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This Week...

Union Membership
Electricity Generation
Cattle on Farms
Motor Vehicle Sales



Union Membership By Doug Elliott, Editor

In Canada, Labour Day has been celebrated on the first Monday in September since the 1880s. Seen by some as a

tribute to all workers, the focus of the celebrations has typically been the trade union movement.

The number of employed union members in the West is increasing in absolute terms. In 2010, there were 1.35 million members compared with 1.17 million in 2000¹. In spite of the growth, the share of overall employment is declining. In 2010, union members represented 24.9% of employment compared with 25.9% in 2000².

In spite of an increase in the absolute number of union members, the share of employment is declining.

Figure 1 shows that the aggregate western figures hide different levels and trends. As a percentage of employment, union membership is higher and rising in Manitoba and Saskatchewan and much lower and stable in Alberta. In B.C., the share has gone from above the national average to below in the last ten years.

Figure 2 shows that the aggregate figures also hide dramatic differences between the private sector and the public sector, broadly defined to include crown corporations, health and education services as well as government proper. As a share of employment, union membership

Figure 1: Employment among Union Members as a Percentage of All Employment

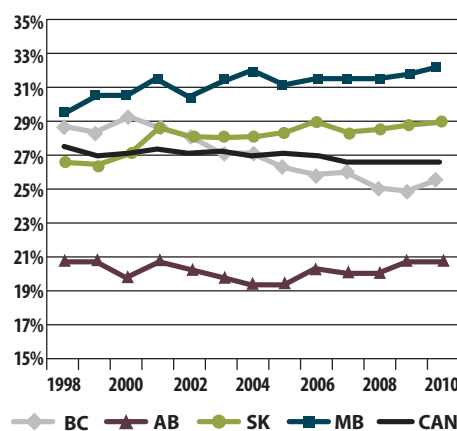
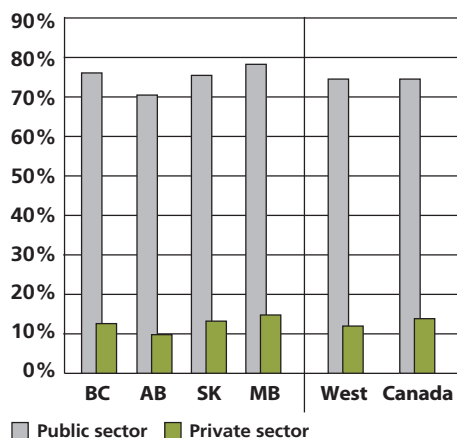


Figure 2: Employed Union Members as a Percentage of Employment, 2010



is near 75% in the public sector compared with only 12% in the private sector. Looked at another way, 60% of union members work in the public sector even though public sector employment comprises only 20% of employment.

Electricity Generation

Spring flooding in the prairies should have had at least one positive effect on the environment that would arise from an increase in the water levels in hydroelectric dams. In theory, this should enable electrical utilities to burn less coal and gas and thereby reduce their greenhouse gas emissions. In practice, it seems to have had only a marginal impact.

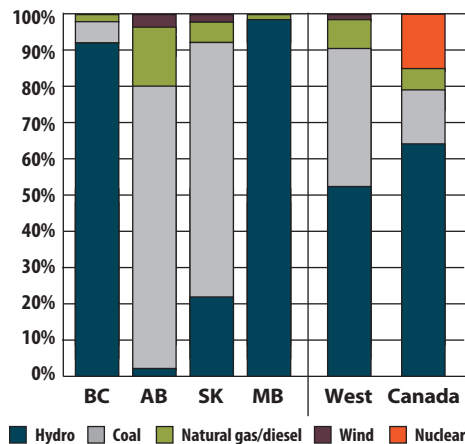
The western provinces have no nuclear power plants so electricity is generated by either coal-fired steam turbines, natural gas or diesel turbines, hydroelectric generators, or wind turbines. Hydroelectricity accounted for virtually all of Manitoba's and B.C.'s electricity production (98% and 91% respectively) during the first half of 2011. Alberta and Saskatchewan rely more heavily on coal (78% and 69% respectively) although Saskatchewan also has a significant hydroelectric capacity. Saskatchewan and Alberta are the only two western provinces with appreciable wind generation.

One of the implications is that Saskatchewan was the only province that has the mix of generating infrastructure to enable the extra water to displace coal-fired generation. The province seems to have done so with a 69% increase in output from hydroelectric sources in the first half of 2011 compared with the same period in 2009, a much dryer year.

