

# 12

## The Rural Dimensions of Workforce Development

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### OVERARCHING TRENDS AND RURAL CHARACTERISTICS

Distinctions and differences between urban and rural areas are regular points of debate. These debates have migrated from the periphery of policy and politics to center stage as the urban-rural divide appears to be widening and voices on all sides have become louder and more heated. Whether the focus is on economic opportunity, natural resources, environment, education, broadband, or immigration, arguments often highlight the deficiencies of rural areas as compared with their more prosperous urban neighbors. This growing separation in perceptions, prospects, and values has minimal benefit. However, workforce development may be an important area where finding common cause is achievable.

The same large-scale trends affect all labor markets, regardless of location. Increased use of technology leads to higher levels of productivity but reduces the overall demand for labor. Demand for high-skilled and low-skilled workers persists, but it has diminished for intermediate occupations such as skilled trades and plant, process, and machine operators. Global supply chains provide multiple options for outsourcing production. Together, these trends have led to widespread workforce dislocation in the United States, particularly in the heartlands of manufacturing. From rural towns in North Carolina to cities in the Rust Belt, workers are all hurting as a result.

Recovery and the search for new economic opportunities are creating challenges everywhere, but several factors magnify these large trends and present difficulties for rural regions. Four factors stand out.

Unsurprisingly, the first is *geography*. Low population densities and remoteness define rurality, but they also reduce economies of scale, impose higher transportation costs, and create obstacles for efficient service delivery.

The second factor concerns *demography*. The population in rural areas is older because of the outward migration of younger people or, in some places, an influx of pre-retirees seeking a lifestyle change. Rural populations on average have less formal education and lower skill levels, earn lower incomes, and are less geographically mobile (Freshwater 2016; Green 2016). The arrival of lower-skilled migrants to take up jobs in agriculture, food processing, and hospitality brings its own set of opportunities and challenges.

*Competitiveness*, the third element, addresses the fact that rural businesses are generally smaller and have a reduced capacity to engage in regional or global markets. They are faced with limited pools from which to hire workers with the requisite education, skills, and experience (Freshwater 2016; Green 2016). On the other side of the competitiveness coin is *career progression*. For rural workers, the lack of high-level jobs provides fewer openings for gaining and broadening work experience, and limited transportation and mobility options constrain career options. Those who do have jobs stay in place, and low employee turnover reduces the incentive for employers to encourage in-work advancement, training, and skills development (Green 2016; Rosenfeld and Wojan 2016). As a result, wage levels may be depressed in many rural areas.

## RURAL DIFFERENTIATION

All that said, rural areas are far from homogenous and are differentiated largely by their distance from metropolitan centers and their inherent natural and cultural assets. These differences not only signal a diversity of workforce development characteristics and outcomes across the rural landscape, but also serve to blur hard-and-fast distinctions between rural and urban labor markets. They also underscore the importance of tailoring workforce development policy and practice to recognize and respond to these differences.

Green (2016) provides a helpful framework for understanding the dynamics of rural workforce supply and demand, and how these translate into different types of labor markets. She describes four broad labor market types that are defined according to demand for skilled labor and its supply.

A “high demand and low supply” area is characterized as having *skill gaps and shortages*. Here, employers are unable to find sufficient applicants with the appropriate skills, qualifications, or experience, perhaps because of workers’ low levels of educational attainment and generally low skills in the local labor market. As a result, an immigration of skilled workers may be encouraged or, in the worst case, lead to the diversion of business investment elsewhere. From a workforce development perspective, this scenario requires additional educational and training investments in the existing labor pool or the creation of attraction strategies for high-skill workers.

A *high skills equilibrium* represents the ideal scenario where an area experiences both “high demand and high supply.” The labor market exhibits high levels of educational attainment and employment, and low unemployment. The workforce development imperative is to sustain the economy and continue to look for and respond to new opportunities. A *low skills equilibrium* represents the opposite scenario, with “low demand and low supply.” The labor market has low-wage and low-productivity jobs, low educational attainment, and a low proportion of high-skill workers, often resulting in out-migration. The workforce development response must be comprehensive, focusing both on educational and training investments and the attraction and enhancement of job opportunities and investment as well as strong support of existing businesses.

