CHAPTER 7 -EMPLOYMENT

7.1 - WORK IN CANADA

Learning Objectives

Introduction to Work and the Economy

- Understand what economy refers to.

Work in Canada

- Describe the current Canadian workforce and the trend of polarization.
- Explain how women and immigrants have impacted the modern Canadian workforce.
- Understand the basic elements of poverty in Canada today.

Figure 7.1a Detail from mural at Open Hearth Park In Sydney, NS. Heavy industry like steel production was once a cornerstone of the Canadian economy. mural OH worker2 (https://www.flickr.com/photos/164103414@N04/41910429462/) by connie mcpherson licensed under CC BY-NC-ND.

Introduction to Work and the Economy

Ever since the first people traded one item for another, there has been some form of **economy** in the world. The economy is how people meet their wants and needs though producing and exchanging **goods** and services. In sociology, e**conomy** refers to the social institutions through which a society's resources (goods and services) are managed.

Goods are the physical objects we find, grow, or make in order to meet human needs. Goods can meet essential needs, such as shelter, clothing, and food, or they can be luxuries — those things we do not *need* to live but *want* anyway. Goods produced for sale on the market are called **commodities**. In contrast to these *objects*, **services** are *activities* that benefit people. Examples of services include food preparation and delivery, health care, education, and entertainment. These services provide resources to maintain and improve a society. The food industry helps ensure that all of a society's members have access to nutrition. Health care and education systems care for those in need, help foster longevity, and equip people to become productive members of society.

Economy is one of human society's earliest social structures. Our earliest forms of writing (such as Sumerian clay tablets) were developed to record transactions, payments, and debts between merchants. As societies

grow and change, so do their economies. The economy of a small farming community is very different from the economy of a large nation with advanced technology.

Work in Canada

Common wisdom states that if you study hard, develop good work habits, and graduate from high school or college, then you'll get a good job. And although the reality has always been more complex than the myth, worldwide **recessions** and other economic changes make it harder to win the employment game.

The data are grim: for example, in the United States, from December 2007 through March 2010, 8.2 million workers lost their jobs, and the unemployment rate grew to almost 10% nationally, with some states showing much higher rates (Autor, 2010). Times are very challenging for those in the workforce in Canada too. For those finishing their schooling, often with enormous student-debt burdens, finding employment is not just challenging — it can be terrifying.

So where did all the jobs go? Will any of them be coming back? If not, what new ones will there be? How do you find and keep a good job now? These are the kinds of questions people are currently asking about the job market in Canada.

Polarization in the Workforce

The mix of jobs available in Canada has always varied. Geography, race, gender, and other factors have always played a role in finding employment. More recently, increased **outsourcing** (or contracting work to an outside source) of manufacturing jobs to developing nations has greatly diminished the number of high-paying, often unionized, blue-collar positions available. A similar problem exists in the white-collar sector, with many clerical and support positions also being outsourced. Think of the number of international technical-support call centres in Mumbai, India! The number of supervisory and managerial positions has been reduced as companies streamline their command structures. Industries continue to consolidate through mergers. Even highly educated skilled workers such as computer programmers have seen their jobs vanish overseas.

Automation (replacing workers with technology) of the workplace is another cause of the changes in the job market. Computers can be programmed to do many routine tasks faster and less expensively than people who used to do such tasks. Jobs like bookkeeping, clerical work, and repetitive tasks on production assembly lines all lend themselves to automation. Think about the newer automated toll passes we can install in our cars. Toll collectors are just one of the many endangered jobs that will soon cease to exist.

Despite all this, the job market is growing in some areas, but in a very polarized fashion. **Polarization** means

that a gap has developed in the job market, with most employment opportunities at the lowest and highest levels and few jobs for those with mid- level skills and education. At one end, there is strong demand for low-skilled, low-paying jobs in industries like food service and retail. On the other end, some research shows that in certain fields there has been a steadily increasing demand for highly skilled and educated professionals, technologists, and managers. These high-skilled positions also tend to be highly paid (Autor, 2010).

The fact that some positions are highly paid while others are not is an example of the **dual labour market structure**, a division of the economy into sectors with different levels of pay. The primary labour market consists of high-paying jobs in the public sector, manufacturing, telecommunications, biotechnology, and other similar sectors that require high levels of capital investment (or other restrictions) that limit the number of businesses able to enter the sector. The costs of labour are considered marginal in comparison to the total capital investment required. Jobs in the sector usually offer good benefits, security, prospects for advancement, and comparatively higher levels of unionization.

The secondary labour market consists of jobs in more competitive sectors of the economy like service industries, restaurants, and commercial enterprises, where the cost of entry for businesses is relatively low. Jobs in the secondary labour market are usually poorly paid, offer few if any benefits, and have little job security, poor prospects for advancement, and minimal unionization. Wages paid to employees make up a significant portion of the cost of products or **services** offered to consumers, and because of the high level of competition, businesses are obliged to keep the cost of labour to a minimum to remain competitive.

Hard work does not guarantee success in the dual labour market economy, because **social capital**—the accumulation of a network of social relationships and knowledge that will provide a platform from which to achieve financial success—in the form of connections or higher education are often required to access the high-paying jobs. Increasingly, we are realizing intelligence and hard work are not enough. If you lack knowledge of how to leverage the right names, connections, and players, you are unlikely to experience upward mobility. Particularly in the knowledge economy, which generates a new dual labour market between jobs that require high levels of education (scientists, programmers, designers, etc.) and support jobs (secretarial, data entry, technicians, etc.), social capital in the form of formal education is a condition for accessing quality jobs.

The division between those who are able to access, create, use, and disseminate knowledge and those who cannot is often referred to as the **knowledge divide**. With so many jobs being outsourced or eliminated by automation, what kinds of jobs are available in Canada?

While manufacturing jobs are in decline and fishing and agriculture are static, several job markets are expanding. These include resource extraction, computer and information services, professional business services, health care and social assistance, and accommodation and food services. Figure 7.1b, from Employment and Social Development Canada, illustrates areas of projected growth.

