Linkage of employment changes and firms are done at the micro level. (These are described in greater detail in Appendix C.)

#### 3.5.4 Recommended Indicators And Approaches -

With the indirect linkages between the FTA and employment, it is not likely that an independent monitoring operation is necessary. It may be useful to provide information on known instances of FTA-related employment changes (layoffs or new hires) so that some tracking can be done of the affected group. Information on trade movements, investment changes, and other FTA effects would also be useful background for labour market analysts in order to alert them to areas for possible changes.

Other studies of labour market adjustments can be incorporated as part of the studies of changes in industrial structure. (See the next section.)

### 3.6 Changes In Industrial Structure

#### 3.6.1 Expected Effects -

Within five years most of the major changes triggered by the FTA should be in place. Tariffs will have been eliminated for all of the Group B categories, those for Group C will be halved. The major investment effects will have occurred, and most other adjustments should be evident. From 1992 on it should be possible to obtain micro-data for the period from 1989, allowing for the study of the detailed process of restructuring of Canadian industry. Studies of restructuring through 1988 can provide a benchmark for comparison.

Restructuring is a complex phenomenon. It may include one or more of the following:

- changes in the number and size of firms in an industry,
- a change in the number of products produced by a firm,
- changes in the number of employees,
- changes in the occupations of the employees,
- adoption of new processes for production,
- changes in the scale of operations,
- changes in supplier linkages,
- changes in the corporate organization, number of plants or offices, or in the financial makeup of the firm (ownership, debt-equity mix, etc.).