LOCAL TRAINING AND ADJUSTMENT BOARDS
IN NORTHERN ONTARIO

LABOUR FORCE CHANGES AND TRAINING NEEDS IN NORTHERN ONTARIO: A REGIONAL OUTLOOK FOR 2002

Final Report

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Sudbury & Manitoulin LTAB
Muskoka, Nipissing, Parry Sound LTAB
Far Northeast LTAB
North Superior LTAB
Northwest LTAB

Northern Ontario
Training Boards

LABOUR FORCE CHANGES AND TRAINING NEEDS IN NORTHERN ONTARIO: A REGIONAL OUTLOOK FOR 2002

INTRODUCTION

The purpose of this project is to use the combined work of the five Local Area Training Boards in Northern Ontario to develop a regional outlook for labour force development and training needs.[1] These Boards are part of the 25 Local Area Training Boards established in Ontario in 1994. They were created to assist in assessing the training needs and issues of each area. Each Board is made up of representatives of the key labour market partner groups including primarily business and labour but also including educators and trainers, women, persons with disabilities, francophones, and racial minorities. The Boards also have non-voting representatives from the municipal, provincial, and federal governments. The Boards are sponsored by Human Resources and Development Canada, and the Ontario Ministry of Training, Colleges and Universities.

Part of the mandate of these Boards is to conduct yearly Environmental Scans. The primary purpose of these scans is to capture underlying shifts, trends and changes in the socio-economic environment of the Board area and to assess and analyze the local training and adjustment needs. Starting in 2000, because of the lack of new Census data, the Boards produced updates on Environmental Scans written in previous years. The main objective of these Environmental Scan Update Summaries is to determine which of the needs outlined in the earlier Environmental Scans are still relevant and to identify any new trends or needs that seem to be emerging.

While it is very important for Boards to remain focused on the specific needs of their particular areas, it is also true that Northern Ontario as a whole shares many common socio-economic trends and training needs. This has long been recognized by both the provincial and federal governments who have created agencies to deal with the common needs of the region. This project believes that it is useful for all five Local Area Training Boards in Northern Ontario to work together to understand common socio-economic trends in the region and to identify common needs. A regional action strategy can then be developed which will be useful in collaborating with pan-northern economic development partners such as the Ontario Ministry of Northern Development and Mines (MNDM) and the Federal Economic Development Initiative in Northern Ontario (FedNor).

This year's regional outlook noted several common trends. The first, and perhaps the most important, was a population decline across the North as seen in the recently released 2001 Census data on population. Labour Force Survey data over the past year showed a divergence in employment trends between the Northwest and the Northeast with an increase in part-time employment in the Northwest and unusually low unemployment rates in Northwest. Labour Force Survey data also showed that while the differences in the industrial structures between Northern Ontario and Ontario have not been fundamentally altered, the North did see an increase in Construction jobs, an increase in Finance, Insurance, Real Estate, and Leasing Sector jobs, an increase in Management, Administrative, and Other Services Sector jobs, a decrease in Health

Care and Social Assistance Sector jobs, and a decrease in Forestry and Mining Sector jobs.

While these shifts in employment occurred on a year-to-year basis, a review of the data from June, 1999 to June, 2002 showed that there were only three constant long-term shifts in employment: an increase in Accommodation and Food and Beverage service employment, an increase in wholesale and retail Trade Service employment, and an increase in Manufacturing employment.

The training needs identified in this year's environmental scan summary updates continue to show the same commons issues identified in previous reports. The main shift in emphasis is the increased importance placed on the issues of the impacts of future retirements, and youth-outmigration.

METHODOLOGY

The study is based on the following research methods:

1) An analysis of the Environmental Scan Updates for all six Northern Training Boards

2) An analysis of Labour Force Survey data for Northern Ontario.

3) A review of labour market news in newspapers and other media in Northern Ontario

4) A review of newly available census data.

CHANGES TO THE LABOUR FORCE

DEMOGRAPHIC PROFILE:

Background to the Region

Northern Ontario comprises almost 89% of the land mass of Ontario but represents only 7.4% of the total population of the province (2001 Census). As the region has no legislated boundaries, the definition of the region varies, especially as concerns its southern border. Currently, for the purpose of statistical analysis, the federal government has defined Northern Ontario as comprising the Regional Municipality of Greater Sudbury and the following districts: Kenora, Rainy River, Thunder Bay, Algoma, Cochrane, Manitoulin, Sudbury, Timiskaming, Nipissing, and Parry Sound. Prior to 2000, this definition of Northern Ontario was also used by the provincial government for program delivery. In 2000, however, the Ontario government decided to also include the Muskoka District Municipality in its definition of Northern Ontario. [2]

The history of continuous settlement by non-Natives in Northern Ontario is relatively recent when compared to the rest of Ontario. Settlement in earnest started with the construction of the Canadian Pacific Railway in the late 1870s and 1880s. This was soon followed by the construction of the Canadian Northern Railway and the Grand Trunk and National Transcontinental Railways. Most non-Native communities in the region were initially railway towns.

Following the building of the railways, the region's growth has been driven primarily by the forest industries and by mining. The development of communities were, for the most part, undertaken by large resource extraction corporations based outside the region rather than by local entrepreneurs. This fact has meant that the social and economic structure of this region exhibits several unique characteristics such as:[3]

1) An overdependence on natural resource exploitation - This has meant a high degree of vulnerability to resource depletion, world commodity prices, corporate policy changes, the boom and bust cycles of the resource industries, changes in the Canadian exchange rate, and changes in government policies regarding Northern Ontario.[4]
2) A high degree of dependency on external forces - The fact that most communities were developed by outside forces means that local entrepreneurship has been more limited than other areas. This has served as a barrier to the cultivation of an entrepreneurial culture in these communities. This is also seen in the area of political decision-making. Unlike most areas of Ontario, Northern Ontario is made up of Districts instead of Counties. Unlike Counties, Districts do not have regional governments. In most of Northern Ontario there are no regional governments serving as intermediaries between the provincial government and municipalities.[5]

While all communities in the region share some of these characteristics, Northern Ontario can be divided internally into three different types of communities:

Small and Medium-sized cities - Northern Ontario includes 5 cities with over 40,000 inhabitants. They are, in order of size, Sudbury (155,219), Thunder Bay (109,016), Sault Ste. Marie (74,566), North Bay (52,771), and Timmins (43,686).[6] While these centres are heavily dependent on resource industries they are also relatively diversified in that they tend to be important centers for health, education, and other services for the outlying regions.

