Effective Tactics for Revolutionizing Rural Communities

Brian Dabson, University of North Carolina

National Association of State Workforce Agencies
Workforce Summit, Boston MA, September 11, 2019
Large scale forces are felt everywhere

Dislocating Forces

Technology
  - Higher Productivity

Global Supply Chains
  - Outsourcing
    - Stronger Demand for Higher and Lower Skills
    - Weaker Demand for Intermediate Skills

Changing Labor Demand
But magnified in rural areas by...

<table>
<thead>
<tr>
<th>Geography</th>
<th>Demography</th>
<th>Competitiveness</th>
</tr>
</thead>
</table>
| • Low population densities and remoteness  
  • Reduced economies of scale, higher transport costs, less efficient services | • Older population: outmigration of young people, in-migration of retirees  
  • In-migration of lower skilled workers for specific industries | • Smaller businesses with lower capacity to engage external markets  
  • Limited pool of workers with right education, skills, experience  
  • Fewer career progression and development opportunities for workers |
Although rural areas greatly differ...

• Rural areas differentiated by:
  • Distance from metropolitan centers
  • Strength of their natural and cultural assets

• Economic/workforce development strategies must reflect these differences:
  • Rural communities within commuting distance – focus on urban supply chains and upgrading workforce skills to meet urban needs
  • Rural communities beyond commuting distance – focus on local assets and entrepreneurship
And economies are dynamic...

High Demand
Low Supply
SKILLS GAPS & SHORTAGES

Attract skilled workers, invest in existing workers

High Demand
High Supply
HIGH SKILLS EQUILIBRIUM

Sustain economy, look for new opportunities

Low Demand
Low Supply
LOW SKILLS EQUILIBRIUM

Invest in workforce, strengthen existing and attract new businesses

Low Demand
High Supply
SKILLS SURPLUS

Encourage entrepreneurs, attract new businesses

Low Demand
High Supply
HIGH SKILLS EQUILIBRIUM

After Green (2016)
Other trends also important...

New forms of employment

- Growth of temporary, freelance, contract work
- But familiar to rural workers – income patching

Telecommuting

- A potential boon for rural workers
- But requires high-speed broadband, higher level skills

Lifelong learning

- Continued learning and credentialing
- Paper qualifications less useful than demonstrable skills, knowledge
Goal of Rural Workforce Development

• Ensure that *all* workers have the opportunity and resources to enhance their economic circumstances through education and skill development

• Note: *Their ability to apply newly acquired education and skills in their home communities will determine whether they stay or migrate*
Six Prerequisites...

Connectivity
• High-speed broadband

Innovation
• Competitive niches

Entrepreneurship
• Integral to workforce development

Assets
• Build on natural and cultural assets

Collaboration
• Breakdown institutional barriers

Regionalism
• Act regionally across jurisdictions