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High School Completion Rates in Western Canada

By Wynne Young, Executive-in-Residence, JSGS

"Without data, you are just another person with an opinion"
Andreas Schleicher, creator of the Program for International Student Assessment (PISA)

The idea is simple – you need data from the education system to know what is working and what isn't, to identify priorities and to set directions. This article is the first of a series and begins by examining the high school completion rates – a key indicator of educational attainment and workforce readiness.

The Organization for Economic Co-operation and Development (OECD) provides a useful starting point in examining Canada's high school completion rates relative to other OECD countries, an important group of countries considering today's need for global competitiveness. The 2011 upper secondary graduation rates place Canada above the OECD average but only 15th of the 29 countries surveyed. Canada's relative position improves to 7th place when looking at just the under 25 age group. Not surprisingly, those countries that top this list (Slovenia, Finland, Japan, Korea) are many of the same countries that top the international student assessments conducted by the OECD.

Statistics Canada census data also describes the current state of high school completion in Canada, including the four western provinces. The good news is things are looking better in Canada as a whole. In the twenty years from 1991 to 2011, high school completion rates among adults (15 years and older) across Canada have increased from 51% to 80% (see Figure 1). If we narrow our view to the age group of 25 to 64, which is usually considered the working age category, high school completion rates look even more encouraging. For this age group the completion rate rose from 56% in 1991 to 87% in 2011. Within this group, completion rates of the youngest sub-group, 25 to 34 years old, have increased from 65% to 91%. Completion rates among the 25 to 34 age group will be the most relevant in terms of the current performance of the elementary and secondary school system. The statistics in the balance of this article refer to this age group.

Examination of the western provinces shows that completion rates in the four western provinces were slightly below the national average (90% vs. 91%) in 2011 but this is a narrower gap than was evident ten years ago. The reason for the lower rates in the West is that both Manitoba's (82.8%) and Saskatchewan's (84.6%) 2011 high school completion rates for the 25 to 34 year old age group are much lower than the national average (87.4%) and lower than in the other western provinces.

Figure 2 also shows that the two provinces are making only modest headway in closing this gap although Saskatchewan surpassed Manitoba in 2011.

Figure 1: High School Completion Rates, Canada

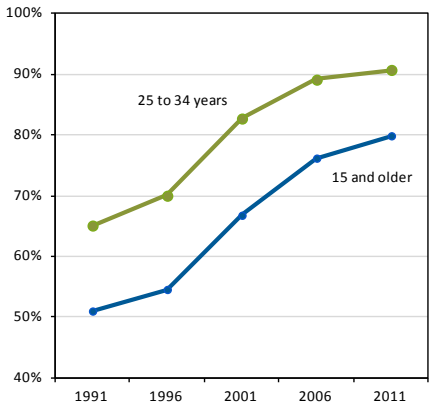
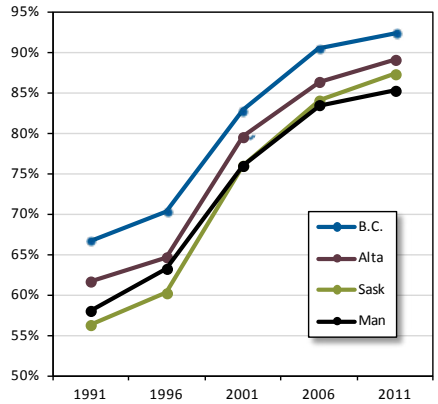


Figure 2: High School Completion Rates, Western Provinces, 25 to 34 Years



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Canada-wide women are more likely than men to have completed high school and Figure 3 shows that this is true in the West. Among those 25 to 34 years of age, the male-female gap was 3.1% in 2011 compared with 4.1% in 2001 and 6.8% in 1991 so the difference has narrowed over the years.

Figure 4 shows the significant gap that exists between Aboriginal and non-Aboriginal people in terms of completed high school education. In particular, the First Nations population has markedly lower levels of high school completion (61% in 2011) than either the Métis (82%) or the non-Aboriginal population (92%). While trends are moving in the right direction for the Métis, the gap between First Nations and non-Aboriginal learners is still significant and is partly the reason for the difference in high school completion rates between Manitoba and Saskatchewan and the other western provinces, as these two provinces have much higher proportions of Aboriginal populations. Recently both the Province of Saskatchewan and the Government of Canada completed task forces on Aboriginal education and both have cited the pressing need to close this gap.

One of the reasons why high school completion is so important to both the Aboriginal and non-Aboriginal populations in the West is because of the demand for higher education in the labour market. In the West's tight labour market, the high school completion rate is strongly correlated with labour force status. In 2011, 92% of those who were working had completed high school compared with 84% of the unemployed and 80% of those who were not in the labour market, that is, neither working nor looking for work.

Looked at another way, the employment rate (the percentage of the population with a job) was 77% among those who had completed high school and 61% among those who had not (see Figure 5).

