

POST-INDUSTRIAL SOCIETY, ECONOMY AND THE ELDERLY: SOME THOUGHTS ON CANADA AND SPAIN

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The argument of this paper is divided into four parts. In the first part, Daniel Bell's post-industrial society thesis is reviewed. While not rejecting post-industrialism out of hand, it is argued that the conditions of post-industrial society are not the ones Bell hypothesized and why this is the case. Evidence of an alternative conceptualization is presented by reviewing various aspects of the Canadian economy. In the third part of the focus is on Canada's growing elderly population and some of the likely impacts expected for them living in a post-industrial society. Finally, it is suggested that there are lessons economists, planners and regional scientists in Spain might draw from Canadian experience.

INTRODUCTION

The idea of reviving Daniel Bell's thesis of *the post-industrial society* at a time when Western Europe is on the eve of uniting, and Eastern Europe and the Commonwealth of Independent States have entered an era of uncertainty might seem irrelevant to some, and oddly out of touch with the current debates on such topics as *post-modernism* and *eco-feminism* which are sweeping the social sciences, at least in North America. From the outset, it is suggested, however, that it is a useful exercise to reflect upon a set of ideas which today have become a reality to the way many live their lives in the most developed countries of the world.

Who would argue that the service sector does not dominate the economies of more and more of the developed countries? What European Community government and indeed the governments of Canada and United States, at least in theory, does not actively promote *high technology* and what will be call *high-end services* as the basis for the future prosperity of their

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people? In making a distinction between *production* and *assembly*, who would argue against the trend, at least in the North American context, towards more and more of production moving to Third World countries leaving an industrial sector which is mainly assembly activities? Did Daniel Bell predict these trends? It can be said, «in part, yes and in part, no».

This paper is divided into four parts. First, the major themes of Daniel Bell's concept of the post-industrial society are reviewed. It is argued that Bell's proscriptions for a post-industrial society were essentially positive, ones which spoke directly to the new business élites of our societies (i.e., mainly the investment bankers, the advertising and media executives) and most importantly, to the academic community. Second, it is argued that indeed Canada has become a post-industrial society, but through a different route than the one Bell hypothesized, and therefore the implications for the Canadian population have been different than those that Bell suggested. The route has been through de-industrialization and the concomitant growth of what will be called *low-end services*. The implications are a society that now seems trapped with relatively high structural unemployment rates and growing public sector deficits. In the third part of the paper, the focus is on Canada's elderly population. There are links between the growing size of the elderly population and the growth in the provision of services which will be part of the core of post-industrial society, and at the same time part of its crisis. Finally, what lessons can Spanish economists, regional scientists, economic geographers and planners draw from Canadian experience.

DANIEL BELL'S POST-INDUSTRIAL SOCIETY

In the preface to the 1976 edition of *The Coming of Post-Industrial Society. A Venture in Social Forecasting*, Bell (1976, p. XXV) tells the reader that he first introduced the concept of the post-industrial society in an unpublished paper presented at a conference in 1962. It is only a coincidence that it is exactly 30 years of experience to use to reflect upon the accuracy of Bell's *forecasts*. In fact, it is also coincidental that Bell indicated that the trajectory for the coming of post-industrial societies was 30 to 50 years. This provides two vantage points from which to view Bell's ideas: the 30 years since he introduced post-industrial society into the lexicon of everyday life and the 30 year trajectory he forecast it would be before nations would be truly post-industrial.

If we are going to use post-industrial society as a theme for what follows, then it is useful to begin by reviewing the key elements of Bell's conceptualization of the post-industrial society. Bell (1976, p. 12) divides society into three parts: *the social structure, the polity and culture*. These parts of society are further subdivided and each is «ruled by a different axial principle». The social structure consists of the economy, technology

and the occupational system and its axial principle is «*economizing* — a way of allocating resources according to principles of least cost, substitutability, optimization, maximization,...» The polity is the legislative and judicial institutions of society whose axial principle is «*participation*», mobilized, controlled or demanded by members of society. Culture is the «realm of expressive symbols and meanings» where the axial principle «is the desire for *fulfilment and enhancement of the self*».

Without dwelling on the adequacy of the division of society or the axial principles, it is important to recognize that the foundation on which Bell builds his forecasts is a debatable one. For instance, take one of the key aspects of post-industrial society, the merging of domestic life and the economy. By this, it is meant that there are now a whole range of service sector industries whose *raison d'être* is to substitute for various activities associated with domestic life. For example, the fast food industry is a substitute for preparing and eating a meal at home. This aspect of post-industrial society sits ambiguously within Bell's schema. Is it part of the social structure (i.e., based on individuals or families economizing), part of our culture, the realm of expressive symbols and meanings (i.e., the golden arches of MacDonal'd's, the icon of a material and global world, an expression of ourselves), is it partly both or neither?

