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The Implications of Segmented Work Structures in Non-Metropolitan Canada

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A Thesis

in

The Department of Sociology and Anthropology

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ABSTRACT

The Implications of Segmented Work Structures in Non-Metropolitan Canada

Barry Ellison

The present research aims to identify the implications and consequences of changes in work structures on non-metropolitan individuals. With spatial locality as the primary focus, quantitative-aggregate data is used to demonstrate the relevant changes in work structures using a structural segmentation framework. Using labour markets, organizations and individuals as units of analysis, a predefined list of measures are utilized to identify the subsequent impact of segmented work structures on non-metro individuals.

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Introduction

In recent years, there has been progress in the research concerning the analysis of occupations, industry, unionization and labour-management relations. A specific focus has been made on the consequences of changes that have occurred in the labour market and the inequality it presents for many individuals. As Podgursky points out, “increased import penetration, new automation techniques, and structural changes in industry have raised public concern about the problem of plant shut-downs and displaced workers” (in Cyert and Mowery, 1988: 3).

Many recent studies have been completed regarding the changing *work structure* in Canada; however, rarely do these studies concentrate on non-metropolitan areas. Furthermore, considering the research conducted on the work structure of rural Canada, there is a tendency to focus on the thrust of employment in the service sector, while little stress is emphasized on the implications for farming and other primary occupations. This is unfortunate, because as secondary (and tertiary) roles change in non-metro areas, the manner in which the primary sector sustains itself is affected.

While there has been research on the effects of ‘green-site’ locations on rural populations, these have focused primarily on the nature of labour that these populations provide. What has been less researched are the effects of sudden changes in the nature of labour requirements on non-metro communities and the individuals who live in them.

The objectives of this thesis will be to highlight and examine the changing work structure in non-metro areas. Specifically, the main question that this paper will address is;

“How have changes in the work structure affected labour market conditions for non-metropolitan areas?”

The positive aspect of this research question is that it attempts to analyze an isolated population that is rather neglected in terms of research. Thus, this paper fills a research gap. Furthermore, the research allows for an improvement in the instrument for measuring labour market conditions in non-metro areas.

The Importance of Work Structures for Non-Metro Issues

Historically, the organization and the functioning of the family has been structured around work conditions. Family members must deal with choices regarding the type of occupation, who should work, and where they should work. Consequently, labour market conditions that families are exposed to develop primarily from and are partially dependent upon the work structure.

On the economic side of this issue, a changing work structure may alter the labour market conditions of non-metro residents in such a fashion that they are faced with lower incomes or increased debt due to fluctuating or chronic unemployment. However, to define labour market conditions as strictly economic would do injustice to non-metro families who face changes in social conditions as a result of alterations in the work structure. For example, non-metro families who face unemployment due to a company closure often face the difficult prospect of relocating elsewhere, thereby losing the social networks they have developed over the years within the community.

Rural residents are at a disadvantage simply due to locality. Using an economic model, distance produces disadvantages because of transportation costs, lower wages, lack of information, products, and services. From a sociological model, community attachments and networks, although very important for rural survival, limit mobility. One advantage, however, for rural residents is the support they share within the *informal* economy. As some tasks become too expensive or unavailable in a formal economy, perhaps due to the distance required to travel to obtain such services, rural residents fulfill certain activities individually or with the aid of their social network of skilled neighbors, friends and family (Ellison, et al., 1997 :269).

The impact of work structures on labour market conditions for families is both social and economic in nature. It is proposed in this study that work structures are also influenced by their locality or geography. Changes within work structures have led to profound changes within the labour markets, and these changes have further effects on individuals living in non-metropolitan areas.

Chapter I

1. Work Structures Defined

The term 'work' is open to various interpretations. Research in the fields of occupations and industrial firms as well as labour economics have contributed considerably to our understanding of the role of work in the everyday lives of individuals in advanced industrialized societies. Even the term itself is used interchangeably with concepts such as labour, employment, task and toil, just to name a few.¹ Going one step further, the sociologist who is conducting macro-level analyses is often interested in how work is structured, hence the concept '*work structure*'. However, we may infer that the combination of both terms implies an organizational effect of labour or employment; that work is configured or arranged in a non-haphazard fashion.

In the Handbook of Economic Sociology, the term 'work' is defined as "any human effort that adds use value to goods and services" (1994 : 285). It is also noted that 'work' does include unpaid efforts; "their performers may enjoy or loath the effort, conversation, song, decoration, pornography, table setting, gardening, housecleaning, and repair of broken toys all involve work to the extent that they increase satisfactions their consumers gain from them". Note that while indicating effort, exertion or labour, these actions are not restricted to the formal economy. Rewarded and unrewarded efforts may take place within the boundaries of what is commonly know as the "informal economy" (Dallago, 1990).

¹ However, some social philosophers like Hannah Arendt (1958) distinguish between "work" and "labour", the former being activity which produces a tangible good for the benefit of society, the latter referring simply to repetitious activity. Capitalism tends to convert "work" into "labour".

Work may be defined as a 'means' to an 'end', although Marxists would certainly disagree since work or labour is the 'end' itself. From this perspective the actual practice of productive work is what defines individuals. If we assume that work is a means to an end, we may actually define the 'means' as an action, whether physical or mental, and the end as goods-produced or simply individual satisfaction. By structure, we may then refer to the ways in which their actions are constructed, organized and arranged in a particular manner.

"Work structure" refers to the social organization and arrangement of work *and* related economic activities. Associated with work structures are concepts such as labour markets, the economy, and employment in general. These are terms commonly used by economists to describe economic conditions of our work environment. On the other hand, sociologists are interested with *social* conditions of our work environment.

In contrast to neo-classical economists, Kalleberg and Berg (1987) define the concept of work structures in the sociological sense:

From a sociological point of view, work is important because of the institutions, regularities, and arrangements that characterize the activity. We refer to these institutions and patterns as *work structures*. These are rules on which many people have agreed and thus legitimated, for longer or shorter periods, as effective means of solving the economic and political problems of production and distribution. Work structures also represent the hierarchical orderings or persons and clusters of interests, configurations of norms, and the rights and obligations that characterize the relations among different types of actors in the economy (Kalleberg and Berg, 1987: 2).

In this quote, it is clear that the authors are speaking of the social organization of work, especially since they refer to the patterns, hierarchical order and relations among agents within the economy. Furthermore, “these structures describe the ways in which labour is divided, tasks allocated, and authority distributed,” claim Kalleberg and Berg (2). It is such phenomena that this paper will address.

Why do we hold such an interest in work structures? As Kalleberg and Berg explain, social researchers are motivated to study work structures in order to alleviate the negative consequences of them. For example, some analysts pay particular attention to the inequalities among job opportunities for individuals. From their research, social researchers will often confront issues of unemployment and labour-management relations to look for possible solutions to improve the efficiency and equity of work structures.

This paper will attempt to explore various established theoretical perspectives that directly and indirectly deal with work structures. An introduction to each perspective will be presented along with a practical definition of work structures, followed by an elaboration on the perspectives as each deals with work structures on a theoretical level. Lastly, this thesis will explore various theoretical perspectives that deal specifically with work structures, with a special emphasis on the regional and spatial variations of those structures.

Chapter II

2. Theoretical Perspectives of Work Structures

2.1 Embeddedness

In his book called *Fragmented Societies*, Mingione (1991) discusses issues such as the formalization and organization of work. He agrees with those theorists who have argued that work is often associated with only formal employment. One reason for this association is the evolution of a division between economic and social activities in the industrialized societies. He further argues that this division has grown to such an extent that the economic sphere has been accorded greater importance than the social sphere (73).

Mingione argues for a broader definition of work rather than relegating it only to economic, income generating activities. In his words, “in order to go beyond formal employment and work-centered paradigms, we need a concept of work which is widely based and comprehensive but also appropriate to different kinds of contemporary societies” (74). Mingione develops a concept of work that covers both the formal and informal types of activities:

work should include all types of formal employment, but also a variety of irregular, temporary or occasional activities undertaken to raise cash and various activities that produce use values, goods and services for direct consumption either by the individual and his/her household or by other individuals and households, which are more or less necessary for the survival of individuals (Mingione, 1991: 74)

Mingione also indicates that the definition of work does not necessarily have to be static. In other words, the definition of work should vary according to different circumstances. As Mingione claims, work “is a historical, cultural and social construct in the sense that it varies with time, different local cultures and different social groups” (74).

Although Mingione does not address the term ‘work structure’ directly in his writings, he does elaborate on the organization or segmentation of work activities. By doing so, Mingione is actually indirectly referring to work structures, as pointed out by other authors. For example, the Rural Sociological Society Task Force (1993) has used Mingione’s writings to understand work structures and has given credit to Mingione’s work for establishing a definition of work that is flexible and appeals to any particular context. Accordingly, the Rural Sociological Society Task Force states that “work structures need to be conceptualized as ‘embedded’ in local social contexts. In making this ‘embeddedness argument’ we claim that work activities are purposive actions of individuals or groups, but these actions are embedded in a particular social context” (69).

In other words, work activities, similar to any other types of activities have meaning or a purpose, yet are conditional within the locality in which they take place. This is what Peck (1996) refers to as the “social regulation” of labour markets or work structures. In his words, “the social regulation of labour markets is about taking this social context seriously, indeed regarding it as integral to the way in which labor markets function. The key to understanding real-world labor markets is to grasp the social nature of labor and the institutional means by which it is reproduced” (10).

