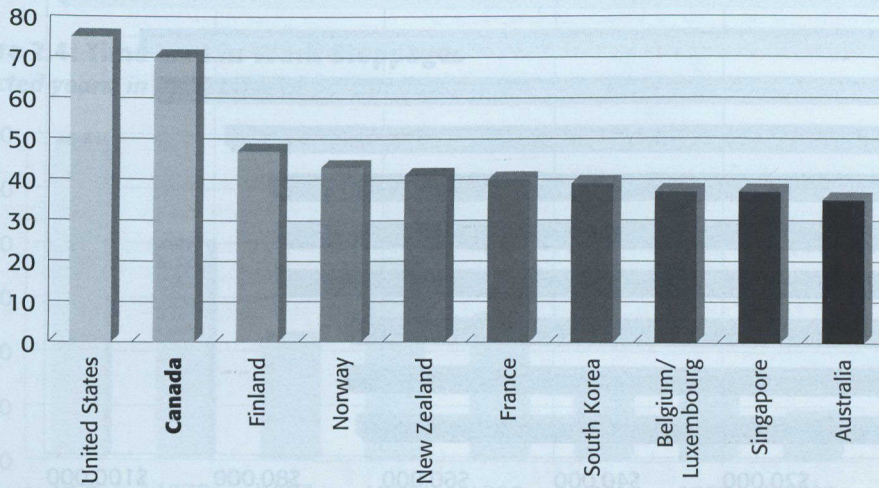


Figure 2.1: Higher Education Enrollment
(percentage of 20-24 year-old population enrolled in higher education*)



* Note that higher education is defined to encompass universities and all post-secondary schools including vocational schools, adult education programs, and two-year community colleges.

Source: World Competitiveness Report, 1994, p. 597.

THE COMPETITIVENESS OF CANADA'S HUMAN RESOURCES

The availability of skilled people is critical to the investment location decisions and growth potential of many firms and industries. Canada scores well in this area. Labour productivity is high and rising, notably in the manufacturing sector.

Competitive Compensation Costs

Canada's competitiveness in manufacturing has strengthened considerably in the 1990s. Underlying this improvement is a potent combination of rising productivity, very low wage increases, and a decline in the Canadian dollar vis-à-vis the American currency. Even if Canada's dollar should strengthen somewhat over the next few years, the wage and benefit costs facing Canadian industry will remain competitive with American levels.

Canada's manufacturing unit labour costs have fallen steadily for the past three years. When measured in U.S. dollar terms, they have dropped even further — more than 10 percent since the beginning of the 1990s. Measured in U.S. dollars, hourly wages for Canadian manufacturing workers declined during the 1992 to 1994 period, compared to an average annual rise of almost 4 percent in the U.S. in the first half of the 1990s.²

On average, wages in Canada's major cities are lower than in most other major business centres around the world. Figures 2.2 and 2.3 give global comparisons for engineering managers and secretaries. Employer-paid taxes and fringe benefits are also lower in Canada than in the U.S., thanks to Canada's publicly funded health-care system and lower social security premiums.

² International Monetary Fund. *World Economic Outlook* (October 1994), p. 131; and the U.S. Department of Labor, *Monthly Labor Review* (November 1994), p. 48.