Resource Dependent Communities - The vast majority of the remaining non-Native communities in the region are resource dependent communities, or single industry towns, which share many distinct characteristics.[7] These communities are smaller and less diversified economically than the central cities. They are much more directly dependent on resource industries.

First Nations Communities - The region of Northern Ontario is unique in terms of its large number of Aboriginal communities. The Aboriginal population makes up almost 8 percent of the population of the region.[8] The population in the area of the region north of the 50th parallel is almost entirely made up of these communities. First Nations communities face the greatest number of social and economic challenges of all the communities in the region.

Findings from the 1996 Census

The 2000 Regional Outlook identified the following long term trends based on data from the 1996 Census.[9]

- Slow Population Growth
- Youth Out-migration
- An Aging Population
- Decline in Industrial Employment
- An Aging Forest Industry Workforce
- Increase in Service Sector Employment
- Increase in Non-standard Forms of Employment (Part-time, Contract work, Self-employment)
- Low Levels of Education and Literacy
- Flexibility in the Workforce

Most of these trends are identified through the use of census data. As of early July, 2002 the only new data available from the 2001 Census was for population numbers. Aside from general population trends, there is no way to determine if any of these trends have changed in the past year. These are trends that must be re-examined when new census data becomes available later in 2002 and early 2003.

General Population Trends from 1996 to 2001

General population trends for Northern Ontario from 1996 to 2001 were contained in a more detailed report written for the Northern Ontario Training Boards in April, 2002.[10] The following is a brief summary of the findings contained in this report.

Taking into account special adjustments for inconsistencies in population counts of Aboriginal communities, the population of Northern Ontario in 2001 was 841,288.[11] From 1996 to 2001 the population of Northern Ontario decreased by 40,232 people or 4.5%.

While the population of Canada grew by 4%, and that of Ontario by 6.1%, the population decline experienced by Northern Ontario was similar to that experienced in other resource dependent regions of Canada and the world.[12] As Figure 1 indicates, there is, however, a considerable amount of variation in growth rates for these regions in Canada. While the Yukon experienced a decline of 6.8% in its population, Northern Alberta experienced an increase of 6.1%.[13]

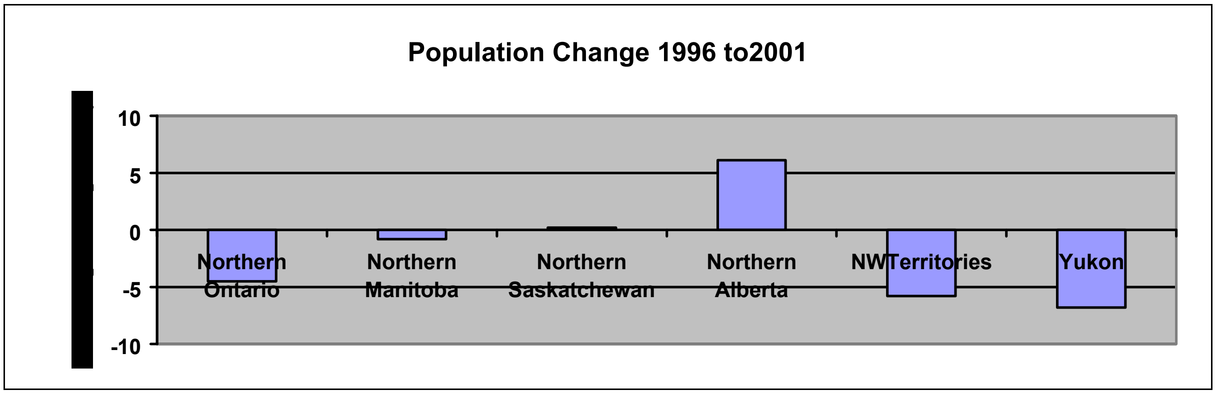

Figure 1 Source: Statistics Canada, 2001 Census

The population figures for 2001 indicate a significant shift from past population trends. Until 1961, growth rates for Northern Ontario were close to that of Ontario as a whole. In 1966 we saw for the first time an important difference in the population growth rates of Ontario and Northern Ontario. From 1966 to 1996, while the population of Ontario continued to grow, the population of Northern Ontario remained more or less stable. The 2001 Census showed the largest decrease in the population of Northern Ontario over the past 50 years. In fact, the only other time that the population of Northern Ontario decreased during this period was from 1981 to 1986 when the population decreased by 2.3%.

Population data from the 2001 Census indicates four main population trends occurring in Northern Ontario. The largest trend is a general decline in population. This decline is occurring in the major urban areas of the region as well as the non-Aboriginal resource dependent communities of the region. There does not appear to be much of an overall difference in rates of decline based on the main economic activity of the region. Pulp and paper towns, sawmill towns, and mining towns all decreased in size although the extent of the decrease varied from community to community.

The next trend is seen in the relatively high rates of growth due to natural increase in the Aboriginal communities of the region. Overall, the average rate of growth for these communities was 5.9% in Northern Ontario. While this growth rate was slightly less than the 6.1% growth rate for Ontario, it was substantially higher than the 4% growth rate for Canada.

Another trend is a slow increase in the “cottage country” communities closest to the major urban areas of Southern Ontario. This is clearly seen in the Muskoka District Municipality but also in some communities in the District of Parry Sound.

Finally, some growth is seen in the suburban areas surrounding the largest urban centres of Northern Ontario. Those townships with lakefront seem to have the most growth.

LABOUR FORCE CHANGES AND TRAINING NEEDS IN NORTHERN ONTARIO: A REGIONAL OUTLOOK FOR 2002

Labour Force Survey Trends

Some of the trends identified in last year's report were based on Labour Force Survey data.[14] Since this data is available on a monthly basis it can be used to re-examine some of the trends discussed last year. Two demographic trends in particular were mentioned last year based on this data. They were:

1. Recent Gradual Increases in Unemployment Rates

2. Recent Gradual Decreases in Number of Jobs

Findings for 2002

This year's findings are somewhat different than in previous years in that we see a marked difference in job growth between Northwestern Ontario and Northeastern Ontario from June 2001 to June 2002:

