Rural and Small Town Canada Analysis Bulletin
Vol. 3, No.4 (December 2001)

Catalogue no. 21-006-XIE

EMPLOYMENT IN RURAL AND SMALL TOWN CANADA: AN UPDATE TO 2000

Neil Rothwell, Statistics Canada

HIGHLIGHTS

- **Rural and small town areas of the Atlantic Provinces and Quebec have lower employment rates and higher unemployment rates than the rural and small town Canadian average. The reverse is true in the Western Provinces and Ontario. However, this geographic discrepancy appears to be lessening.**
- **Female youth in rural and small town areas have appreciably lower labour force participation rates and lower employment rates than female youth in larger urban centres and the male youth populations.**
- **Rural and small town female youth have lower unemployment rates than male youth in both rural and small town areas and larger urban centres.**
- **There is a growing share of employment in rural and small town areas in Manufacturing; Professional, Scientific and Technical Services; and Management of Companies and Administrative and Other Support services.**
- **Relative to Canada as a whole, the rural and small town areas are increasing their employment intensity (as measured by location quotients) in Transportation and Warehousing and in Management of Companies and Administrative and Other Support services.**

1) Introduction

There has been much debate recently on the need for government policy to promote the vitality and sustainability of rural areas of Canada. This paper examines the evolving employment in Rural and Small Town (RST – see Box 1 for definition) Canada. The work uses Labour Force Survey data for the years 1996 to 2000. It is designed to provide data to help inform the debate on the future of rural Canada. Some data from before 1996 is included to provide an historical context[1].

[1] This infomation is taken from an earlier paper. See Roland Beshiri and Ray D. Bollman (2001) Rural and Small Town Employment: Structure by Industry (Ottawa: Statistics Canada, Agriculture and Rural Working Paper No. 50, Cat. No. 21-601-MIE, www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=21-601-MIE.

Rural and Small Town Canada
Analysis Bulletin

ISSN 1481-0964

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Published in collaboration with The Rural Secretariat, Agriculture and Agri-Food Canada. The ***Rural and Small Town Canada Analysis Bulletin*** is an occasional publication of the Agriculture Division of Statistics Canada. It is available without charge at http://www.statcan.ca/cgi-bin/downpub/freepub.cgi.

Editorial committee: Denis Chartrand, Ross Vani, Norah Hillary, Rick Burroughs, Heather Clemenson, Aurelie Mogan and Lucie Bourque.

Special thanks to: Martin Beaulieu and Josée Bourdeau.

Published by authority of the Minister responsible for Statistics Canada.

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Box 1 Definition of 'Rural and Small Town' (RST) Canada

Rural and Small Town (RST) refers to the population living outside the commuting zones of Larger Urban Centres (LUCs) - specifically, outside Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs). RST includes all municipalities with urban populations of 1,000 to 9,999, and rural areas where less than 50 percent of the employed individuals commute to the urban core of a CMA/CA.

A CMA has an urban core of 100,000 or over and includes all neighbouring municipalities where 50 percent or more of the labour force commutes into the urban core. A CA has an urban core of 10,000 to 99,999 and abides by the same commuting rule as CMAs.

We review:

- employment rates and unemployment rates;
- employment by gender and youth; and
- employment by industry group.

2) Labour force participation, employment, and unemployment rates

The labour force participation, employment and the unemployment rates (see Box 2 for definitions) give an indication of general economic performance. These rates are used to compare RST areas to Larger Urban Centres (LUCs). The focus of this section is the "core-age" working population – that is the 25 to 54 years age group. This section of the population was selected to exclude those age groups where full-time or part-time education (the 15 to 24 years age group) or early retirement (the 55 and above age group) might be expected to influence the results. Between 1996 to 2000, the RST employment level for this group rose from just over 1.9 million to just over 2.1 million in absolute numbers while the LUC employment level increased from just under 8.2 million to just under 9 million (Appendix Table 1).

Employment and unemployment rates in Canada

Between 1987 and 1994 RST employment grew almost 6 percent while LUC employment grew nearly 8 percent. This growth in RST areas was fairly steady with the exception of 1990-91 when there was an overall decline in employment due to the economic recession. Between 1996 and 2000, while both the labour force participation rate and the employment rate in RST areas remained lower than in LUCs, growth was similar in both regions at just over 5 percent (Figure 1).

The unemployment rates for RST areas and LUCs declined between 1996 and 2000, but the rate of reduction was slightly less in RST areas (Figure 2).

Box 2 Employment, unemployment and labour force participation

Definitions:

Labour Force:

The number of civilian, non-institutionalized persons, 15 years and over who, during the reference week of the survey, were employed or unemployed.

Core age labour force participation rate:

The number of labour force participants aged 25 to 54 expressed as a percent of the total population aged 25 to 54, excluding the institutional population.

Employed:

Number of persons who, during the reference week of the survey, worked for pay or profit, or performed unpaid family work or who had a job but were not at work due to own illness or disability, personal or family responsibilities, labour dispute, vacation, or other reason. Those persons on layoff and those persons without work but who had a job to start in the future are not considered employed.

Core age employment rate:

The number of employed persons aged 25 to 54 expressed as a percent of the total population aged 25 to 54, excluding the institutional population.

Unemployed:

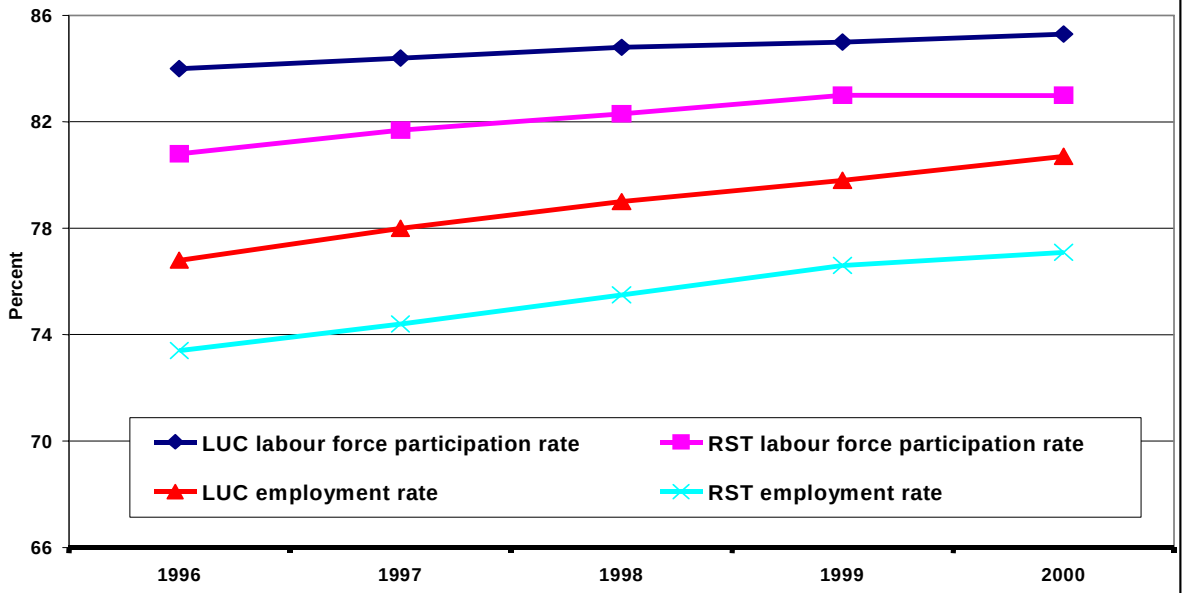
The number of persons who, during the reference week of the survey, were without work, had actively looked for work in the past four weeks, and were available for work. Those persons on layoff or who had a new job to start in four weeks or less are considered unemployed.

Core age unemployment rate:

The number of unemployed persons aged 25 to 54 expressed as a percent of the labour force. The labour force is the number of civilian, non-institutionalized persons, aged 25 to 54, who are employed or unemployed.

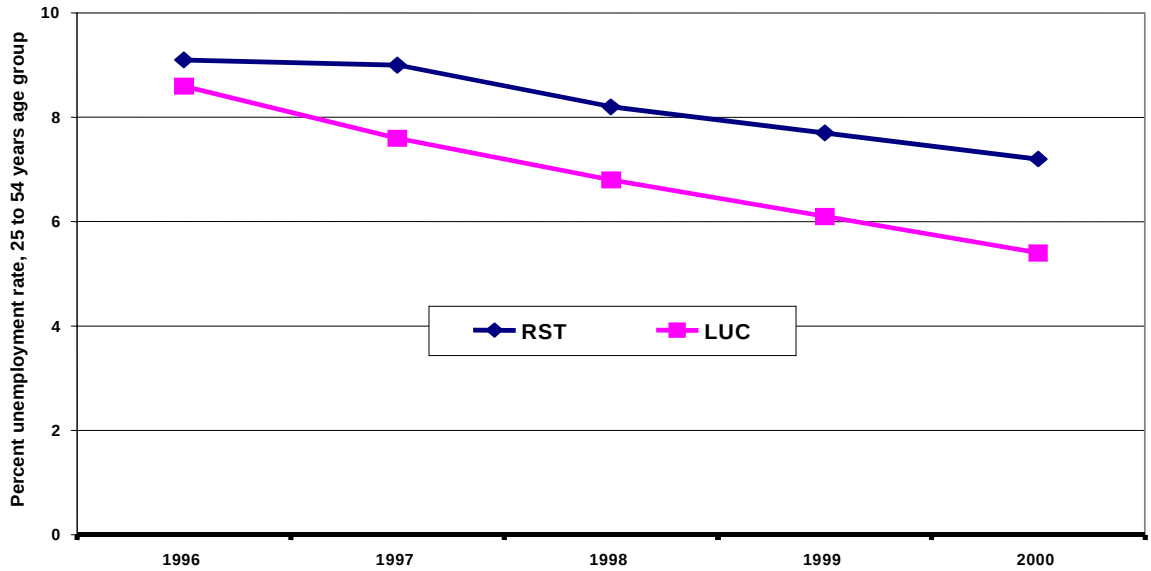
It should be noted that the unemployment rate has a different denominator population than both the labour force participation rate and the employment rate. This difference in denominator population is important. An increase in the labour force participation rate (in the absence of any other changes) would cause a rise in the employment rate (if the individuals found work) or a rise in the unemployment rate (if those individuals did not find work).

Figure 1: In Canada, the core-age RST labour force participation and employment rate increases are matching those of the LUCs



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 2: In RST areas of Canada there is a steady decline in the unemployment rate



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Provincial employment rates

The discussion of employment patterns at the provincial level concentrates on the employment and unemployment rate.

Between the years 1987 and 1994:

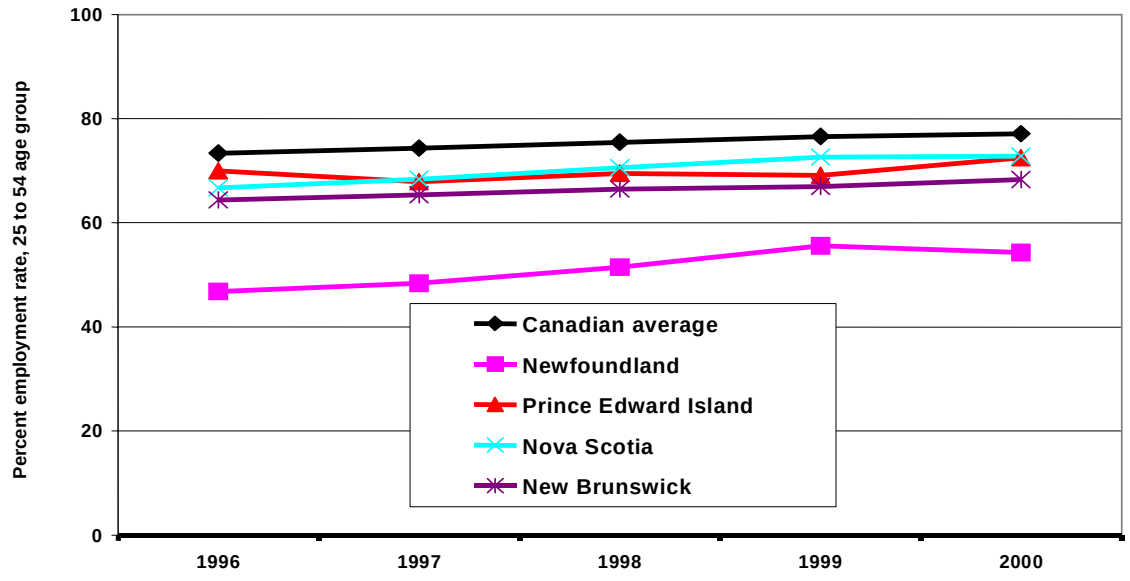
- Newfoundland, Saskatchewan and New Brunswick experienced RST job losses, but urban employment gains,
- Ontario, Quebec and British Columbia gained RST employment but more slowly than in LUCs, and
- Nova Scotia, Prince Edward Island and Alberta had RST employment gains that were better than their urban employment gains.