High school completion rates are a useful indicator of educational attainment particularly in relative terms when considering labour market competiveness. What this data can't tell us is the quality and nature of the learning that took place. For that you need to go elsewhere such as university entrance examinations, classroom records, and standardized tests for those provinces who administer them. The latter is an area of much current debate both

Figure 3: High School Completion Rates by Sex, 25 to 34 Years, Western Canada

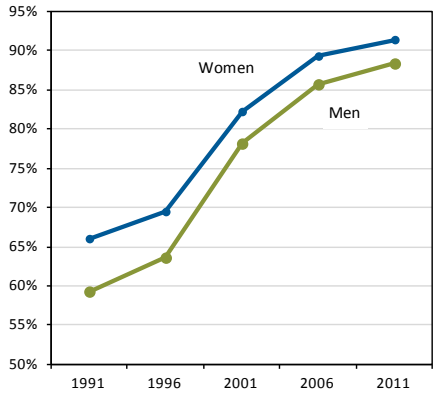


Figure 4: High School Completion Rates by Aboriginal Identity, 25 to 34 Years, Western Canada

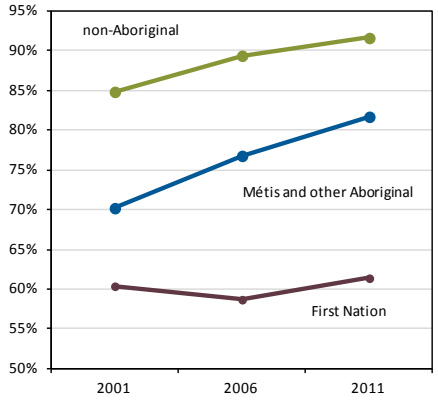
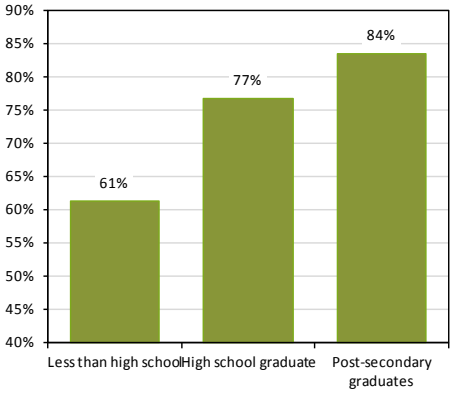


Figure 5: Employment Rates by Level of Completed Education, 25 to 34 Years, Western Canada



provincially and internationally as teachers, academics, governments and other experts consider whether this testing produces valid results, what it actually measures and what opportunity costs there are in administering these tests across an entire system.

While this debate continues, there are other sources of data on educational achievement that have established national and international credibility and which shed some light on the road ahead. The Pan Canadian Achievement Program (PCAP) is administered every three years and assesses Grade 8 students across Canada in science, reading and mathematics. The Program for International Student Assessment (PISA) is an international assessment that takes place every three years in 70 countries around the globe. PISA examines 15 year olds in the same three areas with a focus on assessing what students can do with what they have learnt in schools.

In December, 2013, the 2012 results from the PISA assessment will become public. They will show how we are fairing as a country and as provinces relative to our past performance but also relative to the other participating countries. In spring 2014, the latest PCAP results for 13 year olds will be released and again will allow provinces to compare their own progress to that of other provinces with regard to a common assessment. Given these are both indicators of specific age groups, they won't necessarily point to areas of improvement for all children and youth in our schools but they are important pieces of the puzzle of how best to meet our goals of world-class education outcomes.

The next edition of the WPA will examine the 2012 PISA results for Canada and consider specific areas of progress and concern.

Sources: Statistics Canada data from the Census and NHS

Saskatchewan Voluntary Sector Early Work on the Determinants of Health 1905-1950:

Some Unsettling Questions Inspired by History

By Gloria DeSantis, PhD, Research Associate
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Saskatchewan Population Health and Evaluation Research Unit (SPHERU)

An appreciation of the contemporary voluntary human service sector working to enhance the health of populations in Saskatchewan requires an understanding of the past. Indeed, voluntary organizations in Saskatchewan have been working on the determinants of health since it became a province in 1905. The central objective of this research summary[1] is to offer a descriptive overview of the evolution, between 1905 and 1950, of several dimensions of the voluntary sector in Saskatchewan using a determinants of health lens and geo-historical research methods. By studying its origins, we may better understand both the forces that shaped the current configuration of the sector as well as our ongoing attempts to re-mould this configuration. It is known that policy, programmatic and funding choices of the past influence present day choices.

The determinants of health, social conditions, are the collection of influences that shape both individual and population health and include income, food security, housing, education, and social supports, to name but a few. The voluntary sector has always acted and continues to act as a "social seismograph" leading the way in identifying social conditions and problems, largely because workers of the sector have been primary contacts for residents. The voluntary sector comprises organizations that exist to serve a public benefit, do not distribute profits to members, are self-governing and institutionally separate from governments and the private sector, and depend to a meaningful degree on volunteers.

[1] This is a summary of a major study underway at SPHERU. The full study report will be available on the SPHERU website by Jan. 30, 2014.

Some Historical Notes

Our research goal of tracing, on a macro level, the evolution of the voluntary sector, led us to adopt three historical eras in Saskatchewan for the period 1905-1950 that are qualitatively distinct. These eras are based on established historical practice.

- The period that spanned 1905 to 1928 is generally known as the Settlement Era (Brennan, 1976), in which the province was taken over by settlers. This was an era that witnessed the formative years of the voluntary human service sector wherein religious, ethnic, social, farmer and secular groups were formed and formally incorporated to provide and advocate for human services. There was much volunteer-led activism demanding the development of a variety of human services. During this time, relationship roots were established primarily between voluntary organizations and municipal governments, as well as to a lesser degree, the provincial government. It was also during this time that socialist ideological roots began to grow.
- A second era, the Era of Crisis Intervention, spanned the period from 1929 to 1939. This era began with a world-wide economic crisis and the onset of a 10-year drought in the prairies (Archer, 1980). It ended with the start of the Second World War. This period saw growth in crisis intervention services for both urban and rural people in Saskatchewan, delivered by both governments and the voluntary sector (i.e., mixed human service delivery model). Local voluntary groups also played important convening functions and organized meetings to discuss and develop community-wide responses to problems relating to the determinants of health and human service integration (e.g., in Saskatoon in 1931 the local Council of Women formed the Family Welfare Council with financial assistance from the men's service clubs).
- A third era, Era of Rising Socialist Policy, spans the decade of the 1940s. There was significant public policy and program development both before and after the Co-operative Commonwealth Federation (CCF) became the ruling provincial political party in 1944. During this decade, both old and new organizations worked with the provincial government to serve the needs of people without incomes (e.g., United Hebrew Relief), while other groups provided services beyond financial assistance (e.g., Children's Aid Societies, homes for the infirm and aged, religious-based Métis farms) (Saskatchewan Government Department of Social Welfare, 1946).

