

Janet Stahle-Fraser, "Anima Sol," handprinted ed linocut from a Woman's Book of Hours, 1995, 12" x 8.5".

# Job Restructuring and Worker Displacement Does Gender Matter?

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Cet article examine les revenus des travailleurs canadiens et celui des femmes en particulier suite à leur perte d'emploi due à la restructuration de l'entreprise qui les employait. Elle démontre que cette restructuration effectuée entre les années 1993 et 2001 a rendu les travailleurs, surtout les femmes, très vulnérables aux emplois précaires ainsi qu'au chômage et à l'exclusion du marché du travail.

### Introduction

It's been a really mixed year. It's been an up and down kind of year. A lot of frustration... I never made a lot of money at [the retail company] but I survived and I was okay and I always felt I guess that I would stay there, you know, retire, and then all of a sudden to be let go, downsized and here I am, at that time I'm 50 ... 50 years of age, unemployed, going out and looking for work, competing with youngsters, computer skills I lack and it has been a real up and down kind of year.

Hopefully I will get a job, and God willing I will get a job, and then maybe ... another thing that is scary is I've heard, too, between now and when I'm 65 I could go through seven or eight jobs because it is not permanent anymore and it is contract. That terrifies me, absolutely terrifies me. I don't want to have to go through even two or three more jobs. I would like to find a job and be content with that. (Interview with female retail worker structurally displaced from full-time permanent employment in 1999)

With over 200,000 Canadian women restructured out of full-time jobs annually, the experiences revealed by the retail worker quoted above captures the struggles and fears generated by the contemporary job market (see Table 2). In this paper, we examine structural job displacement<sup>1</sup> within the Canadian labour market during the period 1993-2001. More specifically, we focus on a particular group of unemployed, who have neither been

fired nor quit, but who have lost their full-time job because the company moved, the company went out of business, or there was a non-seasonal layoff or business slowdown. What is the extent of this form of job loss? Are the rates for women different than for men? Once unemployed, what are the prospects for obtaining another full-time job? Does structural job displacement result in temporary instability followed by reintegration into full-time employment or does this form of lay-off create a new pathway to precarious employment and labour market exclusion for the group as a whole and for women specifically? We draw on Statistics Canada's Survey of Labour and Income Dynamics (SLID) to measure both annual structural displacement and the reemployment of displaced workers.<sup>2</sup>

When compared to other countries, Canadian women have among the highest rates of labour force participation in the world. In 2002, 56 per cent of Canadian women had jobs, and participation rates for married women, including mothers of young children, were very similar to the rates for single women (Statistics Canada 2003). The rapid increase in women's labour force participation occurred in the 30 year post-war period. From 1950 until the 1970s, the Canadian economy was buoyant, and women were pulled into the labour force by expanding opportunities in health, education, and welfare. Participation rates for women continued to rise in the 1980s, and increasingly work patterns of younger men and women were similar—although they continued to work in different industries and do different kinds of jobs (Wilson).

The decade of the 1990s witnessed an unprecedented restructuring of the Canadian labour market away from full-time, sustaining employment. The new labour market has been significantly shaped by the global economy and neoliberal public policy shifts. Job growth in the 1990s was concentrated in flexible work forms such as self-employment, part-time, contract, and other forms of temporary work. These non-standard forms of employ-

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Table 1
"Official" and "Actual" Canadian Unemployment Rates 1993-2001

Average "Of	ficial" Unemp	loyment Rate (	"Actual" Yearly Rate of Unemployment (%)*					
Year	Overall	Men	Women	Overall	Men	Women		
1993-2001	8.7	9.2	8.5	18.9	18.3	19.6		
1993	11.4	12.0	10.6	21.8	22.0	21.6		
1994	10.4	10.9	9.7	22.3	21.9	22.7		
1995	9.4	9.8	9.0	20.7	19.9	21.7		
1996	9.6	9.9	9.3	20.1	19.0	21.4		
1997	9.1	9.3	8.9	20.0	18.8	21.3		
1998	8.3	8.6	7.9	19.3	18.8	19.8		
1999	7.6	7.8	7.3	15.1	14.9	15.3		
2000	6.8	6.9	6.7	15.4	14.4	16.6		
2001	7.2	7.5	6.8	15.7	15.1	16.3		

<sup>\*</sup>Compiled from the following sources: Statistics Canada, Labour Force Survey, Statistics Canada, Women in Canada: Work Chapter Updates, April 2002: 18.