Between 1996 and 2000, the employment rate increased in the RST areas of the four Atlantic Provinces, but each of these provinces maintained an employment rate below that of the average RST employment rate for Canada as a whole (Figure 3). However, Newfoundland and Nova Scotia increased their employment rate at a faster pace than RST areas of Canada as a whole.

In Quebec and Ontario, there was a consistent rise in the RST employment rate through 1996 – 2000, with Ontario remaining above the national RST average and Quebec staying below it (Figure 4). However, RST areas of Quebec increased their employment rate slightly faster than that of RST areas of Canada as a whole.

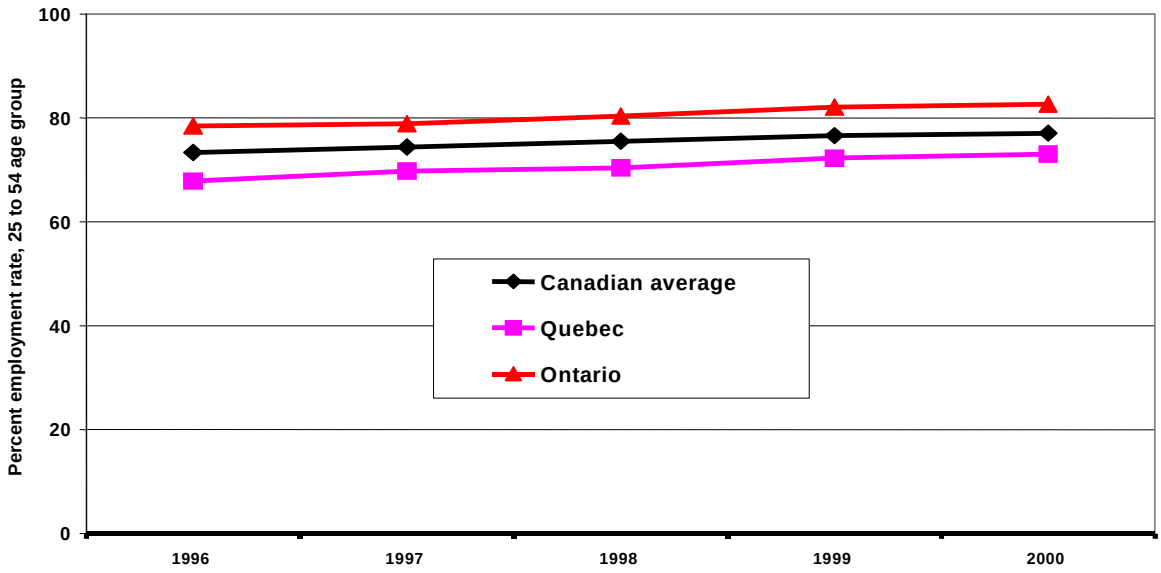
All four Western Provinces had essentially steady employment rates in their RST areas (Figure 5). While all remained above the Canadian average, the gap was closing.

Figure 3: RST areas in each Atlantic Province have lower employment rates compared to all RST areas of Canada



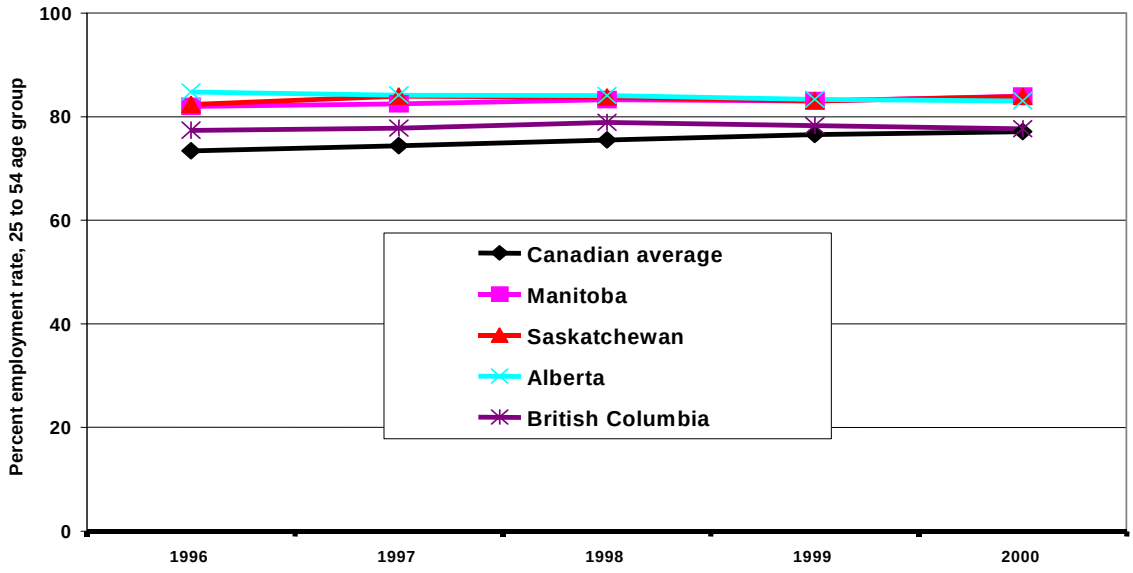
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 4: RST employment rates are higher in Ontario and lower in Quebec, compared to all RST areas in Canada



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 5: RST employment rates in each Western Province are higher, compared to all RST areas in Canada



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

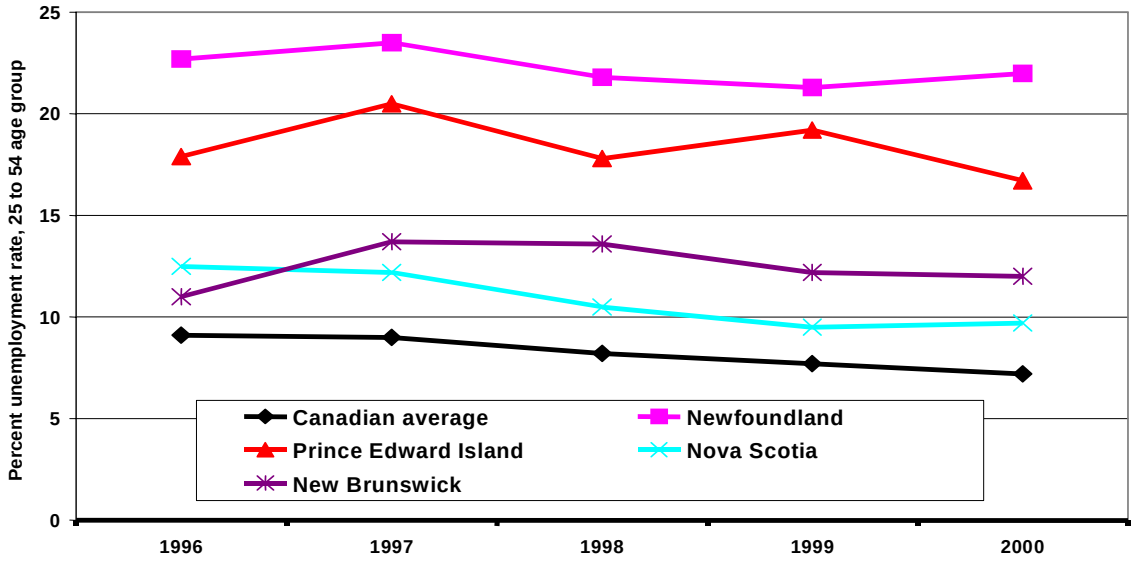
Provincial unemployment rates

Between 1996 and 2000, the RST unemployment rate in each Atlantic Province was higher than the Canadian RST average unemployment rate (Figure 6). This was particularly marked in Newfoundland and Prince Edward Island. While there was variability in the trend in both these provinces over time, there did appear to be an overall downward trend. Nova Scotia showed a generally downward trend while New Brunswick presented a mixed picture.

The unemployment rate in RST areas of Quebec remained above the national RST average while Ontario continued below it (Figure 7). Both provinces displayed a consistent downward trend.

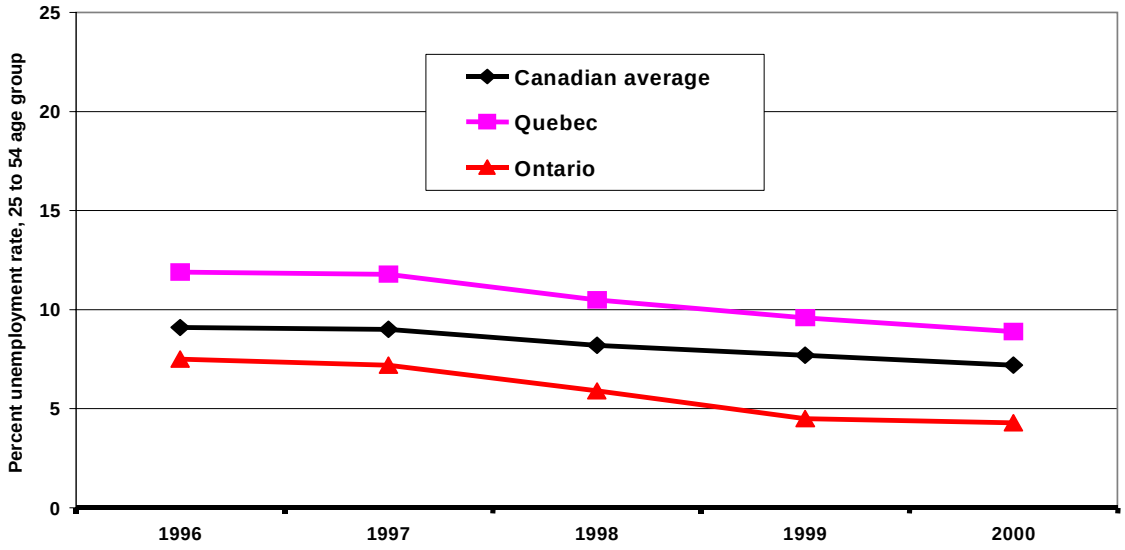
Except for British Columbia in 1999 and 2000, all the Western Provinces had an RST unemployment rate below the Canadian RST average (Figure 8). All the Western Provinces maintained an essentially constant RST unemployment rate, but British Columbia's rate remained consistently higher than Manitoba, Saskatchewan and Alberta.