Over the course of these eras, the voluntary sector contributed to creating healthier communities in three main ways: first, the sector fulfilled an important service delivery function; second, the sector guided the organization and planning of health and social services; and third, the sector was a driving force in public policy advocacy on behalf of residents across the province. Evidence shows workers of the sector were frequently the first to call the government's attention to health and social problems. A primary example of this was the Saskatchewan Anti-Tuberculosis League, a voluntary organization that was formed in 1911, which first signalled a serious tuberculosis health problem, galvanizing human and financial resources before opening and operating tuberculosis hospitals.

Data about voluntary organizations were collected from *The Gazette* and the *Office of the Provincial Secretary Annual Reports* which contain the official records for the Province of Saskatchewan. Between 1905 and 1950, a total of 899 voluntary organizations fitting our criteria were identified.

Categorization of Voluntary Organization Types by Era

Of these 899 organizations, 402 were incorporated between 1905 and 1928, 301 were incorporated between 1929 and 1939, and during the 1940s, 196 were incorporated. The following list offers some examples of each of the five main categories:

- religious organizations (e.g., Ursuline Nuns of Bruno, Moose Jaw Young Women's Christian Association, Catholic Orphanage of Prince Albert)
- club-oriented (e.g., Elks Clubs, Homemakers Clubs, Railway Men's Club),
- secular (e.g., Benevolent Aid Society of Whitewood, Longlaketon Memorial Hospital, Winter Ladies Aid),
- ethnic or cultural groups (e.g., Indian Mutual Improvement Association, Ukrainian National Home Association, Hing Chung Mutual Improvement Association) and,
- community-wide benefit organizations (e.g., Springwater Community Hall, Poplar Grove Community Club, Nokomis Community Hall Association).

Taken together, the largest collection of voluntary organizations, almost two thirds of the total, were those that formed primarily to support people who shared certain characteristics (e.g., shared religion, shared ethnicity). The remaining one third served the broader population without regard for ethnic or religious characteristics.

Figure 1 shows the relative importance among these different types of organizations over time, while Figure 2 shows the actual magnitude of shifts in these categories. In Figure 1, across these eras, there was a clear, but small rise over time in the proportion of secular organizations that incorporated. Second, across the sample and eras, on average, almost two thirds of all organizations were member-serving, not community-wide benefit. Figure 2 shows that the total number of organizations that incorporated over time decreased.

Geography – A Salient Concept in Health Research

Geography is a tool that aids in examining differences within the voluntary sector across space and different populations. During the 1905-1928 era, Saskatchewan was composed of more small towns, villages, hamlets and reserves than large urban communities. In addition, there

Figure 1: Types of Organizations Incorporated by Era and Type (n = 899)

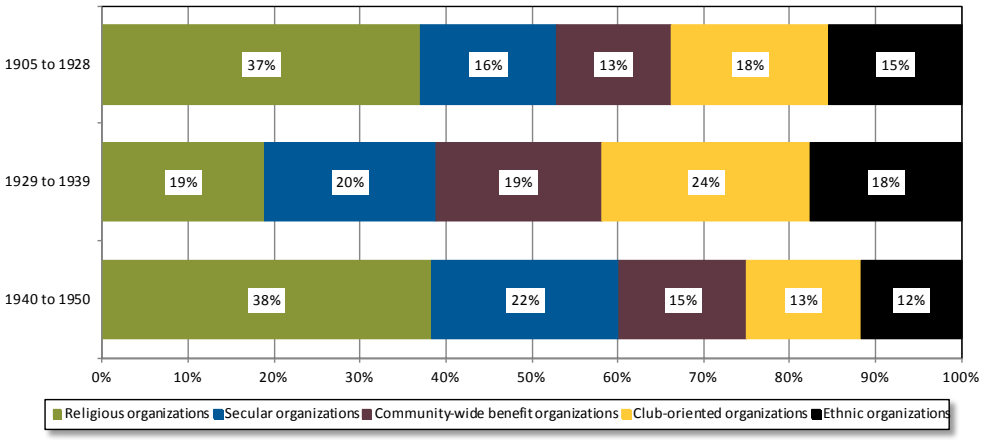
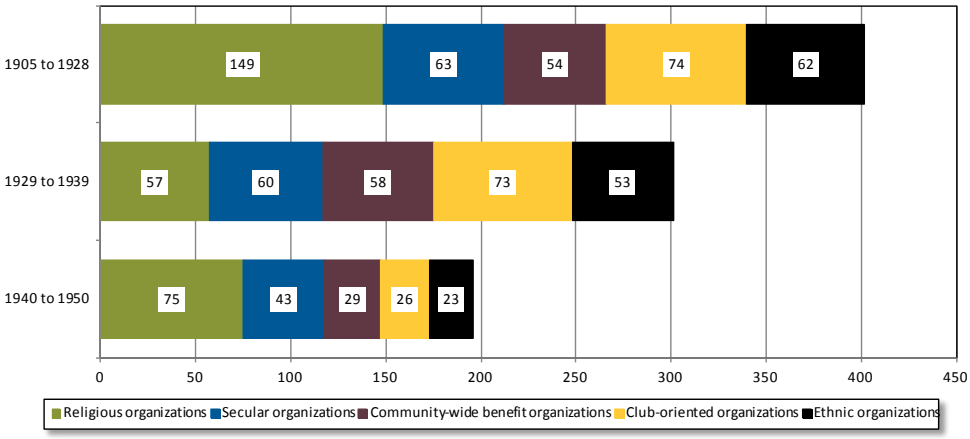