The fourth type comprises areas with “low demand and high supply,” in other words, a *skills surplus*. This may result from major employment contractions due to plant closings, leaving a mismatch between education and skills levels and available jobs. Underutilization of skills, likely out-migration, and eventually downward pressure on wages follow. Focusing on the encouragement of entrepreneurship and, in some locations, the attraction of businesses may be the appropriate workforce development strategy.

Rural labor markets experiencing long-term decline become locked into a low skills equilibrium. Areas that have seen a sudden loss of natu-

ral resource or manufacturing activities will realize a temporary skills surplus, but without effective labor market intervention, skilled workers will leave to find opportunities elsewhere. These areas, too, can slide into the low skills equilibrium.

Conversely, areas closer to growing metropolitan regions may see economic expansion, rapid development, and eventually skill gaps and shortages. Rural labor markets, therefore, are both differentiated and dynamic, and have fortunes that shift upward or downward according to broader economic trends and locations.

These trends, primarily driven by technology and globalization, are accelerating and contributing to widespread uncertainty and turbulence in all industries and labor markets. Good and Strong (2015) highlight some dramatic shifts in skills requirements and occupational structures. The first of these shifts is the extent to which employment is taking on increasingly varied forms, with fewer people working conventional, full-time, long-term engagements with a single employer. Instead, nearly half of the U.S. workforce serves in temporary, freelance, or contract work, or owns their own business. For some, this represents a positive opportunity with greater degrees of freedom and flexibility. Indeed, entrepreneurship has emerged as a potent economic development and community revitalization strategy for small towns across rural America.

However, Good and Strong (2015) argue that this flexibility is forced upon many workers by a lack of economic opportunity and is now a way of life for low-income workers. This does not spell a new phenomenon for rural workers. For generations, many have patched together income sources to cope with the seasonality of employment in agriculture or tourism. Nevertheless, the loss of decent paying jobs in manufacturing that used to anchor family incomes has led rural residents into long-distance commuting to find retail and service jobs in urban centers.

On the face of it, Good and Strong's (2015) second shift could be a strong positive for rural workers: with high-speed broadband and cloud computing, workers can be located anywhere and do their work at any time. However, this will only be advantageous if high-speed broadband is readily available—often not the case in many rural regions—and if workers have the type and level of skills associated with jobs that can be done through remote access to computer networks.

This leads directly to the third shift, which is where workers' success depends on not only attaining a postsecondary credential but also continuing to learn throughout their careers. The shelf life of skills acquired while at colleges and universities continues to shrink, and paper qualifications are now less useful than demonstrable and relevant knowledge and skills.

Two other shifts embody clear negatives and contribute to the growing bifurcation of the labor market between those who prosper and those who languish. Increased labor market volatility is resulting in unprecedented long-term unemployment and underemployment. This affects older workers whose jobs and occupations have disappeared or radically changed, and younger workers coming into the labor market without adequate preparation, education, or skills. At the same time, people are now facing impersonal hiring processes where employers use algorithms to determine fit and suitability as an aid or driver of hiring decisions.

Good and Strong (2015) also point to deficiencies in workforce development policy and practice in the United States. No coherent workforce development system operates outside a collection of disconnected programs, agencies, and funding streams. Attempts to integrate these have proven hard, expensive, time consuming, and rarely successful.

Before exploring what an effective workforce development approach might look like in a rural context, it is useful to acknowledge the continuing "people versus place" debate, sometimes framed as "efficiency versus equity." This is far from an academic issue for rural America and has real-life ramifications for rural communities. Proponents of efficiency arguments believe that as rural economies are less competitively structured than their urban counterparts, it is appropriate and desirable, given the higher returns of investment that follow, for capital (including human capital) to flow from rural to urban (Schafft 2016). This means accepting out-migration of rural high school graduates to the cities, which leaves their less motivated and lower achieving classmates behind. This out-migration leads to the lack of investment in and closing of rural schools and other anchor institutions in favor of larger, more efficient facilities in regional centers. Questions arise about the value of investing in rural workforce development when returns will be higher in more populated areas.

Those who espouse place-based investments and equity arguments point to the inherent inequality and unfairness of uneven investments between rural and urban areas, and to “exploitative core-periphery economic relations” (Schafft 2016, p. 150) that ignore or undervalue the real contributions that rural communities make to the broader economy and culture (Dabson 2007).

