

▼ B.C. LABOUR

Worker shortage a long-term issue

By **TOM FLETCHER**

CAPITAL NEWS CONTRIBUTOR

An expected slowdown in B.C.'s economy won't be enough to ease a worker shortage that is straining service businesses, skilled trades and other job categories, according to an analysis by B.C. Stats.

The rising average age of the province's workforce that started in the early 1990s will continue to grow as more baby boomers reach retirement age, offsetting the reduction in B.C. economic growth that is expected to continue through 2009.

The B.C. government's recent move to abolish mandatory retirement and efforts to lure older workers away from retirement represent only a temporary solution, the report concludes.

"A 60- or 65-year-old may

be enticed to keep on working, or re-enter the workforce temporarily, but in the long run, it is less likely that large number of older workers will continue to have the energy and desire to participate in the workforce," the analysis says.

B.C.'s unemployment rate remains at a 30-year low near four per cent, second only to Alberta.

Credit Union Central B.C. forecasts that economic growth will slow to below two per cent this year, driven by weak demand for lumber and other trade commodities affected by international financial troubles.

While trade is expected to recover in 2009, a slowdown in parts of the Canadian economy is forecast to keep the growth rate below two per cent next year as well.

Credit Union Central forecasts that B.C.'s un-

employment rate will drift upward to 4.8 per cent by next year, but by 2012 the rate will be back down near four per cent again.

Temporary foreign workers are already being sought to fill seasonal gaps.

Canada has labour agreements with Mexico and several Caribbean countries for temporary agricultural workers, and a new streamlined approval system has brought hundreds to harvest Fraser Valley berries and other labour-intensive crops.

To employ foreign workers, companies have to show that the jobs have been advertised locally and offer the same working conditions as are available to domestic employees.

Restaurants are on the leading edge of the labour shortage, competing for a shrinking pool of workers

against jobs that offer higher wages and more regular hours.

Some have resorted to restricting operating hours as owners work seven-day weeks to cover for staff shortages.

A decline in the furious pace of B.C.'s residential construction that began this year will deepen in 2009, Credit Union Central B.C. says.

But the arrival of the 2010 Olympics is expected to create a spike in economic growth that will put further strain on the labour market.

Whistler already depends heavily on temporary foreign workers, most from Australia.

The contraction of residential housing construction will also be offset partly by continued strong growth in roads, bridges and other major infrastructure projects on the drawing boards in B.C.