Figure 6: RST unemployment rates in each Atlantic Province are higher, compared to all RST areas in Canada



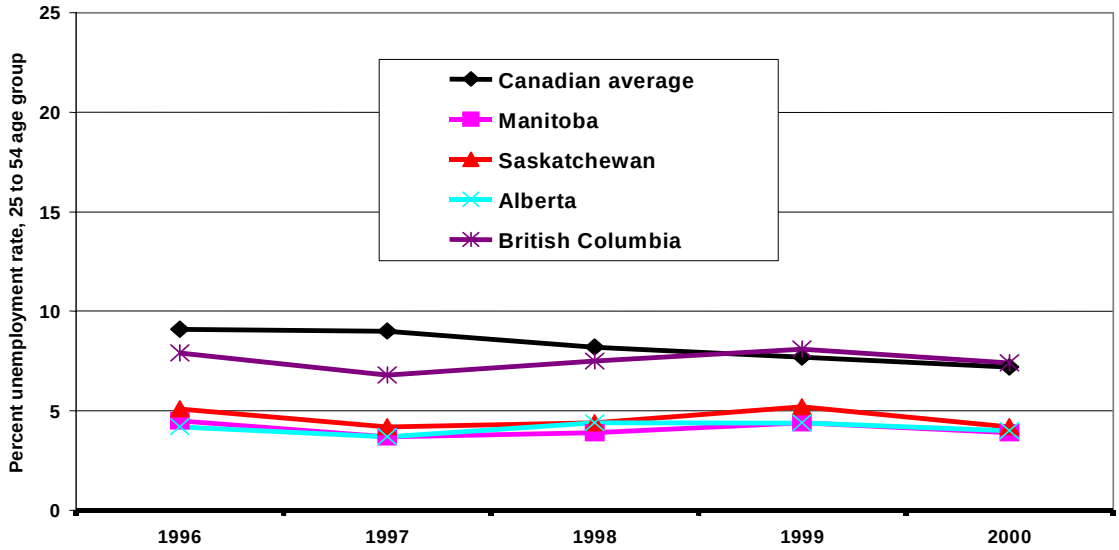
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 7: RST unemployment rates are lower in Ontario and higher in Quebec, compared to all RST areas in Canada



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 8: RST unemployment rates in each Western Province are generally lower, compared to all RST areas in Canada



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

3) Employment patterns of RST youth

In this section, first, the employment patterns of youth[2] and the general population are compared in RST areas and LUCs. The work continues by contrasting the RST employment patterns of male youth and female youth with the respective patterns in LUCs. Throughout this section, three aspects of employment are presented: the labour force participation rate; the employment rate; and the unemployment rate (see Box 3). These aspects of employment were not covered in Beshiri and Bollman's paper so there will be no reference to patterns in the 1987 to 1994 period in this section. In terms of absolute numbers, the RST youth population increased from 786 thousand in 1996 to 793 thousand in 2000. During the same period, the LUC youth population increased from 3.15 million to 3.27 million (Appendix Table 2).

Employment patterns of youth and the general population in RST and LUCs

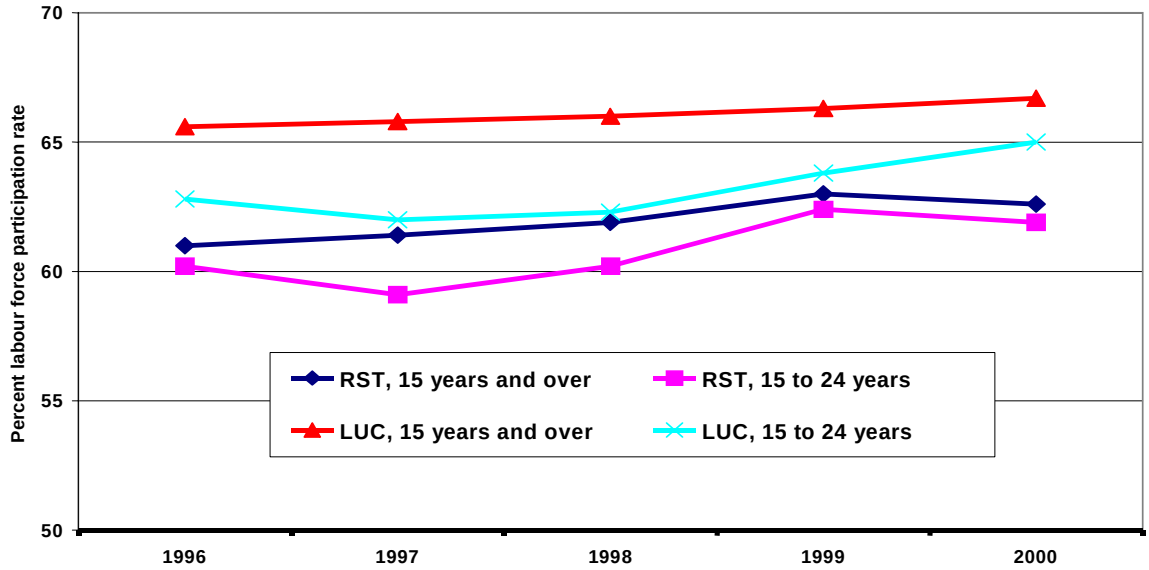
RST areas had lower labour force participation rates than LUCs for both youth and the general population (Figure 9). However, up until 1999 the respective gaps closed. Between 1999 and 2000 the rate for youth and the general population declined in RST areas but continued a steady rise in LUCs.

Figure 10 displays the employment rates for the same population groups. While there was a general rising trend throughout, there was a large percent difference between lower rates in RST areas and higher rates in LUCs. There was also a contrast between youth and the general population for each area, with youth having lower employment rates.

There was a smaller discrepancy in unemployment rates between RST areas and LUCs for the two populations (Figure 11) than was evident in either the labour force participation or the employment rates. However, both youth and the general population exhibited a steeper decline in the unemployment rate in LUCs. There was a marked difference in rates between youth and the general population in both areas, with youth averaging more than 5 percentage points higher than the respective general population.

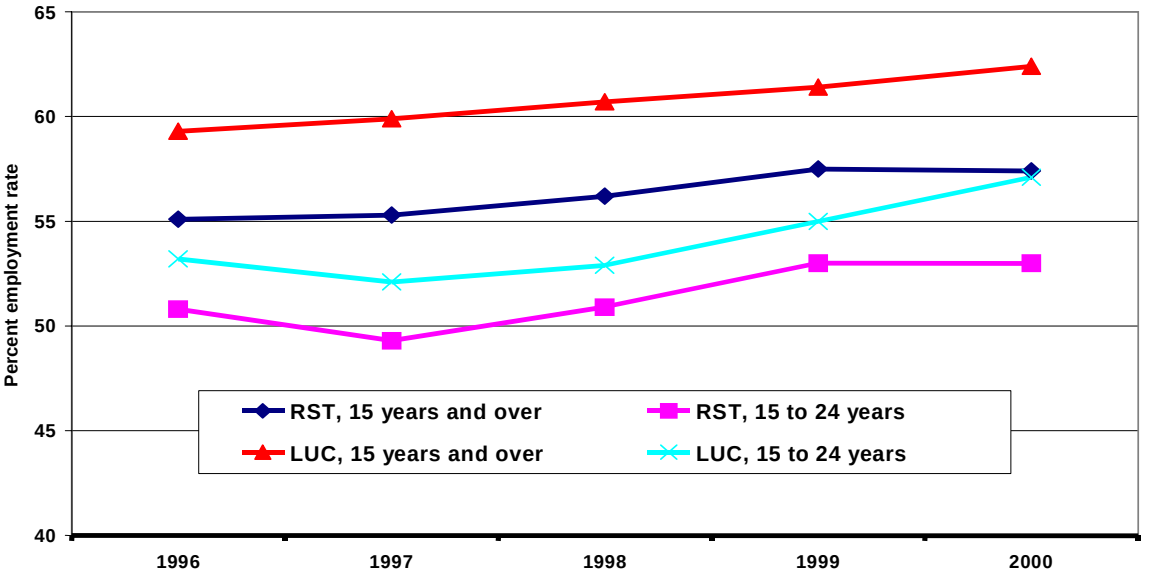
[2] "Youth" are defined as those aged 15 to 24 years. The "general population" are those aged 15 years and over.

Figure 9: RST youth have lower labour force participation rates



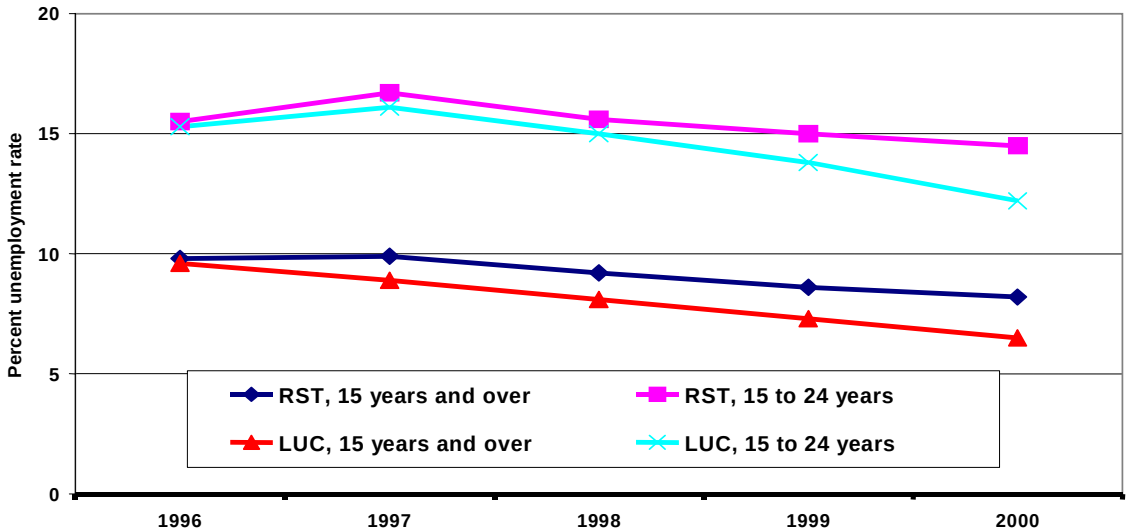
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 10: RST youth have lower employment rates



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 11: RST unemployment rates for both youth and the population 15 years and over are higher, and falling more slowly, than the same populations in LUCs



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

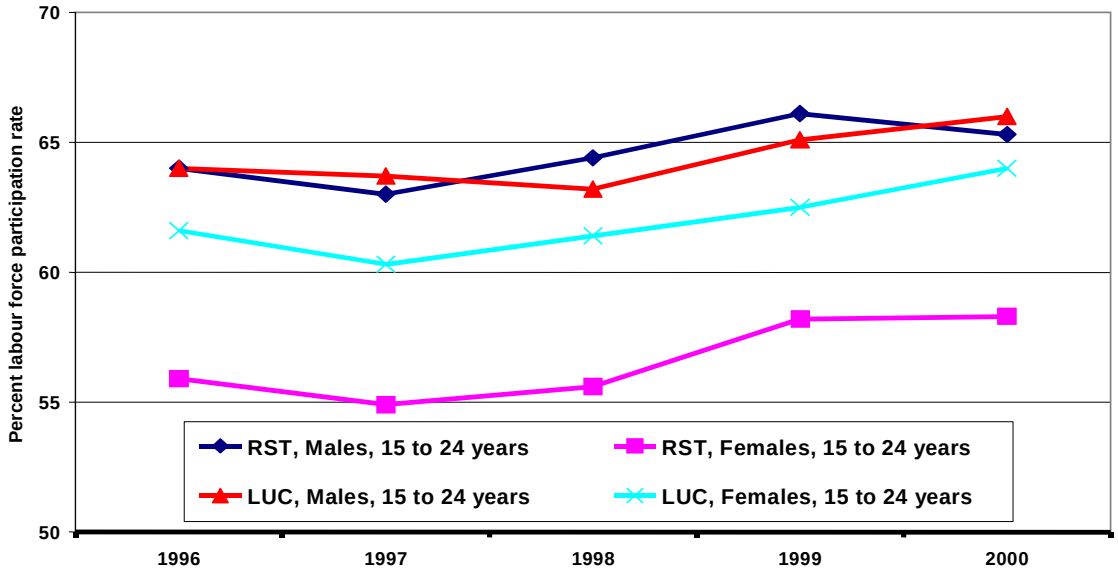
Employment patterns of male and female youth in RST and LUCs

The following three charts specifically examine male and female youth in RST areas and LUCs. Figure 12 shows the labour force participation rates for these groups. The female rates were lower. The male rates showed little difference between RST areas and LUCs, but the female rates exhibited a large discrepancy. Female RST labour force participation averaged 5 percentage points below that in LUCs.