Schafft (2016) explored a common belief that educational policy and practice in rural America gives priority to investing in and supporting high achievers from white-collar households who are college bound and likely to leave for cities and never return—in other words, education as an engine of rural out-migration. At the same time, others have argued that schools pay little attention to lower achievers from working-class backgrounds or those who want to stay in their communities (Carr and Kefalas 2009). Schafft’s research painted a different picture. The factor that most differentiated students who expected to leave their local community from those who aspired to remain was the perception of local economic opportunity. For those who leave, even though they often have strong attachments to their home community, they will only return and bring with them new skills, experiences, and connections, if sufficient economic opportunities are available to draw them back.

## **COMPONENTS OF EFFECTIVE RURAL WORKFORCE DEVELOPMENT**

The goal of workforce development in a rural context, and arguably in all parts of the United States, should be to ensure that all workers have the opportunity and resources to enhance their economic circumstances through education and skill development. Their ability to apply their newly acquired education and skills in their home communities will determine whether they stay or migrate.

In more technical terms, the goal might be stated as integrating distance, competency-based, and lifelong learning at all levels of education and skill development, and across secondary, postsecondary, employer, and anchor institutions, within any given labor market or economic region. The goal bundles together three important ideas.

The first is *distance learning*. The rapid deployment of online secondary and postsecondary education could be a game changer in overcoming many of the obstacles for rural students and workers. Access to curricula and specialized faculty and trainers otherwise unavailable in rural communities, coupled with reduced travel time, lower costs for students and educational institutions, and all of the advantages of self-paced learning make continuing investments in distance learning attractive. However, education and skill development pursued online cannot be effective in the absence of support systems that integrate distance learning into workplace, academic, and community environments.

*Competency-based learning* is concerned with what a worker knows and can do. It helps employers, employees, and job seekers to understand better what knowledge, skills, and capabilities they should add to their portfolios to be qualified for specific careers. It also allows the possibility of stackable credits, where learning results in units of transferrable credits that reflect competencies attained irrespective of where and how that learning takes place.

The third idea, *lifelong learning*, recognizes the need for workers to continue to update and acquire new knowledge and skills throughout their work lives. “Work and learning must happen simultaneously, not sequentially, allowing for learning to have experiential context and for work to be improved by learning” (Good and Strong 2015, p. 20).

## **PREREQUISITES FOR EFFECTIVE RURAL WORKFORCE DEVELOPMENT**

Commentators and researchers have for some time attempted to chart out the future of rural economies and their contribution to overall national economic well-being (e.g., Atterton 2016; Brown and Schafft 2011; Dabson 2007; Freshwater 2016; Halseth et al. 2010; Rosenfeld and Wojan 2016). Some common threads have importance for rural workforce development and are presented here as prerequisites for effective policy and practice.

*Connectivity* is critical. Small towns have thrived or withered away depending on the availability of connected infrastructure, such as roads, railways, airports, and utilities. Although these remain fundamental

building blocks, high-speed broadband connectivity is now equally important for economic survival and development. It alters the effect of long distance, low density, and lack of critical mass on rural areas, and combined with rapid parcel delivery and cloud storage, enables small rural businesses to serve global markets and grow. Connectivity allows entrepreneurs, workers, job seekers, and communities to level the playing field in accessing information, doing business, building networks, and improving education and health outcomes. Communities without access to high-speed broadband will fall further behind, which is why connectivity is a high priority investment for many local governments and utilities across rural America (NCTA, n.d.).

Rural areas are just as likely to pursue *innovation* as urban centers, but the conventional metrics of patents and research and development expenditures show rural areas lagging behind their metropolitan counterparts. Rural innovation tends to be more closely associated with entrepreneurship and is not always research based or patented (Freshwater 2016). That said, rural economies must step up their game by creating competitive niches, finding new ways to attract young people, taking advantage of demands for energy conservation and sustainability, accessing global knowledge networks and markets, and generating scale from small-batch production (Rosenfeld and Wojan 2016). Workforce development requires innovation in tracking and responding to changing circumstances and opportunities, adjusting organizational structures and funding streams, and forging new relationships with employers and skill development resources (Good and Strong 2015).

*Entrepreneurship* is a necessary component of any economic development strategy and is particularly promising in rural and small towns (Macke, Markley, and Fulwider 2014). It is both a way in which people can pursue business opportunities while enjoying the quality of life that many rural places offer—and thereby create jobs and wealth in their community—and a survival strategy for those living in areas where there are few employment options. Entrepreneurship can and should be a stronger workforce investment strategy. It is a teachable skill that has not had the attention it deserves because of the drive to place people in existing jobs.