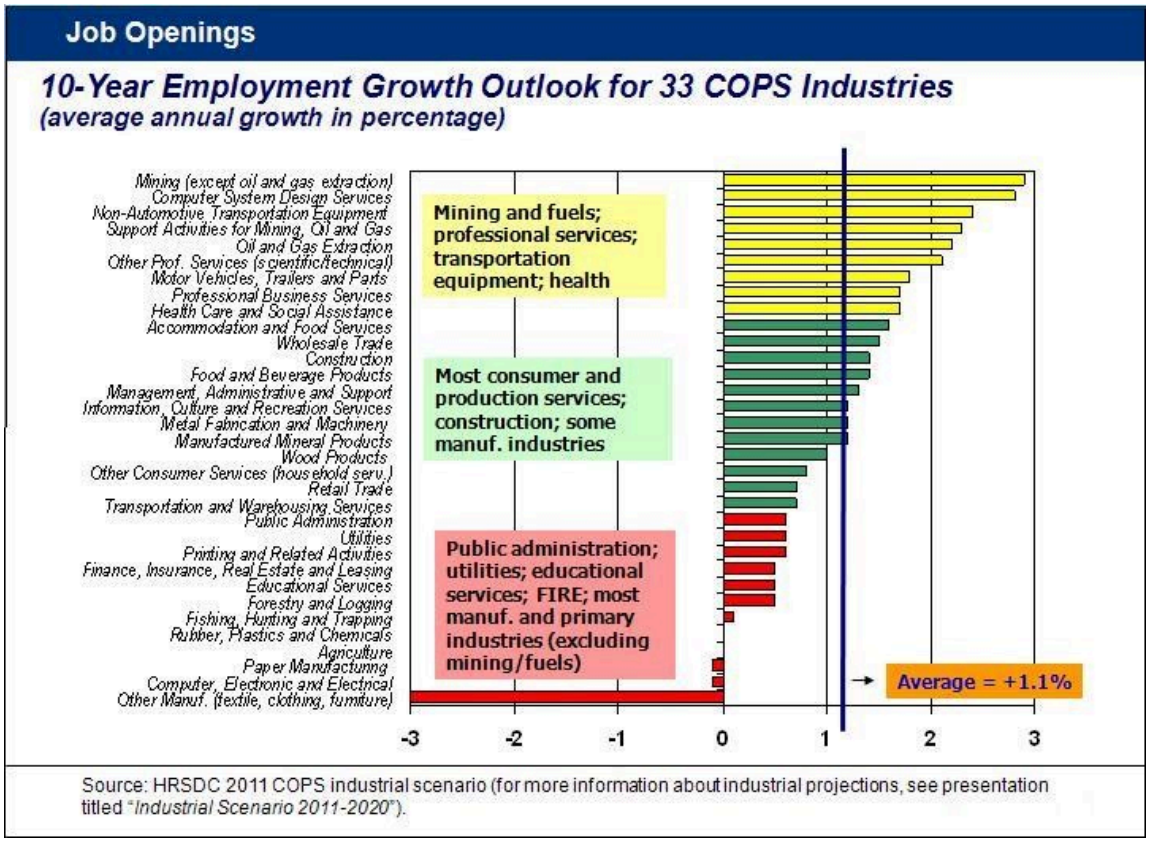

Figure 7.1b. This chart shows the projected growth of several occupational groups. (Graph courtesy of the Employment and Social Development Canada (Labour Market Research and Forecasting Policy Research Directorate 2011a) available from http://www23.hrsdc.gc.ca/l.3bd.2t.1ilshtml@-eng.jsp?lid=17&fid=1&lang=en. The Canadian Government allows this graph to be used in whole or part for non-commercial purposes in any format (http://www.esdc.gc.ca/eng/terms/index.shtml).

Figure 7.1b (Text Version)

Job Openings : 10-Year Employment Growth Outlook for 33 COPS Industries (average annual growth in percentage)
Highest is in "Mining and fuels; professional services; transportation equiptment; health": all well above the average +1.1%.
The next highest is in "Most consumer and production services; construction; some manufacturing industries": some are above the average +1.1%.
The lowest is the "Public administration; utilities; educational services; FIRE; most manufacturing and primary industries (excluding mining/fuels)" : all well below the average +1.1%.

Professional and related jobs, which include any number of positions, typically require significant education and training and tend to be lucrative career choices. Service jobs, according to Employment and Social Development Canada, can include everything from consumer service jobs such as scooping ice cream, to

producer service jobs that contract out administrative or technical support, to government service jobs including teachers and bureaucrats (Labour Market Research and Forecasting Policy Research Directorate, 2011b).

There is a wide variety of training needed, and therefore an equally large wage discrepancy. One of the largest areas of growth by industry, rather than by occupational group (as seen above), is in the health field (Labour Market Research and Forecasting Policy Research Directorate, 2011a). This growth is across occupations, from practical nurses and assistants to management-level staff. Baby boomers are living longer than any generation before, and the growth of this population segment requires an increase in our country's elder care system, from home health care nursing to geriatric nutrition.

Notably, jobs in manufacturing are in decline. This is an area where those with less education traditionally could find steady, if low-wage, work. With these jobs disappearing, more and more workers will find themselves untrained for available employment. Another projected trend in employment relates to the level of education and training required to gain and keep a job.

As **Figure 7.1c** shows, growth rates are higher for those with more education. It is estimated that between 2011 and 2020, there will be 6.5 million new job openings due to economic growth or retirement, two-thirds of which will be in occupations that require post-secondary education ("PSE" in the chart) or in management positions (Labour Market Research and Forecasting Policy Research Directorate, 2011a). 70% of new jobs created through economic growth are projected to be in management or occupations that require post-secondary education. Those with a university degree may expect job growth of 21.3%, and those with a college degree or apprenticeship 34.3%.

At the other end of the spectrum, jobs that require a high school diploma or equivalent are projected to grow at only 24.9%, while jobs that require less than a high school diploma will grow at 8.6%. Quite simply, without a degree, it will be more difficult to find a job. These projections are based on overall growth across all occupation categories, so obviously there will be variations within different occupational areas. Seven out of the ten occupations with the highest proportion of job openings are in management and the health sector. However, once again, those who are the least educated will be the ones least able to fulfill the Canadian dream.

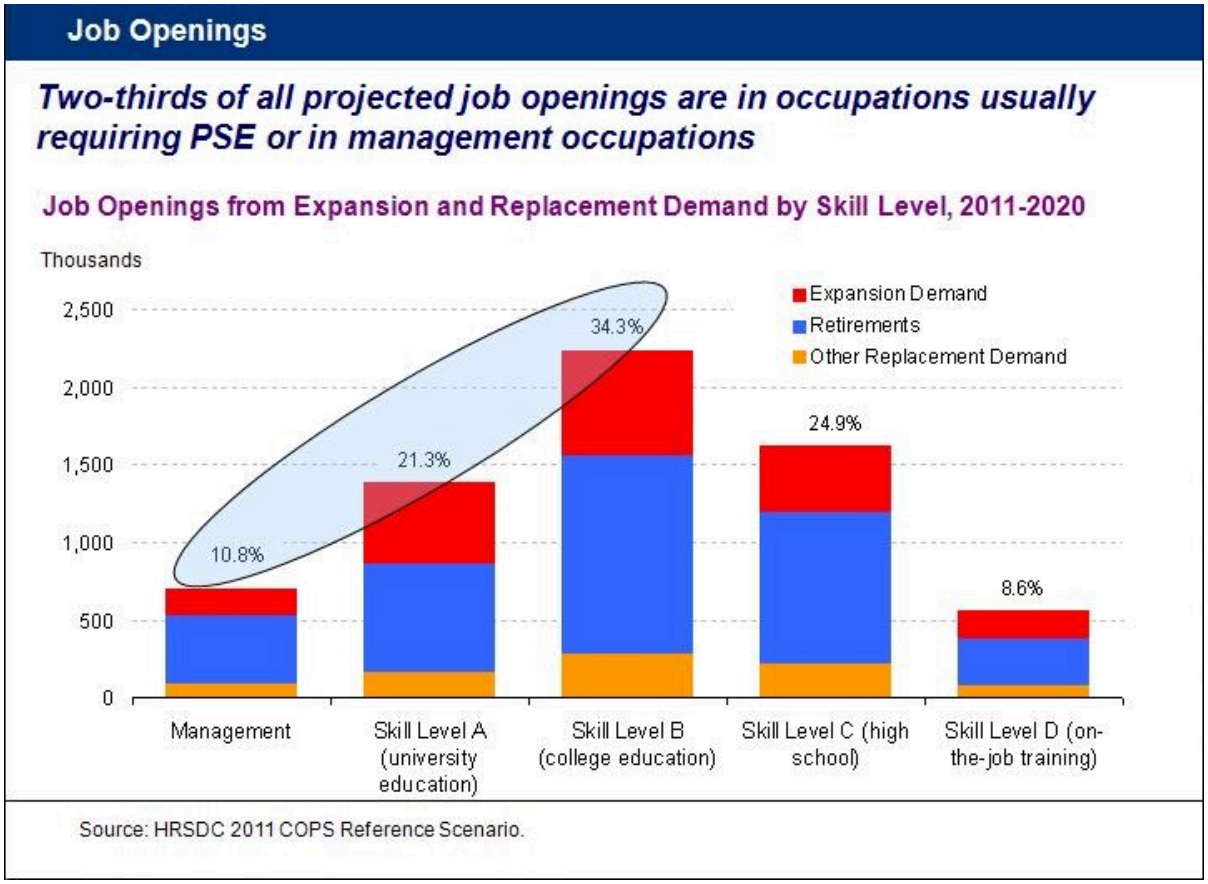

Figure 7.1c. More education generally means more jobs. (Graph courtesy of the Social Development Canada (Labour Market Research and Forecasting Policy Research Directorate, 2011a)) available from http://www23.hrsdc.gc.ca/l.3bd.2t.1ilshtml@-eng.jsp?lid=17&fid=1&lang=en. The Canadian Government allows this graph to be used in whole or part for non-commercial purposes in any format (http://www.esdc.gc.ca/eng/terms/index.shtml).