Granovetter's work deals with the concept of "embeddedness", that stresses the importance of 'networks'. He argues that the economy "is structurally embedded in networks that affect its working [and] economic action takes place within the networks of social relations that make up the social structure" (Smelser and Swedberg, 1994:18). Granovetter's writings were a response to more atomistic views of labour, which he claims to be "methodological individualism" that often appear in economics, in which individual actors are analyzed as if atomized from the influence of their relations with others" (Granovetter, 1988:187). Granovetter, like Parsons and Smelser before him, has tried to fill the void between sociology and economics, to bring forward economic sociology, which according to Smelser and Swedberg, "within the past ten or fifteen years... has enjoyed a kind of renaissance". "The sharp boundary between economics and sociology seems to be weakening - or, if that assessment is too optimistic, at least the excursions across the boundary have become more frequent" (17).

In his chapter "The Sociological and Economic Approaches to Labor Market Analysis" (Granovetter, 1988), Granovetter discusses at length how individuals function within the work structure at the micro level, or what he refers to as "models of individual propensity in labour markets" (191). Especially on the subject of the mobility of individuals, he points out the relevance of networks within the labour market:

As one moves through a sequence of jobs, one acquires not only human capital but also, and more difficult to interpret as an investment phenomenon, a series of co-workers who necessarily become aware of one's abilities and personality...mobility appears to be self-generating; the more different work and social settings one moves through, the larger the reservoir of personal contacts...who may mediate further mobility (193-194).

Using Mingione's and Granovetter's approach, social networks are not diminished by involvement in formal work structures. In fact, social networks in formal work structures play an important role regarding an individual's career path. However, the difference between social networks in metro and non-metro area is that the former tends to be specialized whereas the latter tends to be inclusive. For example, the typical help provided by non-metro networks often exceeds what would normally be defined as specific-work related activities.

There are implications for rural areas regarding the greater reliance on informal social support networks. Since social networks in rural areas are primarily based on unpaid activities within the informal economy, they do not necessarily promote mobility within the formal economy. According to Granovetter's argument, in order to have successful employment mobility within the formal economy, one must have personal work-related contacts, an element that is found less often in rural areas given their dependence on informal networks that involve neighbors, family and friends (Ellison, et al., 1997).

Moving from the embeddedness perspective to the segmented economy perspective will provide insight on how the two theories, although different, can provide valuable insights in the analysis of work structures. Traditional segmented economic theory approaches work structures from a macro-economic perspective. The embeddedness perspective tends to emphasize social relations among individuals which are particularly important for rural residents.

2.2 Segmented Labour Markets

The idea of segmented labour markets has been in existence for quite some time. While some have claimed it originated in the early writings of Adam Smith (Sabel, 1982: 34), others have argued that the theory is largely the result of labour economics and industrial sociology being combined (Lobao, 1990).

Essentially, “segmentation of labour markets has been applied to industries, firms, workplace and jobs. There are advantages and disadvantages associated with each type of operationalization” (Clairmont and Apostle, 1997:393). Some of those advantages and disadvantages are examined in this chapter. It is important to note that segmented labour markets capture certain conditions at one point in time, however, they change with time and are not mutually exclusive.

Another form of operationalization is to segment labour markets between the formal and informal, or what could also be referred to as the regular versus underground labour market. This form of operationalization is also covered in this chapter, and is essential in understanding spatial or regional differences among labour markets. For example, there is heavy reliance on informal social networks or informal markets by non-metro residents when faced with the barriers of formal markets.

Reynolds (1982) argues that there are two distinct divisions regarding the organization or structure of work: *primary* and *secondary*. The primary sector is characterized by the development of labour in relatively large companies and firms. They typically offer well-structured paths for individual employees to advance, and

consequently offer stable, relatively well-paid employment positions. The secondary sector, however, does not offer these features. The employment is unstable, short-term, and often low-paid with little chance of successful promotions (97).

Reynolds acknowledges the influence of Piore's work (1972) in which Piore has developed a more detailed definition of the 'dual labour market' or work structure. In his own words:

The basic hypothesis of the dual labour market was that the labour market is divided into two sectors, termed the primary and the secondary sectors. The former offer jobs with relatively high wages, good working conditions, chances of advancement, equity and due process in the administration of work rules and, above all, employment stability. Jobs in the secondary sector, by contrast, tend to be low-paying, with poorer working conditions, little chance of advancement, a highly personalized relationship between workers and supervisors which leaves wide latitude for favoritism and is conducive to harsh and capricious work discipline, and with considerable instability in jobs and a higher turnover among the labour force (Piore, 1972).

Lobao's (1991) discussion of segmented economic theory emphasizes the structural causes of these divisions. According to Lobao, a structural approach is preferred over other theoretical perspectives when analyzing labour markets because they deal with macro-level conditions that face individuals. Lobao argues that structural perspectives:

show that the organization of economic production has developed unevenly, resulting in economic structures that offer different rewards and opportunities for individuals. Structural perspectives are a counter to conventional social science theories such as functionalism and human capital theory because they address the macrosociological origins of inequality rather individuals' labour market defects and choices. They thus shift emphasis to the context in which individual choices are made, demonstrating that good jobs and high incomes are unattainable for many Americans as a consequence of economic structure (11).

According to Lobao, segmented economy theory divides the production of materials into two sectors; the 'peripheral' or competitive sector and the 'core' or oligopoly/monopoly sector. Businesses in the peripheral sector tend to have smaller labour forces and the division of labour is usually poorly organized. This sector has a high portion of low paid and low qualified positions. In contrast, businesses in the core sector tend to be large with expanded divisions of labour. They are characterized by stable employment and include higher skilled occupational positions.

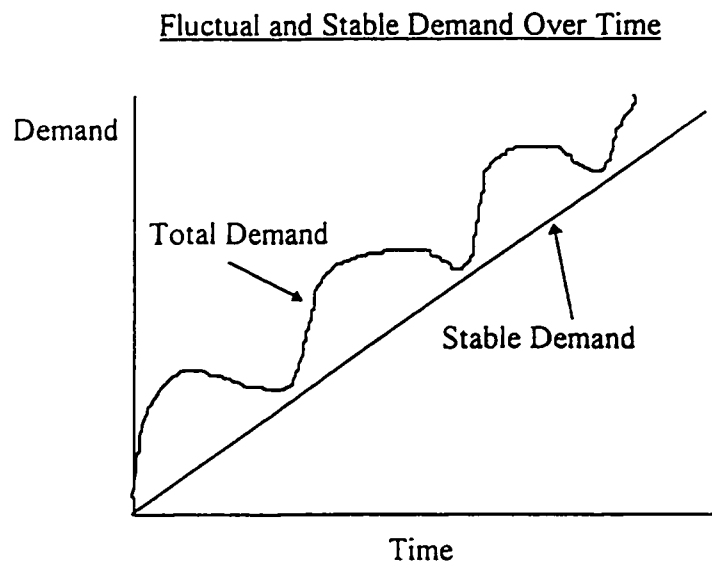
Sabel (1982) also elaborates on the core / periphery model mentioned above. However, Sabel approaches the debate from an economic stand point, in that he describes the relationship between the core and periphery sectors in terms of economic demand. This was originally advanced by Piore. While paraphrasing Piore, Sabel argues that "the primary sector, which corresponds to the core of the economy in the previous description, will employ the technologically most advanced division of labour and will satisfy the stable component of demand. The secondary sector, composed of competitive, peripheral firms, will use less-refined and less-product-specific techniques of production; it will principally satisfy the fluctuating component of demand" (Sabel, 1982: 35). It is important to note here that the skill level of an individual is not a defining characteristic when fulfilling the fluctuating component of demand.

Using figure 2.2, Sabel expands on his argument by further claiming that this model provides an explanation for the existence of both small and large firms or companies. With a division based on firm size, Sabel adds that it is the smaller companies

or firms who must deal with unstable and competitive market conditions. Basically, smaller firms suffer during difficult economic times and hustle to survive during economic booms. They must constantly adjust to the economic environment. As Sabel explains.

if demand for a single product in an industry is extra-ordinarily stable or growing at a reliably predictable rate, one or several large, advanced firms may cover it completely, leaving the smaller ones to compete in the volatile markets for other products. Or if demand for even the most stable product fluctuates, then the largest firms may leave space for smaller manufacturers of that good to supply customers at the peak of the business cycle”(36).

Figure 2.2



Source: Sabel, C.F. *Work and Politics*, 1982

Therefore, as represented in figure 2.2, the variation between stable and total demand (the fluctuating curve) over business cycles is what small firms are responsive to, while the straight line represents the stable demand that large firms satisfy.

Consequently, small firms and companies are susceptible to economic hardship, because they are the ones who experience downturns in the economy more frequently than large firms. Sabel also adds that smaller firms are usually located in peripheral areas, while mid-sized and large firms tend to be found within the urban fringe and deep within urban core. “At the core are the giant firms of each industry. They have substantial though not unlimited power to set the prices of their goods. At the periphery are the small firms, none large enough to influence markets and all therefore forced to sell their products at whatever price the competition establishes” (34).