Males in both RST areas and LUCs, and females in LUCs, had similar employment rates (Figure 13). However, females in RST areas had lower rates, averaging approximately 5 percentage points below the other groups.

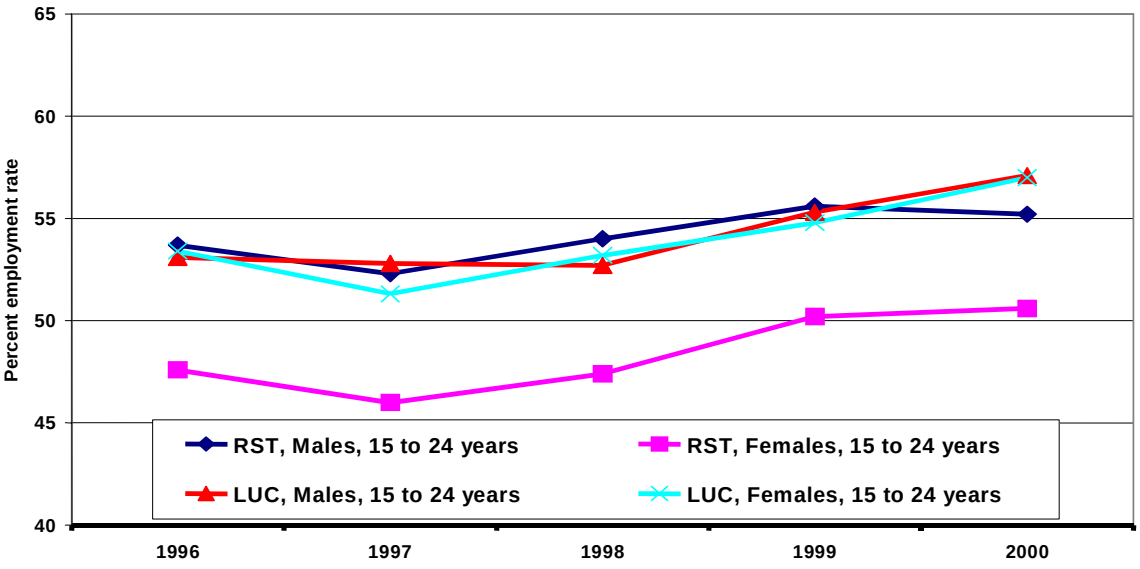
Figure 14 shows the unemployment rates for the same groups. While all the rates are high (averaging nearly 15 percent), after 1997 there was a downward trend for all the groups. This decline was steepest for male youth in LUCs. In both RST areas and LUCs, female youth had lower unemployment rates than the respective male population.

Figure 12: Female youth in RST areas have lower labour force participation rates than in LUCs, while the respective male rates are similar



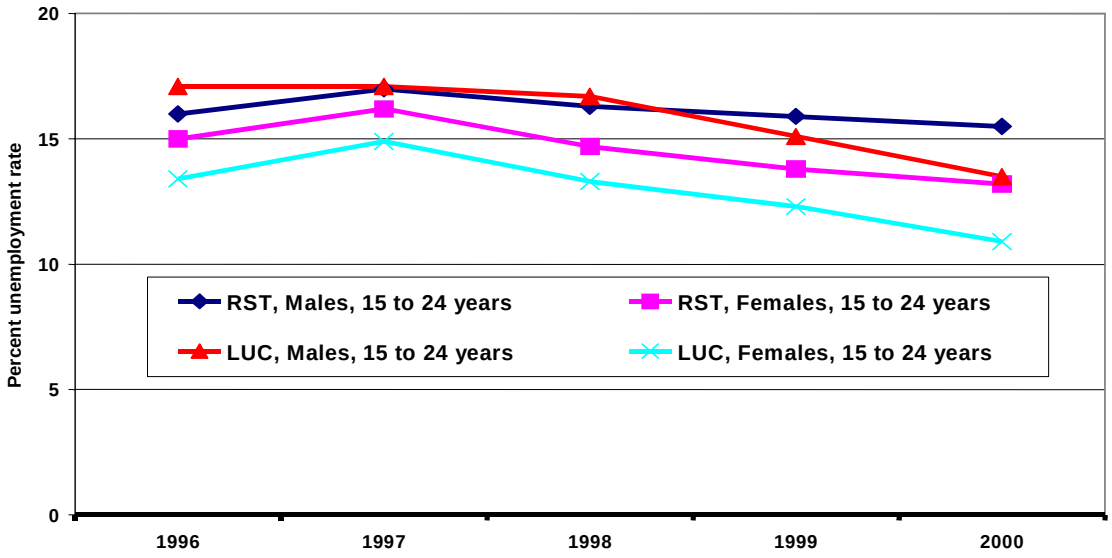
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 13: RST female youth have a lower employment rate than LUC female youth, and lower than male youth in both areas



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 14: Overall, female youth have lower unemployment rates than male youth; RST female youth have higher unemployment rates than LUC female youth



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

4) Employment patterns by industry

Three facets of RST employment by industry (see Box 4) are examined:

- the absolute level of employment is used to generate the year-over-year percentage change in employment in RST areas for each industry group. This allows the annual change in absolute employment levels to be clearly seen for each industry group;

- the employment level of each industry group within the RST areas is shown as a percent of the total RST employment. This gives an indication of how employment within the different RST industry groups is varying relative to overall RST employment; and

- location quotients (LQs) are used to measure the intensity of employment in a specific industry within the RST areas, relative to employment in that industry in Canada as a whole. This allows the industry specific employment performance of RST areas to be compared to Canada as a whole.

Box 4 Industry Sectors

In this work, employment has been divided into groups following the North American Industry Classification System (NAICS) as used in the Labour Force Survey.

To generate the charts in this report, the industries have been grouped as follows:

- **Goods Producing Sectors –** Agriculture; Forestry, Fishing, Mining, Oil and Gas; Construction; Manufacturing
- **Distributive Services** – Utilities; Trade; Transportation and Warehousing; Information, Culture and Recreation
- **Producer Services** – Finance, Insurance, Real Estate and Leasing; Professional, Scientific and Technical Services; Management of Companies and Administrative and other Support Services
- **Social Services and Personal Services** – Educational Services; Public Administration; Health Care and Social Assistance; Accommodation and Food Services; Other Services*

* 'Other Services' includes: maintenance work on motor vehicles, machinery or equipment; personal care services; funeral services; laundry services; pet care services; photo finishing services; organizing and promoting religious activities; and promoting various social and political causes.

Year to year change

Between 1987 and 1994, the RST Goods Producing sector as a whole lost 4.1 percent of its jobs. Construction was particularly badly impacted with a loss of 21 percent, but there were also losses in Agriculture (5 percent) and Manufacturing (6 percent). Between 1996 and 2000, the Goods Producing sector showed an accelerating loss of Agricultural employment[3] (Figure 15). In contrast, Manufacturing employment exhibited positive year-over-year employment growth and thus showed a significant turn around from the 1987 – 1994 period. Construction also exhibited an improvement with employment growth in 1999 and 2000.

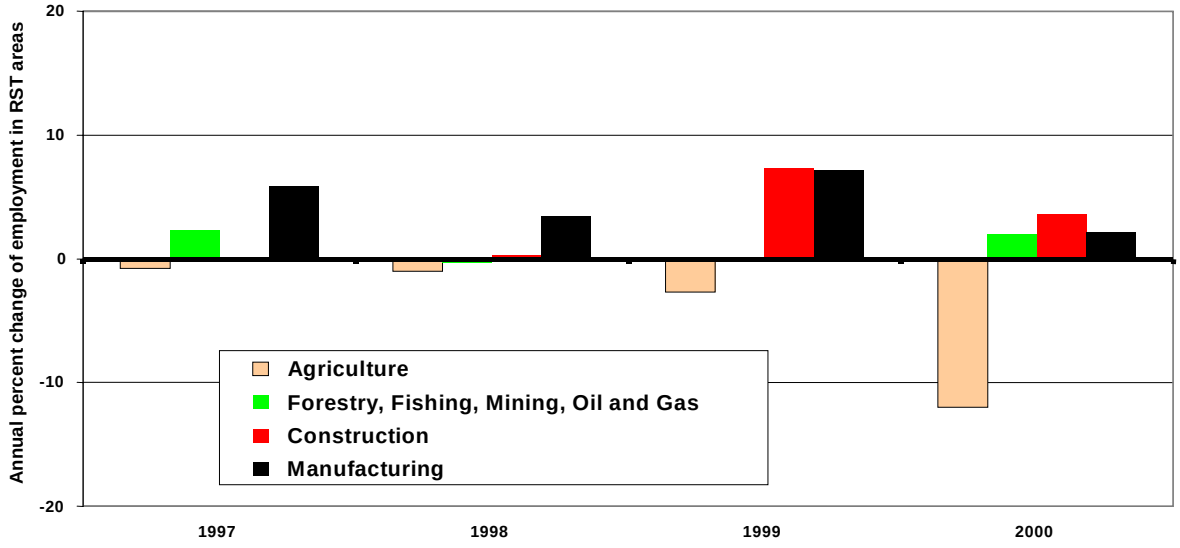
In the 1987 to 1994 period, the Distributive Services sector increased its employment by nearly 9 percent with the greatest growth coming from the Transportation and Warehousing sectors. From 1996 to 2000, Transportation and Warehousing continued to show a positive trend (Figure 16). Information, Culture and Recreation and Trade (except for the 1996 to 1997 period) were also positive while employment growth in utilities presented a mixed picture.

[3] This loss of agricultural employment appears dramatic but may in part be due to the method of reporting. The Labour Force Survey categorizes employees by their main job. A significant share of individuals working in Agriculture also have another job. If, over time, an increasing number of these people report their non-farm job to be their main job, there will be increasing numbers reassigned to another industry group. The booming economy in the 1996 to 2000 period may have produced increased employment opportunities in other fields and lured many of these individuals to spend more hours in what had previously been their second jobs. This may have resulted in many farm operators reporting this 'other' employment as their main job.

Within the Producer Services sector the 1987 to 1994 period showed an overall employment increase of approximately 33 percent, with most of this increase being due to Business and Administrative services. The 1996 to 2000 period showed a continuation of this positive trend with Professional, Scientific and Technical services and Management of Companies and Administrative and other Support services exhibiting positive year-over-year employment growth (Figure 17). The upward trend in Management of Companies and Administrative and other Support services was particularly strong, with growth of nearly 16 percent between 1997 and 1998 and over 14 percent between 1999 and 2000.

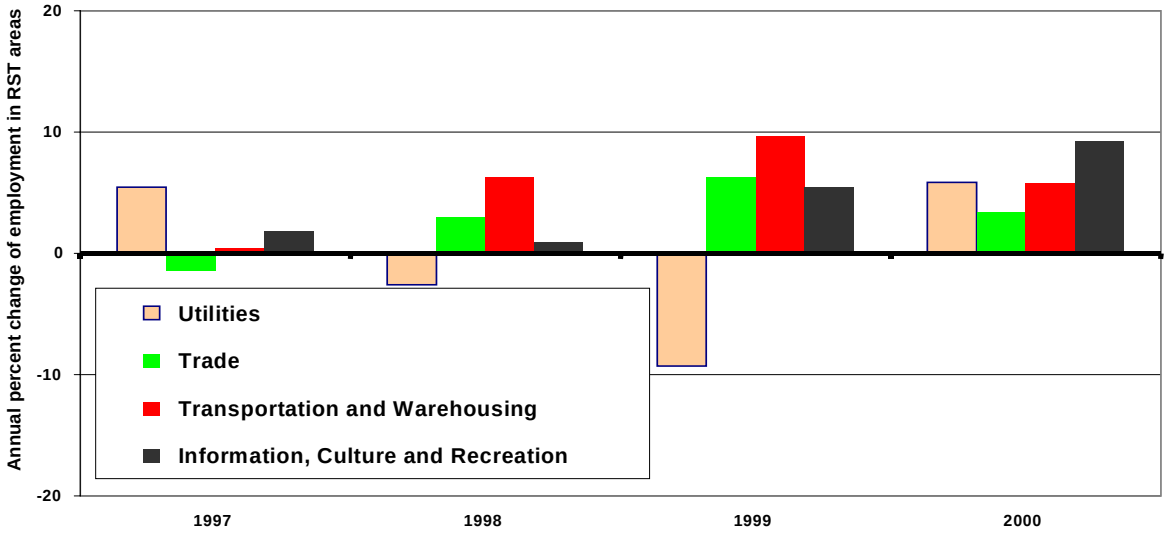
Between 1987 and 1994 Social and Personal services within RST areas had employment growth of 12 percent and 11 percent, respectively. The growth within the Personal services sector was mainly due to strength in Accommodation and Food and in Arts, Entertainment and Recreation. This likely reflected an increase in rural tourism. Between 1996 and 2000 the change remained largely positive but there was some evidence of slowing growth (or faster declines) (Figure 18). This was particularly apparent in Public Administration and (since 1998) in Accommodation and Food services.