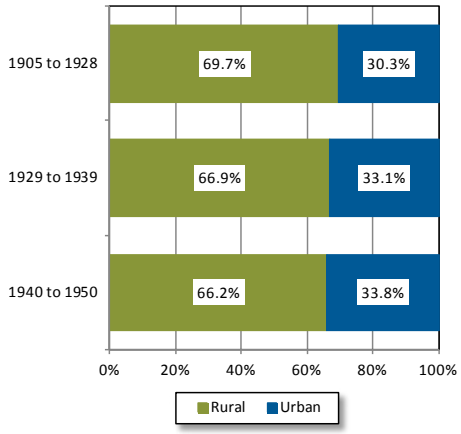
Figure 2: Types of Organizations Incorporated by Era and Type



were and continue to be, unique differences between the northern and southern areas of the province. The two areas comprise roughly the same land area but comprised radically different land forms (i.e., prairies versus boreal forest and Canadian Shield) and groups of people. The southern part of the province was settled before the northern area by immigrants, although First Nations and Métis Peoples were already living in both the northern and southern areas of the province. The majority of the people living in the North, were Aboriginal. This brief geo-historical consideration of the demographic context is important because it helps to explain the presence and shifts in the voluntary sector and its work on the determinants of health. For example, Lipset (1950) explained that volunteers were required for a vast array of rural organizations.

With regard to the data collected for this study, there were some clear geographical distinctions found. In general, there was a prevalence of rural organizations from the southern area of the province. More specifically, across the three eras, between 60% and 70% of all organizations were rural and more than 99% were located in the southern area of the province. Figure 3 shows these results. When comparing over time, there was a small decrease in the proportion of rural organizations and a corresponding increase in the proportion of urban organizations. This corresponds with shifting demographic patterns over time

Figure 3: Types of Organizations Incorporated by Era and Community Type



Incorporation Classification

The main Acts under which voluntary organizations incorporated during the study period were:

- An Act respecting Benevolent and other Societies (1909) (referred to as Benevolent Societies Act from here on)
- Private Acts
- An Act respecting Companies (section 25 in 1909 and section 9 in 1930 had provisions for "charities")
- Public Acts

Thus, organizations incorporated under diverse auspices. Across the three eras, the majority of organizations registered under the Benevolent Societies Act, however, churches and hospitals alike registered under The Companies Act over time; some were joint stock companies with shares while others were not. There appears to be no pattern by which organizations chose to register under these different Acts.

Conclusions and Unanswered Questions

Eight main conclusions and unanswered questions are offered about this historical account of voluntary human service organizations' work on the determinants of health.

First, there has been an uneven evolution of the voluntary sector over space and time. The first half of the century revealed a voluntary sector driven by the people of towns and villages and not major urban centres as well as differences between the northern and southern areas of the province. How did early forms of voluntary association that existed in Aboriginal communities in the north differ from southern models created by the settlers and how can these different paradigms broaden our conceptualization of volunteerism in Canada?

Second, the early registry of incorporated voluntary organizations was predominantly member-serving, not general public or broad community-focused. If almost two thirds of the incorporated organizations were member-serving and not intended for community-wide benefit, does this point us to some historical roots that may help explain present-day health inequities?

Third, the analysis shows evidence of both human service silos and fragmentation among government departments and among voluntary sector organizations, yet there is also evidence of interdependencies and attempts at integrated service planning, often driven by the voluntary sector, not governments. Today, it is clear that a siloed approach prevailed but what if Saskatchewan had embraced Aboriginal Peoples' holistic conceptions of health and the importance of health determinants, would the province also have become an innovator in integrated health and social planning as it was with Medicare?

Fourth, there is evidence of shifts over space and time in human service delivery models (e.g., both institutional and community care) and ongoing challenges surrounding evidence-based policy-making. In certain instances, it was found that provincial government staff had actually researched and recommended small, holistic cottage-style hospitals, yet elected officials approved large, rural-based tuberculosis sanatoriums and psychiatric institutions (e.g., North Battleford Mental Hospital in 1914).

~ *continued on page 11*

West Continues to Pull Canada out of Recession

By Jim Marshall, Senior Policy Fellow, JSGS

Statistics Canada's recently released provincial economic accounts for 2012 provide the first clear picture of the performance of provincial economies in 2012.

Figure 1 shows that the western provinces fared well in 2012, with the West as a whole outperforming the nation in average growth in real Gross Domestic Product (GDP). Only British Columbia, with real growth of 1.5% in 2012, struggled relative to the national average growth of 1.7%. Alberta led the western provinces with growth more than twice the national average. It is notable that the only three provinces to beat the national average growth in 2012 are western provinces, indicating the West is continuing to pull the national average economic growth up.

The 2012 record shows a continuation of the trend for strong growth in western Canada since the 2009 recession.

Cumulative real economic growth since 2009 is shown in Figure 2 which shows that Alberta and Saskatchewan have led the West in growth, growing at about 80% and 47% (respectively) more than the national average during the recovery period. British Columbia's growth since 2009 has been almost at the national average and Manitoba is only slightly behind at 7.1%.

On a per capital basis, Alberta is the clear leader in economic output with real GDP per capita of over $74,000 with Saskatchewan in second spot in the West at almost $54,000 per capita. Both provinces are well ahead of the national average of almost $48,000 per person. British Columbia and Manitoba are slightly below the national average output at about $46,000 and $44,000, respectively.

