

by different export levels and commodity mixes between 1990 and 1991, and changes in the structural relationships between Canadian industries in the 1987 and 1990 versions of the I-O model.

Another macroeconomic employment statistic that the model provides is the number of jobs per billion dollars of Canadian exports. Since the model splits shocks into their direct and indirect effects, it can determine the direct and indirect employment effects of exports by industry. Once again, the direct effect in our running of the model is actual exports; the indirect effect is the domestic production of intermediate inputs that is stimulated in support of the original export production. In 1990, \$1 billion worth of Canadian exports resulted in 6,161 direct jobs and 5,497 indirect jobs, for a total of 11,658 jobs.²⁴ This compares to the 12,016 jobs total computed in the Martin study.

6.5.1 Employment by Industry

The top five industries in terms of direct jobs created in the production of exports are listed in Table 6.3. The Transportation Equipment Industries group is the leader by far, accounting for nearly 15% of all direct export jobs. Interestingly, Transportation Equipment Industries account for about 25% of exports, implying (at first glance) that their workers are more productive than those in the average export industry. However, that is not necessarily the case. For a measure of labour productivity, one must consult column 11 of the derived tables. It indicates that Transportation Industries do employ fewer workers per dollar of GDP in the production of exports, and are thus more productive than the average export industry, but not by much. Beyond the slight productivity advantage that Transportation Industries have, they employ less labour than their share of total exports might imply because of the high import content of their exports. Imported inputs represent nearly 40% of the value of gross industry output. With such a low domestic value-added in the production of exports, it is not surprising that Transportation Equipment Industries employ a small labour force relative to the value of their exports.

²⁴ Equivalently, one could say that \$85,780 of Canadian exports supported one Canadian job.