

## CANADA

### The labour market gets the year off to a good start

#### HIGHLIGHTS

- The labour market created 29,400 jobs in January, in line with our forecasts.
- Much of the gain, however, stems from a one-month rise of 28,300 self-employed workers.
- Public sector employment increased 14,700 jobs, while private sector employment fell 13,600.
- The unemployment rate went from 7.2% to 7.0%, with the benefits of job creation magnified by a drop in the participation rate, which went from 66.4% to 66.3%.

#### COMMENTS

Noting that nearly all of the jobs created in January occurred in self-employment may be a disappointment. Does this not mean that the labour market is more precarious? Not really, as the results must be put into context, as always with this highly volatile data. January's surge in the ranks of the self-employed followed a big drop in December (-30,500), which had also had a big hand in employment's weakness at the end of 2013. January's rebound puts us back on the trend for self-employment. Over the last six months, the number of self-employed has fallen by an average of 4,100 a month, which is not really symptomatic of a more precarious labour market.

That being said, the participation rate is at its lowest point in nearly 12 years. There are certainly signs that some workers are getting discouraged, but the drop is no doubt also being fostered by the increasing impact of population ageing.

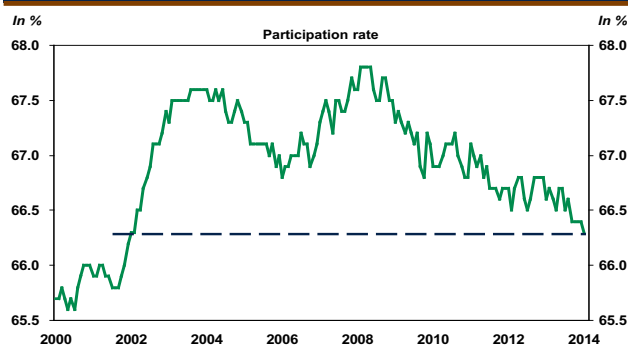
**Implications:** January's 29,400-job increase takes the six-month moving average to 15,300 jobs a month, compared with 3,300 in December, putting the trend for employment at a level that is much more consistent with Canada's moderate economic growth. Under these conditions, today's results will have very little impact on the future movement in interest rates and the Canadian dollar.

Due to employment's surge, the labour market trend is higher than it was last December



Sources: Statistics Canada and Desjardins, Economic Studies

Canada's participation rate is at its lowest level in nearly 12 years



Sources: Statistics Canada and Desjardins, Economic Studies

**Benoit P. Durocher**  
Senior Economist

**François Dupuis**  
Vice-President and Chief Economist

**Yves St-Maurice**  
Senior Director and Deputy Chief Economist

514-281-2336 or 1 866 866-7000, ext. 2336  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)

**Hélène Bégin**  
Senior Economist

**Benoit P. Durocher**  
Senior Economist

**Francis Généreux**  
Senior Economist