Figure 7.1c (Text Version)

Job Openings: Two-thirds of all projected job openings are in occupations usually requiring PSE or in management occupations.
Job Openings from Expansion and Replacement Demand by Skill Level, 2011 -2020:
Bar graph describing the skill level demanded (2011-2020) detailing the expansion demand, retirements and other replacement demand for each level:
Management: 10.8%
Skill Level A (university education): 21.3%
Skill Level B (college education): 34.3%.
Skill Level C (high school):24.9%
Skill Level D (on-the-job training): 8.6%

Women in the Workforce

In the past, rising education levels in Canada were able to keep pace with the rise in the number of education-dependent jobs. Since the late 1970s, men have been enrolling in university at a lower rate than women, and graduating at a rate of almost 10% less (Wang and Parker, 2011). In 2008, 62% of undergraduate degrees and 54% of graduate degrees were granted to women (Drolet, 2011). The lack of male candidates reaching the education levels needed for skilled positions has opened opportunities for women and immigrants. Women have been entering the workforce in ever-increasing numbers for several decades. Their increasingly higher levels of education attainment than men has resulted in many women being better positioned to obtain high-paying, high-skill jobs. Between 1991 and 2011, the percentage of employed women between the ages of 25 and 34 with a university degree increased from 19% to 40%, whereas among employed men aged 25 to 34 the percentage increased from 17% to 27%.

It is interesting to note however that at least 20% of all women with a university degree were still employed in the same three occupations as they were in 1991: registered nurses, elementary school and kindergarten teachers, and secondary school teachers. The top three occupations for university-educated men (11% of this group) were computer programmers and interactive media developers, financial auditors and accountants, and secondary school teachers (Uppal and LaRochelle-Côté, 2014). While women are getting more and better jobs and their wages are rising more quickly than men's wages are, Statistics Canada data show that they are still earning only 76% of what men are for the same positions. However when the wages of young women aged 25 to 29 are compared to young men in the same age cohort, the women now earn 90% of young men's hourly wage (Statistics Canada, 2011).

Immigration and the Workforce

Simply put, people will move from where there are few or no jobs to places where there are jobs, unless something prevents them from doing so. The process of moving to a country is called immigration. Canada has long been a destination for workers of all skill levels. While the rate decreased somewhat during the economic slowdown of 2008, immigrants, both legal and illegal, continue to be a major part of the Canadian workforce. In 2006, before the recession arrived, immigrants made up 19.9% of the workforce, up from 19 percent in 1996 (Kustec, 2012). The economic downturn affected them disproportionately. In 2008, employment rates were at the peak for both native-born Canadians (84.1%) and immigrants (77.4%). In 2009, these figures dropped to 82.2% and 74.9% respectively, meaning that the gap in employment rates increased to 7.3 percentage points from 6.7. The gap was greater between native-born and very recent immigrants (18.6 percentage points in 2009, compared with a gap of 17.5 points in 2008) (Yssaad, 2012). Interestingly, in the United States, this trend was reversed. The unemployment rate decreased for immigrant workers and increased for native workers (Kochhar, 2010). This no doubt did not help to reduce tensions in that country about levels of immigration, particularly illegal immigration.

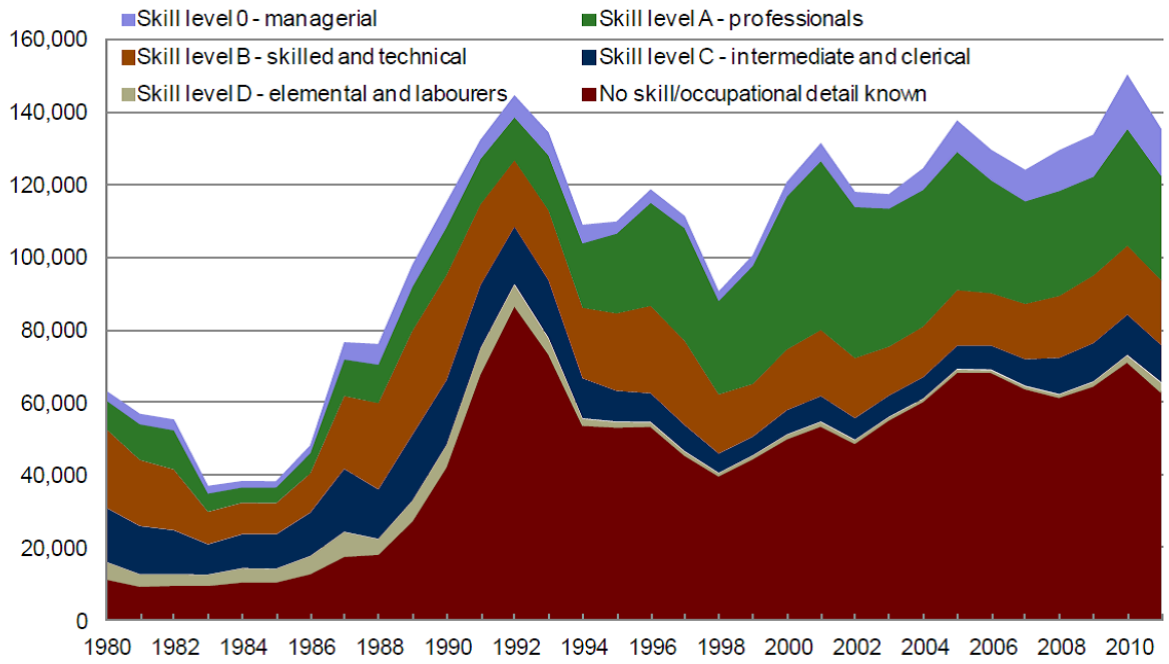

Figure 7.1d. Landings of permanent residents intending to work by skill level, 1980-2011 (Graph courtesy of Citizenship & Immigration Canada (Kustec, 2012)). This graph is a reproduction of an official work that is published by the Government of Canada and that has not been produced in affiliation with, or with the endorsement of the Government of Canada. This graph may be used in part or whole for non-commercial purposes without further permissions.

Recent political debate about the Temporary Foreign Worker Program has been fueled by conversations about low-skilled service industry jobs being taken by low-earning foreign workers (Mas, 2014). It should be emphasized that a substantial portion of working-age *immigrants* (i.e., not temporary workers) landing in Canada are highly educated and highly skilled (Figure 7.1d). They play a significant role in filling skilled positions that open up through both job creation and retirement. About half of the landed immigrants identify an occupational skill, 80 to 90% of which fall within the higher skill level classifications. Of the other 50% of landed immigrants who intend to work but do not indicate a specific occupational skill, most have recently completed school and are new to the labour market, or have landed under the family class or as refugees — classes which are not coded by occupation (Kustec, 2012).