One last model of dual economic theory that concerns this paper is presented by Kemp and Beck (1981). They state that the dualistic nature of the work structure evolved and developed out of monopolistic capitalism in the late nineteenth and early twentieth century. The expansion of production of materials led to the formalization of an oligopolistic sector. Similar to what was earlier referred to as the core and primary sector by other authors, Kemp and Beck make a point of distinguishing the oligopolistic sector from what they term the ‘competitive’ sector, which in turn, resembles what was previously labeled as the periphery and secondary sector. In the oligopolistic sector, the work structure is characteristic of firms which “tend to be large, unionized and relatively insensitive to fluctuations in product demand [note: this follows the same argument as posed by Sabel and Piore] and to control large shares of the product market. They have

high capital-to-labour ratios and higher profit margins” as well (255). On the other hand, the second sector is in direct contrast, where the work structure is based “around the principle of competitive capitalism...[and] is concentrated in the agricultural, nondurable manufacturing, retail trade, and service industries. The firms in the competitive sector are smaller, have fewer unions...[and] require a work force that will tolerate inferior, if not adverse, working conditions, arbitrary and often harsh discipline, lower pay, and greater odds of job instability” (255). Thus, once again we are given a dual division type theoretical analysis of how work is structured, organized, arranged and maintained.

There are of course criticisms of dualism, dual economic theory, and segmented economy theory. The criticism usually comes from economists who argue that we cannot simply divide the structure of work or the labour market into two distinct categories or divisions. They claim that this is not only methodologically unsound, but a deterministic approach in understanding the concept of work: “jobs cannot be sorted into two distinct boxes - ‘good’ and ‘bad’. They range from best to worst jobs in a continuum... [furthermore,] secondary sector workers are not blocked off permanently from primary employment. There is substantial upward mobility, particularly during a business cycle upswing” (Reynolds, 1982: 97).

Aside from the criticism of dualism, many of the authors mentioned above do not use the term work structure per se, however, they each provide a theoretical approach which encompasses many aspects of work and how it is structured. The organization and structure of work has been presented in varying forms, but all under the scope of dual or

segmented economic theory, where dual work structures coexist in just about every context imaginable. How do they coexist? Basically, as we have seen dual work structures coexist in a segmented economy due to differences in power and regional location (Lobao), economic demand and firm size (Sabel) and variations in capital (Kemp and Beck).

Finally, referring once again to Mingione (1991), he also emphasized that work structures not only coexist together, but they also change over time given particular circumstances. In which case, work structures vary because they are dependent upon the context in which they operate.

2.3 Human Ecology Perspective

Moving away from an approach that splits the work structures into dual economies, we will explore another perspective that is similar, yet differs because it elaborates more on the regional or spatial distribution of labour markets.

The perspective we are referring to is called the human ecology perspective. According to the Rural Sociological Society, “from the human ecology perspective, work structures are viewed as the organizations of work into a ‘sustenance complex’. The structure of a sustenance complex results from the interplay between supply and demand factors of a competitive market on the one hand and demographic, environmental, and technological factors on the other. The latter are seen as constraints on competitive market behaviour, but competition is ‘the master process’ underlying the organization of sustenance activities” (The Rural Sociological Society Task Force on Persistent Rural

Poverty, 1993: 71). In other words, the ecology perspective proposes a consideration of economic activity shaped by the spatial location of labour markets, demographics, and technology.

This is very similar to Piore's argument that work structures are defined and vary according to the particular context in which they exist. As the task force points out, very little research has been conducted on the spatial consideration of work, with the exception of Peck (1996).

Jamie Peck, a social geographer, describes how institutional configurations and constraints differ spatially. Each locality has its unique institutional cast on how work is organized and regulated. Peck argues that:

all labour markets are "locally constituted". Although a broadly similar set of causal processes underpins the operation of every local labor market, each labor market is unique in that reflects a unique intersection of those processes. While all local labor markets are shaped by, say, gendered domestic labor or ethnic stratification and marginalization, "generic" tendencies do not have universally even outcomes. Instead they have variable local outcomes because of the different ways in which they intersect with one another (95).

Peck also argues that it would be an error to assume that labour markets are rationally governed or guided by simple logic. Markets are more complex than rational theories of neoclassical economics. Peck emphasizes that labour markets are 'socially regulated', "yet the forms and functions of social regulation vary enormously, ranging from formal labor law to socially embedded work norms, from employer discrimination to union action" (11).

Supporters of this perspective emphasize the *power* that metro areas have over work structures of surrounding regions. This notion of urban power was originally derived from central place theory, “which claims that certain places constitute a central node in a network of exchanges of economic resources...the urban hierarchy is conceptualized as hierarchical levels characterized by greater population size and density and a broader range of economic (or sustenance) activities. Central places in higher levels of urban hierarchy also exercise considerable dominance over their surrounding areas and over places in lower levels of the hierarchy” (The Rural Sociological Society Task Force on Persistent Rural Poverty, 1993: 72). In other words, the general focus of this theory is based on the competitive advantages of larger based regional locations which have the economic power due to their overall size. In their words, “the key advantage for places near the apex of the urban hierarchy is the *agglomerative advantages* tied to their large, diversified economies.

In their article titled “Economies of Scale and Economies of Agglomeration” , Goldstein and Gronberg (1984) develop an argument far more elaborate regarding the economic advantages of urban agglomerations. “An urban agglomeration is a geographic concentration of economic activity. The generally accepted economic basis for this agglomeration is some form of scale economy, a notion that special proximity of activities makes resources more efficient than if such activities are spatially dispersed” (91). Because of this, “industries and firms dealing with volatile or unestablished markets, rapid technological change, or other conditions requiring innovative responses will favor

metropolitan locations, where they have ready access to information, specialized skills, and professional expertise” (The Rural Sociological Society, 1993: 73).

What is the impact on non-metro areas according to this ecology perspective?

Industries and firms dealing with volatile markets rely on both metro and non-metropolitan labour. The point to emphasize is that industries and firms rely on non-metro areas for their reserve-pools of low-skilled labour to satisfy excess demand for non-professional production labour. In comparison, metro areas satisfy excess demand for ‘unestablished markets’ such as with the technological industry (e.g. Y2K), where professional consultants are paid well for prompt results.

Different forms of employment are apparent in the rural / urban division of labour, where production jobs are more commonly located in non-metro areas, while administrative, technical and managerial jobs, in comparison, are typically found in metro areas (McGranahan, 1988).

In conjunction with the economic advantage that metro areas have over non-metro areas, there is also the important question of *power* as briefly mentioned earlier. As the Rural Sociological Society points out, metropolitan dominance “is not simply a matter of larger metropolitan areas’ competitive advantages over smaller places; it also involves metropolis-based economic organizations having the administrative authority to literally control the operations of units central to the functioning of smaller subordinate communities” (The Rural Sociological Society Task Force on Persistent Rural Poverty, 1993: 75).

2.4 Economic Organization Perspective

Although our discussion of human ecology theory was brief in comparison to dualism, we should point out that the former deserved greater attention due to its popularity among scholars as the most common structural perspective used when examining aspects of 'work'. Nevertheless, we now present another, "new structuralist perspective", as termed by Baron and Beilby (1980).

This perspective states that work structures are embedded in firms and other economic organizations. In other words, "the concern is with how the structure of economic organizations influences work structures" (Rural Sociological Society Task Force on Persistent Poverty, 1993: 75). In their own words, Baron and Bielby (1980), indicate that the key to understand work structures is within the "*organization of work* -that is, the interplay between technical and administrative imperatives on the one hand, and relations among people, positions, and objects within the workplace on the other" (738). However, the authors also point out that when analyzing work structures, researchers differ in terms of their unit of analysis. Some have chosen the institutional level, others have chosen the organizational level, while others have been much more specific and have chosen the level of roles, where 'jobs' become the important unit of analysis.

At the institutional level, the work structure is theoretically commonly divided into two segments. These two segments are basically identical to what was proposed in the segmented economy theory, where there is a primary or core sector and a secondary or periphery sector. In other words, the economic organization perspective is a repetition of

dualism and the segmented economic theory. The only difference that exists concerns how writers conceptualize the different segments of work structures. For example, some writers consider the primary sector as reflecting monopolistic markets (O'Conner, 1973), whereas, others have labeled the same sector as oligopolistic in nature (Kemp and Beck in Berg, 1981).

At the organizational or firm level, work structures are not broken into a binary conceptualization. At the firm level, the conceptualization of work is more detailed, where the issue of power or 'systems of control' take precedence. The argument is as follows:

labour market segments should be conceptualized as distinct work organizations embedded in the social relations of a firm or workplace and not simply as clusters of market-related characteristics of individual workers...the approach to analyzing labour market segments should focus on the system of control which organizes work in each segment (Rural Sociological Society Task force on Persistent Poverty, 1993: 79)

Subsequently, the aspect of power or system of control is primarily important when considering the criteria to analyze work structures. The reason being that systems of control create the particular context in which work structures exist.

At this point, in order to make matters clear, we should avoid any misinterpretations that 'systems of control' may imply. As it is defined by Edwards (1979) and reiterated by the Rural Sociological Society, systems of control are "the social relations of production within the firm which enable employers and / or their supervisors to provide direction for work activities and to reward and discipline workers" (80). This probably appears to be a simple definition for most social scientists, therefore, it is

worthwhile describing the more elaborate breakdown of systems of control that is provided by Edwards (1979). His typology is as follows:

Figure 2.4 Typology of the Systems of Control

1	Simple Control	refers to the exercise of control solely through interpersonal relations between workers and their supervisors.
2	Technical Control	refers to the exercise of control through the design of machines and the industrial architecture of the workplace.
3	Bureaucratic Control	refers to the exercise of control through formal rules and procedures.
4	Collegial / Group Control ²	refers to the exercise of control through internal group dynamics

Simple, technical and bureaucratic control are included in Edward's typology, while collegial / group control is a more recent addition that considers the erosion of middle-management and its replacement by group control or employee self-management. In other words, the reduction of hierarchical levels of management and the empowerment of employees.