Figure 15: Goods Producing Sector: There is an increasing pace of decline in Agricultural employment, but steady growth in Manufacturing employment



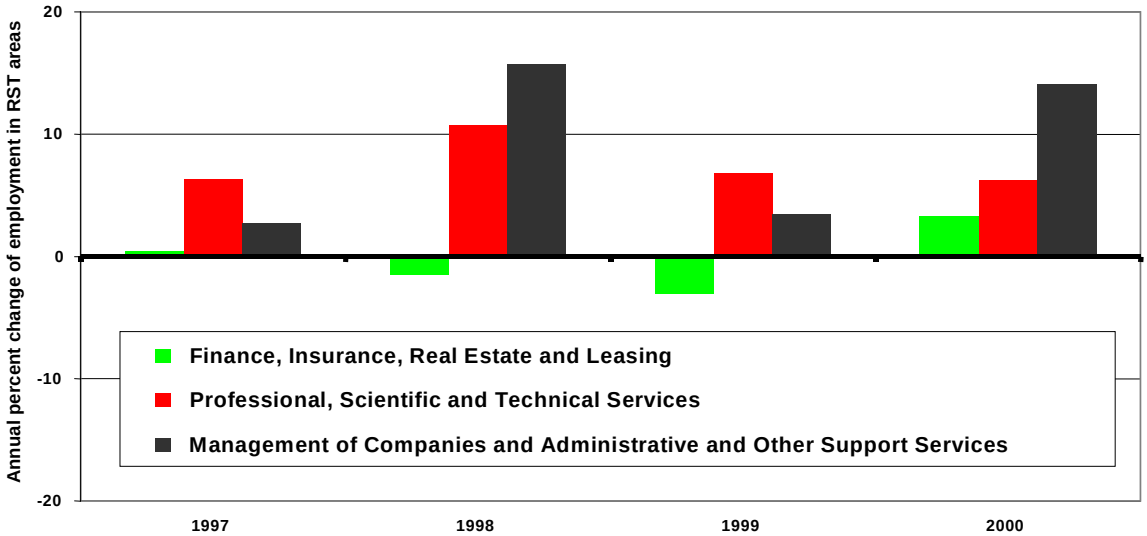
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 16: Distributive Services: The annual percent change in employment remains positive for the Transportation and Warehousing and the Information, Culture and Recreation sectors



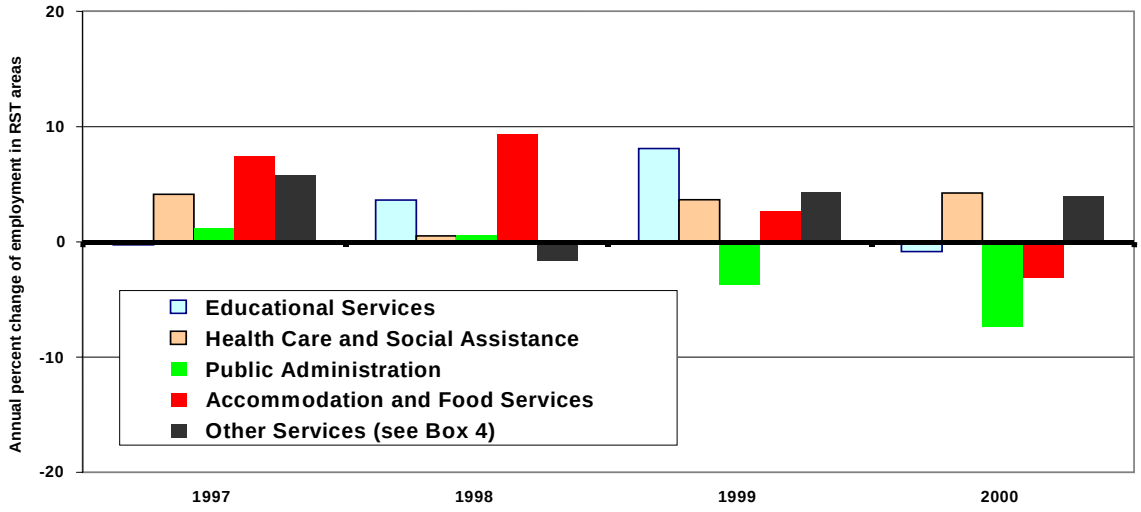
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 17: Producer Services: only Finance, Insurance, Real Estate and Leasing (in 1998 and 1999) has negative annual percent change in employment



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using 1996 constant boundaries

Figure 18: Social Services and Personal Services: The annual percent change is declining (or becoming more negative) in Public Administration and (since 1998) in Accommodation and Food services



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Industry share

We next examine the employment share of the different industry groups within RST areas. For each year, the annual average employment level of each industry group is shown as a percent of total RST employment. This allows the employment performance of the particular industry group to be compared to that of RST employment as a whole. Beshiri and Bollman's paper did not address this facet of industry employment so information on the 1987 to 1994 period will not be included in this section.

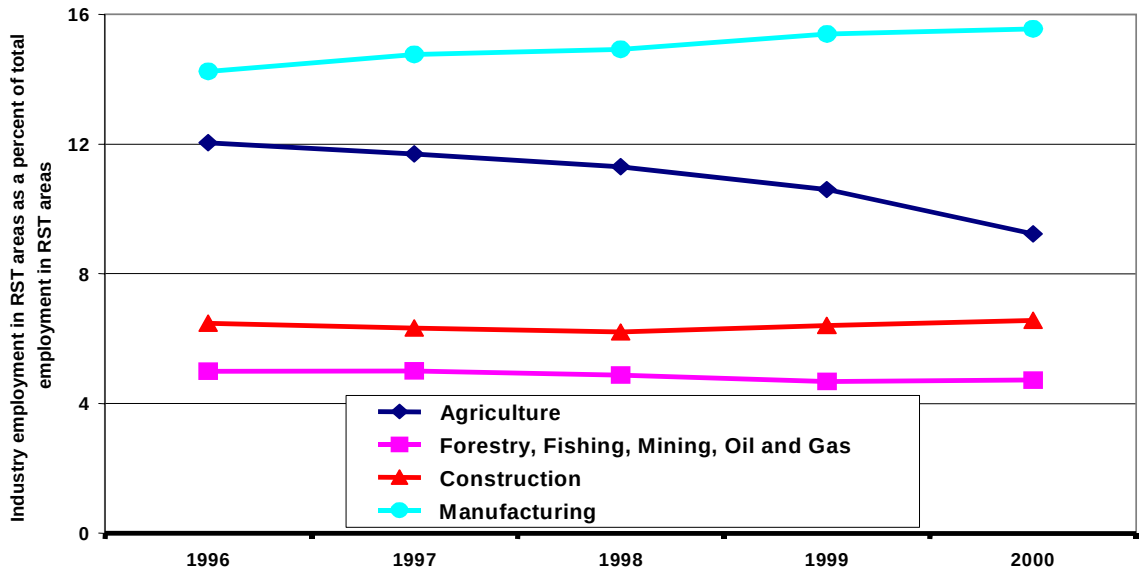
In the Goods Producing sectors between 1996 and 2000, the employment share of Agriculture declined (again see Footnote 3) and that of Manufacturing rose (Figure 19). The other two sectors remained essentially constant.

In the Distributive Services sector, there was a slight increase in the employment share of Transportation and Warehousing, while those of the other industry groups remained essentially constant (Figure 20).

In the Producer Services sector (Figure 21) there was a small upward trend in the employment share for Professional, Scientific and Technical and Management of Companies and Administrative and other Support services while Finance, Insurance, Real Estate and Leasing showed a slight decline.

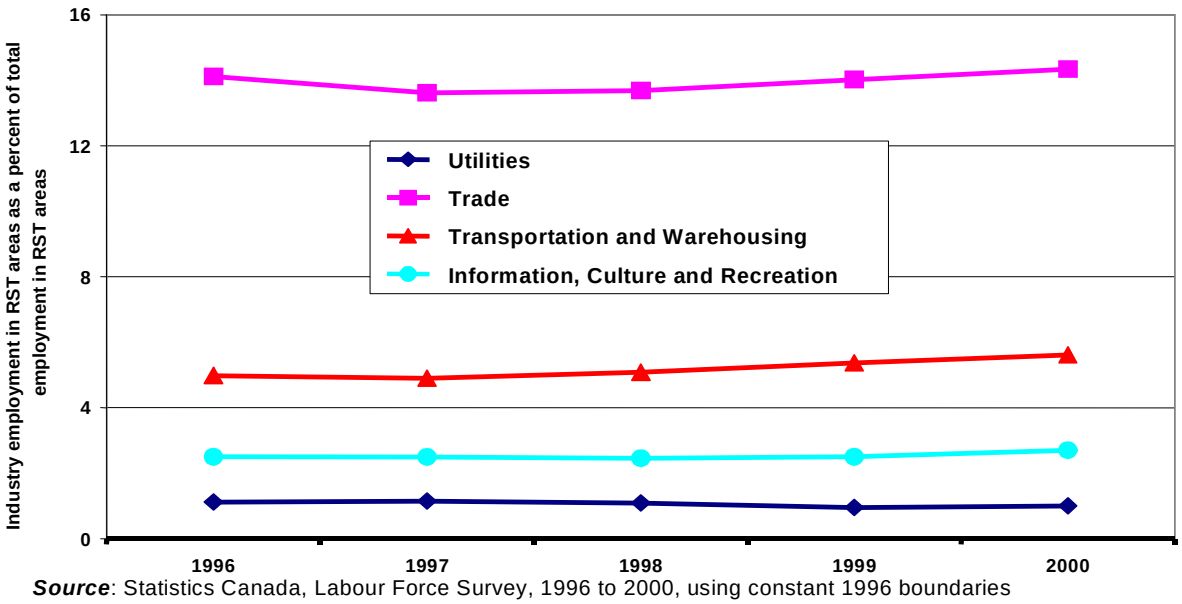
Within the Public and Personal Service sectors, Public Administration displayed a small but steady decline while the other industry groups remained broadly constant (Figure 22).