Poverty in Canada

When people lose their jobs during a recession or in a changing job market, it takes longer to find a new one, if they can find one at all. If they do, it is often at a much lower wage or not full time. This can force people into poverty. In Canada, we tend to have what is called relative poverty, defined as being unable to live the lifestyle of the average person in your country. This must be contrasted with the absolute poverty that can be found in underdeveloped countries, defined as being barely able, or unable, to afford basic necessities such as food

(Byrns, 2011). We cannot even rely on unemployment statistics to provide a clear picture of total unemployment in Canada. First, unemployment statistics do not take into account **underemployment**, a state in which people accept lower-paying, lower-status jobs than their education and experience qualifies them to perform. Second, unemployment statistics only count those:

1. who are actively looking for work
2. who have not earned income from a job in the past four weeks
3. who are ready, willing, and able to work

The unemployment statistics provided by Statistics Canada are rarely accurate, because many of the unemployed become discouraged and stop looking for work. Not only that, but these statistics undercount the youngest and oldest workers, the chronically unemployed (e.g., homeless), and seasonal and migrant workers.

A certain amount of unemployment is a direct result of the relative inflexibility of the labour market, considered **structural unemployment**, which describes when there is a societal level of disjuncture between people seeking jobs and the available jobs. This mismatch can be geographic (they are hiring in Alberta, but the highest rates of unemployment are in Newfoundland and Labrador), technological (skilled workers are replaced by machines, as in the auto industry), or can result from any sudden change in the types of jobs people are seeking versus the types of companies that are hiring. Because of the high standard of living in Canada, many people are working at full-time jobs but are still poor by the standards of relative poverty. They are the **working poor**. Canada has a higher percentage of working poor than many other developed countries (Brady, Fullerton, and Cross, 2010). In terms of employment, Statistics Canada defines the working poor as those who worked for pay at least for at least 910 hours during the year, and yet remain below the poverty line according to the Market Basket Measure (i.e., they lack the disposable income to purchase a specified "basket" of basic goods and services). Many of the facts about the working poor are as expected: those who work only part time are more likely to be classified as working poor than those with full-time employment; higher levels of education lead to less likelihood of being among the working poor; and those with children under 18 are four times more likely than those without children to fall into this category. In 2011, 6.4% of Canadians of all ages lived in households classified as working poor (Employment and Social Development Canada, 2011).

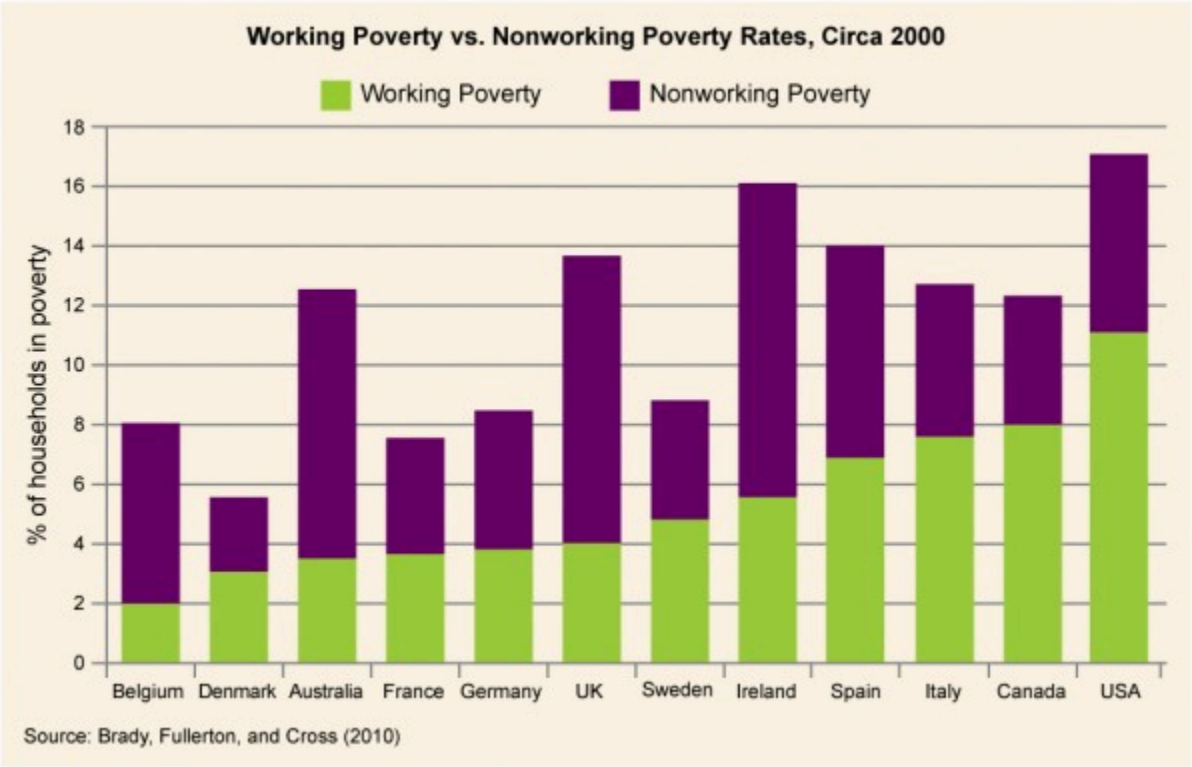

Figure 7.1e. A higher percentage of the people living in poverty in Canada and the United States have jobs compared to other developed nations. Figure by William Little, under CC BY 4.0.

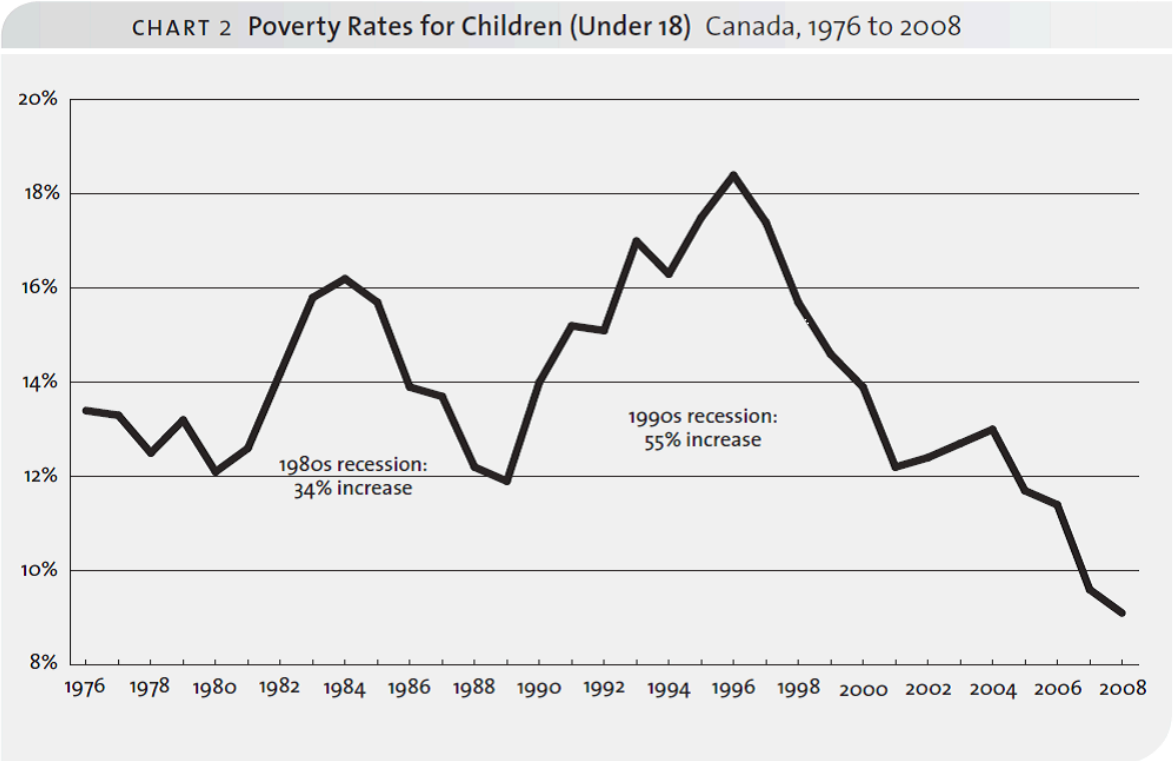

Figure 7.1f. Poverty rates for children: 1976 to 2008. [Long Description at the end of the chapter] (Graph courtesy of the Canadian Centre for Policy Alternatives (Yalnizyan, 2010)) used with a CC-BY-NC-ND 3.0 Unported license (https://creativecommons.org/licenses/by-nc-nd/3.0/)

