

The Growing Gap in Skilled Labour: Rural Areas Need to Focus Labour Force Development with Economic Development Efforts

Rural regions of Canada need to find strategies to improve the skills of their labour force in order to be more competitive in job creation and business growth. A recent report by Statistics Canada (Occupational Patterns within Industry Groups: A Rural-Urban Comparison, Rural and Small Town Canada Analysis Bulletin, Vol 5, No 6) shows an alarming pattern over the 1991-2001 period.

Rural regions have a higher concentration of unskilled occupations (within most industries) compared to urban regions. And, during the 1990s, rural areas became more intensive in unskilled jobs within most sectors. New strategies are required to address the problem.

Why has this been happening? A number of factors have come together to create this gap. There have been cutbacks and closures of government offices in rural regions of the country, reducing the number of employees with professional training and skills. Similarly, there has been some downsizing in firms engaged in transportation, shipping,

telecommunications, and retail trade, most of which require higher skilled employees. In addition, more of the companies in rural regions which are involved in natural resource manufacturing tend to be more traditional in nature (such as fish plants, pulp and paper, plastics, and textiles) and require fewer professionals. With increased automation of many manufacturing



activities, there has also been a decline in the number of technical jobs in this sector.

When these factors are combined with a general trend of out-migration of youth and young adults, and the movement of people who have lost their jobs, the collective "skilled labour pool" is much more limited.

Why should we care about this issue? With

the continued shift to a more knowledge-based economy, more and more occupations require higher skill and knowledge levels. If there are very few people with these skills, then existing employers in rural areas interested in becoming more "knowledge-intensive" may have to shut down operations and relocate to more urban centres where there are more people with the

skills they require. In addition, entrepreneurs in rural communities interested in starting a business may find a labour force shortage among skilled workers they may need. The competitive disadvantage among rural communities related to available skilled labour

threatens the overall quality of life that rural communities can offer to their citizens and potential employers.

What can rural regions do to address the gap? The first response should be: Don't panic! The statistics used in the study are for the 1991-2001 period. Rural municipalities and the regional economic development agencies and community futures development corporations

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which serve them should do a quick local assessment to see if the situation has changed or if the pattern has continued since 2001. For example, the six Regional Economic Development Authorities in Northern Nova Scotia annually track labour force skills through a project called the Northern Nova Scotia Skills Inventory Survey. The purpose is to identify the kinds of work experience and skills that are of interest to potential employers, and to help them develop a better understanding of the skills available in the local labour force.

The second response, regardless of the outcome of the first, is to develop a labour force development strategy designed to increase the skills of the local and regional labour force in the priority sectors of the region. In New Brunswick, for example, each of the 15 regional Enterprise Agencies is now responsible for having a labour force development

strategy which is integrated to its strategic plan for economic development.

The third response should be the development of a business retention and expansion plan. This involves interviewing the owners and managers of all businesses in the community to determine any issues they may have which may prevent them from staying in the community or from



expanding their operations. This exercise should identify any skilled labour force issues, and lead to plan for addressing them. Many rural communities and small towns, like Dalhousie in northern New Brunswick, have used this strategy.

The fourth response should be the development of a strategy to work in cooperation with high schools and community colleges to tailor their programs in such a way that young people are made aware of the skilled jobs available in their regions, and that they receive training in relevant sectors. For example, the municipality of Seguin in northern Ontario, developed a partnership with a college to refocus its training programs to address the needs of a new local employer in the aircraft engine manufacturing sector.

While the skills gap appears problematic, there are many things that rural communities and their development agencies can do.

Now is the time to act on the skills gap and develop local, regional, and provincial solutions to the challenges the gap presents.

David Bruce
Director, Rural and Small
Town Programme
Mount Allison University



The New Rural Economy Project, Phase 2
Tel: (514) 848-2424 ext. 2323
Fax: (514) 848-2322
E-mail: reimer@vax2.concordia.ca
Website: nre.concordia.ca