¹ This includes only those who are employed and counts the status of their "main" job. Those who are covered by a collective agreement but are not union members are included.

² This ratio is often expressed as a percentage of paid workers, that is, excluding the self-employed. In that case, the ratio was 30.3% compared with 31.8% in 2000.

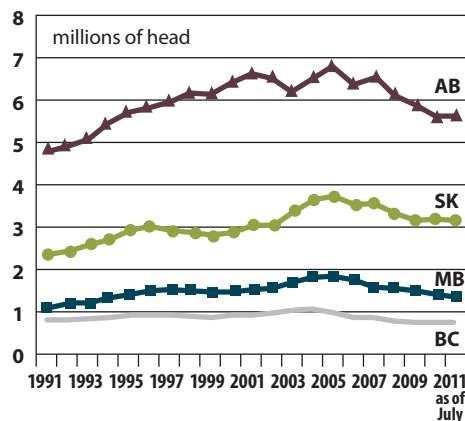
Figure 3: Sources of Electrical Generation, January to June, 2011



Cattle on Farms

In the summer of 2003, the BSE³ crisis decimated western ranchers. Beef consumption declined, exports were stopped at the border, and prices fell. The number of cattle on western farms increased in 2004 and 2005 not because the industry was growing but because the market had collapsed.

Figure 4: Cattle and Calves on Western Farms



Apparently many farmers decided to get out of the cattle ranching business after that experience. The number of cattle on western farms declined by 5.6% in 2006 when markets recovered but there has been a steady downward trend since then. The most recent figures show 10.5 million head of cattle on western farms in July 2011, down 0.3% from July 2010, and 11% lower than in 2003. Figure 4 shows that the pattern is similar in each of the four western provinces.

Cattle prices are higher now than they have been for years – a typical feeder steer will fetch \$1.30 per pound compared with \$1.05 a year ago – although feed costs are higher too. There is no sign that

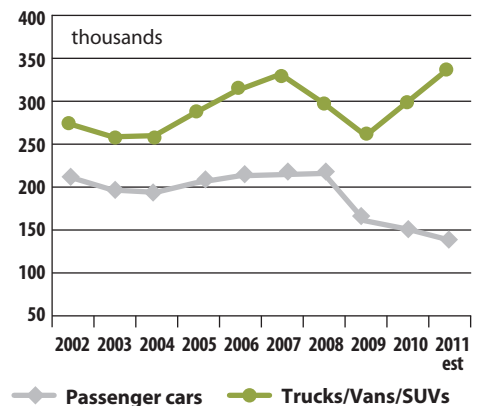
farmers are increasing their herd sizes. Even with the higher prices, the value of live cattle exports was \$931 million in 2010 compared with \$1,418 million in the year before the crisis.

Motor Vehicle Sales

Statistics about the sale of new vehicles are often used as a proxy for consumer confidence. This is because buying a new car or truck will involve a loan for most of us and it takes some confidence in future income to borrow that amount of money. Strictly speaking, the statistics on new motor vehicle sales are not a direct measure of consumer spending because businesses also buy vehicles from retailers. Nevertheless, they are a good indicator of consumer confidence.

In the West, the number of new motor vehicles purchased dropped by 22% during the 2008 and 2009 economic slowdown. Sales recovered by 6.0% in 2010 and are on track to do so again this year. Figure 5 shows that the recovery is exclusively in the truck/van/SUV category; the number of passenger cars sold continues to decline.

Figure 5: Unit Sales of New Motor Vehicles, Aggregate of Four Western Provinces



Upcoming Releases

In the next two weeks Statistics Canada will be releasing data describing:

- July value of building permits on September 8;
- July international merchandise trade on September 8;
- August labour force figures on September 9; and
- July value of manufacturing sales on September 15.

Sources:

The figures are adapted from the following sources:

Union Membership: Statistics Canada Labour Force Survey, CANSIM Table 282-0078

Electricity Generation: Statistics Canada, CANSIM Table 127-0002

Cattle on Farms: Statistics Canada, CANSIM Table 003-0032

Motor Vehicle Sales: Statistics Canada, CANSIM Table 079-0003

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³ BSE or bovine spongiform encephalopathy is a fatal neurodegenerative disease in cattle commonly known as mad-cow disease. The first Canadian case was found in May 2003.