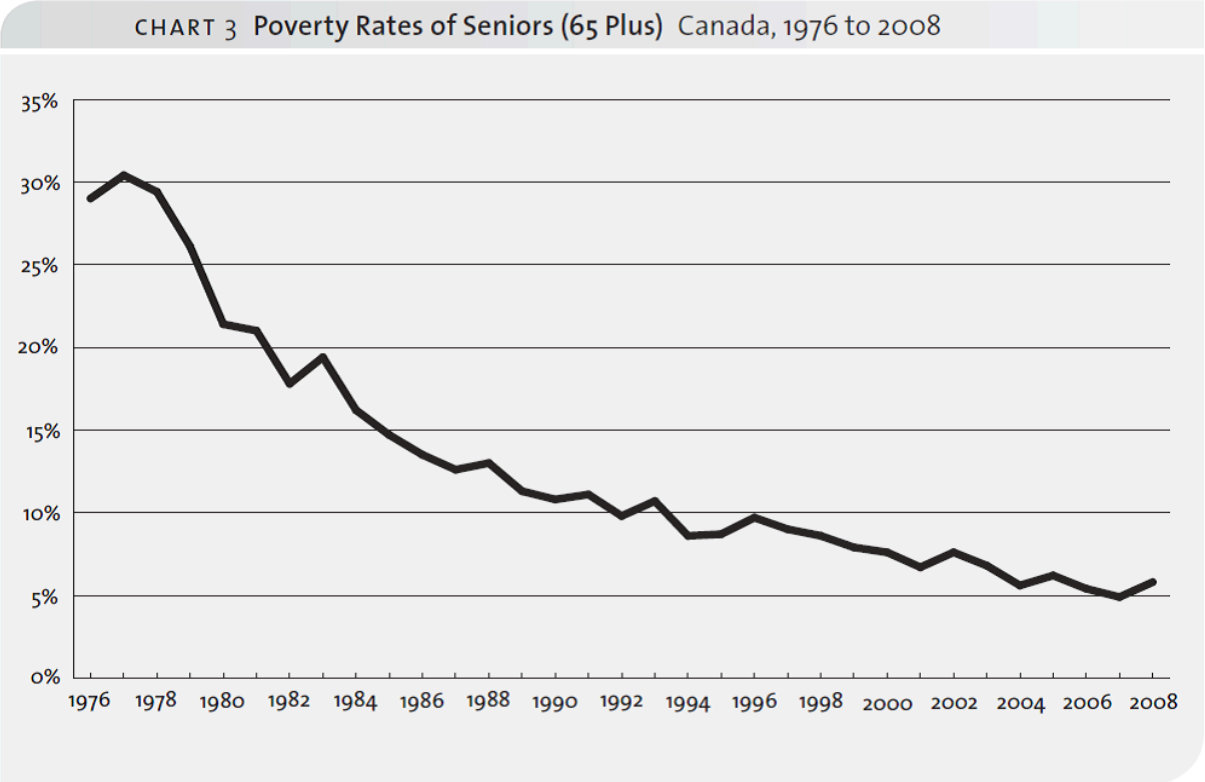

Figure 7.1g. Poverty rates for seniors: 1976 to 2008. Poverty Rates of Seniors (65 Plus) – Canada, 1976 to 2008 by Armine Yalnizyan & Canadian Centre for Policy Alternatives, licensed under CC By-NC-ND 3.0.

Most developed countries such as Canada protect their citizens from absolute poverty by providing different levels of social services such as employment insurance, welfare, health care, and so on. They may also provide job training and retraining so that people can re-enter the job market. In the past, the elderly were particularly vulnerable to falling into poverty after they stopped working; however, the Canada and Quebec Pension Plans, the Old Age Security program, and the Guaranteed Income Supplement are credited with successfully reducing old age poverty. A major concern in Canada is the number of young people growing up in poverty, although these numbers have been declining as well. About 606,000 children younger than 18 lived in low-income families in 2008. The proportion of children in low-income families was 9% in 2008, half the 1996 peak of 18% (Statistics Canada, 2011). Growing up poor can cut off access to the education and services people need to move out of poverty and into stable employment. As we saw, more education was often a key to stability, and those raised in poverty are the ones least able to find well-paying work, perpetuating a cycle.

With the shift to neoliberal economic policies, there has been greater debate about how much support local, provincial, and federal governments should give to help the unemployed and underemployed. Often the issue is presented as one in which the interests of "taxpayers" are opposed to the "welfare state." It is interesting to note that in social democratic countries like Norway, Finland, and Sweden, there is much greater acceptance

of higher tax rates when these are used to provide universal health care, education, child care, and other forms of social support than there is in Canada. Nevertheless, the decisions made on these issues have a profound effect on working in Canada.

Chapter Summary

Introduction to Work and the Economy

Economy refers to the social institution through which a society's resources (goods and services) are managed. The Agricultural Revolution led to development of the first economies that were based on trading goods. Mechanization of the manufacturing process led to the Industrial Revolution and gave rise to two major competing economic systems. Under capitalism, private owners invest their capital and that of others to produce goods and services they can sell in an open market. Prices and wages are set by supply and demand and competition. Under socialism, the means of production is commonly owned, and the economy is controlled centrally by government. Several countries' economies exhibit a mix of both systems. Convergence theory seeks to explain the correlation between a country's level of development and changes in its economic structure.

Work in Canada

The job market in Canada is meant to be a meritocracy that creates social stratifications based on individual achievement. Economic forces, such as outsourcing and automation, are polarizing the workforce, with most job opportunities being either low-level, low-paying manual jobs or high-level, high-paying jobs based on abstract skills. Women's role in the workforce has increased, although they have not yet achieved full equality. Immigrants play an important role in the Canadian labour market. The changing economy has forced more people into poverty even if they are working. Welfare, old age pensions, and other social programs exist to protect people from the worst effects of poverty.

Chapter Quiz

Introduction to Work and the Economy

1. Which of these is an example of a commodity?

    1. Cooking
    2. Corn
    3. Teaching
    4. Writing

2. When did the first economies begin to develop?

    1. When all of the hunter-gatherers died
    2. When money was invented
    3. When people began to grow crops and domesticate animals
    4. When the first cities were built

3. What is the most important commodity in a postindustrial society?

    1. Electricity
    2. Money
    3. Information
    4. Computers

4. In which sector of an economy would someone working as a software developer be?

    1. Primary
    2. Secondary
    3. Tertiary
    4. Quaternary

5. Which is an economic policy based on national policies of accumulating silver and gold by controlling markets with colonies and other countries through taxes and customs charges?