Table 2
Male and Female Full-Time Paid Employment Rates and Rates of Full-Time Employment
Restructuring From Main Jobs

	1993	1994	1995	1996	1997	1998	1999	2000	2001	1993-2001 Average
F/T Employed Totals ('000) Male % Female %	11,258 58.9 41.1	11,614 58.8 41.2	11,566 58.7 41.3	11,519 59.4 40.6	12,066 58.4 41.6	12,411 58.3 41.7	12,089 57.7 42.3	12,552 57.2 42.8	13,156 56.8 43.2	12,026 58.2 41.8
Main Jobs Ended ('000) Male % Female %	2,992 62.3 37.7	2,948 60.3 39.7	2,715 59.6 40.4	2,753 60.8 39.2	2,814 58.8 41.2	2,697 59.2 40.8	2,592 58.2 41.8	2,220 55.7 44.3	2,446 55.3 44.7	2,686 58.9 41.1
Restructured from F/T Main Job Totals ('000) Male % Female %	880 67.8 32.2	790 70.0 31.0	660 60.9 38.9	694 67.0 33.0	597 65.7 34.3	566 65.5 34.5	549 67.4 32.6	426 63.1 36.9	579 60.8 39.2	638 65.4 34.7
Restructured as % of F/T Employed	7.8	6.8	5.7	6.0	7.3	4.7	4.5	3.4	4.4	5.4

Special tabulations, SLID

Adjusted for "Don't Know" responses

<sup>\*\*</sup>Special tabulations, Statistics Canada, Survey of Labour and Income Dynamics (SLID).

ment are in stark contrast to standard full-time employment situations. The overall impact of this segmented labour market has been elevated levels of unemployment, underemployment, economic insecurity and income polarization. In other words, there was a hollowing out of the middle and a growing divide between the top and bottom layers of the labour market (Lowe; also see: Burke and Shields; Yalnizyan; Lochhead and Shalla). Between 1989 and 1997 average family earnings declined by five per cent but the drops were concentrated at the lower and middle income ends of the earnings continuum. Moreover, pov-

dian and world economies experienced a series of economic crises and employers' and the government's responses to these crisis resulted in the reshaping of labour market relations. Since the 1970s the economy has been subject to a process of continuous restructuring, creating tremendous volatility and insecurity. In the 1970s and 1980s women had higher unemployment rates than men, except during the recession of the early 1980s when men's unemployment was greater. In the early 1990s women's unemployment was again lower than men's (Statistics Canada 1994: 22-24). Nevertheless, the period of erosion

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erty levels continued to expand in the 1990s seemingly severing the link between economic growth and poverty reduction (Jackson and Robinson).

Non-standard work in its most precarious forms is highly gendered and racialized (Cranford, Vosko and Zukewich). Women, including women of colour, are concentrated in part-time permanent and part-time temporary employment. These are the most precarious forms of employment in which low wages and the high risk of job loss produce extreme states of vulnerability and economic insecurity (Cranford et al 6).

Workers in non-standard employment are further marginalized by the inadequate protection of employment standards and rights which have been developed on a model of work that is the standard one employer, fulltime, year-round work. Part-time workers are significantly disadvantaged in relation to statutory entitlements such as Employment Insurance (which is based on hours) and Canada Pension Plan (which is based on income) as well as other standard benefits such as vacation and holiday pay. In the absence of these regulated protections, there is an emerging "individualization" when defining the terms of non-standard work, further highlighting the vulnerability of these workers (Urla-Zeytinoglu). Workers in non-standard employment are increasingly "on their own" when negotiating the terms of their employment.

### **Unemployment Rates**

From the end of the Second World War until the early 1970s unemployment in Canada averaged about four per cent. In this time, except during brief and mild recessionary periods, the economy operated at near full employment levels (McBride). However, by the mid-1970s the Cana-

of the welfare state between 1980 and 1995 created a double risk for women "as workers whose jobs were threatened and as people who use the threatened services" (Luxton and Reiter 198).