Figure 1: Growth in Real GDP, 2011 to 2012

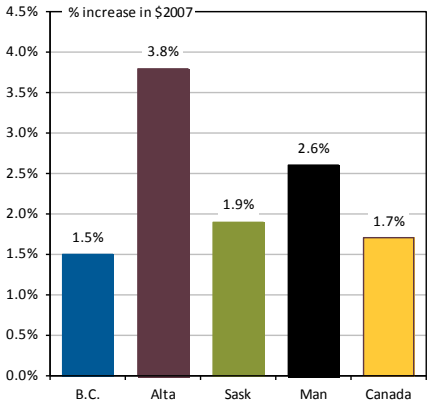


Figure 2: Cumulative Growth in Real GDP, 2009 to 2012

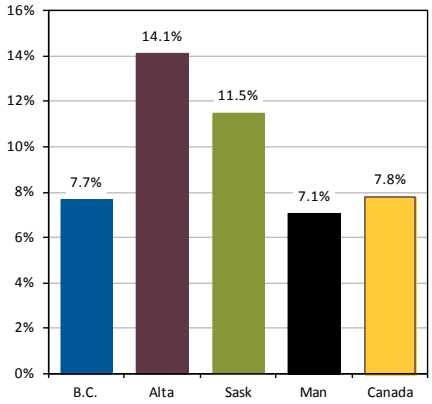


Figure 3: Per Capita GDP in Constant $2007, 2012

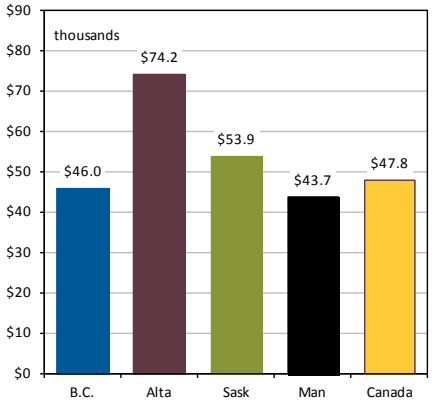
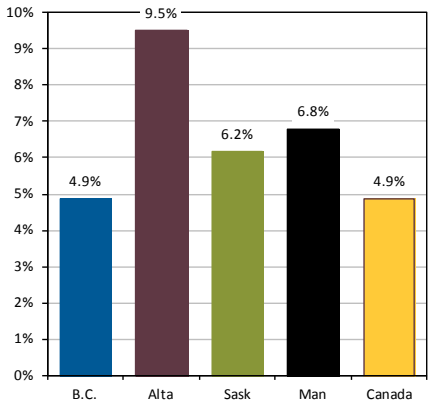


Figure 4: Cumulative Growth in Real GDP, 2008 to 2012



While overall economic growth in western Canada has been very impressive, especially in the recovery period and relative to the overall growth rate in the country as a whole, the magnetic pull of the west on population is spreading the benefits of growth around.

Since before the recession, economic growth in the west has pulled the national average up. Even including the impact of the 2009 recession, growth since 2008 has met or exceeded the national average in all four of the western provinces, as shown in Figure 4. In fact, Alberta's real growth rate over the four years was more than double the national average and, while Alberta and Saskatchewan were especially hard hit by the collapse of 2009, their long-term growth is still higher than the nation's.

This economic growth in the west is attracting population as shown in Figure 5 which illustrates the population growth in the west since 2008. As the figure shows, the west is also leading the nation in population growth as migrants are flocking to the jobs and opportunities afforded by their strong economic performance, especially in the context of the weaker growth elsewhere in the country.

Three of the four western provinces matched the overall population growth in Canada since the pre-recession year of 2008 with even Manitoba holding its own in the population race. Clearly, the west is pulling up the national average in population growth as it is the economic performance of the country.

Figure 5: Cumulative Population Growth, 2008 to 2012

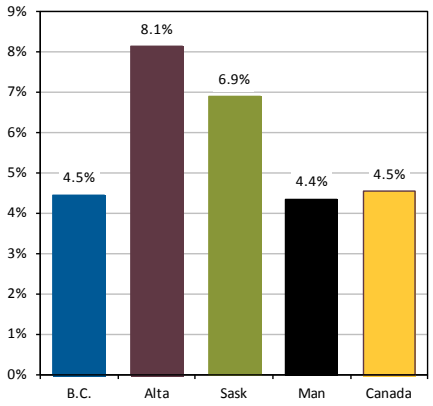
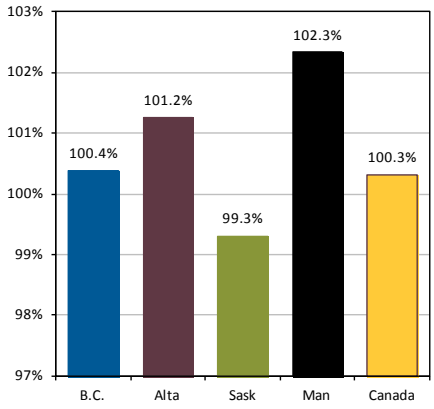


Figure 6: GDP Per Capita, 2012 Compared with 2008



Combining this information, we see that the per capita GDP has generally grown in western Canada. As shown in Figure 6, 2012 was the year in which Canada's per capita GDP finally recovered to its pre-recession (2008) levels. Canada's per capita GDP (in real terms) just peaked over its pre-recession level for the first time as it struggled to reach 100.3% of its 2008 level.

Again, the western provinces pulled the national level up as three of the four provinces' economic growth managed to outpace even their stronger-than-average population growth shown in Figure 5 to yield real per capita GDP rates in excess of their 2008 levels and pull the national economic recovery back to its start point in 2008. Saskatchewan did not fare quite as well as the other provinces as its second-highest-in-the-west population growth meant its third highest economic growth could not keep pace with a growing population, leaving output per person slightly below the pre-recession 2008 level.

