era than during the Conservative eras both before and after the NDP era. But the percentage growth of employees in the public sector during the NDP era was higher (13.1 percent) than during the PC (8.0 percent) or UCP (6.9 percent) eras.

Of course, a proportion of Ottawa's hiring spree contributed to the increase in public sector employees even in Alberta. Even so, the UCP government has shown considerable restraint in the growth of public sector employees.

The UCP era is where there has been growth of private sector employees, which surpassed the growth of the public sector. Of course, private sector growth is necessary for the vital economy that Albertans enjoy. It is also the only sustainable way to fund governments.

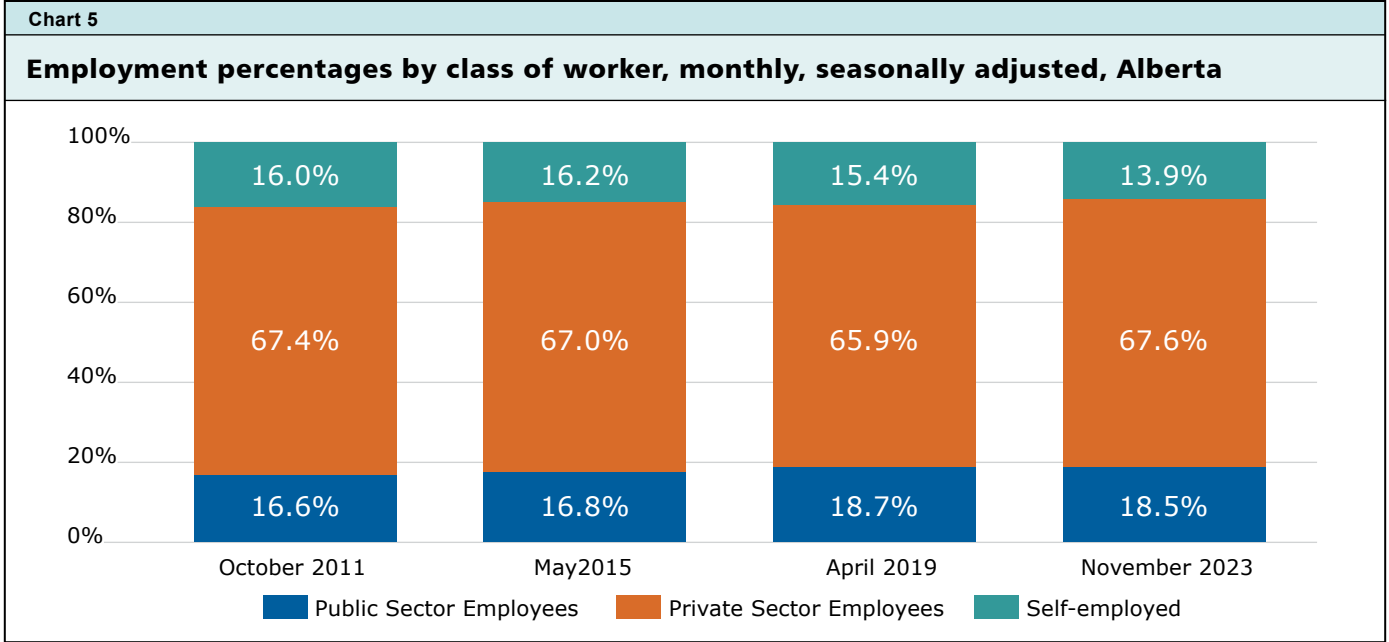
The growth of the federal bureaucracies since 2015 contrasts with the growth during the last Conservative term. In general, during the Conservative era the

private sector grew faster than the public sector. This trend, however, reversed during the majority Liberal era (2015-2019). The Liberals and NDP era (2019 to today) has resulted in a marked growth in the public sector. This is a problem for a free and prosperous society.

