

Between the end of the 1970's and the beginning of the 1990's, the employment increase in services can be attributed to two groups of skilled workers: administrative staff (clerks) and professionals and technicians.⁵⁵ Between 1981 and 1991, Canada's 3.2% average annual growth of non-manual and highly-qualified workers was greater than any other categories of workers. In particular, employment in services to businesses represented an average annual growth of 4.8% for that same category of worker. This result was comparable with the US and Japan, but considerably less than that of the UK with 9.4%.

2.1.2 Service output in OECD countries

-Services in terms of GDP

In 1993, the latest year where data were available for all G-7 countries (see Table B in the Annex), the share of services in the G-7 countries was about 62%. Canada ranked second, just behind the US (69%) with 66%. Between 1980-1995, there has been a relative increase of services production in GDP at the expense of manufacturing in most OECD countries.

During this same period, services contributed between 60% and 80% of total output growth in OECD countries. This service growth was mainly concentrated in the financial, insurance and business services. On a sectoral basis, between 1980 and 1994, business services (financial, insurance services, etc.) as well as social, personal and community services grew the fastest, especially in the US and Canada.⁵⁶

-Interaction between goods and services

The OECD has estimated the interaction between manufacturing and services. By determining the share of inputs (for both services and manufacturing) in total production⁵⁷ (both manufacturing and services), the OECD was able to determine that between 1980-1990, inputs of services that countries used in the production of both goods and services grew faster than inputs of manufacturing in most OECD countries. The exceptions were the US and Canada. These two countries had a greater growth in manufacturing inputs into the production of manufacturing goods. They also showed the smallest growth rate in the share of services inputs in the production of manufactured products among other countries.

France demonstrated the highest annual growth rate of the share of services inputs in manufacturing with a 0.5 percent annual growth during 1980 to 1990. The UK,

⁵⁵ Berman and al. (1995) examined the change in shares of production workers and non-production workers in the manufacturing sector and found that most upskilling occurs within industries and not as a result of employment shifts between industries. OECD (1996b), p. 87

⁵⁶ Business services represented more than one-third of domestic activities in Canada and the US.

⁵⁷ This is done by using an input-output model.