The Saskatchewan pie has been growing but so has the family eating it.

Overall, the west is leading economic growth in the country (or at least has been until 2012) and, consequently, is attracting population into the region. As long as growth in economic output keeps pace with population growth, real per capita growth will be centred in the west. This has dragged Canada through its recovery period but is it enough to last beyond that?

Labour Union Impact on Organizations and Employees in Canada:
Implications for Labour Policy

By Dionne Pohler, Johnson-Shoyama Graduate School of Public Policy

Labour policy has received increasing attention over the past few years. In particular, recent changes to labour legislation in Saskatchewan have raised public debates about the role of policy in balancing the interests of employers, employees and broader society. At the heart of this debate are conflicting assumptions about the role and impact of labour unions.

Discussions surrounding the impact of unions on the outcomes for parties to the employment relationship often result in polarization of viewpoints from various sides about whether unions are "good" or "bad". The negative view is that unions lower profitability through increasing wage and benefit costs, protect underperforming employees, lower overall employment, increase workplace conflict through grievances and strike activity, and distort labour market outcomes. The positive view is that unions create a more equitable distribution of wealth in society, protect worker rights, create economies of scale in contract negotiations, increase productivity, and reduce overall industrial conflict by providing mechanisms to solve employee complaints and grievances.

However, the empirical evidence informing this debate has been inconclusive, and one potential reason for this is because there is very little quantitative research that looks at how the impact of unions on organizational and employee outcomes changes depending on the workplace human resource practices adopted and/or the philosophy management has toward collaboration with employees and involvement of employees in workplace decision-making. If the philosophy adopted by management is one of partnership with employees, it may be that the negative effects of unions will be reduced, and the positive effects of unions will be enhanced, as the goals and philosophy of the union and management will be more closely aligned.

Using a national sample of workplaces and employees from the Workplace and Employment Survey collected by Statistics Canada (see box), two recently published studies support the idea that when management adopts a strategy and practices supportive of employee consultation and involvement in decision-making, both organizational profits and employee satisfaction are greater. Conflict, absenteeism and turnover are lower than when management does not adopt this approach in a unionized environment.

One surprising finding was that changes in management's strategy toward employee involvement and collaboration generally has less effect on organizational outcomes in a non-unionized environment. Three potential explanations have been offered for this result. First, there is greater consistency in employee interpretation of management actions in a unionized environment as compared to a non-unionized environment because of the well-developed communication channels unions generally establish with their members. Therefore, the impact of the approach adopted by management would be more pronounced (either good or bad) in unionized organizations. Second, some research has shown that non-unionized employees are less likely to voice their opinion in the presence of employee involvement initiatives either because of fear of retribution, and/or because they do not feel as though their opinions will be taken into serious consideration as there is no separate mechanism that forces management to actually listen. Finally, it is also possible that an increase in employee involvement initiatives in non-unionized workplaces may lead to greater employee burnout, as the results of the studies show that employees are more likely to work unpaid overtime and take more sick days in these environments than they are in unionized environments with greater employee involvement initiatives.

These results suggest that the impact of unions on organizations and employees is neither "good" nor "bad", but depends on the nature of the relationship between management and employees (i.e. the union) in the organization. It also suggests that the effects of management's actions toward employees on organizational outcomes are more pronounced in unionized settings than in non-unionized settings. Furthermore, it appears that the productivity gains in unionized workplaces where management adopts a collaborative approach compensate for union wage and benefit premiums. However, these positive outcomes greatly depend on the ability of the union and management to build trust and sustain it over time, a difficult task if past hostilities and ideologically-based militant stances on the part of either party (union or management) get in the way of interest-based approaches to bargaining and true collaboration.

Discussions surrounding the impact of unions on the outcomes for parties to the employment relationship often result in polarization of viewpoints from various sides about whether unions are "good" or "bad".

Although federal and provincial labour legislation in Canada roughly follows the Wagner Act model from the USA, the applicability of this model to modern-day workplaces is under debate with regard to its accessibility to all workers who desire representation, its adaptability to the changing nature of work, and its inherently adversarial approach. There are also other models. In many European countries such as Germany, employee representation is legislated across the majority of workplaces through works councils. Normative and cultural differences across countries also impact the nature of labour relations. For instance, labour relations in the USA are much more inherently biased against collaboration than in Canada, even though we share similar legislative frameworks. In particular, in the USA there is increasing employer use of union substitution and avoidance tactics rather than good employee relations, "right-to-work" states generally serve to weaken unions to such an extent that they are constantly forced to engage in defensive tactics, and interpretation of certain sections of the National Labor Relations Act make it very difficult for unions and management to work together in a collaborative fashion.

No matter which particular model is adopted, these results highlight the importance of labour policy to establish a framework that reduces polarization and encourages agreements to be created by the parties to the employment relationship themselves, allowing for true collaboration to occur and innovative solutions to be designed. However, it is still important to recognize that the interests of employers and employees may sometimes be in conflict, and there should be an appropriate arms-length mechanism that is acceptable to both parties that can serve to resolve differences without major long-term damage to the relationship. Finally, sound labour policy should also ensure an appropriate balance of power between employers and employees that takes into account the need for both organizational efficiency and employee equity and voice. Organizations, employees and broader society will ultimately benefit from this approach.

Notes and Sources:
These results are for Canada as a whole and use the 2001–2006 and the 2003–2004 Workplace and Employment Survey years for the workplace and employee surveys, respectively. The workplace-level study was limited to the for-profit sector because of the inclusion of the profitability outcome, and the employee-level study included for-profit, not-for-profit and public organizations. These are the latest available years, as this survey has subsequently been discontinued by Statistics Canada.