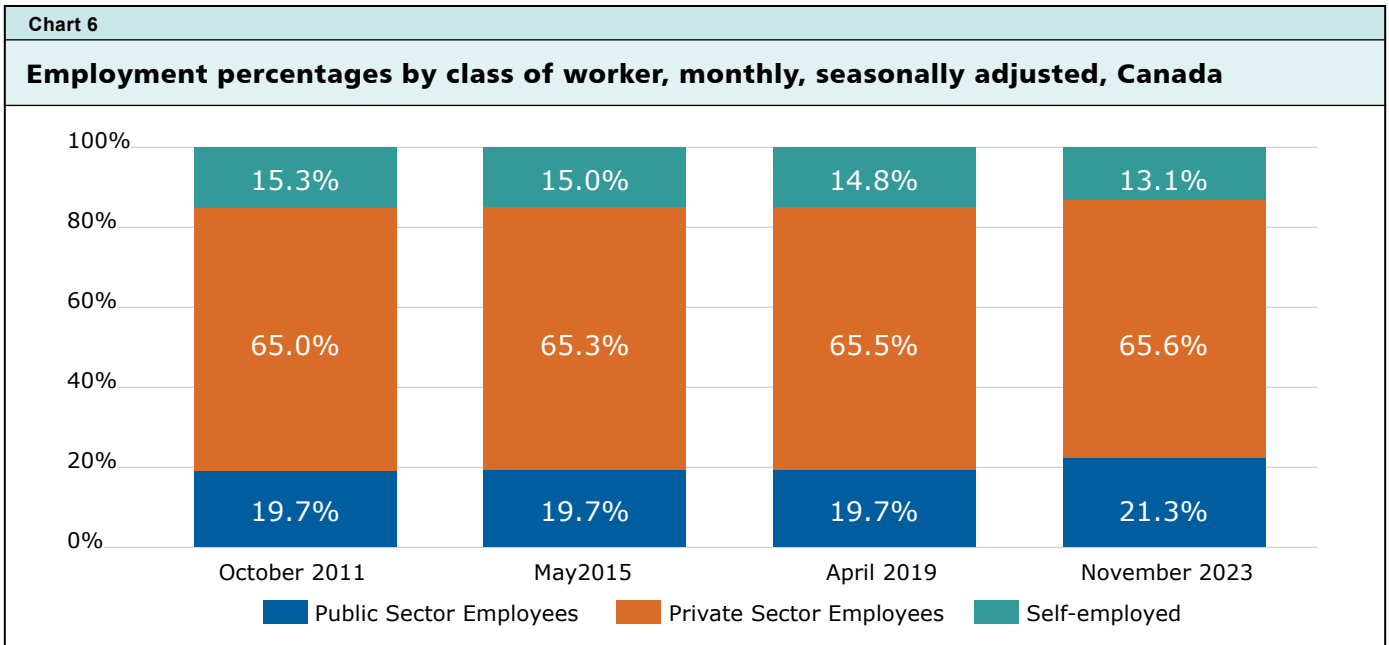
Almost the entire 7,800-person increase in the self-employed in Canada over the past 12 years has resulted from 6,100-person increase in Alberta. However, the decline of the self-employed in recent years, despite the growth in the population, should be of concern for both provincial and federal levels of government. Even with the growth in the population, the number of self-employed declined in both Alberta and Canada.

While the self-employed Albertans grew from 340,500 to 368,000 from 2011 to 2015, it has since fallen to 346,600. The four years of minority Liberal-NDP government has resulted a decrease in self-employment of 163,600, or 5.8 percent despite rapid population growth. This may reflect changes in the tax code and, of course, the Covid 19 pandemic and the resulting draconian measures that were implemented. Obviously, policymakers need to consider ways to build this sector of the workforce.

“...the decline of the self-employed in recent years, despite the growth in the population, should be of concern for both provincial and federal levels of government.”



Calculations by FCPP. Source: Statistics Canada. Table 14-10-0288-01.
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801>.



Calculations by FCPP. Source: Statistics Canada. Table 14-10-0288-01.
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028801>.

Conclusion

The province (Alberta) should dig deeper to find out which industries have lost workers, the reasons for their departure, and how they might be restored to the workforce.

Over the past 12 years, Alberta has enjoyed a growth in its number of employees almost as much as all of Canada. However, unlike Canada, whose employee growth has kept pace with working-age population growth, Alberta has, in fact, fallen behind.

The growth of both the working-age population (4.9 percent) and employment (1.9 percent) in Alberta was weakest during the NDP era. In the PC term that preceded the NDP era, the number of unemployed males grew 49.2 percent and stayed relatively static. The province should dig deeper to find out which industries have lost workers, the reasons for their departure, and how they might be restored to the workforce.

In Alberta, non-participation rates in the workforce grew by 63.9 percent for men and 39.8 percent for women compared with 26.2 percent and 18.2 percent respectively, nationally. In Alberta and nationally, the percentage of employees in the public sector grew at the expense of the self-employed.

Alberta outpaced Saskatchewan in worker growth in all political eras, but Saskatchewan's gap between the growth in the working-age population and the number of employees was less. During the UCP era, Alberta has excelled beyond its provincial neighbours and national averages for growth in the working age population, the labour force participation, numbers employed, and full-time employees, while the number of unemployed dropped.

From October 2011 to November 2023, wages in agriculture, forestry, fishing, and hunting grew by 82.5 percent, followed by the wages for federal bureaucrats at 65.8 percent. Remarkably, wages in mining and oil and gas extraction grew by just 13.7 percent in Alberta while it grew by 24.2 percent in Canada.

Over that 12-year span, total wages and salaries grew 40 percent in Alberta and 70.2 percent in Canada. In Alberta, the combined sectors of agriculture, forestry, fishing, hunting, and the combined health care and social services sectors were the only sectors where the growth in total wages and salaries exceeded the Canadian average.

Of course, Alberta must continue to defend its agricultural sector because it was the one that had total wage growth during the many political and economic changes that took place during the past 12 years. Such a defence is even more critical for the energy sector, which needs no emphasis. The UCP government has done well to oppose federal efforts to curtail growth in this industry, but Ottawa has some policy levers that Alberta cannot change.

In essence, this report shows that most of the net growth of Canada's self-employed is in Alberta. However, the self-employed sector is slipping in Alberta and nationwide at the expense of the ever-burgeoning, well-compensated public service sector. Of course, this trend is a red flag for policymakers. Restraint in federal hiring and perhaps changes in the tax code could rebalance the self-employed's share of employment levels in Alberta and in Canada.



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