1. Increase in Part-time Employment in Northwestern Ontario

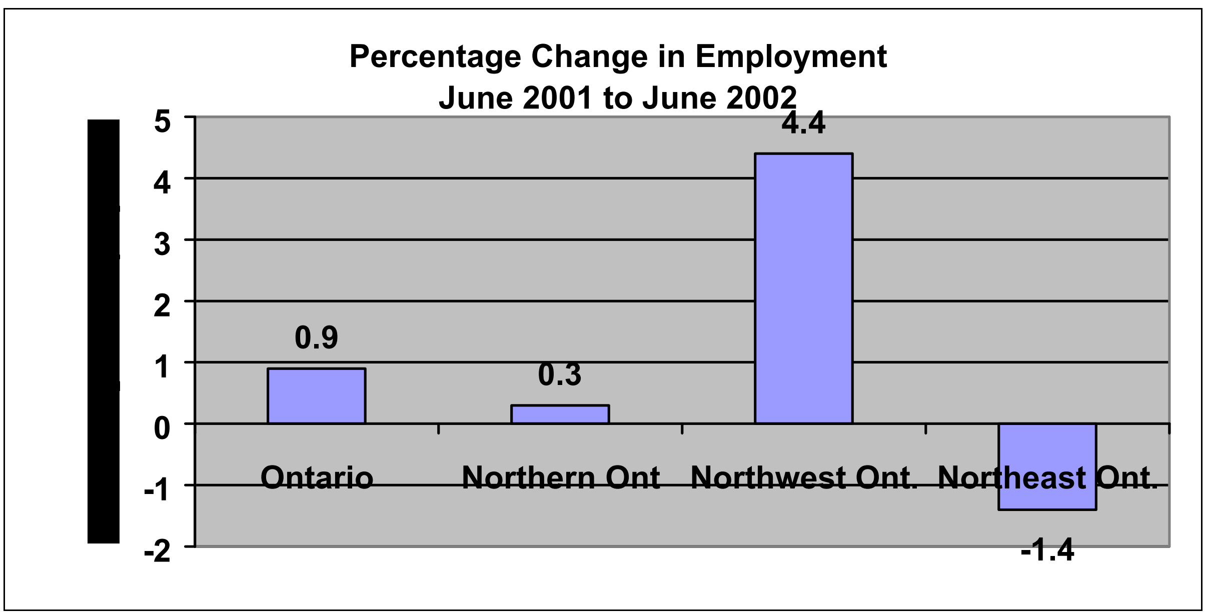

Figure 2 (Source: Statistics Canada, Labour Force Survey, June 2001 to June 2002)

As Figure 2 shows, Northwestern Ontario had a good year in terms of job growth. Employment in the region increased by 4.4% on a year-to-year basis. Northeastern Ontario had a worse year in that employment actually decreased by 1.4% over the course of the year. This being said, Northeastern Ontario has been experiencing some job growth in the last few months, as employment in June 2002 was 7.6% greater than that of March 2002.

Almost all the job growth in Northwestern Ontario was in part-time employment. On a year-to-year basis full-time employment remained unchanged while part-time employment increased by 20.4%.

2. Unusually Low Unemployment Rates in Northwest

As is seen in Figure 3, the unemployment rates for Northwestern Ontario were significantly lower this year than is normally the case. In fact, from November 2001 to March 2002, and once again in June 2002, rates for the Northwest were lower than the provincial average. As has been pointed out in earlier Environmental Scans, rates for the Northwest, as is the case for all of Northern Ontario, are usually significantly higher than provincial averages.

Figure 3 also shows that while the Northeast tended to follow historical patterns of unemployment rates relative to that of Ontario as a whole, this region has started to see a decrease in unemployment rates since April, 2002.

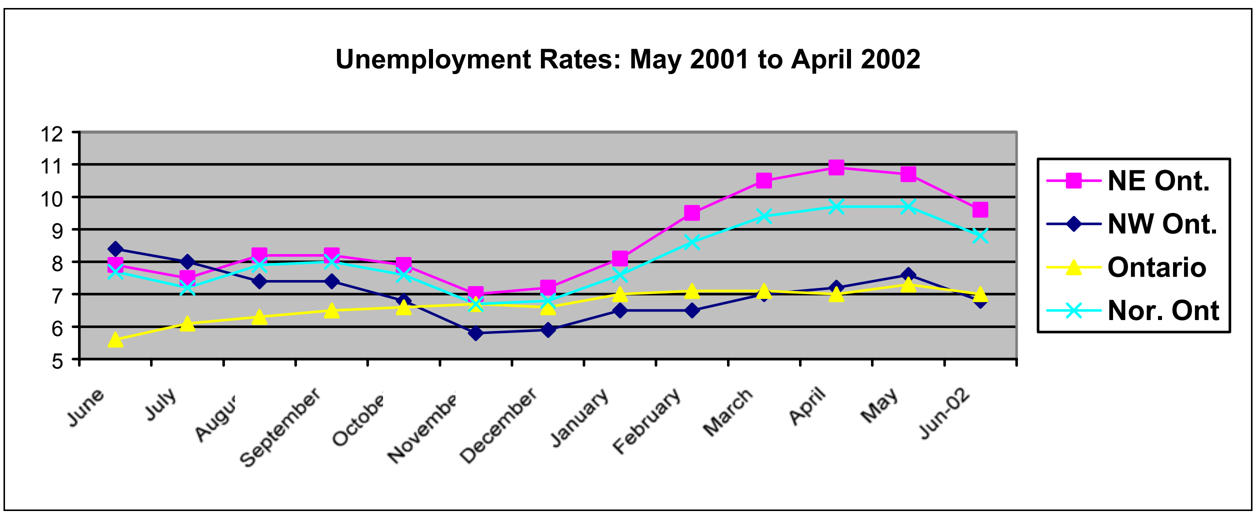

Figure 3 (Source: Statistics Canada, Labour Force Survey, June 2001 to June 2002)

SKILLS/OCCUPATIONAL PROFILE

The Industrial Profile of the North as Compared to Ontario

The regional outlook for the year 2000 pointed to important differences between the industrial structure of Ontario as a whole and that of Northern Ontario. It highlighted the fact that Northern

Ontario still has a lower percentage of manufacturing jobs despite the importance of the pulp and paper and sawmill industries. As well, Northern Ontario has a lower percentage of jobs in finance-related industries, professional services, and management and administrative services. The region has a higher percentage of jobs in primary forestry and mining and in government-related services such as education, health and social assistance, and public administration. It also has a higher percentage of people employed in accommodation and food services.

The regional outlook for last year indicated that nothing significant had changed in the industrial profile of the region. The above-mentioned characteristics continue to be those that distinguish Northern Ontario's industrial profile from that of Ontario. There were some minor changes noted last year. The rapid rise in the number of call centres in Northern Ontario has meant that the percentage of jobs in management and administrative services is closer to that of Ontario. The loss of jobs in professional, scientific, and technical services has meant that the differences between the North and the rest of Ontario in terms of knowledge-based employment are increasing.