Figure 19: Within RST areas, the employment share is increasing in Manufacturing and decreasing in Agriculture



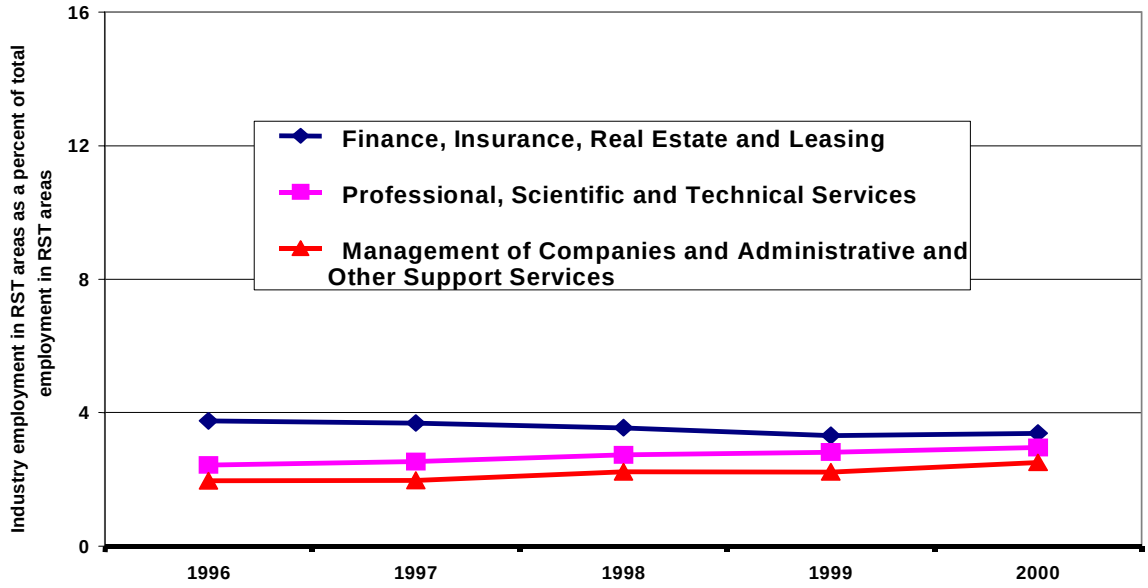
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 20: Within RST areas, the employment share of Transportation and Warehousing and Trade (since 1997) are increasing



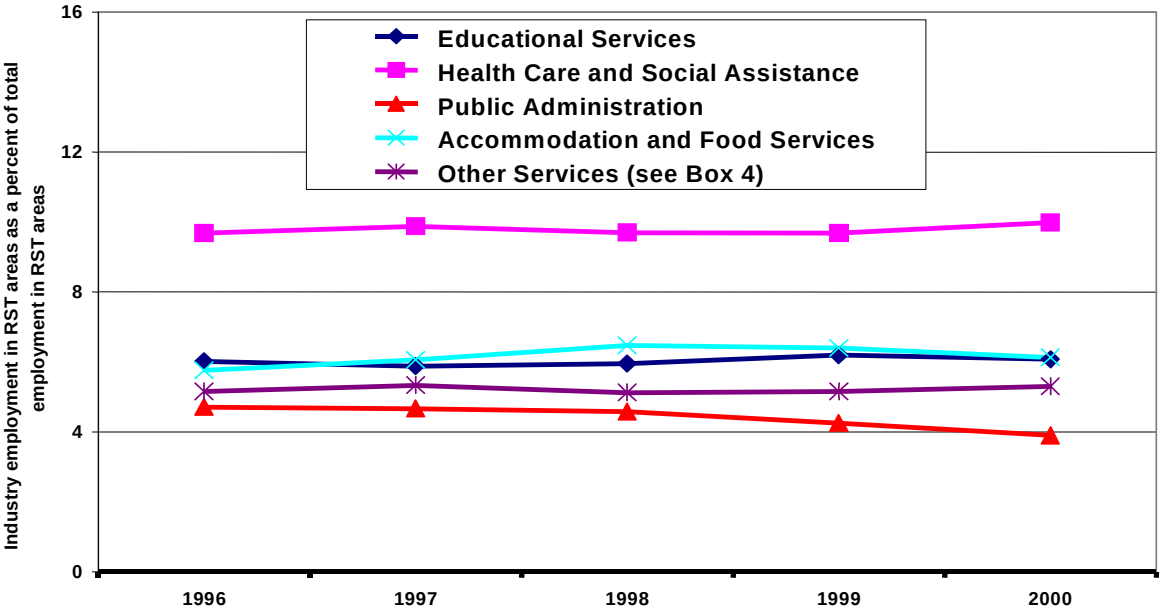
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 21: For RST Producer services, only the share of Finance, Insurance, Real Estate and Leasing is declining



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 22: For RST Social and Personal services, only the employment share of Public Administration is decreasing



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Employment intensity

Finally, location quotients (LQs) are used to provide a measure of the intensity of employment in the different industry groups in RST areas, relative to employment in the same group in Canada as a whole. An LQ provides a measure of specialization or intensity by comparing the employment concentration of a given industry in a given "location" (i.e. RST areas) to that industry's employment concentration in the larger applicable spatial system (i.e. province or country).

- An LQ of 100 indicates an equal degree of intensity.
- A value above 100 indicates a higher intensity and an associated industry specialization.
- A value below 100 indicates a lower intensity.

It is important to note that a change in LQ can reflect change in the specific "location" and/ or the larger spatial entity and therefore must be interpreted with care.

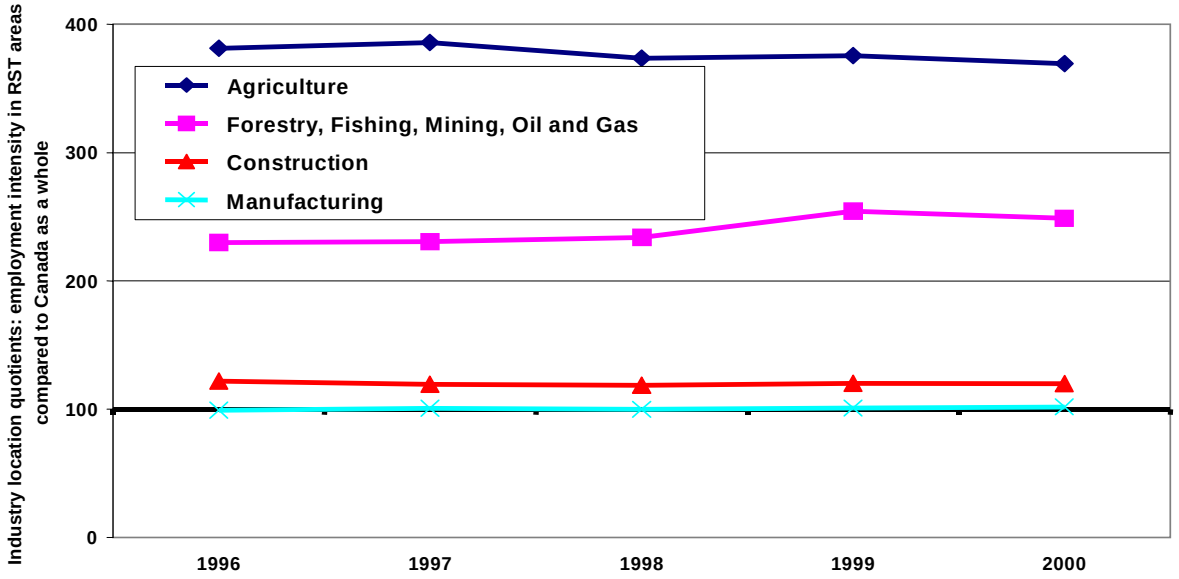
During the 1987 to 1994 period the LQ for the Primary sector as a whole remained high, varying between 307 and 330. This is to be expected, as Primary products are strongly associated with RST areas. As expected, the LQs for Agriculture and Forestry, Fishing, Mining, Oil and Gas remained high between 1996 and 2000 in RST areas, but the Agricultural intensity fell slightly while that of Forestry, Fishing, Mining, Oil and Gas slowly rose (Figure 23). RST Construction intensity increased between 1987 and 1994 and stayed above the Canadian average. Manufacturing also increased but remained below the Canadian average. In the 1996 to 2000 period, Construction employment intensity was no longer increasing but remained higher than the Canadian average. RST Manufacturing was also constant but it is important to note that its employment intensity was equal to that of Canada as a whole. Please note that because of the high LQ of Agriculture and Forestry etc. this chart has a different Y-axis scale than the other three charts in this section. This should be borne in mind when visually comparing the charts.

Between 1987 and 1994 the Service sectors as a whole had a LQ of below 100. However, the Distributive Services showed an increase in intensity during this period, with LQ scores rising from approximately 86 to 90. Within this group between 1996 and 2000, the employment intensity in Utilities, while uneven, remained above the Canadian average (Figure 24). RST Transportation and Warehousing employment exhibited increasing intensity, rising from below the Canadian average in 1997 to above, in 1999 and 2000. The Trade and Information, Culture and Recreation industry groups retained an essentially constant intensity, both remaining below the Canadian average. This is particularly true for Information, Culture and Recreation, which remained at about 60 percent of the Canadian average.

Between 1987 and 1994, RST Producer Services employment intensity was very low. However, the group did manage to increase its LQ score from 50 to 57 during this period. While the Producer services components remained low in the 1996 to 2000 period they all maintained or increased their LQ score (Figure 25). Professional, Scientific and Technical services had an essentially constant LQ score of below 50, while that of Finance, Insurance, Real Estate and Leasing remained steady at below 60. Management of Companies and Administrative and other Support services, however, showed increasing employment intensity.

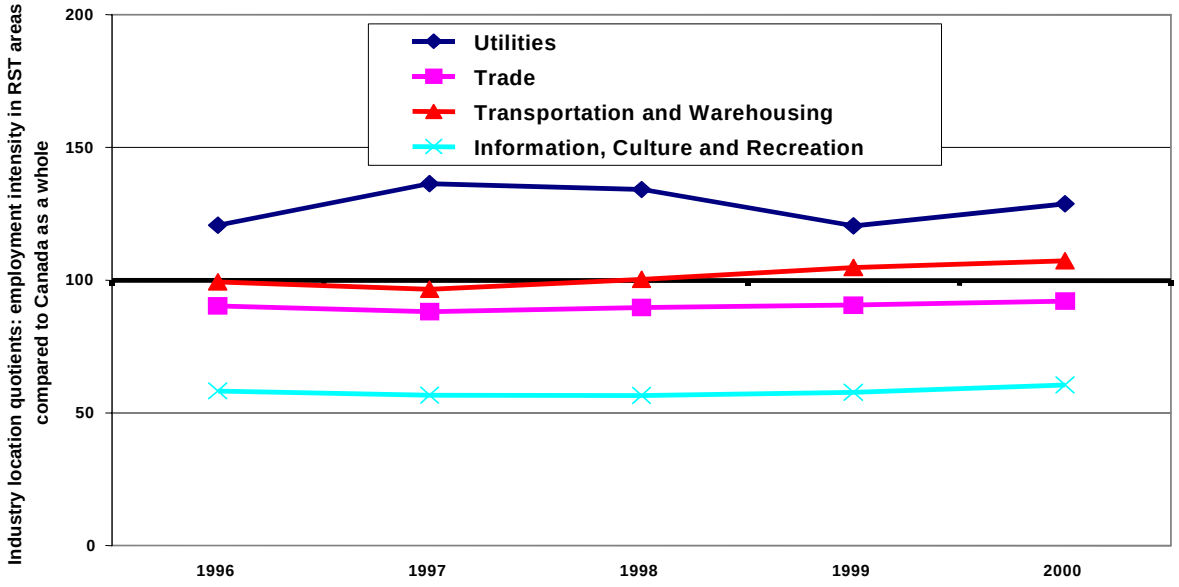
Both the Social and Personal Services sectors showed a decline in intensity from 1987 to 1994 (from just above to just below an LQ score of 90). In the 1996 to 2000 period these sectors appeared to have arrested the decline. During this later period, the "Other Services" industry group maintained an LQ score of above 100 (Figure 26). The Educational services and Health Care and Social Assistance industry groups had LQs below 100, but both exhibited a steady increase from 1998 on. The intensity of Public Administration increased until 1998 and then decreased in both 1999 and 2000. The intensity of employment in Accommodation and Food services rose between 1996 and 1999, but then fell back in 2000.