    1. Capitalism

2. Communism
3. Mercantilism
4. Mutualism

6. Who was the leading theorist on the development of socialism?

    1. Karl Marx
    2. Alex Inkeles
    3. Émile Durkheim
    4. Adam Smith

7. The type of socialism now carried on by Cuba is a form of _____ socialism.

    1. centrally planned
    2. market
    3. utopian
    4. zero-sum

8. Which country serves as an example of convergence?

    1. Singapore
    2. North Korea
    3. England
    4. Canada

Work in Canada

9. Which is evidence that the Canadian workforce is largely a meritocracy?

    1. Job opportunities are increasing for highly skilled jobs.
    2. Job opportunities are decreasing for mid-level jobs.
    3. Highly skilled jobs pay better than low-skill jobs.
    4. Women tend to make less than men do for the same job.

10. If someone does not earn enough money to pay for the essentials of life he or she is said to be _____ poor.

    1. absolutely
    2. essentially
    3. really

4. working

11. About what percentage of the workforce in Canada are legal immigrants?

    1. Less than 1%
    2. 1%
    3. 20%
    4. 66%

Check your answers[1]

Short Answer

Introduction to Work and the Economy

1. Explain the difference between state socialism with central planning and market socialism.
2. In what ways can capitalistic and socialistic economies converge?
3. Describe the impact a rapidly growing economy can have on families.
4. How do you think the Canadian economy will change as we move closer to a technology-driven service economy?

Work in Canada

1. As polarization occurs in the Canadian job market, this will affect other social institutions. For example, if mid-level education does not lead to employment, we could see polarization in educational levels as well. Use the sociological imagination to consider what social institutions may be impacted, and how.

1. 1) b 2) c 3) c 4) d 5) c 6) a 7) b 8) a 9) c 10) a 11) c

2. Do you believe we have a true meritocracy in Canada? Why or why not?

Further Research

The role of women in the workplace [New Tab] (http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11387-eng.htm) is constantly changing

The Employment Projections Program of Employment and Social Development Canada looks at a ten-year projection for jobs and employment. See some employment trends for the next decade [New Tab] (http://occupations.esdc.gc.ca/sppc-cops/w.2lc.4m.2@-eng.jsp)

Global poverty is tracked by the globalissues.org website. See recent analyses and statistics about poverty [New Tab] (http://www.globalissues.org/article/26/poverty-facts-and-stats)

Attribution

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Long Descriptions

Figure 7.1h long description: Poverty Rates for Children (Under 18) Canada, 1976 to 2008

Year	**1976**	**1978**	**1980**	**1982**	**1984**	**1986**	**1988**	**1990**	**1992**
Percentage	13.5	12.5	12	14	16.1	14	12.1	14	15.1
Year	**1994**	**1996**	**1998**	**2000**	**2002**	**2004**	**2006**	**2008**	
Percentage	16.1	18.2	15.8	14	12.3	13.1	11.5	9.1	

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7.2 - INTRODUCTION TO URBAN, INDUSTRIAL, AND DIVIDED: SOCIO-ECONOMIC CHANGE, 1867-1920

Learning Objectives

- Develop an understanding of the causes and contours of the Second Industrial Revolution.
- Explain the rise of a working class and describe its main features.
- Assess the main features and goals of the National Policy and its individual components.
- Discuss the ways in which age and gender shaped the historic experience of industrialization.
- Connect the phenomena of industrialization with urbanization in the pre-1914 period.
- Describe the strategies explored by working people to improve their conditions.
- Account for the rise of the first-wave of feminism.

Figure 7.2a Coal sorters at work at the Atlas Mine in Alberta, n.d. Coal Mining, Alberta (https://recherche-collection-search.bac-lac.gc.ca/eng/home/record?app=FonAndCol&IdNumber=3351151&q=3351151) [MIKAN no. 3351151] archived by Library and Archives Canada , licensed under CC0.

The Industrial Revolution was well underway in Britain and the northeastern United States by 1867. The systematized production of manufactured goods — woollen or cotton garments or iron tools — was made possible by a reorganization of labour, from independent and cottage-based production to one where the work was produced collectively, and increasingly with the use of machinery. The creation of low-valued manufactured products required the development of new systems of transportation. The early (or "first") Industrial Revolution generated a parallel revolution in infrastructure that included canals, railways, and shipping.

Canada's Industrial Revolution piggybacked on that of its neighbour and Britain. However, the most rapid transition of the Canadian economy came after 1850, and accelerated through the last half of the 19th century. Confederation — and the resulting creation of a common financial system that included a shared currency and mint — was, in fact, an enabling step in industrializing British North America. It created an open colonial marketplace without tariff barriers, facilitated the movement of investment capital, and superimposed a modern freight-handling capacity that realigned trade from north-south to east-west. Victorian Canada was, in every sense, industrializing Canada.

Figure 7.2b Industrialism didn't put an end to homespun, particularly in poorer, rural communities. But it severely reduced the economic viability of the handloom weaver and other artisans. Weaving Loom (Habitant Series) (https://recherche-collection-search.bac-lac.gc.ca/eng/home/record?app=FonAndCol&IdNumber=3349488&q=3349488) [MIKAN no. 3349488] archived by Library and Archives Canada, licensed under CC0.

Industrial British North America

Watch It!

Watch Dr. Craig Heron Question 2 – Origins of the Industrial Revolution in Canada (https://www.youtube.com/watch?v=oXOSDwVX0Dw)(5 mins)

One or more interactive elements has been excluded from this version of the text. You can view them online here: https://ecampusontario.pressbooks.pub/laboureconomics/?p=569#oembed-1

Video Source: TRU, Open Learning. (2015, November 15). *Dr. Craig Heron Question 2 – Origins of*

the Industrial Revolution in Canada [Video]. YouTube. https://www.youtube.com/watch?v=oXOSDwVX0Dw . Licensed under CC BY 3.0.

In the 1860s, industry was breaking out all over. New Brunswick — dominated by forest industries and shipbuilding — was, on a per capita basis up until 1871, only a little less industrialized than Ontario and Quebec. Nova Scotia's industry was distinctively divided between the metal and coal industries of Cape Breton, and the textile mills and sugar refineries in the western part of the province.[1] Vancouver Island, with its coal mines at and around Nanaimo and the vertically-integrated heavy industries that included Royal Navy shipyards in Esquimalt and chain-making in Victoria, was another outpost of industrialization.

These parallel developments were not happenstance. By keeping local land prices high, the colonial and then provincial governments of British Columbia demonstrated a desire for wage-earning workers rather than farm settlers — a striking signal that industry, not agriculture, was central to their vision. The engagement of the state in the building of an industrial order is itself part of the suite of ideas associated with **modernity** — a concept pursued throughout this text. Industrialism, the term used to describe the new economic order emerging in the late 19th century, was thus more than a pattern of like practices and institutions; it was something to which governments, investors, and workers were all striving.

1. Margaret R. Conrad and James K. Hiller, *Atlantic Canada: A Concise History* (Don Mills: Oxford University Press, 2006), 131-2.

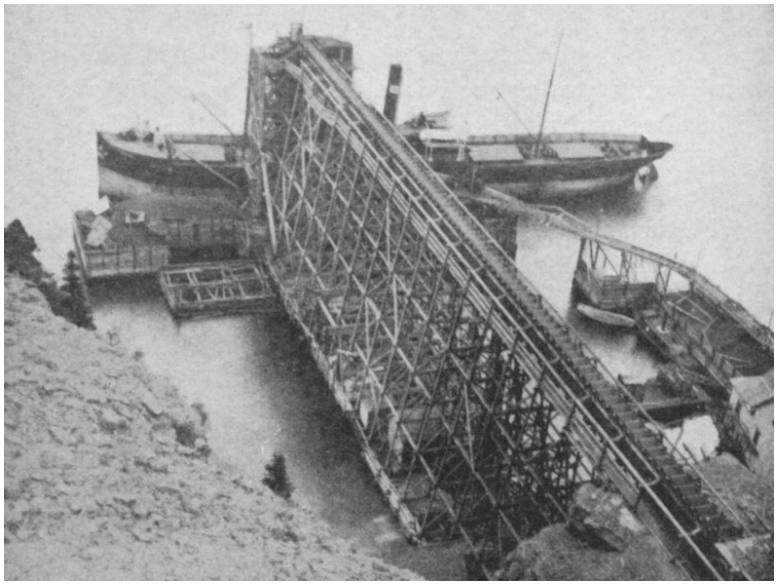

Figure 7.2c Iron ore from Bell Island is loaded onto a metal-hulled ship, ca. 1903. The loading pier at Bell Island, Conception Bay, Newfounland (https://commons.wikimedia.org/wiki/File:BellIslandPierCa1900.jpg) by C.W. Vernon, licensed under CC0.