Figure 4 shows that once again the differences in the industrial structures between Northern Ontario and Ontario have not been fundamentally altered. Indeed the only significant change since May, 2000 has been that construction jobs in Northern Ontario now represent a higher percentage of industrial employment than for that of Ontario as a whole.

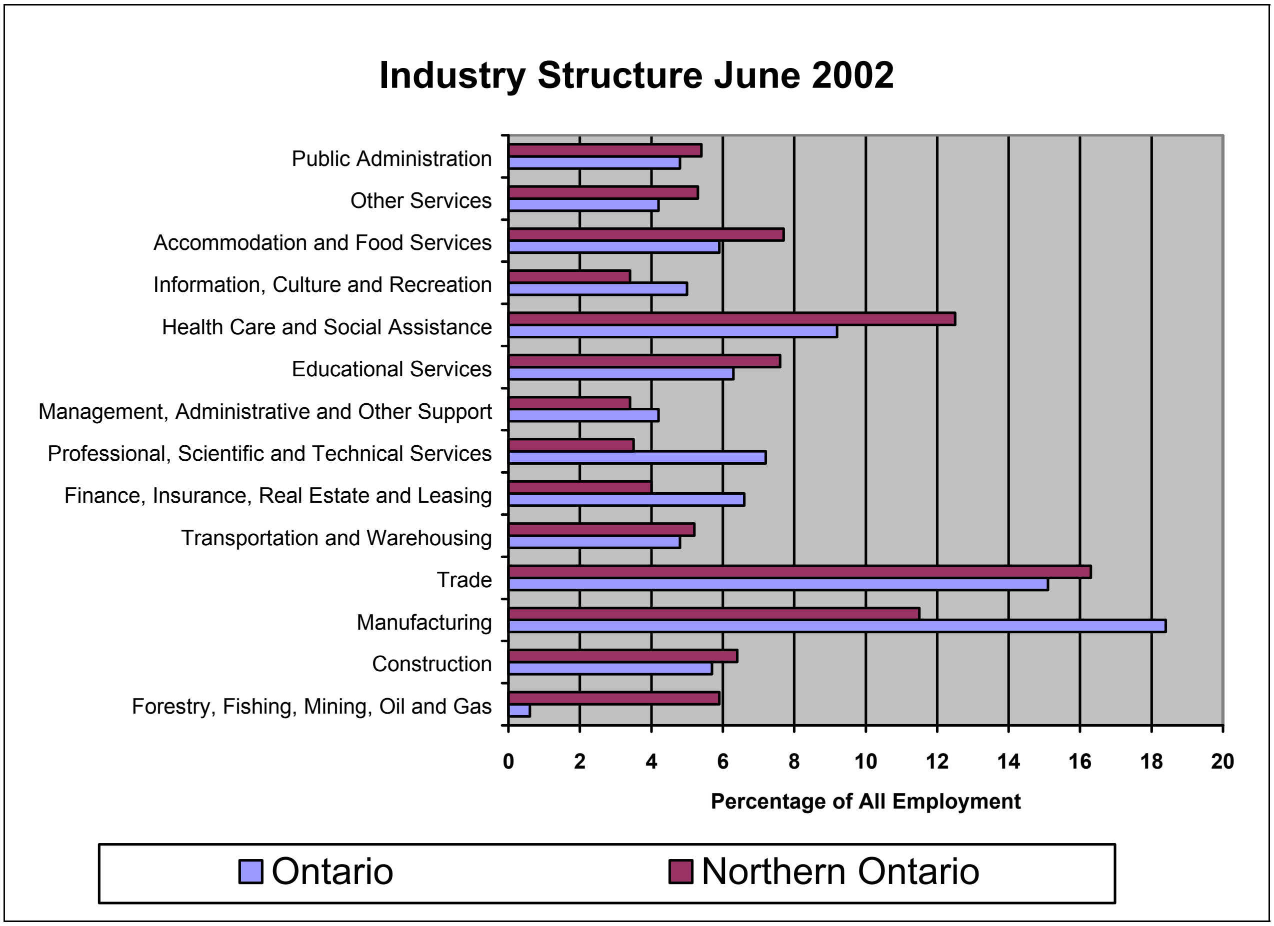

Figure 4 (Source: Statistics Canada, Labour Force Survey, June 2002)

The Most Significant Shifts in Total Numbers of Jobs: 2001 to 2002

Determining training needs depends to a certain extent on which industrial sectors are losing jobs and which industrial sectors are creating new jobs. Last year's report highlighted growth in the wholesale and retail Trade services sector and growth in the Manufacturing sector. It also noted a decline in the Transportation and Warehousing sector and a decline in the Professional, Scientific, and Technical Services sector. As seen in Table 1, this year's Labour Force Survey shows five major trends in the total number of jobs per industry.

Increase in Construction Jobs: The Construction section produced 3,100 new jobs from June, 2001 to June, 2002. This number represents an increase of 14.9%. This was the largest total increase in jobs of any sector. These jobs are a result of an increasing number of major public health and educational sector projects in Northern Ontario along with some large private sector industrial projects. Housing trends continue to lag behind that of Ontario as a whole.

Increase in Finance, Insurance, Real Estate, and Leasing Sector Jobs: This sector saw employment increase by 1600 jobs, or 11.9%. This increase is not easy to explain, as the Labour Force Survey does not allow us to find out exactly what type of job in this sector is on the increase. It is possible that some of these jobs could be a result of new call centers. Some of these call centers deal with financial and insurance services and as such could be included in this category.

Increase in Management, Administrative, and Other Services Sector Jobs: Jobs in Management and Administrative Service industries increased by over 9.9%, or by 1,400 jobs, from June, 2001 to June, 2002. This indicates a slowing of growth in this sector as last year's increase was over 33%. As was indicated last year, growth in this sector is undoubtedly the result of the increasing number of call centres in Northern Ontario. The Labour Force Survey classifies call centres as an Administrative Service.

Decrease in Health Care and Social Assistance Sector Jobs: Jobs in the Health Care and Social Assistance sector declined by 5,800 or 11.1%. This represented the largest absolute shift in employment in the region over the past year. Most of this decrease appears to be the result of municipalities continuing to have problems meeting budgetary goals and, as a result, continuing to reduce services in these sectors.