Figure 23: Employment intensity is increasing in Forestry, Fishing, Mining and Oil and Gas, but decreasing in Agriculture



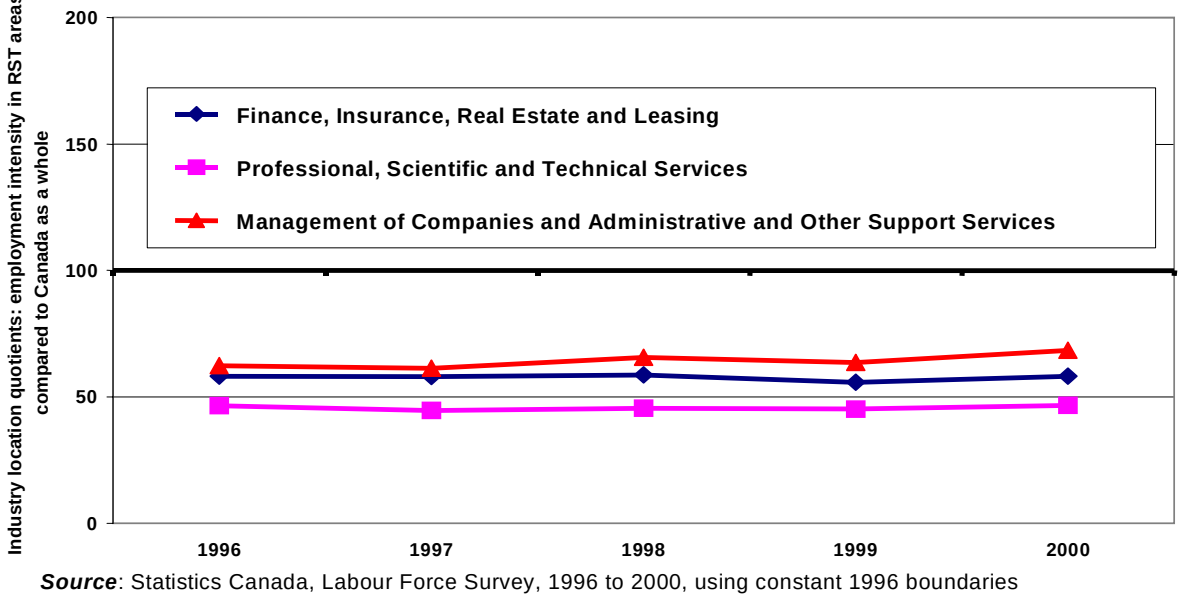
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 24: Employment intensity is increasing in Trade and Transportation and Warehousing



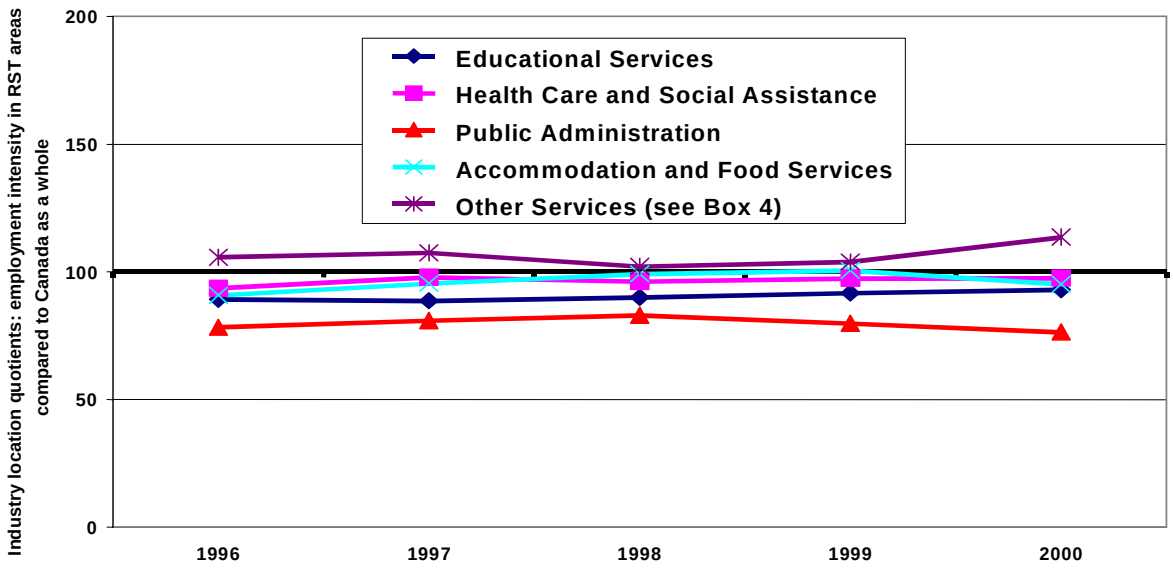
Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 25: While employment intensity remains low in all the Producer Services, there is an increase in Management of Companies and Administrative and other Support Services



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Figure 26: Since 1998, employment intensity has increased in Educational Services and declined in Public Administration



Source: Statistics Canada, Labour Force Survey, 1996 to 2000, using constant 1996 boundaries

Finally, we will look at some specific industries in RST areas across the three parameters chosen above for the 1996 to 2000 period. This will allow a broader assessment of the current health of these activities in RST Canada.

RST Manufacturing shows positive year-over-year growth in absolute numbers, a rising share of overall RST employment, and a constant and equal intensity of employment as that of Canada as a whole. It can be seen from this that Manufacturing employment is relatively healthy in RST Canada.

Similarly, employment in Transportation and Warehousing also shows positive year-over-year absolute growth, an increasing share of total RST employment, and increasing employment intensity when compared to Canada as a whole – from an LQ score of below 100 in 1996 and 1997 to one of above 100 in 1999 and 2000. Therefore, it is possible to conclude that employment in Transportation and Warehousing is also relatively healthy in RST Canada.

In a similar way, Management of Companies and Administrative and other Support services also shows positive year-over-year growth in absolute numbers, a small but rising share of total RST employment and a low but increasing employment intensity when compared to Canada as a whole. It can, therefore, be said that Management of Companies and Administrative and other Support services is improving its employment performance in RST Canada.

In contrast, RST Finance, Insurance, Real Estate and Leasing exhibited a decline in absolute employment in 1998 and 1999, a decreasing share of RST employment, and a low and slightly decreasing LQ. It would, therefore, appear that this group is doing relatively poorly in RST areas.

5) Conclusion

This paper has examined the evolving employment in Canada and the Provinces for the period 1996 to 2000. Three broad topics were reviewed

- employment rates and unemployment rates at the Canada and Provincial level;
- RST employment by youth and gender at the Canada level; and
- RST employment by industry group at the Canada level

In the first section, at the Canada level, it was seen that both the labour force participation rate and the employment rate in the RST areas were consistently below that of the LUCs. However, the RST areas were matching the LUCs in terms of the increase in employment rates over the five years. Both the RST areas and the LUCs had declining unemployment rates but the reduction was slightly less in the RST areas.

At the provincial level, the RST areas of Quebec and the Atlantic Provinces had lower employment rates and higher unemployment rates than the Canadian RST average. Ontario and the Western Provinces showed the reverse pattern. It appeared, however, that this geographic discrepancy was lessening. The employment rates in the RST areas of the Atlantic Provinces, particularly Newfoundland and Nova Scotia, were rising faster than the average for RST areas in Canada. At the same time, the unemployment rates of the RST areas of the Atlantic Provinces, particularly Prince Edward Island and Nova Scotia, were falling faster than the RST average for Canada. In contrast, the employment rates in the RST areas of the Western Provinces remained steady (and were thus coming closer to the average of the RST areas of Canada). Additionally, their unemployment rates were declining more slowly than the Canadian average (in the case of British Columbia, there was actually an increase in the unemployment rate).

In the second section, RST and LUC employment patterns of youth and the general population, split between males and females, were examined. It was found that RST areas had lower labour force participation rates and employment rates and higher unemployment rates. However, the discrepancy with LUCs was relatively smaller for unemployment rates. Youth exhibited lower labour force participation and employment rates and higher unemployment rates than the general population. The variance between youth and the general population was particularly apparent in the unemployment rates with youth averaging 5 percentage points higher. For both youth and the general population the unemployment rate was declining faster in LUCs.

Looking specifically at male and female youth in RST areas and LUCs, females had generally lower labour force participation rates. This is particularly marked in RST areas. A similar pattern is seen in employment rates, with RST females having markedly lower rates than the other groups. However, the LUC female rate was closer to the male employment rates than was apparent in the labour force participation rate. Interestingly, although female youth had relatively less attachment to the labour force (i.e. lower employment rates and lower labour force participation rates), female youth (in both RST areas and LUCs) had lower unemployment rates than either male group.

Overall, youth unemployment rates were declining (since 1997), and they were declining faster in LUCs.

Finally the employment performance of various industry groups in RST areas of Canada was examined. Within RST areas of Canada, it was found that Manufacturing and Transportation and Warehousing had positive annual employment growth, a rising share of RST employment, and constant or rising intensity of employment compared to Canada as a whole. It would appear, therefore, that these industry groups were improving their performance within RST Canada. Similarly, Management of Companies and Administrative and other Support services showed positive annual growth, a rising share of RST employment and a low but increasing employment intensity. It was, therefore, improving its performance. In contrast, Finance, Insurance, Real Estate and Leasing appeared to be declining within RST Canada.

Appendix

Table 1: Employment and unemployment patterns, 25 to 54 age group, Rural and Small Town areas and Larger Urban Centres, Canada and the Provinces, 1996 to 2000

	Type of region	1996	1997	1998	1999	2000
CANADA						
Employment level	Larger Urban Centres	8,191,200	8,418,200	8,625,100	8,770,200	8,960,700
	Rural and Small Town	1,913,100	1,972,200	2,012,400	2,076,700	2,104,200
year to year: percent change	Larger Urban Centres	*	2.8	2.5	1.7	2.2
	Rural and Small Town	*	3.1	2.0	3.2	1.3
Employment rate (percent)	Larger Urban Centres	76.8	78.0	79.0	79.8	80.7
	Rural and Small Town	73.4	74.4	75.5	76.6	77.1
	Difference	3.4	3.6	3.5	3.2	3.6
Unemployment rate (percent)	Larger Urban Centres	8.6	7.6	6.8	6.1	5.4
	Rural and Small Town	9.1	9.0	8.2	7.7	7.2
	Difference	0.5	1.4	1.4	1.6	1.8
NEWFOUNDLAND						
Employment rate (percent)	Rural and Small Town	46.8	48.4	51.5	55.6	54.3
Unemployment rate (percent)	Rural and Small Town	22.7	23.5	21.8	21.3	22.0
PRINCE EDWARD ISLAND						
Employment rate (percent)	Rural and Small Town	70.0	67.9	69.5	69.1	72.5
Unemployment rate (percent)	Rural and Small Town	17.9	20.5	17.8	19.2	16.7
NOVA SCOTIA						
Employment rate (percent)	Rural and Small Town	66.7	68.4	70.6	72.6	72.8
Unemployment rate (percent)	Rural and Small Town	12.5	12.2	10.5	9.5	9.7
NEW BRUNSWICK						
Employment rate (percent)	Rural and Small Town	64.4	65.4	66.5	67.0	68.3
Unemployment rate (percent)	Rural and Small Town	11.0	13.7	13.6	12.2	12.0
QUEBEC						
Employment rate (percent)	Rural and Small Town	67.9	69.8	70.4	72.3	73.1
Unemployment rate (percent)	Rural and Small Town	11.9	11.8	10.5	9.6	8.9
ONTARIO						
Employment rate (percent)	Rural and Small Town	78.5	78.9	80.4	82.1	82.7
Unemployment rate (percent)	Rural and Small Town	7.5	7.2	5.9	4.5	4.3
MANITOBA						
Employment rate (percent)	Rural and Small Town	82.0	82.5	83.3	83.1	84.0
Unemployment rate (percent)	Rural and Small Town	4.5	3.7	3.9	4.4	3.9
SASKATCHEWAN						
Employment rate (percent)	Rural and Small Town	82.4	84.0	83.8	83.1	83.9
Unemployment rate (percent)	Rural and Small Town	5.1	4.2	4.4	5.2	4.2
ALBERTA						
Employment rate (percent)	Rural and Small Town	84.8	84.2	84.1	83.4	83.1
Unemployment rate (percent)	Rural and Small Town	4.2	3.7	4.4	4.4	4.0
BRITISH COLUMBIA						
Employment rate (percent)	Rural and Small Town	77.4	77.8	78.9	78.3	77.7
Unemployment rate (percent)	Rural and Small Town	7.9	6.8	7.5	8.1	7.4

Source: Statistics Canada, Labour Force Survey, 1996 to 2000

* Not applicable

"Larger Urban Centres" refers to Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs)

"Rural and Small Town" refers to non-CMA/CA areas.