These aspects represent the system of control and together are embedded in work structures. How do these four types of control vary within work structures? One element is the firm size according to the economic organization perspective. Since we are dealing with the economic organization perspective with firms as our unit of analysis, the three types of control will vary according to firm size. Similar to Sabel's argument, the

² Fourth category extracted from William and Malone (1992) as an addition to Edward's typology.

economic organization perspective claims that research conducted on work structures should use firms as the unit of analysis, especially when concerned with regional or spatial disparity among the organization and structure of work.

By using firm size as the unit of analysis, the Rural Sociological Society found that “large-scale organizations are more likely to have complex and highly specialized production systems that require on-the-job training. The consequence for the organization of work is that large workplaces are more likely than smaller ones to have internal labour markets [and as a result] large work organizations have the resources to afford higher wages rates among their workers...the relatively low earnings of rural workers could, therefore, be due to the disproportionate share of small firms in rural areas” (Rural Sociological Society Task force on Persistent Poverty, 1993: 81). Firms tend to relocate in rural areas due to the lack of competition in such areas, thereby maintaining relatively low wages.

We have operationalized the economic organization perspective into two ways to approach work structures. We first dealt with institutions, with segments as the unit of analysis, and then moved towards an organizational type , where firms were considered the unit of analysis. One last approach which remains to be discussed is that of workplace roles or jobs. In this case, occupations are the focus of attention in terms of understanding work structures. Analysts who attempt to focus on occupations, approach such questions that deal with the promotional ladder, how jobs get filled and by what criteria, and so forth.

Even though the focus is on occupations, we should not infer that this is similar to the human capital approach. The human capital approach deals with micro-level analysis; the focus is on job requirements and individual qualifications. By maintaining a focus on occupations, the economic organization perspective manages to remain both a structural and economic approach in comparison to the human capital approach.

The human capital approach has interest in the supply and demand where demand specifies what kind of labour is required. However, since they operate from a “utility optimization” perspective, “institutionalists” argue the human capital approach cannot deal with institutional types of constraints.

To conclude this discussion of theoretical approaches, we may point to the numerous overlaps from each perspective. For example, the economic organization perspective is split into three approaches or methods of analysis. The first deals with a segmented economic approach, which is similar to that already mentioned by Lobao (1990). The second deals with firms as the unit of analysis, and as we have seen, the same argument was presented by Sabel with his economic demand approach. The last method of analysis stressed the use of jobs or occupations as a point of comparison in research (Baron & Bielby, 1980). This apparently, is also the same approach Kemp and Beck proposed as we have seen earlier, where they speak of the competitive labour markets within the dual economic organization of the work structure.

From the perspectives presented in this paper, we have demonstrated how each theoretical perspective deals with the concept of ‘work structures’. When dealing with the organization and structure of work, we have seen from these perspectives, numerous

cross-overs from one to another while incorporating differences attributed to spatial locality. We can interpret three variations of the segmented approach to understanding work structures:

- (1) Labour classification. For example, defining labour markets as primary, secondary and tertiary.
- (2) Different ways in which firms operate; the organizational structure of the workplace. For example, the size of firm or type of power or control it maintains.
- (3) Different types of occupations. For example, employment potential based on education or migration.

These variations that describe work structures are unique within their geographical environment or spatial location and consequently have effects on the individual worker.

With regard to the implications and consequences on individuals, Clairmont and Apostle describe seven :

- (1) Returns to economically comparable workers vary by segment. Typically this hypothesis states that the earning returns to education, training, and experience are conditioned by segment location.
- (2) Basic to the segmentation conceptualization is the idea of barriers which restrict movement across segments.
- (3) Another aspect of the segmentation conceptualization is an explicit linking of segment location and social characteristics. The main point is that workers with different social characteristics located in different sectors have different bargaining power and capacity to resist exploitation.
- (4) Opportunities for training and promotion are expected to vary by segment.
- (5) Considerable emphasis, especially in early segmentation research, was placed on the notion that segments differed sharply in terms of job stability.
- (6) Labour-management relations are expected to differ by segment. Because of labour availability and the low capital / labour ratio of the work organization in the less advantaged segments, work force morale is not an employer priority there.

(7) Researchers typically contend that segment location has carry-over effects beyond labour market outcomes (e.g. negative effects on work attitudes, political alienation, etc.).

Source : Clairmont, Don and Richard Apostle. Work : A Segmentation Perspective in The Sociology of Labour Markets. Scarborough : Prentice Hall (1997).

These implications and consequences are the thrust of this thesis, particularly within the scope of spatial locality, that is, metro / non-metro comparisons. It is worthwhile reiterating the proposition that rural or non-metro residents are not only at a disadvantage simply due to their locality, but also from changes within work structures or labour markets that are in turn influenced by locality as well.

Implications and consequences are partially explored in the following section and are used to operationalize the types of measures needed to analyze and interpret changes in work structures and the subsequent consequences on individuals in non-metro areas. Unfortunately, due to the nature of secondary data, not all implications and consequences are examined. This is one limitation of this study, and perhaps an issue for future research.

Chapter III

3. The Measurement of Work Structures: Critique

As our previous discussion has sought to make clear, the concept work structures involves a wide variety of dimensions. Of course, work is structured by organizations. Industrial firms determine how labour is to be deployed and this determination influences the “structure” of labour usage. Segmented labour markets is one outcome of the policies of industrial firms. But work is also structured by dimensions in the larger society including spatial distributions of the population, patterns of social networks, culturally legitimated stereotypes and government labour market policies.

This chapter will argue that each theoretical perspective characterizes work structures at different levels of generality. As will be illustrated, the relevant measures used to understand work structures by the different theoretical perspectives varies from the most general to the very specific. Once establishing the measures used to analyze work structures, I will subsequently use these measures to present recent trends that highlight the distinction between metro and non-metro work structures as well as the consequences for non-metro individuals.

3.1 Level of Analysis

Making the step from theoretical arguments about work structures to actual formal measures of them is a difficult process. As demonstrated earlier, each theory develops its argument from different levels of generality, or for empirical reasons, what can be referred as levels of analysis; those being the *labour market*, *organizations*, and *individuals*. From each level of analysis, different measures are utilized to define regional variations with the pattern and structure of work.

The *labour market level of analysis* commonly deals with two or more segments into which work can be conceptually divided. As one may recall, the theory of a dual or segmented economic market proposed that work structures be divided into two sections; primary and secondary. Other authors referred to this division using different concepts, such as the core sector versus the peripheral, or oligopolistic versus competitive capitalism. In each case, the authors are referring to the same dual nature of work structures.

The dual or segmented economic theory can also be used to examine the distinction between the structure of work in metro areas and non-metro areas. For example, agriculture and the service sector are characteristic of non-metro regions; whereas, the professional-tertiary sector and manufacturing is predominately characteristic of metro areas.

The *organizational level of analysis* deals with firms as the unit of analysis. This level of analysis is more specific, in that, it does not categorize labour into two simple

clusters based on market related characteristics. At the level of firms, the issue of control is considered an important element in understanding the organization and patterns of work. This was previously discussed with regard to the economic organization theory.

From the point of view of economic organization theory, firms are responsible for influencing work structures. In other words, using firms and organizations as the unit of analysis, we can account for the distinctions among metro and non-metro work structures. An example is how firms and economic organizations deal with economic demand for products and services, where contracts are usually given to firms and organizations in metro areas because they hold the control or power within the market (Sabel, 1982 : 34).

Lastly, the *individual level of analysis* is concerned with jobs or occupations that people obtain. At this level, the key to understanding the structure of work is through competition for employment by individuals. This encompasses many aspects that may inhibit individuals' "job-trajectory", such as; education., skill, age and so forth. It also incorporates the aspect of social networks as an influence in daily life.

As discussed previously, human ecology theorists argue that the spatial locality of the labour force is important in terms of analyzing distinctions among work structures. This perspective also deals with issues of economic competition; however, it is more specific as it focuses on the interplay of how the geographical location and demand for labour satisfies competitive market conditions. Accordingly, because of the social organization of urban labour, metro areas typically hold and exercise power since these

areas tend to have a larger work force associated with higher rates of expertise and post-secondary education, giving them the competitive advantage over non-metro areas.

In sum, given the four theories, we have seen numerous crossovers as each theory is somewhat repetitive of others. For example, rather than existing in isolation from one another, they each share common ground in describing patterns and changes within work structures. The elaboration of the various perspectives above is important as it provides analysts with an overview of the different levels of analysis that may be extracted from each perspective that researchers can use to develop a framework to operationalize their research on implications of changes among work structures. These models clarify important distinctions since they individually highlight the structural levels on which to focus and the units of analysis to consider.

3.2 Measures for Empirical Research

Table 3.1 is a hypothetical model of the three levels of analysis described above, with typical indicators used to measure regional variations among work structures. By presenting this table, I hope to move one step away from the theoretical model towards a *spatial* or locality model that I will use as a framework to identify empirical changes that have occurred between metro and non-metro work structures. By spatial model, I am referring to the important distinction of geography that takes into consideration the role of distance or space in accounting for different types of labour markets and business or industrial activity.

