

# THE COMING STORM

## The Eight Forces Reshaping Regional Labour Markets

THE  
Productivity  
Project —

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## THE CHALLENGE

Historically, regional competitive advantage stemmed from natural resources, such as minerals and access to trading routes. However, economic, social, and cultural dynamics—driven by rapid technological advancements and globalization—are profoundly reshaping the landscape of regional competition. Today, human capital, operationalized by its labour market, anchors a region's competitive advantage.

Today's labour market demands individuals who thrive in uncertainty and possess the capacity to adapt to dynamic demands. However, Canada's human capital system remains entrenched in its 19th-century industrial roots, contributing to fragmentation, inertia, and systemic inefficiencies. Moreover, this increased volatility has led to conditions in which no single stakeholder, whether a government, learning provider, employer, or credentialing body, can unilaterally overcome these structural challenges. The result is an increasing gap between labour market supply and demand.

**In Series 1—Productivity and People**, we present six compelling policy reports, each exploring themes associated with how regions can reinvent the development and deployment of human capital. In this first report, we profile how the intersection of eight macro-level forces.

**56%**

of employers in Canada are not satisfied with the skills of their staff

**Adaptation follows opportunity.**

— Charles Darwin

**1<sup>ST</sup>**

Canada ranks highest among OECD countries for postsecondary completion

# THE OPPORTUNITY

The dynamic labour market demands a systemic response from regional policymakers, credentialing bodies, employers, learning providers, and individuals. None of these stakeholders possesses the capacity to respond individually. Instead, the response must be collaboration. The response demands re-envisioning the nature of learning and the recognition that traditional learning systems, while essential, are only a tiny component of a region's rich but fragmented human capital ecosystem.

Ecosystems emphasize co-creation and interdependence, generating incremental value beyond what individual stakeholders can achieve. The regional human capital ecosystem incorporates five core stakeholders:

**\$338B**

forecasted economic impact of an inclusive labour market

**70%**

of employers prioritize enabling competencies over task-specific competencies

**Individuals:** Incorporating all residents of the region.

**Learning Providers:** Incorporating all individuals and organizations accountable for delivering certified, non-certified, and informal learning within a region.

**Credentialing Bodies:** Incorporating all organizations that assess, verify, and acknowledge the qualifications and competencies of individuals within a specific profession or field.

**Policymakers:** Incorporating all levels of government engaged in learning, training, workforce development, and associated areas.

**Employers:** Incorporating all regional employers, businesses, and professional associations.



# THE EIGHT FORCES

DISRUPTING FORCE	FORCE DESCRIPTION	RECOMMENDED RESPONSE
 <b>TALENT SCARCITY</b>	<p>Canada experiences both high unemployment and competency shortages.</p> <p>Systemic barriers (literacy, access, equity) hinder full workforce participation.</p>	<p>Inclusive and competency-driven labour systems could drive productivity growth and add billions to Canada's GDP. Employers must shift from proxies to competency-based hiring.</p>
 <b>THE ROLE OF PLACE</b>	<p>Though the pandemic precipitated a transformation in employment, 80 percent of occupations remain location-based, and 95 percent are anchored to geographic areas.</p>	<p>Regions must become more active in competency demand forecasting, competency development and local open recognition systems.</p>
 <b>DECLINING TRUST</b>	<p>Rising distrust in institutions disrupts knowledge legitimacy and hiring.</p>	<p>A transition to competency-based systems with transparent verification can rebuild trust.</p>
 <b>AUTOMATION</b>	<p>Up to 62 percent of Canadian jobs face the risk of some level of automation by 2028. Human value will be defined by their capacity to adapt.</p>	<p>The decoupling of learning pathways from competency assessment will unlock the potential of agile non-certified and informal learning pathways.</p>
 <b>50-YEAR WORKING LIFE</b>	<p>Over the next two decades, working lives will extend from 35 to 50+ years. This will impact continuous learning models and work cultures.</p>	<p>Learning will be decoupled from age. This demands that people adopt a continuous learning mindset and become empowered and accountable for their learning pathways.</p>
 <b>FROM JOBS TO COMPETENCIES</b>	<p>Technological advancements are significantly shortening the lifespan of many task-specific competencies that anchor various occupations. Value will be defined by an individual's capacity to adapt.</p>	<p>Adaptive capacity is the ability to learn, unlearn, and relearn. Learning systems will prioritize this at all levels.</p>
 <b>RISK MANAGEMENT</b>	<p>Current hiring proxies (degrees, references) amplify systemic bias.</p>	<p>Open, verified, technology-enabled credentialing systems offer equitable, trusted alternatives.</p>
 <b>RISE OF CONTINGENT LABOUR</b>	<p>Up to 35 percent of Canada's workforce is contingent, including contractors and gig workers.</p>	<p>Organizations adopt policies and support systems to integrate this growing segment.</p>

# WHERE TO START

## Individuals

Feed intentional curiosity. Establish personal and professional goals and a holistic learning plan to achieve them. Having the mindset and capacity to adapt is the superpower of the future.

## Learning Providers

The first step for learning providers is to recognize the power of open learning. If the closed learning model resembles a static ladder, open learning resembles a rapidly expanding climbing wall. It incorporates infinite ways to learn, from traditional classrooms to employment, to volunteering, an art class or playing sports, listening to a podcast and everything in between. Learning providers must collaborate to empower learners to climb.

## Credentialing Bodies

Open and continuous learning is founded on open and continuous competency assessments. Credentialing bodies have the expertise and experience to lead the development of rigorous and trusted competency assessment models. However, this starts by recognizing that an open future begins with a collaboration-first mindset. Become part of the solution by collaborating on open solutions.

## Policymakers

As supporters of the labour market development system, policymakers at all levels need to recognize open learning. An important first step is to map the stakeholders in the open learning system and become the bridge to empower collaboration. Doing so requires policymakers to recognize that an investment in the structural capital that connects the system has a multiplier impact.

## Employers

Employers are no longer customers of traditional learning but co-creators in an open, continuous learning system. The first step forward is to recognize the importance of collaborating across the system, whether with other employers, learning providers, credentialing bodies, or policymakers.

**62%**

of jobs are at high to medium risk of automation by 2028

**35%**

of Canada's workforce is in contingent labour roles

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Refer to the full report for references. All Series 1 reports are available at [ProductivityProject.ca](https://ProductivityProject.ca)

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