The economics of industrialization are staggering insofar as they require the movement of capital, raw materials, personnel, and products across huge distances. Industry requires, too, the mobilization, training, housing, and discipline of a workforce with little to no prior exposure to industrial systems. The pre-Conquest iron forges at Saint-Maurice, near Trois-Rivières, depended on fuel and ore — and labour — that could be obtained locally. By 1890, industries in Central and Maritime Canada were using iron ore from Labrador and Newfoundland's Bell Island; coking coal from Cape Breton was finding its way to Ontario; and workers in Canadian industry were migrating from one province to another, from coast to coast. Workers were being recruited from industrializing Lancashire and Yorkshire, Wales, Lowland Scotland, and Germany. Industrial workers were also coming to Canada from rural and non-industrialized corners of Italy, Ireland, Hungary, and China. The intensification of mechanized, and then automated, work ensured that peasant populations whose home countries were still mostly feudal would be thrust directly onto the cutting edge of industrialization. It also meant that untrained Canadian labour — specifically children — would find themselves very literally at the coalface.

In addition to personnel, industry requires energy. In 1867, the dominant sources of energy grew in forests or walked on four legs. Waterpower had made some inroads, particularly in rural areas where waterwheels could take advantage of local rapids. At Lachine, Quebec, the canals provided power as well, driving the Montreal area's earliest industries. Bringing energy sources into city centres, however, where other resources could be assembled, posed a challenge; a challenge that was overcome by following Britain's lead and adapting the new

steam-power technologies.Within a very short time period, there was a shift in industrial and urban Canada from organic and water-based power sources to **fossil fuels**.

Figure 7.2d Horse power moved goods and people, was fuelled by oats and hay, and was adapted to work in Canadian conditions. Montreal, ca. 1877. Horse-drawn winter tram in Montreal (https://commons.wikimedia.org/wiki/File:Horse-drawn_winter_tram,_about_1877.jpg) by Montreal Street Railway Company, licensed under CC0.

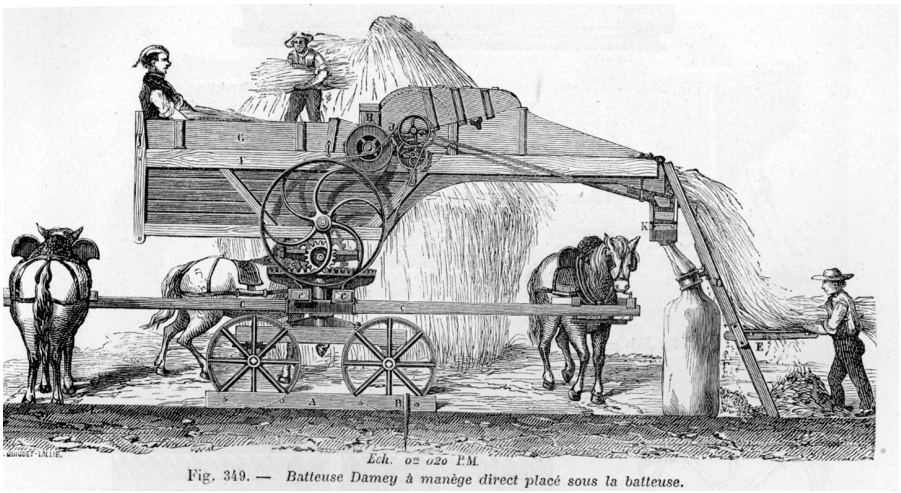

Figure 7.2e Before steam power augmented machines, horses were regularly employed. Batteuse, 1881 (https://commons.wikimedia.org/wiki/File:Batteuse_1881.jpg) by Unknown Author, licensed under CC0.

This change in the energy economy had the important advantage in Canada of diminishing the impact of seasonality. Waterwheels were powerful innovations and their application to the increased use of machinery in production, was literally revolutionary. Nevertheless, watercourses freeze up in Canada, which meant an interruption in power supply and in the transportation of necessary supplies along rivers. The transition from organic to inorganic energy sources changed all that. Factories could work year-round and steam-powered engines could be used to move larger and larger quantities of raw materials from source to market in shorter time. Applied to land-based transportation along rails, steam and coal could free much of Canadian manufacturing from the dictatorship of winter.

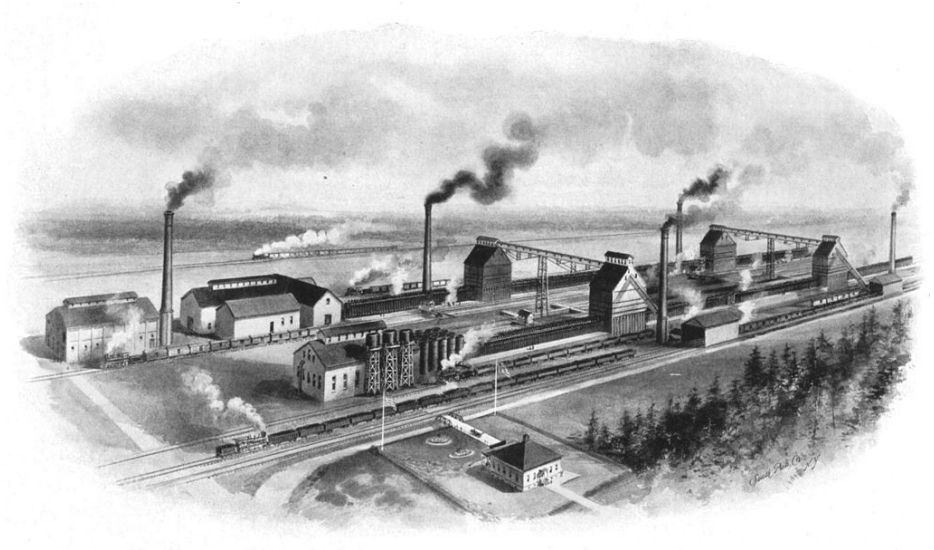

Figure 7.2f Heavy industry comes to Nova Scotia and, with it, plenty of steam and smoke. An artist's rendering of the Cape Breton coking ovens applauds the regimentation of smoky industry at the start of the 20th century. Cape Breton at the Beginning of the Twentieth Century (https://commons.wikimedia.org/wiki/File:SydneyCokeOvenGeneralViewCa1900.jpg) by C.W. Vernon, licensed under CC0.

Once factories began operating throughout the four seasons, the possibility arose for workers to take on wage-labour full time. The increasing use of cash in the Canadian economy was one attraction to doing so. Many agricultural workers went into industrial labour as a temporary measure, a step toward saving enough money to purchase a farm of their own. This was also true of immigrant industrial workers who imagined their future in Canada as independent landowners.[2] That transitional stage never fully ended, as rural populations in the 21st century continue to augment farm income with wage-labour. In the 19th century, however, limits on transportation made such moves increasingly permanent. By the 1870s wage-labour in many regions matched agriculture as a practical strategy for survival. The population of ready workers increased and expanded across Canada. From 1861-71 the labour force grew by about 15% and then, from 1871-81 by 26%. Its growth slowed thereafter to a still-respectable 21% and then 11% in each of the two decades that followed. [3] Labour inputs, however, are only part of the equation.