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Recent Trends in Commodity Prices

By Doug Elliot, Editor, Western Policy Analyst

There is some concern that the decline in commodity prices that some observers have been expecting has started. This matters to the West because the trigger for the strong economic growth since the mid-2000s was a sharp rise in commodity prices and the recession in 2009 coincided with a drop in those same prices. If anything, we have become more, rather than less, dependent on agriculture and resource extraction than in the past so a general decline in commodity prices would have a dampening effect on capital investment and a serious impact on government revenues.

The main data source for commodity prices is Statistics Canada's Raw Material Price Index (RMPI). The RMPI measures prices nationally rather than for each individual province but this does not present a problem for specific prices because they tend to be the same across the country, or in fact, the world. However, the weights used to combine the prices are also calculated using national data. A West-only RMPI would depend less on prices for mineral products such as iron ore and have a higher weight for agricultural and energy products. The RMPI uses 2002 as the reference year with prices that year set at an arbitrary value of 100[1].

Figure 1: Raw Materials Price Index

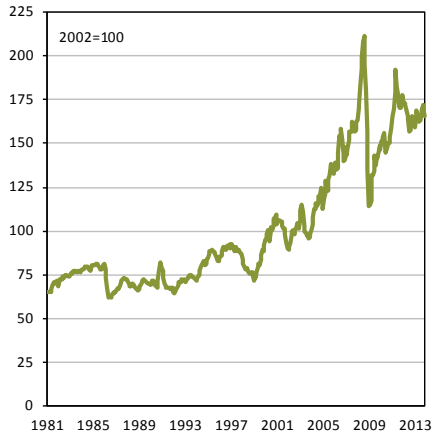


Figure 2: Energy Commodity Prices

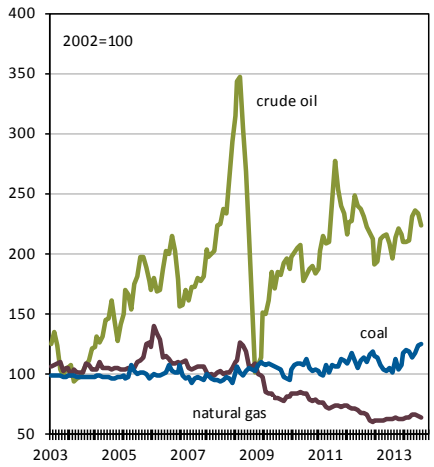


Figure 3: Agriculture Commodity Prices

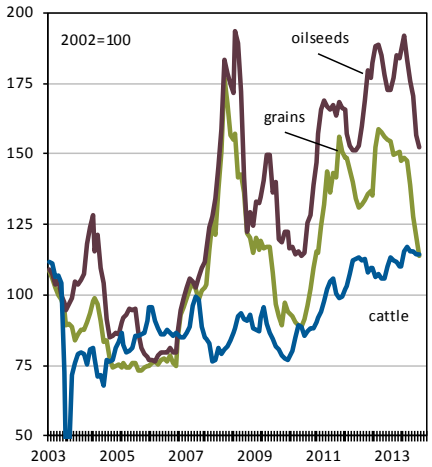
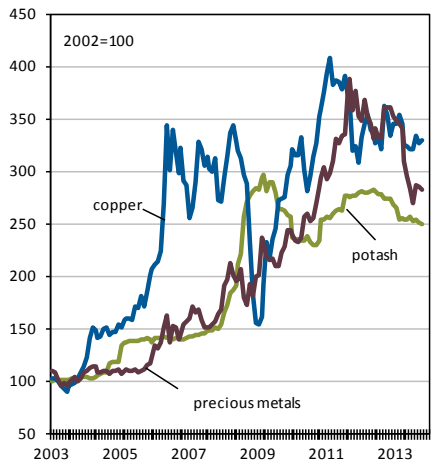


Figure 4: Mineral Product Prices



If a single chart could illustrate what happened to the western economies in the last twenty years, Figure 1 would be a good choice. From 1981 to 2001, the RMPI was effectively flat, fluctuating in a narrow band between 60 and 110. From 2002 to 2008, the average increase in commodity prices was 10% per year reaching a peak of 211 in the summer of 2008. The 46% peak-to-valley drop in prices in late 2008 only returned the index to its 2004 level, but the drop was nevertheless quite dramatic and coincided with a recession in the Canadian economy.

With an average annual growth rate of 25%, the subsequent recovery drove prices back up to an index value of 192 by the spring of 2011 before falling back to 157 by the summer of 2012. Since then the index has been fluctuating between 160 and 170.

There are dramatic differences in the trends for the various commodities included in the RMPI. Some of the ones that are the most important for the West are described below.

Energy Products

Crude oil prices were one of the main reasons for the patterns shown in overall RMPI and are particularly important to Alberta and Saskatchewan. Measured in Canadian dollars, the value of crude peaked at an index value of 348 in the summer of 2008 (see Figure 2). Coal prices on the other hand are relatively unchanged over the ten years and natural gas prices have declined.

[1] The basket of goods in the RMPI will be adjusted in January 2014 and the index will be rebased to 2010.

There is no sign of any recent decline in any of these energy prices. In fact, crude oil prices in October 2013 were 4% above their level a year ago. Coal prices are 21% higher and natural gas prices 1% higher.

Agricultural Products

Broken down into three categories – grains, oilseed, and animal products – Figure 3 shows that grain and oilseed prices followed the general pattern of increases during 2007 but declined in 2008 rather than in 2009 when energy prices fell. Both grains and oilseed prices have fallen sharply in the past few months.

The prices for animals and animal products were stable throughout the early part of the period and have been growing at a respectable 5% per year in the last five years.

