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## **Want a Good Job? Go to the Big City.**

**Ottawa** – Futurists have long thought that high technology could even out economic opportunities across the country. Technology may make it possible, at least in theory, for a stockbroker to work out of Cape Breton or a business consultant in northern Saskatchewan, but according to a new study released today by the Canadian Policy Research Networks Inc. (CPRN), the knowledge industries driven by the new technologies are in fact clustering in the large urban areas.

The report *Employment Growth and Change in the Canadian Urban System, 1971-94*, (Working Paper No. W|02) looks at patterns of job growth in 152 urban centres across Canada. The study shows that high-skill jobs and firms offering business services cluster where there are local information and knowledge centres such as universities, governments and research institutes, and a market for their services, from corporate head offices to a range of other businesses.

The working paper identifies education as a key factor. It shows that, over the past 20 years, job growth has been greatest in urban areas where the largest percentage of the population has a university degree and only a low percentage has less than a Grade 9 education.

Understanding the patterns of growth in these knowledge industries is important because that is where the economy is heading. "Business services such as accounting, computer services and management consulting account for a share of Canada's GDP that is already three times larger than manufacturing and growing," according to William J. Coffey of the University of Montreal and the author of the CPRN working paper.

The study results clearly indicate that smaller urban centres face major challenges because of the clustering of high-end service industries in the large metropolitan areas. While there have been predictions since the mid-1970s that new technologies would allow workers and businesses to set up in areas remote from the clients they serve, this has not been happening. The study's results show that face-to-face contact cannot be replaced by technology. Even with high-speed communication through the Internet and by fax machines and telephones, the need for clients and

service providers to meet in person is a main reason business service firms tend to locate in the largest cities.

"Large cities clearly have an edge when it comes to attracting high-end service jobs," according to Judith Maxwell, CPRN President. "But there may be opportunities for smaller centres to attract medium-size firms that are important consumers of business services. A city that has strengths in information technology and quality of life may be able to attract medium-size businesses and create the service infrastructure those businesses need."

The report presents its detailed findings for urban areas of all sizes, from Weyburn, Saskatchewan's 9.7 thousand inhabitants to Québec City's population of 645.6 thousand and Toronto's 3.9 million. The data can serve as a barometer of a city's or a region's economic performance and an indicator of action that may need to be taken to improve the potential of an urban area.

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CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

For more information on the publication, please contact:

Peter Puxley, Director, Public Affairs, Tel: (613) 567-7500 ext. 2019 – E-mail: [ppuxley@cprn.org](mailto:ppuxley@cprn.org)

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