

Long-term unemployment is also a serious problem, particularly in Europe (Chart C). In 1992, almost 50 per cent of those unemployed in the European Union had been so for more than one year, while for Canada the figure was 11.2 per cent (rising to 13.8 per cent in 1993). This is not to say, however, that Canada does not have a long-term unemployment problem: while relatively small in number, the long-term unemployed account for a large and growing percentage of total unemployment.

Unemployment among youth is a subject of particular concern. In Canada, the youth unemployment rate is almost 18 per cent, considerably higher than the rate for adults. A similar situation prevails in other industrial countries. In the European Union, for example, the unemployment rate for youth averaged almost 21 per cent in 1993, compared with 10.6 per cent for the labour force as a whole. However, countries with highly developed apprenticeship systems, such as Germany, have much lower levels of youth unemployment. This suggests that Canada and other summit countries can learn by sharing their experiences with the school-to-work transition and other labour market problems.

G-7 Jobs Conference in Detroit

At the G-7 Jobs Conference in Detroit in March, finance, labour, industry and social affairs ministers agreed on the need for structural reforms to make their economies more responsive to change. They affirmed the fundamental role of the private sector in creating jobs and the role of government in facilitating job creation by removing barriers and strengthening markets. Ministers emphasized the importance of ensuring that work is more attractive than remaining unemployed and the importance of providing employment opportunities, education and training for those who are unemployed or have few skills.

Ministers also agreed on the importance of an integrated approach where structural reforms are complemented by sound macroeconomic policies oriented toward creating a stable environment in which the private sector can create jobs. An open and expanding international trading system is also an important part of this approach, since it increases demand for goods and services around the world.

OECD Employment Study

The OECD Secretariat presented its two-year study on employment and unemployment at a meeting of OECD ministers in June 1994. The central message of the report is that higher unemployment has multiple causes but ultimately stems from a failure of economies to innovate and adapt to changes resulting from a range of factors, including advances in technology and the shifting pattern of global trade.