Table 1 shows the overall unemployment rate, for the nine year period of our study, as ranging from a high of 11.4 per cent in 1993 to a low of 6.8 per cent in 2000. For each year the unemployment rate for men was higher than the rate for women, although both rates follow the same trajectory. Because "official" unemployment rates are snapshots of the proportion of Canadians who are unemployed at a point in time, they do not tell the complete story. Longitudinal data allows us to calculate the number of Canadians who were unemployed at some point during the year, the "actual" unemployment rate. When we look at the "actual" percentage of Canadians who were unemployed for some part of the year for this period, the percentages are much higher (more than double for most years and averaging 18.6 per cent between 1993 and 2001), although the trend follows the same pattern as the snapshot data.

It is revealing that while "official" unemployment rates suggest that men are somewhat more vulnerable than women to joblessness during the period under investigation, the "actual" rates of unemployment uncover a higher exposure to unemployment among women. Women's "official" rates of unemployment tend to be artificially suppressed because they are far more likely to exit the labour market when losing their jobs and hence not be part of the "official" count. We return to this point later in the analysis. Clearly for both men and women, joblessness is far more widespread than simple "official" unemployment rates appear to suggest.

Against this background of unemployment, the current labour market is characterized by an increased segmenta-

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Employment Outcome		1993	1994	1995	1996	1997.	1998	1999	1993- 1999 Avg.	(Female Male)
Numbers Reemployed (*000)	Male Female	597 282	534 256	391 269	464 230	395 203	361 204	368 181	416 232	
6 Months	Male Female	36.5 31.6	49.8 42.9	47.1 38.8	43.8 29.7	55.8 35.2	49.7 38.4	51.8 37.7	47.8 36.3	+11.5
12 Months	Male Female	53.6 40.7	59.6 42.5	55.8 45.0	63.2 45.3	60.5 54.4	60.3 54.2	62.1 50.9	59.3 47.6	-11.7
18 Months	Male Female	56.5 49.0	62.3 47.6	62.6 45.1	65.5 45.7	59.7 50.5	62.7 47.8	67.0 55.2	62.3 48.7	-13.6
24 Months	Male Female	57.6 42.7	64.4 55.4	61.6 50.2	69.0 55.8		66.9 51.7	67.7 54.8	63.9 53.2	-10.7

tion of jobs. While there has been some job growth in technically demanding and high-paying jobs, most new jobs are in precarious work forms such as part-time, contract, and temporary employment or self-employment, where pay is low and benefits are insufficient. This phenomenon has been referred to as the casualization or polarization of the labour market. Because of low rates of job creation and high unemployment, the early 1990s amounted to a "jobless recovery" (Menzies 31). Slight improvements in the latter half of the decade have been described as job-poor growth (Burke and Shields 2000). Participation rates for men and women in the 1990s did not return to pre-recession levels.

Polarization is also reflected in income distribution. In the face of declining real wages the number of people living in poverty has increased, as have the numbers in the highly compensated group, while the middle is shrinking. As Armine Yalnizyan explains in her study *The Growing Gap*, there is a "remarkable symmetry" (27) emerging in the labour market. Some workers are underemployed; others work excessively long hours. One-fifth of jobs are part-time while one-fifth of employees work overtime. More overtime is unpaid, although men are more likely to get paid for their overtime hours. Among women who work overtime 62 per cent don't get paid: "Unpaid overtime is increasingly the price one is expected to pay for maintaining a position in the full-time labour market" (27).

### Incidence of Structural Job Displacement

In this study, we interviewed employees who were laid off from a full-time job, for reasons other than performance. We were not concerned, nor did we determine which company-related factor resulted in the most layoffs. The contemporary labour market is one that is in a perpetual state of big and small scale restructuring of full-time work, resulting in a situation where jobs are increasingly more contingent. Our interests thus lay not just with workers who lost jobs to firm closing or amalgamation but with big, medium, and small operations that layoff full-time workers with no indication of being rehired. We asked: what happens to full time displaced workers? We combined responses from the interviews to create an outcome we have called "structural job displacement."