*Focus on assets* recognizes that rural regions have an array of assets that can be parlayed into economic opportunity. The challenge is to ward off exploitative policies and practices that strip rural regions of



natural resources and leave behind long-term social, economic, and environmental damage. Current thinking is increasingly focused on rural wealth creation and protection across several types of capital or asset. The Community Capitals Framework (Emery and Flora 2006) uses seven types of community capital—natural, cultural, human, social, political, financial, and built—to assess how investment can lead to a mutually reinforcing upward spiral of community development or to understand why a community may be spiraling downward as its key assets are undermined or weakened.

To be able to benchmark a community's assets and measure changes over time can be a powerful means of focusing effort and investment in activities that do not enhance only one asset while undermining others (Pender, Marre, and Reeder 2012). This approach encourages communities to concentrate on their strengths and to look for positive impacts on their most important assets (Ratner and Markley 2014). Rural people and communities therefore find themselves in roles as custodians, guardians, and stewards of natural resources, and as managers of several tensions and trade-offs. These include those between natural resource extraction and environmental protection; between tourism, renewable energy, and environmental services; and between income and employment creation and contributions to global commitments to green growth and climate change mitigation (Freshwater 2016). Together, rural communities offer potential fertile ground for innovation and entrepreneurship as well as demand for a wide range of new and enhanced skills.

*Collaboration* across agencies and programs at all levels represents yet another prerequisite. Breaking down barriers between schools, colleges, and universities; employers and education and training providers; federal, state, and local governments; and formal institutions and community and civic organizations is a daunting proposition. However, this is the best hope for finding practical solutions and encouraging innovation to ensure that all workers have the opportunity and resources to enhance their economic circumstances.

Finally, *regionalism* returns to the need for rural and urban communities to find common ground to improve prospects for all residents in a labor market area or economic region. Such regions provide the geographic and economic context for institutional collaboration as well as the resources and economies of scale to create the systems, programs, and services needed to respond to ongoing shifts in labor market condi-

tions. The interface between rural and urban communities and economies is sometimes called the zone of interdependence and connectivity where new economic opportunities can be found (Atterton 2016; Dabson 2007; Halseth et al. 2010; Rosenfeld and Wojan 2016).

## **TAKING A CLOSER LOOK**

The chapters that follow build upon these high-level and contextual observations with three quite distinct but complementary perspectives. Stuart A. Rosenfeld connects the broad trends in work and employment to the rapidly changing landscape of high school career and technical education and community colleges. He refers to some of the moves under way to merge career and academic curricula, to integrate work-based learning, and to promote entrepreneurial skills, while offering ideas on guiding principles for a reformed rural workforce development system. Erik R. Pages points to two rural economic development strategies that are finding favor but are not yet appropriately connected: entrepreneurship development and talent development. Chambers of commerce and local economic developers champion entrepreneurship strategies, whereas community colleges and workforce boards pursue talent development. Pages argues that these need to be integrated for effective rural workforce and economic development and suggests how this might happen. Kenneth M. Sherin and Cheryl Burkhart-Kriesel describe the many ways in which the Cooperative Extension, an important player in rural development, actively engages workforce development both at the broad system level and in locally tailored efforts targeted at specific audiences such as youth, adults, and new and vulnerable populations.

## **CONCLUSIONS**

Rural areas are subject to the same broad economic forces that are radically reshaping sectors, industries, and occupations for the nation as a whole. This reshaping includes the very structure of employment and

the untethering of employment from specific locations as well as labor market volatility and changing hiring practices.

However, some of the characteristics of rural places and economies amplify these forces, specifically, geography, demography, and limitations on business competitiveness and career progression. In addition, significant differentiation exists among rural labor markets, largely determined by the strength of their natural and cultural assets and their proximity to metropolitan centers, and these differences are dynamic. The goal of rural workforce development is to stay apace with these changes so that all workers have the opportunity and resources to improve their economic circumstances through education and skill development. That can happen when there is intentional inclusion of distance, competency-based, and lifelong learning. To get there, rural communities and their workers must embrace connectivity, innovation, and entrepreneurship, with a focus on assets, collaboration, and regionalism.

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