Table 3.1

Measures for Analysis

Level of Analysis		
<i>Labour market</i>	<i>Organizational</i>	<i>Individual</i>
<u><i>sectors</i></u>	<u><i>firms and organizations</i></u>	<u><i>individual demographics</i></u>
<ul style="list-style-type: none"> -sectoral shift -sectoral competition -duration of employment -job security 	<ul style="list-style-type: none"> -sales / profit of firm -systems of control -influence of power -recruitment, wages, benefits 	<ul style="list-style-type: none"> -job opportunities -educational level -level of expertise -age and size of base -mobility of individuals

Table 3.1 outlines some of the empirical indicators that are discussed throughout the previous section which describes the distinction between metro and non-metro work structures. This is not a fixed list of measures nor is it mutually exclusive. More precisely, each indicator reflects an aspect of labour, but does not necessarily exist exclusively within the level of analysis listed above. It could be argued that each indicator is elusive and cannot be defined at any one level of analysis. For example, according to table 3.1, income of individuals is considered at the level of firms and economic organizations; however, we may just as well consider employment income at the individual level. Specifically, we can analyze the distinction between metro and non-metro work structures with the use of individual income differences or through wages provided by firms and economic organizations.

The list of indicators is helpful as a framework since we are at the point of empirically measuring distinctions between the structure of work in metro and non-metro regions. Before presenting the recent findings, it would be appropriate to demonstrate a

model that is representative of the relationship between each level of analysis and the subsequent criteria described above in detail.

Figure 3.1

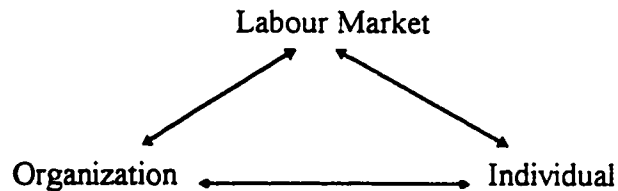


Figure 3.1, simply points out that work structures or labour markets can be analyzed from any conceptual level; from the *general* sectoral level of analysis; the labour market, to a more *specific* individual level of analysis; the employee. Consequently, there is no specific ‘point of departure’, and it is ultimately left to the researcher who may choose one level of analysis or a combination of several. Also what may guide this choice are the empirical indicators available at each level of analysis, and as one may have noticed, those indicators range from being general concepts, such as sectoral shifts, to concrete measures, such as, wages and salaries.

As I have extracted the relevant methods in which each theoretical perspective conceptualizes the structure of work, I will demonstrate in the next chapter the *actual* changes that have occurred within work structures between metro and non-metro regions using the very same measures or empirical indicators illustrated earlier.

To follow through on the same propositions provided by the four theoretical perspectives, I will demonstrate from each level of analysis, independently, the recent

trends and changes that have occurred among work structures using the established measures, while at the same time restricting my discussion to *regional variations*.

Chapter IV

4. Changes in Work Structures: Regional Variations

This chapter outlines the major changes that have occurred in work structures using the theoretical framework developed earlier. An analysis of those changes are presented using the three variations of the segmented approach; labour market (sectorial shifts), organizational (firms), and individual (occupations). Following the data presentation of each under each approach, the implications and consequences for non-metro Canada are discussed in detail.

4.1 Labour Market

In the pursuit of understanding recent changes in the structure of work, I will first present the changes that have occurred within the labour market as the unit of analysis. Referring back to the model presented earlier, sectoral changes examine movements at the macro-level of the labour market in general. By using the appropriate indicators, I will begin with a description of regional variations in sectoral shifts in work, followed by changes in the duration of employment.

4.1.1 Labour Market Changes

Tables 4.1, 4.2, and 4.3 represent the percent distribution of the labour force within the goods and service sector by size of region. The goods sector is divided into two common distinctions; primary and secondary. Primary labour is composed of paid employment which is related to agriculture, forestry, fishing / trapping, and mines / oil

wells. In other words, primary employment actively extracts raw-materials from land and water. Secondary employment is basically composed of manufacturing and construction. These positions are responsible for taking raw-materials and producing a finished product for sale. Once the products are available for sale, they are passed on to the tertiary sector, where individuals are responsible for the transportation, communication and selling of not just the product itself, but any associated services. However, the service sector is not restrictive in the sense that it consistently depends on the goods sector. There are services that are self-sufficient and exclusive from the goods sector, such as, government and leisure services, which is representative of post-industrial society (Smucker, 1980). Some services may even support the goods sector, and without them, certain manufactured products would not exist.

Table 4.1

Percent Distribution of Labour Force : Primary Sector within each Urbanization Class

Urbanization Class	Goods Sector - Primary		
	1971	1981	1986
under 5,000	24.3	24.4	18.3
5,000 - 9,999	6.6	7.2	6.7
10,000-29,999	6.4	7	6.5
30,000-99,999	2.7	3.2	3.3
100,000-499,999	2.1	2.2	1.9
500,000 +	.7	1.5	1.5

Table 4.2

Percent Distribution of Labour Force : Secondary Sector within each Urbanization Class

Urbanization Class	Goods Sector - Secondary		
	1971	1981	1986
under 5,000	22.5	18.8	21.2
5,000 - 9,999	26.1	24.6	22.6
10,000-29,999	27.3	25.5	22.3
30,000-99,999	29.9	26.6	23.1
100,000-499,999	25.9	25.4	23.5
500,000 +	27.6	24.5	22.3

Table 4.3

Percent Distribution of Labour Force : Tertiary Sector within each Urbanization Class

Urbanization Class	Service Sector - Tertiary		
	1971	1981	1986
under 5,000	53.2	56.8	59.1
5,000 - 9,999	67.3	68.2	70.7
10,000-29,999	66.3	67.5	71.2
30,000-99,999	67.4	70.2	73.6
100,000-499,999	72.0	72.4	74.6
500,000 +	71.7	74.0	76.2

source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

There are three tables representing the percent distribution of the labour force within each of these sectoral categories for three time periods; 1971, 1981, and 1986. The data was taken from each respective census year.

There are several important findings from the tables. First, although primary occupations tend to be characteristic of smaller regions, the percent involved with such employment has decreased from 24.4% in 1981 to 18.3% in 1986 in areas with a urbanization class of under 5,000. It is interesting to note that the other regions have remained relatively stable over the years.

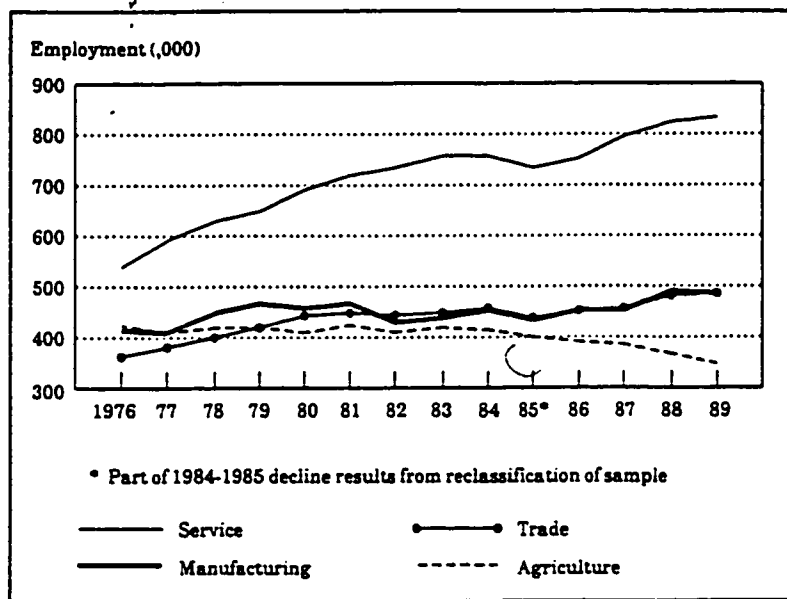
The second point to emphasize is the steady distribution of persons involved in secondary employment. Even though there was some expansion within this sector in 1981, this sector has remained relatively stable over the three time periods, covering fifteen years in all areas.

The third point is that with a decline in the proportion involved in primary occupations in smaller regions, the gain has been with a general increase in the tertiary sector across all urbanization classes. In 1971, 53.2% of persons living in areas with less than 5,000 were working in the tertiary sector; whereas in 1986, this rate has increased to 59.1%, representing an increase of nearly 6%. The largest increase in the tertiary sector has occurred within areas that have an urbanization class of 30-99,999 persons. Within these areas, the tertiary sector has expanded by 6.2%.

An example of how rapidly the service sector is growing in less populated rural areas is shown in figure 4.1. The figure represents four of the largest sectors that employ the greatest proportion of people in rural areas and small towns (areas with a population under 10,000). As indicated, the service sector has expanded considerably, from employing nearly 550,000 persons in 1976 to nearly 850,000 in 1989, representing a 65% increase. Furthermore, in 1989, the service sector employed twice as many individuals than manufacturing and trade, and nearly three time as much compared to the agricultural sector.