Table 2 (row one) shows that there was an increase in the number of full-time main jobs over the nine-year period from 1993 to 2001. The number of full-time main jobs increased from 11.26 million to 13.16 million during this period, reflecting a 17 per cent increase. During this time there was a decrease in the number of full-time jobs that ended (row four). There were 300,000 fewer full-time jobs that ended in 2001 than in 1993, representing only an eleven per cent decrease.

When we look specifically at those jobs that ended due to workplace restructuring (row seven), predictably the number of jobs restructured was greater in 1993 when 880,000 Canadians lost jobs to restructuring. This number dropped to 426,000 by 2,000 but increased again by 150,000 in 2001, representing only a 34.2 per cent decrease during the nine-year period. It is important to observe that even with the economy in full recovery by 2001, restructuring of full-time workers remained high.

When examining male and female rates within these data, differential patterns emerge. The second and third rows of Table 2 show that slightly less that 60 per cent of those employed in full-time main jobs are men, reflecting men's higher participation in full-time employment. Women were less likely to be restructured. More than two-thirds of those restructured were men (see rows eight and nine of Table 2). The higher vulnerability of men to re-structuring is a consequence of their higher rates of full-time employment and their employment in the industries experiencing high rates of layoffs. Layoffs in the early 1990s were greatest in manufacturing, construction, forestry, fishing, mining, oil, and gas, all areas where male workers far outnumber females (Statistics Canada 1999: 10).

### The Prospects of Re-employment

The Survey of Labour and Income Dynamics makes it possible to track an individual's employment, unemployment and re-employment over time, an option that is not possible with cross sectional profiles like the Labour Force Survey. Using SLID one can follow those workers who were structurally displaced to determine their employment outcomes. How many found full-time jobs? How many of those jobs were stable, lasting more than one year? How many were employed part-time, in self-employment, or remained without work?

The data in Table 3 shows all restructured full-time workers at six month intervals for two years after their initial job loss. The table indicates how many of those who lost a job to restructuring were again employed in full-time jobs at 6, 12, 18, and 24 months following job loss. (The six-month intervals are points in time only and do not reveal changes *during* each six month interval.)

Canadians who lost a job in 1993 faced an unwelcoming labour market because of the lingering effects of the 1990-91 recession. Six months after being structurally displaced, 36.5 per cent of men and 31.6 per cent of women had found full-time employment. The rest were unemployed, employed part-time, were self-employed or had left the labour force. Two years after a 1993 job loss 57.6 per cent of men but only 42.7 per cent of women were again working full-time. As economic conditions improved, a larger percentage found full-time employment within six months of a lay-off, but the difference after two years is less dramatic. At each point of time (excluding the 24 month interval in 1997) women were less likely than men to be re-employed in a full-time job.

Following the 24 month interval, the gains made over the nine year period are quite modest, with men's reintegration into full-time employment advancing from 57.6 per cent to 67.7 per cent, while women's rates increased from 42.7 per cent to 54.8 per cent over this same time period.

So, although women are less apt to experience a lay-off, they have far more difficulty finding full-time re-employment. The one year mark is important for both men and women in terms of re-employment, with small incremental differences after 18 and 24 months.

## These patterns reveal a larger overall tendency towards the increasing flexibility of work or what has also been called the "feminization of the labour market."

As these results show, significant proportions of men and even greater proportions of women fail to become fully integrated back into the labour force, even after two years following their structural job displacement from full-time employment. Examining the range of employment outcomes for this group of workers, Table 4 illustrates the percentages of men and women who were employed in full-time stable, full-time non-stable, parttime jobs as well as the percentages self-employed, unemployed and not in the labour force, averaged over the seven year period 1993-1999. Approximately three-quarters of all restructured workers are employed in some capacity two years after the layoff. Only about half of this group found full-time stable jobs lasting more than one year. As we know from Table 3, women were less likely than men to be in full-time jobs and Table 4 confirms this in both stable and non-stable work. Women were more likely to be employed part-time but less likely to be self-employed. The big difference is in the category "not in the labour force." Far more women than men left the labour market as a result of restructuring.

These patterns reveal a larger overall tendency towards the increasing flexibility of work or what has also been called the "feminization of the labour market." This "feminization" process is evident in high rates of female participation, and in the kinds of jobs that are created. Work has become more precarious for all workers (Fudge and Vosko).