Decrease in Forestry and Mining Sector Jobs: Employment in the primary sector decreased by 2,900 jobs, or 11.7% from June, 2001 to June, 2002. A slowing of the American economy combined with uncertainty over access to the American markets due to the softwood lumber dispute has contributed to job losses in this sector over the past year. The mining sector has seen declines due to a decrease in demand and a subsequent decline in market prices for base metals.

Table 1

Industry	June 2002	June 2001	Year/Year	
			Absolute	%
Total	371300	370200	1100	0.3
Goods-Producing Sector	94400	93700	700	0.7
Agriculture	…	…		
Forestry, Fishing, Mining, Oil and Gas	21800	24700	-2900	-11.7
Utilities	…	…		
Construction	23900	20800	3100	14.9
Manufacturing	42600	41700	900	2.2
Services-Producing Sector	276800	276500	300	0.1
Trade	60700	59900	800	1.3
Transportation and Warehousing	19200	20100	-900	-4.5
Finance, Insurance, Real Estate and Leasing	15000	13400	1600	11.9
Professional, Scientific and Technical Services	13100	12600	500	4.0
Management, Administrative and Other Support	12700	14100	1400	9.9

Educational Services	28300	28400	-100	-0.4
Health Care and Social Assistance	46400	52200	-5800	-11.1
Information, Culture and Recreation	12800	13500	-700	-5.2
Accommodation and Food Services	28700	28100	600	2.1
Other Services	19700	15000	4700	31.3
Public Administration	20200	19400	800	4.1

(Source: Statistics Canada, Labour Force Survey, June 2001 to June 2002)

Changes in Employment by Industry Over Three Years

Figure 5 shows the changes in employment by industry for March 1999, March 2000, and March 2001. The comparison of three years, as compared to one, gives us a better idea of longer-term trends in the regional workforce. Although it is very problematic to draw any conclusions from a three year comparison, what Figure 5 demonstrates is that there is a great deal of volatility in employment by industry in the region. It is very difficult to identify industrial sectors that show a constant trend - either long-term growth or long-term decline. For most sectors growth one year is followed by a decline the next year or the year after. The only constant long-term trends that appear over three years are:

- an increase in Accommodation and Food and Beverage service employment
- an increase in wholesale and retail Trade Service employment, and
- an increase in Manufacturing employment

The constant increase in Manufacturing employment can be seen to be an encouraging economic trend for the region in that most often jobs in this sector tend to be full-time, longer lasting, with higher wages. Employment in the other two sectors that saw constant increases tends to be lower paying, part-time, and temporary.

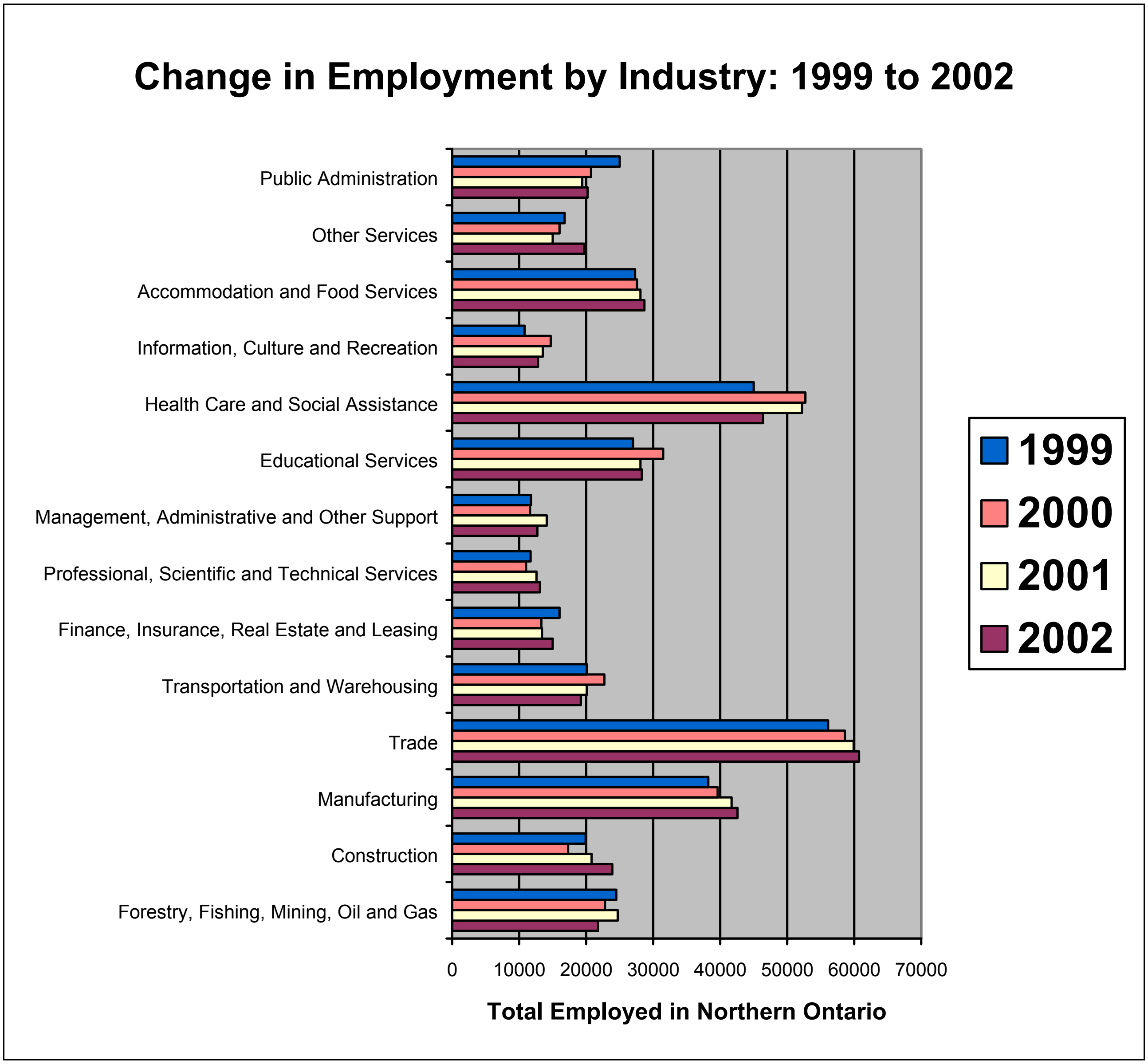

Figure 5 (Source: Statistics Canada, Labour Force Survey, June 2000, June 2001, and June, 2002)

CHANGES IN DEMAND

A Review of the Environmental Scan Updates show that there is a variety of ways that Training Boards can try and understand changes in demand for employment taking place in their area. This regional outlook restricts itself to an analysis of the findings in the five environmental scan updates and a review of the media for all six training board areas in Northern Ontario. The objective is to try and isolate those changes in the marketplace that indicate there will be either an increase or decrease in demand for employment in particular industries and occupations.