The introduction of machinery, and especially steam-powered machinery, was transformative. Output could be increased dramatically, quality could aim for (and sometimes achieve) reliable standards, and the skill sets

2. British coal miners who moved to Vancouver Island in the late 19th century repeatedly indicated that they saw West Coast mine work as a stepping stone to independence on their own land. See John Douglas Belshaw, *Colonization and Community: The Vancouver Island Coalfield and the Making of the British Columbian Working Class* (Montreal & Kingston: McGill-Queen's University Press, 2002), 161-3.
3. Statistics Canada, *Historical Statistics of Canada,* 2nd ed., F. H. Leacy, ed. (Ottawa: Statistics Canada, 1983): D498-511.

needed to do a particular job changed from that of a master craftsman to those of someone able to keep up with the metal and wood machinery. The cumulative effect was to bring down wages while raising productivity and de-skilling the workforce. New skills emerged — particularly those associated with maintaining machinery — but shoe production, for example, went from being a handicraft associated with years of apprenticeship and journeyman study, to something that was done by children. A good example is Lawson's, a tailoring business in Hamilton, that introduced 10 sewing machines in the 1860s. This led to the departure of 71 of their 100 skilled male tailors, and their replacement with 69 women (who were regarded, rightly or wrongly, as unskilled).[4] **Mechanization** — and, in the 20th century, **automation** — would change the way work is done, but its spread was entirely dependent on the ability of capital to invest in emerging technologies. This process of intensified capital inputs on the shop floor would accelerate 30 years after Confederation.

The Second Industrial Revolution

Despite significant changes in the orientation and character of the economy until the mid-1890s, growth was not outstanding. An important measure of the health of Canada's economy is its population and, rather remarkably, from 1861-1901 Canada was a net exporter of people. The American economy was expanding more rapidly and as land and employment opportunities arose, it served as a magnet for thousands of Canadians. Additionally, many of the immigrants to Canada during this period proved to be just passing through. On balance, then, more people left than arrived. From a historian's perspective, this is a sure sign that industrialization in the new Dominion provided fewer opportunities, or less competitive opportunities, than agriculture in the western plains of North America. This was not yet a consumer-led economy so the net loss of population until 1901 did not mean the simultaneous loss of household markets, at least not in the same way it might in the mid-20th century. It did manifest a shortage of labour resources, however, in some corners of the country. As the Maritime's economy began to seize up in the 1870s and 1880s, for example, out-migration was another factor in driving investment to more populous centres in Ontario and southwest Quebec.

In the 1890s, there were several important advances in technology and technique that gave industrialization a new shape. The foremost of these was the development of the Bessemer system for manufacturing steel. Vastly stronger and cheaper than earlier forged metals, this innovation propelled the steel industry and everything that utilized steel. As well, it contributed to the further growth of coking coal production and iron mining and the building of infrastructure to transport these raw materials to processing points. The

4. Bryan D. Palmer, *Working-Class Experience: Rethinking the History of Canadian Labour, 1800-1991*, 2nd ed. (Toronto: McClelland & Stewart, 1992), 87-8.

establishment of the Nova Scotia Steel and Coal Company at New Glasgow in 1882 was followed by the Dominion Coal Company at Glace Bay 11 years later. The Dominion Iron And Steel Company opened in Sydney in 1900, and the Nova Scotia Steel and Coal Company opened at Sydney Mines the same year. All of these developments reflect the accelerating transformation of the industrial order in Canada as a whole and the rise of international markets for output. It also points to a change in industrial capitalism: whereas earlier industrialization depended mostly upon bringing more labour to the task of producing goods, capital inputs were now rewarded. In Ontario alone, the amount of capital invested in the economy leapt from $37 million in 1871 to $175 million in 1891, rising to $595 million in 1911.[5] Machinery, reconceptualized workspaces and architecture, and metal-hulled ships that could move heavy goods at a fraction of the cost of wooden vessels all contributed to the changes associated with what is called the **Second Industrial Revolution**.

The change could be seen in the Canadian labour force. In 1901, the number of operatives and labourers combined (nearly 789,422) surpassed the total number of farmers and farmworkers (715,122).[6] The proportion of Canadians living on the land was still greater than that of urbanites, but, as of 1901, the number of Canadians earning an income from wages pulled ahead of those earning farm incomes. And those wage-earning workers were doing so increasingly in industries and factories that did not much resemble what existed in the 1860s.

5. Gregory S. Kealey, *Workers and Canadian History* (Montreal & Kingston: McGill-Queen's University Press, 1995), 245.
6. Canada, *Historical Statistics of Canada,* 2nd ed., F. H. Leacy, ed. (Ottawa: Statistics Canada, 1983): D86-106.

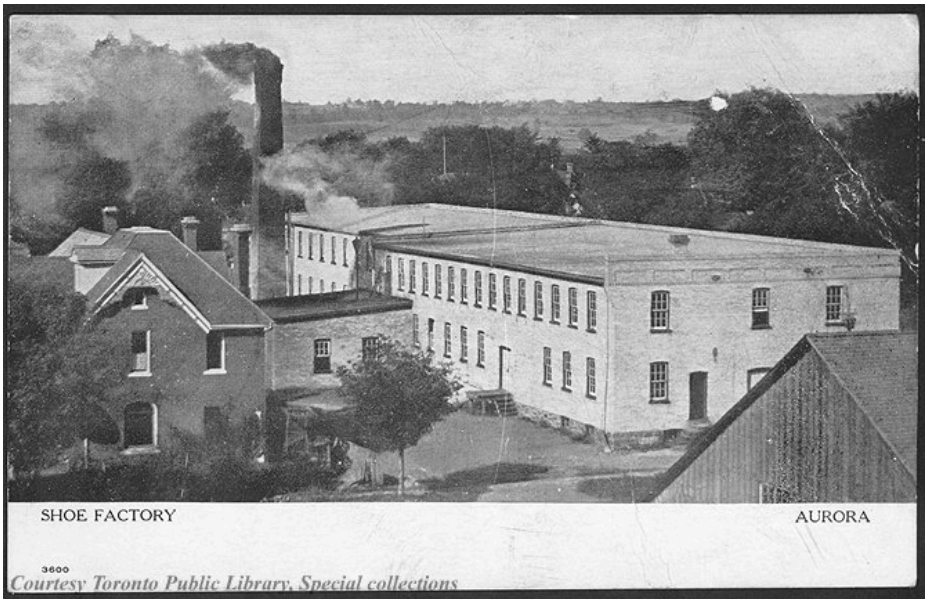

Figure 7.2g As late as 1910, the boundary between rural life and industrial employment was not a great one. The countryside forms a backdrop to a shoe factory in Aurora, Ontario, ca. 1910. Postcards like this one were a way of framing modernization and material progress. Shoe Factory in Aurora, Ontario (#chapter-3-1-the-industrial-revolution) by Warwick Bros. & Rutter, Toronto Public Library, licensed under CC0.

Industrialization marked a significant departure from the pre-Confederation economy, and it brought in its wake social and economic changes that could hardly have been predicted. It was, however, part of a conscious strategy for nation-building and making economic policy. The most obvious expression of that strategic (and, yes, hopeful) thinking was the **National Policy**.

Attribution

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7.3 - READING LIST

1. Labour force characteristics by province, monthly, seasonally adjusted [New Tab] (https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028703)
2. Key Small Business Statistics (January 2019) [New Tab] (https://www.ic.gc.ca/eic/site/061.nsf/eng/h_03090.html#point1-1)

Reading List compiled by Norm Smith.