Figure 4.1

**Employment in four largest sectors
Rural and small town, Canada, 1976-1989**



source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

From the sectoral shifts presented, it is more apparent than ever that the Canadian labour force is becoming service oriented, especially in urban centers. On average, nearly three quarters (71%) of all participants in the labour force in 1986 were employed in some position that was directly related to the service economy. The outcome of such a trend has

sparked debate among researchers. Many claim that this increase in the service sector will only lead to increases in unstable employment, high turnover rates, and increased unemployment, considering that the service sector in rural areas contains a greater proportion of non-professional positions when compared with more formal markets within metro or urban-fringe areas. The latter of these issues is subsequently considered below.

4.1.2 *Duration of Employment*

Figure 4.2 represents longitudinal unemployment rates along two regional divisions; rural and small towns and towns and cities. According to the findings, rural and small towns have higher rates of unemployment in comparison to the more urbanized towns and cities, especially during the late 1970's and late 1980's.

Figure 4.2

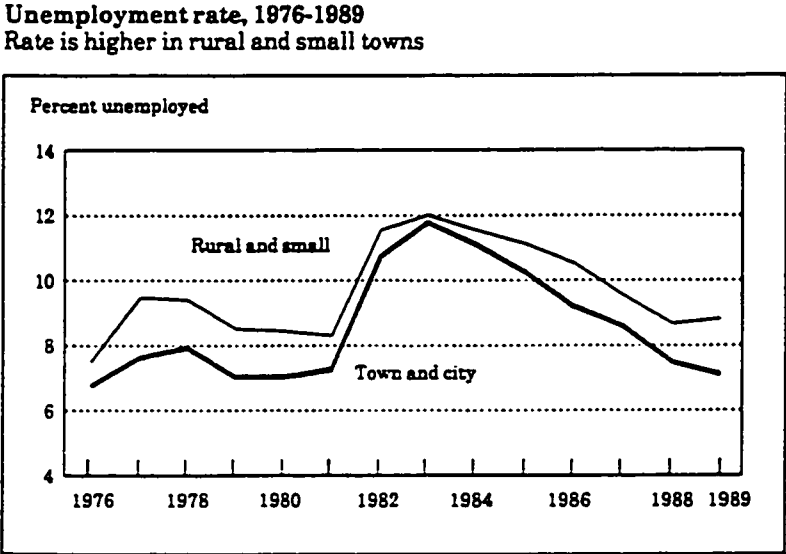
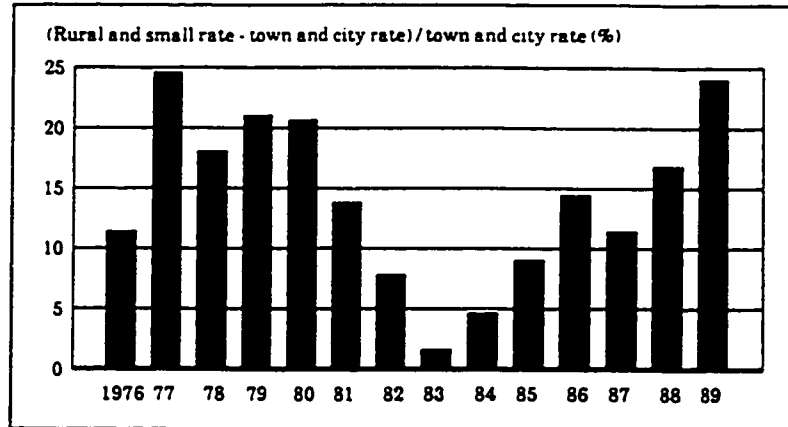


Figure 4.3

Rural and small town unemployment
Is 24% above town and cities in 1989



source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

As indicated in figure 4.3, rural areas and small towns are more susceptible to unemployment than towns and cities during recessionary periods. During the early 1980's recession, the unemployment rate reached a maximum of 12% in all regions, regardless of population size, and although the unemployment rates declined directly afterwards, it again rose to record levels during the early 1990's recession.

4.1.3 Implications and Consequences for Non-Metro Canada

Why do rural areas and small towns demonstrate higher unemployment rates than more urbanized areas? Researchers have pointed out these higher rates may be due to the seasonal nature of employment in these areas as well as the encroachment of the growing service sector providing poor job opportunities. As Morrissey points out in her paper "Work and Poverty in Metro and Nonmetro Areas" (1991), "metro / nonmetro differences in unemployment rates indicate that nonmetro areas had less advantageous employment

opportunities in terms of the number of available jobs...much of it was due to slower economic growth in nonmetro areas” as well as service occupations having the largest share of part-time workers followed by agricultural and kindred jobs (4-6).

In considering the above findings regarding changes in the pattern, organization and structure of work at the level of the labour market, we have seen that there is support for the dual or segmented economic theory as rural areas are more susceptible to sectoral demands. Not only has there been a movement from the primary sector towards a tertiary economy, the result leads to higher levels of displacement, especially among rural workers. As Kemp and Beck (in Berg, 1981) indicate, the rural work structure is based “around the principle of competitive capitalism...[and] is concentrated in the agricultural, nondurable manufacturing, retail trade, and service industries....[resulting in] greater odds of job instability’ (255). Teixeira and Mishel (1992) also support this notion and their findings provide a suggestion for policy, “in rural areas, as indeed in the nation as a whole, the great challenge is to focus on the demand side of the equation: how can we affect the mix of available jobs....but, whatever the policy specifies, demand-oriented policies stand a better chance, in the long run, of helping rural areas prosper” (1992).

4.2 Organizational

Moving from labour market indicators of changes among the patterns, organization and structure of work, we will now focus on a more specific level of analysis, mainly dealing with firms and economic organizations. Indicators of change in the structure of work at this level have to deal with the employer, and as mentioned in a

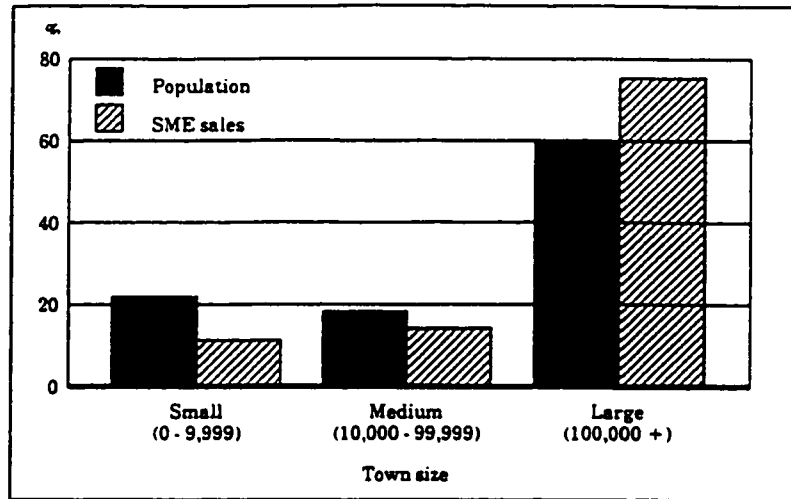
previous section, include such aspects as the relative size of businesses and the influence of control or power they exercise.

4.2.1 *Size, Sales and Profitability of Firms and Economic Organizations*

A regional comparison of firms is appropriate at this point in order to first understand the overall changes that have occurred at the level of the firm. At this level of analysis it has been argued that “labour market segments should be conceptualized as distinct work organizations embedded in the social relations of a *firm or workplace* and not simply as clusters of market-related characteristics” (Task Force on Persistent Rural Poverty, 1993: 79). In other words, they argue we cannot examine changes in work structures from the very broad “segmented” level of analysis as presented earlier.

An overview of the distribution of small and medium sized firms by town size is presented in figure 4.4 and provides a comparison between the proportion of total sales by firms and the proportion of the population by town size.

Figure 4.4 Distribution of SME sales and population by town size, Canada, 1987



source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

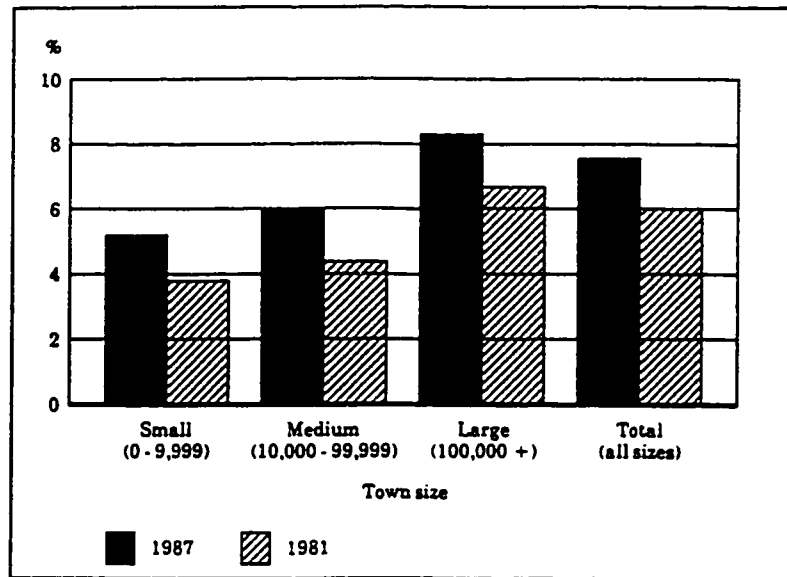
According to the findings, small and medium sized firms are over represented in larger towns (100,000+) relative to their share of Canada's population. The largest towns with 60% of Canada's population had 75% of total sales. Quite conversely, the smallest towns with under 10,000 population had 22% of Canada's population, yet only 11% of total sales. Not only are sales unevenly distributed regionally, but wealth or industry profit as discussed below, is similarly unequally balanced regionally.