Forest Industry

The Environmental Scan Updates for last year generally portrayed a probable reduction in demand for this sector due to the economic slowdown in the United States and negative developments in the softwood lumber negotiations between Canada and the United States. Last year's predictions seem to have been confirmed by the decrease in forestry employment identified in the Labour Force Survey. Little has changed in the past few months to indicate that current trends will change in the near future. Softwood lumber negotiations are still at an impasse and the slowdown in the American economy is continuing.

Outlook: Employment opportunities will likely decline through the first part of the year with the possibility of an increase later in the year as the American markets recover, inventory is reduced, and a resolution to the current softwood lumber dispute is found.

Mining

Mining continues to show a potential for growth in Northern Ontario. As was noted last year, interest in new minerals such as the Platinum Group Metals has meant the development of new mining operations in the region. This continues despite a recent fall in the market prices of these minerals. Exploration efforts are also intensifying. Traditional mineral industries have been stable despite relatively low market prices for base metals such as copper and nickel. Inco reported last October that it would continue its current "hiring boom" into 2003. (Sudbury Star, Oct.4, 2001) Several firms are also conducting exploration of possible diamond deposits.

This does not mean that all mines in the region have a bright future. The nature of the industry means that communities in the region must one day prepare for closures such as that in Manitouwadge, which is preparing for the closure of the Golden Giant gold mine in 2005. Unlike last year, a rise in gold prices has meant an increased interest in exploration for gold deposits.

Outlook: Employment opportunities will likely increase slightly throughout the year. Much of this growth is likely to be due to Platinum Group Metals exploration. Inco in Sudbury is likely to continue to hire workers to replace those lost through attrition.

Tourism

As figures from the Labour Force Survey show us, tourism in the region has been on the increase for the past several years. Last year it was noted that economic growth in the United States accompanied by a decline in the Canadian dollar has translated into an increase in the amount of American tourists in the region. The low Canadian dollar has also meant that more and more Canadians are deciding to stay in Canada for their vacations. Northern Ontario has benefited from this trend and there has been little information over the past year to indicate that this trend will change in the near future. The events of September 11th may have had a short-term effect on the industry but they do not appear to have had any long-term effects.

As was pointed out last year, there are indications that the demands of the tourists visiting the region are changing. Traditionally the region's tourism industry has depended heavily upon hunting and fishing. More recently the demand for "eco-tourism" has been increasing. This could indicate a new training need.

Outlook: Employment is likely to increase as long as the value of the Canadian dollar remains low. The industry should also face an increasing demand for eco-tourism.

Public Sector

As the Labour Force Survey has shown, public sector employment has been hard hit during the past decade. The federal government has announced plans to hire in the near future in order to replace existing workers who will be retiring. The provincial government however, has stated that it intends to shrink its workforce even further. Municipal governments have also had to continue plans to decrease the number of their employees.

Outlook: Employment will most likely remain stable or with a slight decrease in the short-term. Growth is seen over the next five years.

Administrative Services

Last year's regional outlook noted that one of the most important changes in the employment structure of the region over the past few years has been the rise of call centres. This trend has continued over the past year. Although the primary beneficiaries of these centres continue to be the larger urban communities of the region, some smaller communities have also attracted call centre operations. Some communities would like call centre operations but find it difficult to attract them either because of the lack of an adequate telecommunications infrastructure or because of differing telephone rates and costs.

As was noted last year, one of the most interesting aspects about the call centre phenomenon is that people cannot seem to make up their minds about the benefits that these employers bring to a community. While municipalities are generally happy to get call centres, the level of excitement about them is considerably less then if they were to get a new sawmill or mine. There is a great deal of talk about how call centres do not pay very high wages and that they are extremely mobile.

Outlook: Employment opportunities will likely increase in the short to medium term especially in smaller communities as they start to acquire the necessary communications infrastructure to host these types of businesses.

Health Services

Even a brief review of media in Northern Ontario shows that the most worrying labour shortage for the region continues to be that of health professionals. Northern Ontario currently, and historically, has had a shortage of physicians. Now the shortage has extended to nurses and pharmacists. There is a great deal of hope that the recently announced medical school will help solve the long-term physician shortage. Attention is now being turned to other health care professionals.

Outlook: Employment opportunities will increase. The region will continue to have difficulty training and/or attracting health care professionals to meet demand. There is hope that the establishment of medical schools at Lakehead and Laurentian Universities may provide a long-term solution to the problem.

Construction

As was indicated in the statistics provided by the Labour Force Survey, the construction sector was one of the bright spots of employment in the North over the past few years. Most of this growth is linked to major construction projects such as the new hospital in Thunder Bay and the new medical center in North Bay. New projects have also been started at post-secondary institutions in the region. Several large private-sector industries also have major construction projects under way.

Unfortunately housing starts in the region have remained quite low. While Sudbury experienced a slight increase in housing construction last year, the fact that the population of the region is not increasing means that there is little likelihood of a significant increase in house construction in the region.

This has meant that demand for skilled construction trades workers in the region is less than the extremely high demand for them in other areas of the province. In this situation, it is not surprising that we see many workers in this sector leaving the region to go to where the demand is greater.

Outlook: Employment opportunities will remain stable primarily due to industrial and institutional construction.

Education

The need to keep costs down and a lack of growth in the population has meant that many school boards have had to close schools down. At the same time there is an increase in the number of full time teaching positions being advertised in the local newspapers of the region. Many studies indicate that demand for teachers will continue to grow due to an increasing number of retirements. Indeed, many schools in the rural areas of Northern Ontario are now having great difficulties filling positions.

Outlook: Employment opportunities will increase due to a large number of retirements. Many smaller communities will have problems attracting new teachers.

