
Backgrounder

Youth and Work in Troubled Times: A Report on Canada in the 1990s Changing Patterns of School-to-Work Transition

Since the early 1980s, the school-to-work transition typically experienced by Canadian youth has become longer and is often interrupted by spells of unemployment. Youth (aged 15-24) are staying in school longer, returning more frequently to school from the labour market, and, at the same time, increasing their level of participation in the labour force, combining school and work in many different ways. These prolonged and circuitous transition paths are associated with delayed transitions in other dimensions of achieving adult independence, particularly in departure from the family home, marriage, and parenthood.

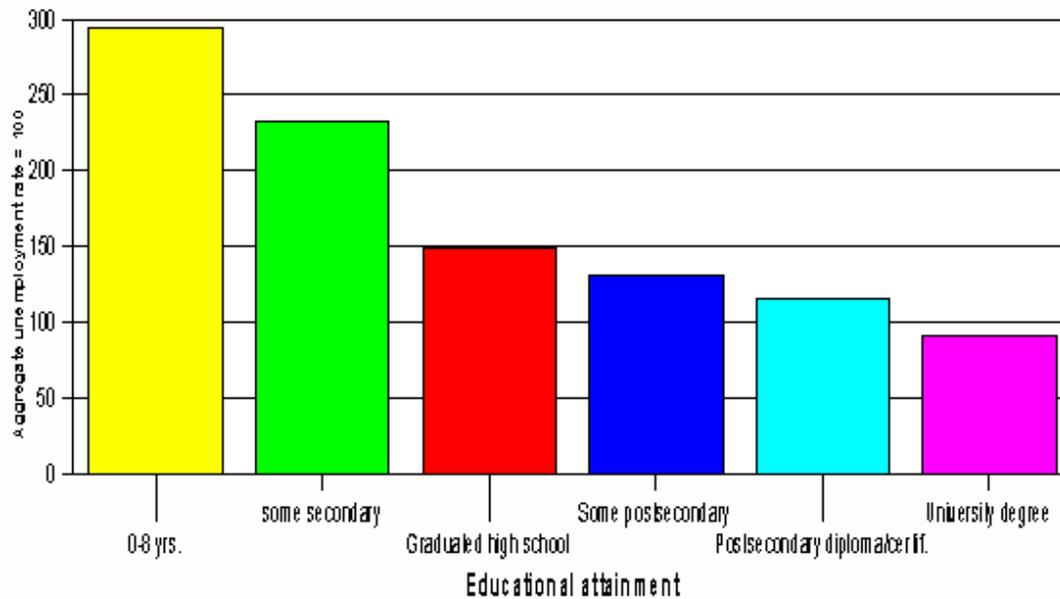
Rising Youth Unemployment

At the same time, the unemployment rate of youth has continued to rise over the past quarter-century. In 1995, it was 15.6 percent, compared to 9.5 percent for all age groups. The experience of unemployment leads some young people to return to school for more credentials. Others simply lower their aspirations.

Those with lower levels of educational attainment tend to experience unemployment more frequently and for longer periods (Figure 1); moreover, their unemployment rates remain higher as they age. For those with college- and university-level qualifications, there is a gradual decline in the incidence of unemployment spells with years of experience in the labour market.

The employment experiences of youth reflect the changing structure of the labour market. There has been a substantial decline in traditional entry-level jobs in the goods-producing industries as well as in public administration, health and social services, and education. The major growth areas in employment for young people have been in service industries in sales and service occupations and in managerial and professional occupations.

Youth Unemployment, by Education Level, 1995



Source: Statistics Canada, Labour Force Annual Averages, various years, Cat 71-220, February 1994 and 1995

Over time, young people with postsecondary qualifications generally move into career jobs appropriate to their level and field of study, while a significant number of those with a high school diploma or less remain in the lower-tier service jobs characteristic of the student labour market.

Non-standard forms of employment of youth, particularly part-time and temporary jobs, have increased significantly in the 1980s and 1990s, and now amount to well over half of all youth employment. Although students account for much of this employment, a rising proportion of it is involuntary. This trend has continued even during the recent economic recovery. It appears to be a long-term trend reflecting growing employer preference for flexibility and limited commitment.

Absolute and relative earnings of young people decreased significantly during the 1980s. For example, between 1981 and 1992 the real annual earnings of young men aged 17-24 who were working full time and full year declined by over 18 percent. There is also evidence of a gradual divergence of incomes by level of educational attainment, especially a growing disadvantage for workers with a high school diploma or less, and an increasing premium for completion of postsecondary programs.

Training programs for youth are quite limited in Canada. The onus remains on individuals even after they leave school to acquire most of the skills they need. Among employed youth, most employer-based training is received by already well-educated young male workers in large firms. This pattern may widen the degree of labour market polarization, contributing to the skills and credentials of those who are already advantaged.

Policy Implications

These findings highlight two key areas of concern: a growing level of social polarization affecting young people even more seriously than older age groups, and an inadequate level of social cooperation among key stakeholders in the school-to-work transition process of Canadian youth.

Of special concern is the declining level of public expenditure for postsecondary education. As the importance of postsecondary education is increasing, public funding for it is decreasing. In the absence of alternative forms of labour-market training for youth, this threatens to lead to sharper class divisions in Canadian society.

Canada does not have a tradition of social cooperation around education and training. The result has been poor communication between the supply and demand sides of the labour market. Students and educators do not get adequate information about the changing nature of labour demand; employers are not aware of the knowledge, skills, and values that students completing different kinds of programs have to offer. Employers do not take sufficient responsibility for training and education. Educators are often suspicious of programs directly related to training for the labour market. Governments, meanwhile, are increasingly incapacitated by their fiscal problems. The onus then falls upon individuals to make risky choices about how much to invest in education, and which field of study and specialization to choose. As the pace of economic and technological change accelerates, this lack of social cooperation becomes a critical problem.

A number of policy approaches can be used to improve access to education and training opportunities for youth. These include renewed “stay-in-school” initiatives; improved early childhood education, especially for disadvantaged groups; re-examination of the benefits associated with “income contingent repayment loans” to assist more youth to complete postsecondary studies; and increased flexibility in program delivery to allow students to hold jobs while in school.

There is also a need for greater social cooperation around the school-to-work transition. Young people need better career education and up-to-date vocational counselling. Cooperative education and more business-education partnerships can play important roles in informing students about the kinds of skills needed in the labour market and good entry-level training programs can facilitate the transition from school to work.

(1996)