Has this disadvantage changed small populated areas for the better? Not according to the recent findings (see Bollman, 1992). Although growth rates in sales has increased across all regions of varying sizes, sales grew faster during the 1981 - 1987 period for small and medium sized firms in the largest populated areas (100,000+).

We may argue that sales mean very little if we do not account for levels of profitability. However, we find a similar pattern with profits as was the case for sales.

Figure 4.5

SME profitability levels by town size, Canada, 1987 and 1981



source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

As indicated in figure 4.5, profit rates have increased during the 1981 - 1987 period across all varying populated regions, without any significant differences between regions ; however, larger populated areas have consistently posted higher rates of profits. In 1987, the profit rate from sales for larger towns was 8%, compared to only 5% for smaller towns. It may be expected that larger urban regions will gain more wealth from the economy since those specific regions hold the majority of sales as pointed out earlier, however, they more importantly also hold power and control over global economic activity. Unless the locality of this power becomes regional balanced, smaller regionally isolated locations will not share equally from the wealth generated (Edwards, 1979).

4.2.2 *Power and Control*

Indicators such as power and control at the level of firms and economic organization can be useful as measures to analyze changes that have occurred with the structure of work. According to Lobao, during the latest business trend in 'economic-restructuring', "management has tried to take advantage of this restructuring by demanding concessions and attempting to rollback previous gains, particularly of workers in the core sector. Rates of union membership among American workers have fallen, from about 30 percent in the early 1970s to under 20 percent by 1985. Management hostility has played a key role in this decline" (1990: 43). Lobao also adds that contributing to this loss of power by the employees, is management's "use of subcontracting, homeworking, and temporary and part-time employment in order to lower labour costs is increasing" (44).

In contrast to the U.S. , the Canadian example is quite different in terms of unionization. Kumar indicates that " unions in Canada remain strong and resilient, their influence in the United States has been declining" (Kumar in Van den berg and Smucker, 1997: 221). The maintenance of strong Canadian unions can be explained through increased efforts through government regulation to recognize womens' rights, pay equity, as well as higher allocation of funds for reorganizing and training workers, and even to improved public relations. Furthermore, compared to United States, "the higher degree of unionism, particularly in the public sector, and more favorable collective bargaining outcomes are considered a product of Canada's distinct economic structure" (224).

The question remains however, will the success of Canadian unionization and representation of labor continue in the near future or will it follow the U.S. example? With the rise in part-time employment in recent years, especially in non-metro areas, we may see a reversal of union success within non-metro areas. According to a recent Canadian published report “The Growing Gap” by the Centre for Social Justice (1998), “full-time workers have fallen from two-thirds of the labour force a generation ago to half today. About one in five jobs is part-time (double 20 years ago)...the fastest growing segments of the labour force involve temporary jobs, which now make up 15 percent of all jobs”. Given that part-time work is difficult to unionize or organize, non-metro areas may be faced with an increasing problem of representation and loss of power within non-metro labor markets.

Turnover rates are another example of ‘economic-restructuring’ at the level of firms and economic organizations. Considering measures of employment instability, we should consider recent findings of Trant and Brinkman (in Bollman: 1992). In their article entitled “Products and Competitiveness of Rural Canada”, they claim that “even though large towns had the highest rates of newly and no-longer identified firms, small towns had the highest net turnover rate differential (12 percentage points), compared to medium towns (9 percentage points) and large size towns (6 percentage points)” (Bollman, 1992: 101).

4.2.3. Implications and Consequences for Non-Metro Canada

Why have small and medium sized firms and businesses in rural and small towns lagged behind, and basically failed to catch-up to firms in larger populated areas? Referring back to Sabel (1982) and his economic-demand approach, he claimed that rural areas and smaller towns are generally characterized by small firms, which to a great degree, exist to satisfy excess demand that is passed on by larger populated urban centers. Thus, we can infer that rural areas and small towns are susceptible to lower rates of sales and profits due to the unfortunate fact that they must deal with unstable and competitive market conditions. Although, one could argue that all regions must face unstable or competitive conditions occasionally, the critique here is that non-metro regions are commonly known for their reserve pool of labour, quickly adapting to satisfy excess demand. Consequently, individuals in non-metro regions become idle once the excess demand is filled (Sabel, 1982), which is a scenario less often found within metro markets that continue to fulfill stable demand uninterrupted.

Lobao provides an historical account of past market activity and its lasting effects on non-metro conditions. According to Lobao, non-metro or peripheral areas have been faced with an economic strain ever since the oil crisis in 1973, which marked a new era for a deteriorating economy. "Growth rates deteriorated, productivity declined, and inflation rose in all the advanced capitalists economies" (Lobao, 1990: 42). The decline in economic performance was at an extreme in non-metropolitan areas that were manufacturing based. Lobao notes that "2.3 million manufacturing jobs disappeared from 1980 to 1985....the fastest growth occupations are now in peripheral, service sector jobs:

janitors, fast-food workers, clerical workers, and nurses' aides". As a consequence, the pressure of these changes has reduced wages relative to what it used to be. "This deterioration in income occurred despite the increased employment of working wives and despite the higher educational attainments" (43).

Myles also recognizes the increase in service and clerical employment, even before the oil crisis. "Over the postwar period, the service economy has had three major growth centres [in Canada]: the state sector including social services and public administration, business services and consumer services" (Van Den Berg and Smucker, 1997: 296). With special focus on increases within ' consumer services', Myles notes "the threat of the 'hamburger economy' portrayed by Kuttner and the deindustrialization theorists is quite real. Food and accommodation services made the list of ten fastest growing industries in all three decades between 1951 and 1981" (296).

These authors have emphasized the overall changes that have occurred at the level of firms and economic organizations. We have seen how sales and profits have changed, putting rural areas and small towns at a disadvantage. Included, are also discussions of how the occupation and income distribution has changed in the face of economic turmoil. With these matters presented, we may briefly focus on a related issue of power and control within firms and economic organizations

In sum, with regard to firms and economic organizations, it has been demonstrated that the structure of work has changed, in that, small towns maintain lower levels of sales relative to their population, lower proportion of profits compared to firms in larger cities,

and may have lost control and power, not only with the type of occupations they hold, but also over their income for survival.

4.3 Individuals

The last level of analysis we will pursue in terms of demonstrating changes in work structures deals with the employee. Just by analyzing the demographic picture of rural and small town Canada, it is evident that individuals living in these areas are at a disadvantage in terms education and migration.

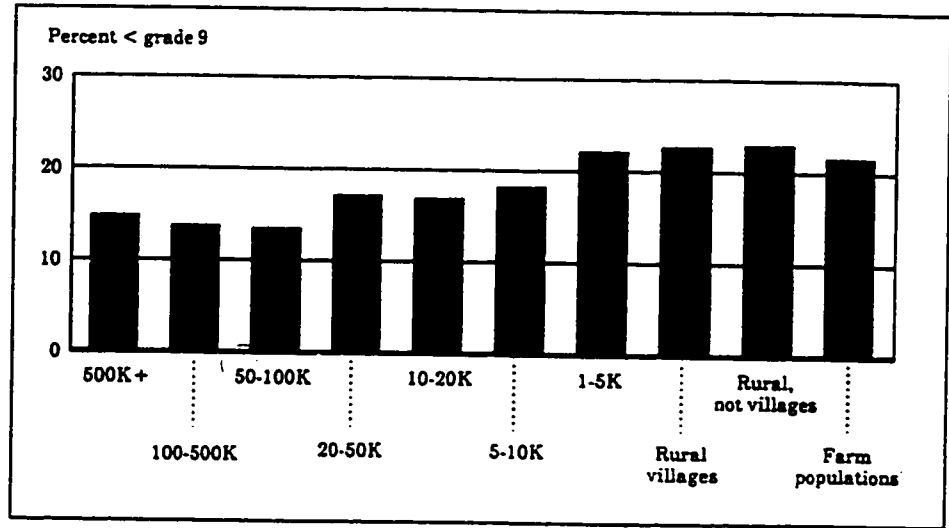
4.3.1 *Education*

Rural and small town residents hold lower levels of education. However, lower education levels are also a function of the age distribution and migration patterns within such areas. In a recent report entitled “Rural Canada: a Profile”, we find that the age distribution is changing as birth rates decline and the population becomes older. In addition, young adults and families are moving out of rural and remote areas to non-metro adjacent areas, leaving older less-educated residents behind (The Government of Canada, 1995).

As pointed out in earlier sections, employment within smaller populated areas have been in primary and secondary sectors, although we have seen evidence of growth within the tertiary sector. For this reason, the demands for an educated work force in non-metro labor markets have typically been quite low. This is an important point, because as we will point out below, the supply of an educated work force in non-metro areas is irrelevant

unless there exists a demand. Figure 4.6 supports the proposition that rural and small town residents hold lower levels of education. As indicated, the percent of individuals with less than grade 9 education highest in smaller populated towns and villages.

Figure 4.6 **Less than grade 9 education**
For population > 15 years, Canada, 1986



source: *Bollman, Ray. Rural and Small Town Canada. Toronto: Thompson Educational Publishing. (1992)*

According to the Task Force on Persistent Rural Poverty (1993), the data on rural America is very similar. “In 1988, for example, the mean educational level of workers aged 18-64 was 12.7 years in the non-metro labour force, compared with a national average of 13.2 years. Rural-urban differences in the percentages completing college are even higher. Moreover, the high school dropout rate in non-metro areas was 15.2 percent in 1985, compared with 13.9 percent in metro areas. This educational gap reflects, at least in part, metro-nonmetro differences in the age structure; rural areas have older workers

who typically have below-average levels of education” (45). From the standpoint of the employer, this would put residents at a disadvantage.