Manufacturing

Most of the manufacturing employment in Northern Ontario is linked to the forestry and mining industries. Change in demand for employment in this sector will be determined by the demand in these two sectors. The region only has two major manufacturing enterprises that are not directly linked to the resource sector. They are Bombardier in Thunder Bay and Algoma Steel in Sault Ste. Marie. Bombardier has been reasonably successful in acquiring contracts for its operations in Thunder Bay and as a result employment there is likely to be stable over the next few years. Algoma Steel successfully emerged from bankruptcy protection in January, 2002 due to a restructuring of debt and wage cuts for its employees. While Algoma Steel is not as healthy as other corporations in the region, its outlook this year is considerably better than that of last year.

Outlook: Employment opportunities at Bombardier and Algoma Steel are likely to be stable.

Transportation

Last year's regional outlook suggested that a slowdown in the forestry and mining industries would translate into a decrease in the demand for qualified truck drivers, an occupation that had been in high demand the year before. Labour Force Survey data and help wanted ads have confirmed that this was the case over the past year. Until the forest and mining sectors start to grow again, demand for employment in the transportation sector in Northern Ontario will likely remain low.

Outlook: Employment opportunities will continue to decrease in the short term and will increase with the fortunes of the forest industry.

TRAINING NEEDS

This section lists the most important common training needs as identified in the five

Environmental Scan Update Summaries. While each Board has pointed out needs specific to their area, the Update Summaries also show a large number of needs that are common to Northern Ontario as a whole. These common needs have changed very little over the past three years. This year, while several new training issues were identified by each of the five Boards, these new needs all tend to be extensions of issues already identified in previous environmental scans by all six Boards. The following are the fourteen issues that have been mentioned by most of the Training Boards in Northern Ontario in most of their environmental scans and environmental scan update summaries.

Need for More Accurate Labour Market Information: Most Boards in Northern Ontario point to their frustration at finding accurate information about labour market trends in their particular area. It is their job to determine what the labour market trends are so that they can make recommendations about future training needs. The problem is that there is little data available to help them in this task other than census data, which is only available every five years. Labour Force Survey data is often of little use to the Boards because data is only available for the cities of Sudbury and Thunder Bay and the economic regions of Northeast and Northwest Ontario. As well, the because of the small number of respondents polled in the region, the reliability of data from the Labour Force Survey is not very great.

The Promotion of More Flexible Delivery Methods for Training Programs
The geographical isolation and small size of many of the communities in Northern Ontario makes it difficult for individuals to access training programs. Often they must leave their community and travel long distances to receive training. This is an extremely important barrier to training in these communities. New methods of delivery must be developed through which individuals can access such programs. Such programs need to be more flexible in terms of numbers required. New communications technology needs to be developed by which training programs can be accessed from a distance. In developing these new programs, agencies must also ensure that the quality of education does not suffer.

Need for Greater Communication Between Local Training Providers and Employers A concern exists that there is not enough communication about training between employers and trainer/educators. Trainers need to know from employers what skills are going to be needed in the future. Employers need to know what programs are available to their employees and that the trainers are going to produce the skilled employees necessary to their operations. The lack of growth in Northern Ontario over the past 30 years may be one reason why this is seen as less of a problem then other issues. At the same time, improved communications between these two groups could lead to higher rates of growth.

Need to Better Market Apprenticeships Many of the Northern Boards are concerned about the situation with apprenticeships in the region. There is a feeling that apprenticeships must be better promoted as a training need in the standard industrial trades. Business has to be sold on the merits of offering apprenticeships. Youth have to be made aware of the availability and benefits of apprenticeships as a means of keeping them in the North. As well, women have to be convinced of the desirability of entering apprenticeship programs that have historically been reserved for men.

The Special Difficulties Faced by Persons with Disabilities Persons with disabilities experience a variety of barriers to equal access to opportunities for education and training. While some face physical barriers others face visible and hidden economic, social, and cultural barriers. Specific measures to allow the full integration of these individuals in training programs need to be put in place in both the larger urban centres and the smaller resource-dependent communities of the region. Information about barriers and the means to overcome them needs to be made increasingly available to the public. Access to subsidies for training is a problem that was mentioned specifically in several of this year's summaries.

Need for the Continued Promotion of Adult Literacy Programs The more educated a population the better that population is able to adapt to changing economic situations. The Census data analyzed earlier clearly shows that Northern Ontario is at a disadvantage in terms of its ability to adapt to changing market conditions in that its adult population has lower levels of formal education than for Ontario as a whole. New employers are looking for people with higher levels of education, as changes in technology require employees who are "trainable" and have an "ability to learn". As such many of the Boards have pointed to the need to more actively promote and support literacy programs in the region.

Need for a Regional Information Technology Strategy With the new economy depending more and more upon the information technology sector for jobs and with the increasing need for computer literacy in all sectors of employment, several of the Boards have noted the need for a strategy to address these issues. The need is especially important in the North, which still depends heavily on the unskilled and semi-skilled jobs provided by resource industries. These resource industries themselves are increasingly adapting new information technology to their needs. This year several of the summaries noted concern about delays in the federal government's program to ensure broadband access to all communities in Northern Ontario. Any such delay would have important negative consequences on the economic development of the region.

Need to Help Small and Mid-sized Businesses Take Better Advantage of Training
A concern that is often mentioned by the Boards in Northern Ontario is the inability of small and mid-sized businesses to take advantage of training. Training is often too expensive for them. They often are reluctant to take on apprentices because they believe these apprentices would leave and take positions in larger, more secure businesses. As well, while the larger companies in the region place a great deal of importance on training, smaller and intermediate size companies do not tend to think of training as valuable to them. Many small businesses are unaware of training programs that are available to them.

Lack of Funding for Training and Increasing Limitations Placed on Access to Subsidies for Training Services Statistics Canada recently released a major study on adult education and training in Canada.[15] It found that those people who benefit most from training programs are white-collar workers who already have high levels of education. The authors of the report note an increasing gap in training between the most skilled/educated workers and least skilled/educated workers. Since Northern Ontario has a lower skilled/educated workforce, the gap is having a serious effect on the region. Many trainers also points to this gap being the result of decreasing public subsidies for training. Those with less education tend to make less money and are therefore less able to pay for training. Companies seem more willing to invest more in training white-collar workers than blue-collar workers. In the North, employers claim they cannot afford to subsidize training of their employees. Training providers claim that individuals in the region are unable to pay for training programs.