Table 2: Employment characteristics of Rural and Small Town (RST) areas and Larger Urban Centres (LUCs), broken down by age (youth versus the population 15 years and over) and by sex, 1996 to 2000

	Population aged 15 years and over														
	Total					Male					Female				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
RST areas															
Population	4,759,500	4,841,100	4,880,600	4,946,300	5,008,700	2,401,000	2,428,000	2,449,700	2,486,000	2,515,300	2,358,600	2,413,100	2,430,800	2,460,300	2,493,400
Labour force	2,905,600	2,970,300	3,019,400	3,113,900	3,133,500	1,657,900	1,683,400	1,708,800	1,756,700	1,755,500	1,247,600	1,287,000	1,310,600	1,357,200	1,378,000
Employed	2,620,700	2,676,600	2,740,900	2,845,000	2,876,500	1,494,200	1,516,900	1,548,400	1,601,000	1,609,700	1,126,500	1,159,700	1,192,500	1,244,000	1,266,900
Unemployed	284,900	293,700	278,500	268,900	257,000	163,800	166,400	160,400	155,700	145,800	121,100	127,300	118,100	113,200	111,100
Not in labour force	1,854,000	1,870,800	1,861,200	1,832,300	1,875,200	743,000	744,700	741,000	729,200	759,800	1,110,900	1,126,100	1,120,200	1,103,100	1,115,400
Participation rate (%)	61	61.4	61.9	63	62.6	69.1	69.3	69.8	70.7	69.8	52.9	53.3	53.9	55.2	55.3
Employment rate (%)	55.1	55.3	56.2	57.5	57.4	62.2	62.5	63.2	64.4	64	47.8	48.1	49.1	50.6	50.8
Unemployment rate (%)	9.8	9.9	9.2	8.6	8.2	9.9	9.9	9.4	8.9	8.3	9.7	9.9	9	8.3	8.1
LUCs															
Population	18,271,100	18,518,200	18,790,600	19,022,800	19,276,200	8,900,800	9,036,900	9,170,400	9,282,300	9,412,600	9,370,400	9,481,300	9,620,100	9,740,500	9,863,600
Labour force	11,994,000	12,182,700	12,398,300	12,607,300	12,865,700	6,499,500	6,594,200	6,671,500	6,777,300	6,893,800	5,494,500	5,588,500	5,726,900	5,830,000	5,972,000
Employed	10,841,900	11,097,800	11,399,500	11,686,100	12,033,100	5,851,800	5,991,300	6,113,000	6,264,800	6,439,600	4,990,100	5,106,500	5,286,400	5,421,300	5,593,500
Unemployed	1,152,100	1,084,900	998,800	921,200	832,600	647,700	602,800	558,400	512,500	454,100	504,400	482,100	440,400	408,700	378,400
Not in labour force	6,277,100	6,335,500	6,392,200	6,415,400	6,410,400	2,401,300	2,442,700	2,499,000	2,505,000	2,518,800	3,875,900	3,892,700	3,893,300	3,910,500	3,891,600
Participation rate (%)	65.6	65.8	66	66.3	66.7	73	73	72.8	73	73.2	58.6	58.9	59.5	59.9	60.5
Employment rate (%)	59.3	59.9	60.7	61.4	62.4	65.7	66.3	66.7	67.5	68.4	53.3	53.9	55	55.7	56.7
Unemployment rate (%)	9.6	8.9	8.1	7.3	6.5	10	9.1	8.4	7.6	6.6	9.2	8.6	7.7	7	6.3
	Population aged 15 to 24 years														
	Total					Male					Female				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
RST areas															
Population	786,300	806,000	810,200	814,100	793,500	413,700	421,700	426,800	427,800	413,900	372,600	384,400	383,400	386,300	379,600
Labour force	473,000	476,700	488,100	507,600	491,400	264,600	265,500	275,000	282,800	270,100	208,400	211,200	213,200	224,900	221,300
Employed	399,500	397,300	412,100	431,700	420,400	222,300	220,400	230,300	237,900	228,300	177,200	176,900	181,800	193,900	192,100
Unemployed	73,400	79,400	76,000	75,900	71,100	42,300	45,200	44,700	44,900	41,800	31,200	34,200	31,400	31,000	29,200
Not in labour force	313,300	329,300	322,000	306,500	302,000	149,100	156,100	151,900	145,000	143,800	164,300	173,200	170,200	161,500	158,300
Participation rate (%)	60.2	59.1	60.2	62.4	61.9	64	63	64.4	66.1	65.3	55.9	54.9	55.6	58.2	58.3
Employment rate (%)	50.8	49.3	50.9	53	53	53.7	52.3	54	55.6	55.2	47.6	46	47.4	50.2	50.6
Unemployment rate (%)	15.5	16.7	15.6	15	14.5	16	17	16.3	15.9	15.5	15	16.2	14.7	13.8	13.2
LUCs															
Population	3,146,500	3,160,900	3,192,500	3,223,900	3,275,200	1,593,600	1,602,700	1,615,900	1,633,400	1,663,300	1,552,900	1,558,100	1,576,600	1,590,500	1,611,900
Labour force	1,976,300	1,961,200	1,988,600	2,058,100	2,129,100	1,019,800	1,020,900	1,021,300	1,064,100	1,097,900	956,500	940,300	967,300	994,000	1,031,200
Employed	1,674,100	1,645,800	1,689,800	1,774,600	1,868,800	845,500	845,900	851,100	903,200	949,800	828,600	799,800	838,700	871,500	919,000
Unemployed	302,200	315,400	298,800	283,400	260,300	174,300	174,900	170,200	160,900	148,100	127,900	140,500	128,600	122,500	112,200
Not in labour force	1,170,200	1,199,700	1,203,900	1,165,900	1,146,100	573,800	581,900	594,600	569,300	565,400	596,400	617,800	609,200	596,600	580,700
Participation rate (%)	62.8	62	62.3	63.8	65	64	63.7	63.2	65.1	66	61.6	60.3	61.4	62.5	64
Employment rate (%)	53.2	52.1	52.9	55	57.1	53.1	52.8	52.7	55.3	57.1	53.4	51.3	53.2	54.8	57
Unemployment rate (%)	15.3	16.1	15	13.8	12.2	17.1	17.1	16.7	15.1	13.5	13.4	14.9	13.3	12.3	10.9

Source: Statistics Canada, Labour Force Survey, 1996 to 2000

"Larger Urban Centres" refers to Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs)

"Rural and Small Town" refers to non-CMA/CA areas.

Table 3: Industry group employment patterns in Rural and Small Town (RST) Canada, 1996 to 2000

Industry group	Total employment in RST areas				
	1996	1997	1998	1999	2000
Agriculture	315,800	313,300	310,100	301,700	265,500
Forestry, Fishing, Mining, Oil and Gas	131,000	134,000	133,600	133,300	135,900
Construction	169,700	169,400	169,900	182,300	188,900
Manufacturing	373,400	395,300	409,100	438,200	447,600
Utilities	29,300	30,900	30,100	27,300	28,900
Trade	370,100	364,600	375,400	399,000	412,600
Transportation and Warehousing	130,600	131,100	139,300	152,800	161,600
Information, Culture and Recreation	65,700	66,900	67,500	71,200	77,800
Finance, Insurance, Real Estate and Leasing	98,300	98,700	97,200	94,200	97,300
Professional, Scientific and Technical Services	63,700	67,700	75,000	80,100	85,100
Company Management Services (1)	51,400	52,800	61,100	63,200	72,100
Educational Services	157,800	157,400	163,100	176,300	174,800
Health Care and Social Assistance	254,000	264,500	265,900	275,600	287,300
Public Administration	123,500	125,000	125,700	121,100	112,200
Accommodation and Food Services	151,000	162,200	177,400	182,000	176,400
Other Services	135,100	142,900	140,600	146,700	152,500
	Year-over-year percent change in employment in RST areas				
	1996	1997	1998	1999	2000
Agriculture	*	-0.8	-1.0	-2.7	-12.0
Forestry, Fishing, Mining, Oil and Gas	*	2.3	-0.3	-0.2	2.0
Construction	*	-0.2	0.3	7.3	3.6
Manufacturing	*	5.9	3.5	7.1	2.1
Utilities	*	5.5	-2.6	-9.3	5.9
Trade	*	-1.5	3.0	6.3	3.4
Transportation and Warehousing	*	0.4	6.3	9.7	5.8
Information, Culture and Recreation	*	1.8	0.9	5.5	9.3
Finance, Insurance, Real Estate and Leasing	*	0.4	-1.5	-3.1	3.3
Professional, Scientific and Technical Services	*	6.3	10.8	6.8	6.2
Company Management Services (1)	*	2.7	15.7	3.4	14.1
Educational Services	*	-0.3	3.6	8.1	-0.9
Health Care and Social Assistance	*	4.1	0.5	3.6	4.2
Public Administration	*	1.2	0.6	-3.7	-7.3
Accommodation and Food Services	*	7.4	9.4	2.6	-3.1
Other Services	*	5.8	-1.6	4.3	4.0
	RST employment by industry as percentage of the total RST employment				
	1996	1997	1998	1999	2000
Agriculture	12.1	11.7	11.3	10.6	9.2
Forestry, Fishing, Mining, Oil and Gas	5.0	5.0	4.9	4.7	4.7
Construction	6.5	6.3	6.2	6.4	6.6
Manufacturing	14.2	14.8	14.9	15.4	15.6
Utilities	1.1	1.2	1.1	1.0	1.0
Trade	14.1	13.6	13.7	14.0	14.3
Transportation and Warehousing	5.0	4.9	5.1	5.4	5.6
Information, Culture and Recreation	2.5	2.5	2.5	2.5	2.7
Finance, Insurance, Real Estate and Leasing	3.8	3.7	3.5	3.3	3.4
Professional, Scientific and Technical Services	2.4	2.5	2.7	2.8	3.0
Company Management Services (1)	2.0	2.0	2.2	2.2	2.5
Educational Services	6.0	5.9	6.0	6.2	6.1
Health Care and Social Assistance	9.7	9.9	9.7	9.7	10.0
Public Administration	4.7	4.7	4.6	4.3	3.9
Accommodation and Food Services	5.8	6.1	6.5	6.4	6.1
Other Services	5.2	5.3	5.1	5.2	5.3
	Industry group location quotients: employment intensity in RST areas compared to Canada as a whole				
	1996	1997	1998	1999	2000
Agriculture	381.4	385.9	373.7	375.6	369.3
Forestry, Fishing, Mining, Oil and Gas	230.1	230.6	233.9	254.5	248.9
Construction	122.1	119.5	118.6	120.2	120.0
Manufacturing	99.3	100.6	99.8	100.9	101.7
Utilities	120.7	136.3	134.1	120.4	128.7
Trade	90.4	88.1	89.8	90.6	92.3
Transportation and Warehousing	99.5	96.7	100.3	104.8	107.4
Information, Culture and Recreation	58.3	56.8	56.5	57.7	60.6
Finance, Insurance, Real Estate and Leasing	58.1	58.1	58.7	55.8	58.2
Professional, Scientific and Technical Services	46.6	44.7	45.5	45.2	46.6
Company Management Services (1)	62.3	61.3	65.6	63.6	68.4
Educational Services	89.2	88.6	90.0	91.6	92.9
Health Care and Social Assistance	93.6	97.9	96.2	97.5	97.6
Public Administration	78.3	80.9	83.0	79.9	76.4
Accommodation and Food Services	90.8	95.4	99.2	100.5	95.2
Other Services	105.7	107.4	102.0	103.8	113.6

Source: Statistics Canada, Labour Force Survey, 1996 to 2000 * Not applicable

(1) "Company management services" refers to the Management of Companies and Administrative and other Support services

"Rural and Small Town" refers to areas outside of Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs).

References

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