

C.7 CURRENT ANALYSIS

There have been a number of studies which estimate both job turnover and the "demography" of industrial development with respect to firm births and deaths. Linkage on a BRID or other enterprise/establishment link allows the analysis of turnover and job creation at the firm level. An example of such a study would be "Firm Adjustment and Employment Turnover in 1978-82", an internal report, prepared by the Statistical Analysis Section of the Policy Division of the Department of Regional and Industrial Expansion in 1986. Firm change was shown to be related to size. Regions showing high employment growth also recorded a high level of both business creations and failures. More recent analytical studies, performed by Statistics Canada for the successor department (Industry, Science and Technology Canada) have included a linkage to the direction of shipments file and the commodity output file to allow the calculation of specialization ratios.

Linkage on an individual basis, i.e., by SIN as in the Longitudinal file of Employment and Immigration Canada, allows the analysis of job change with respect to the reasons for leaving a previous job, wage change, etc. Linkage through the PAYDAC to the firm allows the identification of layoffs which return to the same company or industry. An example of such a study, under the COPS program of Employment and Immigration, is "Mobility of Canadian Auto Mechanics" which analyzed job change between 1981 and 1985.

C.8 FTA ANALYSIS

The studies mentioned above are primarily descriptive in nature. That is, the studies compared the performance, job creation, turnover rates of various sub-populations of people or companies defined by size, region, industry, etc. As the FTA matures, data for this complex linked files will become available for FTA observations. An initial step would be to extend these descriptive studies to see whether the experience of these sub-populations is noticeably different in the post-Free Trade environment.

However, one of the principal advantages of these databases is that they allow the potential for the creation of interesting sets of time series from their micro-data components. If these time series are analyzed statistically or econometrically with relation to other "macro" measures of economic activity, FTA analysis can be considered in terms of a change in a trend by including variables for the FTA and testing their statistical significance.