4.3.2 Migration

A common and recent topic within rural sociology is concerned with rural revitalization or resurgence. As mentioned earlier, we have been witness to recent growth within the tertiary sector in both metro and non-metro areas. Whether this growth is the cause or effect for migration from urban to rural areas is difficult to assess, however, we can determine the effects on rural life within communities.

This counter-urbanization trend has been most predominant around the urban fringe area, either around or within Census Metropolitan Areas and Census Agglomerations where growth rates are “approximately three times higher than other areas of Canada (Dykeman and Corbett, 1986 : 6)”. Statistics Canada has noted “more people are moving to the country from the city than the reverse and this has been responsible for a large portion of rural growth, in fact for slightly more than half” (Statistics Canada, Urban Growth in Canada, 1984).

4.3.3. Implications and Consequences for Non-Metro Canada

The expansion of tertiary employment in non-metro areas may be a direct result of the growing needs for additional services from new arrivals migrating to rural areas.

Perhaps the reverse is true as well, that the growing tertiary or service sector has attracted

new residents seeking employment opportunities in small communities distancing themselves from the busy city. Aside from this cause or effect scenario, the effects of migration have been documented. For example, in their "Review of Population Changes and the Implications for Rural and Small Town Canada and the Atlantic Region, Dykeman and Corbett (1986) report that :

the increasing number of rural non-farm residents has led to numerous socio-economic community stresses across rural Canada. Land use conflicts, service demands, value conflicts, social problems caused in part by new non-farm residents, have surfaced in rural areas (8).

From an economic perspective, the same report emphasizes the concern that many small municipalities have regarding the:

cost of maintaining, expanding or installing local services. As growth occurs, demands for expanded or new services emerge...deteriorating and older infrastructure systems of communities require upgrading to accommodate growth and to maintain community competitiveness with attracting new economic development. Many of the small communities and rural areas do not have the tax base to support these costly services (38).

With regard to education, non-metro residents seem to face double-jeopardy, in that, even if they did up-grade their education to the standards of metro residents, they still would *not* be any further ahead in terms of employment than they are now. The problem facing non-metro residents is not one of human capital improvement, it is "the lack of growth in high-skill jobs and not the skill and education level of the rural workforce" (Teixeira and Mishel, 1992 : 3).

The Task Force on Persistent Rural Poverty state that “the paradox is that despite significant increases in educational levels over recent decades, poverty and economic inequality remain high and persistent in rural America... education in the absence of adequate employment will not ameliorate poverty and its consequences. This is evident in the roughly 8.6 million rural *underemployed* workers today without full-time jobs that pay a decent living wage” (41).

Lobao (1990) supports what has been presented by the Task Force. In her argument, she makes a similar claim for a mix or balance between a demand for increased educational attainment and the availability of employment:

The role of education in empowering people and their localities merits special consideration. While counties with higher educational levels tend to have higher income levels at any one cross-sectional point, they do not always do so over time. A higher level of schooling thus does not, in and of itself, lead to higher income and lower poverty. Rather, at any historical point, employers may find it advantageous to develop those areas with higher education and at other points; to discount them. This does not mean that the role of education is unimportant; it does, however, indicate that the limitations of education in influencing economic well-being should be acknowledged. Efforts to improve educational attainments will have little bearing on local economic well-being unless accompanied by sufficient, good quality jobs. On the other hand, education broadens minds and increases the skills necessary for full social and political participation. Increasing educational attainments among poorly educated populations can allow them to compete for better quality jobs (230).

Chapter V

5. Discussion and Conclusion

As illustrated throughout this study, changes within the work structure have led to profound changes for non-metro residents. With the changes in the economic base, unemployment has become more frequent and apparent among non-metro families. Although non-metro incomes began to match that of their urban counter parts during the 1970's, the economic crisis in the 1980's caused a significant increase in non-metro unemployment and allowed incomes to drop far below average urban incomes. Subsequently, the combination of high unemployment and lower incomes increases the polarization of labour.

A characteristic of the non-metro work structure is the increasing rate of unemployment. Non-metro areas are especially susceptible to the instabilities of the economy. As the Rural Sociological Society has pointed out, "downturns in many of the industries important to non-metro economies (agriculture, mining, energy, forestry, manufacturing) have resulted in near double-digit unemployment due to a combination of factors" (Task Force on Persistent Poverty, 1993: 2). The same task force illustrates that the factors causing unemployment are due to such events as the failure of non-metro business ventures, and crises in local and national governments.

One example of an economically disadvantaged region is that of the Maritimes. In one study, it was found that the monetary returns to persons living in the "marginal" or peripheral sector of the Maritimes did not vary significantly due to factors of education

and experience. Whereas the opposite was found for more “central” or core sectors. In other words, an individual was more likely to earn less simply due to the locality of their employment. This is to be expected, as Clairmont and Apostle point out; employment instability is common given that “this sector contains footloose outside-owned establishments attracted by cheap labour, peripheral establishments in industries where capital is being run down, small establishments in competitive industries, and establishments serving local markets, primarily in service and trade” (1998: 390).

Since the occupational structure is predominately primary and secondary (non-professional) oriented, another implication for non-metro households is lower income in comparison to urban centers. According to Morrissey (1991), “differences in job opportunities in metro and non-metro areas may partially explain why non-metro workers were more likely than metro workers to be poor. Several studies have shown that employment in non-metro areas, compared with metro areas, tends to be dominated by part-time, low-wage jobs in agriculture, service and manufacturing” (Morrissey, 1991: 4).

According to recent studies, the average Canadian family income in real terms has decreased slightly since the mid-1980's and even since the early 70's. A ten year study by Statistics Canada found that “there has been very little overall growth in real income of Canadian families since the early 1980s. In 1991, the average family income was estimated at \$53,100, only 3% greater than the figure in 1981” (A portrait of Families in Canada, 1993 : 5). A more recent study found a dramatic decline in real income over a twenty three year period. The Centre for Social Justice found that since 1973, “the proportion of

middle-income families with children - earning between \$24,500 and \$65,000 - fell from 60 percent of the population to 44%" (The Growing Gap, 1998: 3).

To compound the problem, not only are family incomes declining, but there is still a large discrepancy between average non-metro and metro family incomes (Bollman, 1986: 30-31). Not only are non-metro families at a disadvantage since they earn a disproportionately less income compared to their urban counterparts, their income is also declining. According to Teixeira and Mishel, rural "rates for wage growth are only about one-fifth to one-seventh the 1980s rate, while the rates for compensation growth (wages plus fringes) actually become negative...this suggests that the economic benefits stemming from future changes in the job structure are also considerably overrated" (7). In other words, they believe job development in rural areas has not led to increased salaries, because the *types* of employment being developed do not demand higher wages.

The polarization of occupations, that is, the increased division between low skill / low pay and high skill / high pay labour has become more apparent over the last half century (Myles, 1997). This diversification within the labour market is partly due to the increase in technology, where employment requirements demand advanced skills that are only applicable to certain positions. Consequently, the application of particular technologies establishes new criteria for employment; thereby, creating even more barriers to those who lack the qualifications. As may be recalled, this contradicts Teixeira and Mishel, as discussed in an earlier section, who believe there is no lack of human capital in rural areas, in fact, their briefing paper is titled "The myth of the Coming Labor Shortage in Rural Areas" (1992).

As mentioned earlier, just by the fact that non-metro areas are experiencing growth due to migration, the demand for services will increase. Consequently, the new services demanded will appear quite similar to those already existing in urban centers and urban dwellers will most certainly demand the same services that were once available to them. This implies increased costs to change or upgrade the existing infrastructures thereby raising taxes almost simultaneously: a hardship not welcomed by non-metro residents. The non-economic implications can cause serious confrontations with regard to the social impact of value conflicts, land issues, and so forth.

5.1 Limitations and Future Research

The empirical analysis explored in this study, demonstrated the various ways in which work structures have changed with a special concentration on spatial locality and the impact on non-metro Canada. The indicators provided here are by no means an exhaustive list, since there are far more that cannot be examined here within the scope of this study. In addition, it could be argued that the indicators used in this study are biased from a metro point of view. Metro areas have always been used as the standard by which other areas are evaluated. We could argue that rural individuals survive 'well', but are indeed more disadvantaged by urban standards. Although work structures in the non-metro areas may be more subject to the uncertainty of product markets (economic organization, delimited by spatial boundaries), it may be the case that the more embeddedness and encompassing nature of relationships buffer the social effects of these uncertainties more than would be the case in metro areas.

Future research should take into consideration the micro-level impact of the work structure in non-metro areas. This type of analysis would provide the qualitative side of this issue which cannot be summarized in the aggregated-secondary data presented here. It may also provide valuable insight into the effects of regionalization. For example, rural areas differ from one another in terms of labour markets, where some rural towns are based exclusively and dependent upon one manufacturing firm, while others are industry based with cyclical employment, such as with the fishing industry. The point is that because markets differ spatially, the implications and consequences will vary given the particular context. Unfortunately, these elements cannot be aggregated and understood at the macro level.

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