Neither part-time work nor self-employment could be considered satisfactory employment substitutes for the majority of displaced full-time workers. Nor do the numbers suggest that either of these employment categories are stepping stones to full-time employment. The rates for part-time and self-employment either remained consistent or increased during the four time intervals.

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Table 4 Male-Female Comparisons of Employment Outcomes after 6, 12, 18, 24 Months **Employment Outcome** 1993-1999 Average Male Female Female-Male Differential % F/T Stable (Months after Restructuring) 24.8 22.0 -2.8 12 37.2 31.7 -5.5 18 46.6 40.4 -6.224 52.2 45.0 -7.2 % F/T Non-Stable 6 23.0 14.3 -8.7 12 22.1 15.9 -6.218 15.7 8.3 -7.4 24 11.7 8.2 -3.5 % Part-Time 6 4.0 7.7 3.7 12 4.0 11.2 7.218 3.7 10.9 7.2 4.0 6.4 24 10.4 % Self-Employed 6 4.6 2.8 -1.812 6.1 4.5 -1.6 4.1 18 7.5 -3.4 24 7.8 5.1 -2.7 % Unemployed 6 31.9 33.3 1.4 12 20.0 -2.018.0 18 15.5 16.6 1.1 24 12.3 11.4 -0.9 % Not in Labour Force 6 19.8 11.4 8.4 12 10.1 18.5 8.4 18 10.9 19.3 8.4 24 11.6 19.4 7.8 Special tabulations, SLID

### Conclusion

This paper has compared the employment outcomes for structurally displaced Canadians in the 1990s. We started with a sample of Canadians in full-time employment and two years after being restructured from these jobs, only 63.9 per cent of men and 53.2 per cent of women were able to re-gain full-time employment (see Table 3). Clearly structural job displacement from full-time work does create paths of significant employment vulnerability and labour market exclusion for both male and female workers. The consequences for women workers are more severe. Given that women are underrepresented in full-time employment they are less vulnerable to full-time work restructuring. However, they are subject to

what might be referred to as "second tier jeopardy," so that once a layoff does occur their likelihood of successful reintegration into the labour market is much lower than their male counterparts. Restructured full-time women workers have higher rates of movement into part-time work, with 10.4 per cent of women as compared with 4 per cent of men ending up in such work. More profound yet is the fact that 19.4 per cent of women leave the labour market all together as compared to 11.6 per cent of men, although actual unemployment rates over the two year period are similar for both groups (see Table 4).

Structural job displacement is not only a mechanism of a cyclical market adjustment and adaptation. It is also a mechanism that renders full-time workers, and particularly female workers, highly vulnerable to precarious forms of employment as well as unemployment and exclusion from the labour market. What is justified as a "necessity" in a global competitive economy results in the "terrifying" experiences of precarious employment, unemployment, and labour market exclusion that was voiced by the restructured female retail worker who opened our paper.

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<sup>1</sup>In this analysis we define "structural job displacement" as the loss of a full-time job due to either of the following "company" or "structural" causes: company moved or shut down, or due to non seasonal layoff or business slowdown. This is in contrast to a job loss or job ending that is due to "worker" causes such as dismissal for cause or other performance related problem.

<sup>2</sup>Statistics Canada's Survey of Labour and Income Dynamics (SLID) is a national, longitudinal survey of Canadians designed by Statistics Canada to measure changes in economic well-being. SLID consists of overlapping sixyear panels of respondents. Data collection for the first panel began in 1993, and a second panel started in 1996. The SLID sample includes people from across the country, aged 16 to 69. There were approximately 16,000 households with about 31,000 respondents in the first panel. The addition of the second panel in 1996 brought the total number aged 16 and over in the sample to over 60,000. All respondents were asked about their labour force activity, income, education and personal characteristics. Respondents in each panel are interviewed once or twice a year (once a year if they gave permission to access tax information) for the six-year period. Although unemployment is measured by the Canadian Labour Force Survey, SLID provides a far more comprehensive picture of the extent of unemployment and the dynamic nature of job starts and exits because of its ability to track the employment history of individuals over time.

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