

NEWS RELEASE

Making Alberta labour market more competitive would increase worker prosperity

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For immediate release

Calgary—In light of Alberta’s continuing economic challenges and the rise of competing jurisdictions such as Texas and North Dakota, making the province’s labour market more competitive could improve economic growth and benefit Alberta workers, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Alberta’s unemployment remains high, inflation-adjusted wages are down, and the number of people on employment insurance remains relatively high,” said Robert Murphy, Fraser Institute senior fellow and author of *Restoring a Competitive Labour Market in Alberta: Examining Right-to-Work and Other Policy Changes*.

The study finds that Alberta government policies including its \$15 minimum wage (now the highest in North America) may be impeding economic growth. Yet other oil-producing competitors such as Texas, North Dakota and Alaska, which have lower minimum wages and greater “worker choice” with respect to unionization—including the ability of workers to opt out of union membership and dues—are out-performing Alberta.

For example, from 2001 to 2013, in U.S. states with greater worker choice, incomes rose more than 27 per cent compared to 15 per cent in states without such choice. And private (non-farm) employment grew more than 17 per cent in states with greater worker choice compared to 8 per cent in states without choice.

Meanwhile in Alberta, the unemployment rate in 2017 was 1.5 percentage points above the national average, a sharp contrast from when Alberta unemployment was consistently lower than the rest of Canada.

“Simply put, while many of Alberta’s competitors are making it easier for businesses to operate and for workers to prosper, Alberta is doing the opposite,” said Ben Eisen, a senior fellow in fiscal and provincial prosperity studies at the Fraser Institute.

(30)

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