Mineral Products

Figure 4 shows the price trends for selected mineral products such as precious metals (e.g. silver, gold) and other minerals (e.g. potash and copper). The metal ore prices peaked much sooner and much higher than the prices for other commodities. Copper prices, for example, tripled in value between 2003 and 2006.

The three mineral products shown in Figure 4 are showing downward trends from the peaks in 2011. In the past twelve months, the precious metals index has fallen by 22% compared with 7% for copper and 9% for potash.

Other Commodity Prices

Forestry products are an exception to the pattern of increasing commodity prices. There has been little change in the price of raw lumber over the last ten years. A 9% increase in the past twelve months has only served to return prices to where they were ten years ago. Nevertheless the trend is upward.

Prices for fish products and fresh fruit are of particular interest to B.C. and they show opposite trends. The prices for fresh fruit were effectively flat from 2003 to 2009. Since then, they have been growing at an average rate of 2% per year. Fish prices, on the other hand, are lower than they were in the mid-2000s.

Uranium prices are only of interest to Saskatchewan in the West and the huge swings in the spot price require a separate graph (see Figure 6) to accommodate the scale of changes. (These are spot prices and almost all uranium is traded with long-term contracts.) The price for uranium spiked at thirteen times the 2002 average in the summer of 2007 before falling back. They are now 3½ times the level in the early 2000s and on a general downward trend.

Summary

The provincial economies in the West are all dependent on international demand for commodities, reflected in commodity prices, but the degree of the dependence varies from province to province and each is dependent on a different mix of commodities. There is no doubt that commodity prices will fall relative to their recent peaks because they always do; the question is when it will happen, which commodities will be affected, and what will be the size of the drop. The provinces that will suffer and the extent of the impact depend on which prices fall and by how much.

Fortunately, there is no sign yet of a widespread decline in prices. Grain and oilseed prices are declining but cattle prices are up; the prices for metal products are declining but prices for forestry products are increasing. Overall, the RMPI is still well above the long-term average and is unchanged from a year ago. It has grown by an average of 1.1% per year in the past five years and, except for natural gas and fish products, all of the commodity prices that are of widespread importance to the West are above their 2002 levels.

Figure 5: Other Selected Commodity Prices

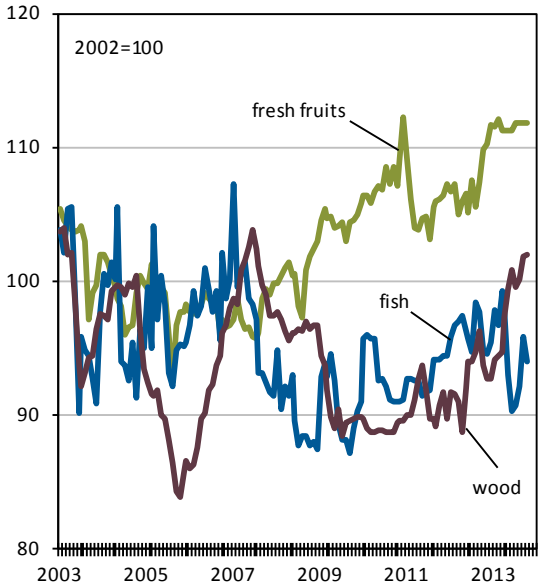


Figure 6: Uranium Spot Prices

Source: Statistics Canada CANSIM Table 330-0007

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Does this reflect an enduring struggle between evidence-based policy choices and politically-based choices in the human service sector?

Fifth, there were temporal variations in the degree of interactions between the voluntary sector and different levels of government, which also revealed a multiplicity of human service delivery agents over time. The enduring ambiguity and lack of consensus on the division of responsibilities among human service delivery agents within the voluntary sector and between the sector and different levels of government persists today. What are the ramifications of a system that lacks intentional and explicit roles among the agents delivering essential human services intended to positively impact health?

Sixth, there was an uneven emergence of different incorporation classes of organizations. Over the years, scholars have referred to this development of the voluntary sector as "haphazard" (Cassidy, 1945), reflecting an "erratic history" (Watson, 1985) and governed by "a hodge-podge of seemingly unrelated and uncoordinated statutes and rules" (Canadian Centre for Philanthropy, 1990, p. 2). Do these structural aspects help to explain the present day lack of clarity about the roles and responsibilities of the voluntary sector generally?

Seventh, the funding formula for the present day voluntary sector has its roots in the 1905-1928 era wherein organizations sought funding from numerous sources. Today, this funding formula persists and is best described as piecemeal, uncertain, short-term and lacking in sufficiency. Given voluntary organizations are central players in work on the determinants of well-being, should the health of populations depend so much on an unstable voluntary sector that relies on piecemeal, uncertain, and insufficient funding?

Eighth, under the Canadian Constitution, health care became a provincial government responsibility early in Canada's history. "Far in advance of its acceptance of responsibility in many fields of welfare service, the state accepted the care of the public health as a public responsibility" (Canadian Welfare Council, 1938, p. 40), but responsibility for the determinants of health (e.g., income, housing, food) has ebbed and flowed over time, across both the government and voluntary sectors. Why has the principle of "universality" only applied to health care interventions and not applied to the determinants of health?

Saskatchewan has a rich history of voluntary organizations that have attempted to address the determinants of health while acting as service deliverers, service system planners, and healthy public policy advocates.

In closing, Saskatchewan has a rich history of voluntary organizations that have attempted to address the determinants of health while acting as service deliverers, service system planners, and healthy public policy advocates. They incorporated at different times and under a diversity of Acts in Saskatchewan, expanded and contracted at different speeds, and took on different forms depending on where they were located (i.e., urban or rural, northern or southern areas of the province), and which populations they served (e.g., First Nations women, children with disabilities, isolated seniors). In sum, a glance at history does indeed inspire unsettling questions about our present human service system, but it should also inspire us to choose our future.

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