The Promotion of Entrepreneurial and Small Business Skills Trends in self-employment indicate that whether it be due to contracting out or restructuring, an increasing number of workers of all ages are becoming self-employed. These individuals need training in entrepreneurial and small business skills. This type of training is especially important in Northern Ontario where local entrepreneurs have historically played less of a role in the region's economic development than in other regions. Also, there is an increasing need for such skills in the Aboriginal communities of the region

Need for Health Care Professional Training Even a cursory review of news reports during the past three years show that the most visible skill shortage in Northern Ontario concerns physicians. This has been an on-going problem in our region as it is in many rural areas of the world. Studies have shown that one of the most effective ways to alleviate the problem is to create independent medical schools in the regions where there are shortages. Physicians who are trained in a particular region tend to stay in that region. This has been the logic behind the latest push for a shared medical school at both Laurentian University and Lakehead University. The present shortage of health professionals is not limited to physicians however. There are now shortages of other professions such as nurses and pharmacists, especially in the more remote communities of the region.

A Need to Understand the Impact of Retirements on Training Needs While the possible impact of retirements in the forestry sector was mentioned as early as 1999, this issue became a general issue in other professions this year as a result of a developing shortage of teachers in many rural areas caused by retirements.[16] Many of the E-scan Summaries for 2002 note that the shortages now being experienced with teachers could develop in other sectors. The Muskoka, Nipissing, Parry Sound Local Training and Adjustment Board is concerned that a similar shortage could develop in the public sector.[17] These comments point to a common wish of most of the Northern Boards to properly understand the impact of the aging population on the future training needs of our region.

A Need to Understand the Extent and Impact of Youth Out-migration The issue of youth out-migration is not new to the North and has been consistently mentioned in Training Board documents. This year it was mentioned, as it was last year, by a majority of the Northern Boards as having an important impact on the economic development of the region. As was the case last year, the environmental scan summary updates this year express a need to properly understand the extent of youth out-migration and the impact that this migration has on the regional economy. Once this is known the information can be used to educate the public on the issue and potentially effect lasting change.

. *CONCLUSIONS*

This report has shown that the five operative Training Boards in Northern Ontario share similar concerns about the training needs of their region. The region itself is distinct in Ontario. Its economic and geographic conditions are quite different from those in other parts of the province. As was stated in last year's report, conditions vary depending on the Board area. This report does not try to discount the importance of the specific needs of each of the Northern Board areas and the important work that each Board must do within their particular area. At the same time however, the work of each Board can be made easier with the understanding that at least other Boards in their region share some of their needs.

This year's regional outlook noted several common trends. The first, and perhaps the most important, was a population decline across the North as seen in the recently released 2001 Census data on population. Labour Force Survey data over the past year showed a divergence in employment trends between the Northwest and the Northeast with an increase in part-time employment in the Northwest and unusually low unemployment rates in Northwest. Labour Force Survey data also showed that while the differences in the industrial structures between Northern Ontario and Ontario have not been fundamentally altered, the North did see an increase in Construction jobs, an increase in Finance, Insurance, Real Estate, and Leasing Sector jobs, an increase in Management, Administrative, and Other Services Sector jobs, a decrease in Health Care and Social Assistance Sector jobs, and a decrease in Forestry and Mining Sector jobs.

While these shifts in employment occurred on a year-to-year basis, a review of the data from June 1999 to June 2002 showed that there were only three constant long-term shifts in employment: an increase in Accommodation and Food and Beverage service employment, an increase in wholesale and retail Trade Service employment, and an increase in Manufacturing employment.

The training needs identified in this year's environmental scan summary updates continue to show the same common issues identified in previous reports. The main shift in emphasis is the increased importance placed on the issues of the impacts of future retirements, and youth-outmigration.

Notes

1. There were originally six Training Boards in Northern Ontario. During the course of the past year the Algoma Training Board (Board #22) experienced difficulties and as a result is currently not operating.

2. This inclusion is somewhat problematic in that the socio-economic characteristics of the Muskoka District Municipality differ from that of the other Districts in Northern Ontario. Despite this, this study will use the provincial definition of Northern Ontario since one of the Northern Ontario Training Boards (LTAB #20) also includes the Muskoka District Municipality.

3. This has been pointed out by several government studies undertaken over the past 30 years including the Royal Commission on the Northern Environment (the Fahlgren Report) and the Task Force on Resource Dependent Communities in Northern Ontario (the Rosehart Report).

4. For an elaboration on these points see Dadgostar et al, 1992, p.2.

5. For a detailed discussion of this aspect of Northern Ontario see McBride et al., 1993.

6. Canada, 2001 Census.

7. An elaboration on these unique characteristics can be found in Randall and Ironsides, 1996.

8. Census population statistics for First Nations communities tend to be less reliable than those for non-Native communities.

9. See Southcott, Chris. A Regional Outlook for Northern Boards: A Northern Approach to Regional Labour Force Development, Northwest Training and Adjustment Board, Dryden, Ontario, 2000.

12. Southcott, C. Population Change in Northern Ontario: 1996 to 2001, Hearst: Northern Ontario Training Boards, April, 2002.

11. See Southcott, C. Population Change in Northern Ontario: 1996 to 2001, Hearst: Northern Ontario Training Boards, April, 2002, pp. 5,6. This number excludes six Aboriginal communities which were not properly enumerated in either 2001 or 1996.

12. See Southcott, Chris. "Spatially-Based Social Differentiation in Canada's Future: Trends in Urban/Non-Urban Differences in the Next Decade" in Social Differentiation: Patterns and Processes, D. Juteau (ed.) Toronto: University of Toronto Press, 2002.

13. Northern Manitoba is defined as census divisions 19, 21, 22, and 23. Northen Saskatchewan is defined as census divisions 14, 15, 16, 17, and 18. Northern Alberta is defined as census divisions 12, 13, 16, 17, 18, and 19.

14. Data is available from the monthly Labour Force Survey for the following geographical areas in Northern Ontario: Economic Region 590 (Northeastern Ontario including the Sudbury Regional Municipality and the Districts of Algoma, Cochrane, Sudbury, Manitoulin, Nipissing, Timiskaming, and Parry Sound), Economic Region 595 (Northwestern Ontario including the Districts of Thunder Bay, Rainy River, and Kenora), the Census Metropolitan Area of Sudbury, and the Census Metropolitan Area of Thunder Bay.

15. Statistics Canada, *A Report on Adult Education and Training in Canada,* Ottawa, May, 2001.

16. For an excellent summary of the teacher shortage see Districts of Sudbury and Manitoulin Training and Adjustment Board, Environmental Scan Update 2001, Sudbury, 2001 (LTAB#21)

17. Muskoka, Nipissing, Parry Sound Local Training and Adjustment Board, 2002 Environmental Scan Summary Report North Bay, 2002, p.14. (LTAB#20)