A second key aspect of Bell's schema are the *dimensions* of post-industrial society. In the foreword to the 1976 edition, the original 5 dimensions of post-industrial society are expanded to 11. The are only briefly reviewed here. First, there is «*the centrality of theoretical knowledge*» where the departure from industrial society is the merger of abstract ideas and applied science to create new «science-based industries» such as microelectronics, fibre optics and biotechnology. Second is «*the creation of a new intellectual technology*» based on computer programming and high level mathematics which has allowed the development of modelling, simulation, artificial intelligence, etc. Third is «*the spread of a knowledge class*» which is nothing more than the forecast of the growth of a technical and professional class, in a sense the group who are the creators and controllers of theoretical knowledge and intellectual technology. It is the importance that Bell gives to these three dimensions of post-industrial society which is at least part of the reason why the academic community found Bell's arguments so seductive.

The fourth dimension of Bell's post-industrial society is «*the change from goods to services*». An aspect of Bell's argument is often lost in discussing this dimension of his forecast. For Bell (1976, p. XVI), post-industrial society does not displace industrial society but overlays it «erasing some features and thickening the texture of society as a whole». It follows from this, for Bell, in every society there has been a service sector, but its basis has changed with the evolution of society from pre-industrial to post-industrial. In pre-industrial society, the service sector is associated with the household, and domestic service. Bell (1976, p. XVI) writes:

In an industrial society, the services are transportation utilities, and finance, which are auxiliary to the production of goods and personal services... But in a post-industrial society, the new services are primarily human services (principally in health, education and social services) and professional and technical services (e.g., research, evaluation, computers and systems analysis).

Again, Bell is speaking to the vanities of academics and researchers as those who carry out research, evaluation, computer and system analysis.

The fifth dimension of post-industrial society is «*a change in the character of work*». By this Bell means that if in pre-industrial society humaning was essentially in competition with nature, and in industrial society the competition was with machines, then in post-industrial society the «*experience of work*» is between persons. This follows logically from the notion that if post-industrial society is an essentially service sector society, then the competition among service deliverers is in essence competition among people. Bell's sixth dimension is the increasing participation of women in the labour force. It is a reality that virtually every developed country has been experiencing since the end of World War Two.

The seventh dimension, Bell calls «*science as the imago*». In post-industrial society, the institutions of science cannot be separated from the polity and therefore the character of the institutions of science in relation to other societal institutions is crucial for the questions which are investigated and how knowledge is used. The eighth dimension is a vertical political ordering of society, Bell calls «*situses as political units*» and the ninth dimension is post-industrial society as a particular form of «*meritocracy*». These three dimensions represent an expansion of Bell's earlier description of post-industrial society where he reflects upon various possible political outcomes of a post-industrial society organized around dimensions one to six.

Bell rejects «*the end of scarcity*» as his tenth dimension. The critical scarcity in post-industrial society, however, is not the scarcity of resources which will continue to exist, but the scarcity of information and time. The scarcity of information and time is then linked to the final dimension of post-industrial society, «*the economics of information*». Who and how is information controlled? It is the moral dilemma academics face when students and academics alike want new software for their microcomputers. One copy can be bought, and then copied over to other machines, rationalizing that it is for the greater good of all or every user can buy his or her own copy, thus treating knowledge as private property.

The remainder of the paper could be spent discussing the difficulties of the arguments that lead Bell to identify these dimensions as the keys to a post-industrial society. Instead, Canada is now introduced as a case study. It is argued that it has become a post-industrial society, and indeed some of the key dimensions that Bell forecast are part of Canada as a post-

industrial society. The question which must also be kept in mind, however, is whether the lack of some key dimensions is because of conditions particular to Canada or is it because of conceptual problems which exist in Bell's schema.

CANADA AS A POST-INDUSTRIAL SOCIETY

Canada's population has grown from about 2.4 million in 1851 to about 27.0 million in 1991. During roughly the same period, fertility rates have gone from slightly over 7.0 infants per female to about 1.7 infants per female, well below the replacement rate of 2.1. In terms of its post World War Two development, Canada's «baby boom» lasted from about 1946 to 1966. In other words, Canada is a very large country where the population has grown at comparable rates to those in Western Europe since the middle of the last century with similar declining fertility rates, but a much smaller total population than many of the European Community countries (Beaujot, 1991).

Three key dimensions of post-industrial society as defined by Bell can be used to decide whether Canada has become a post-industrial society. They are: i) the spread of a knowledge class, measured by the growth in the size of the labour force in technical and professional areas of the economy; ii) the shift from a goods producing to a service producing society, measured by the relative growth in high end services (health, education social, professional and technical services) and the decline in goods producing activities; and iii) the growing participation of females in the labour force.

Canada's labour force as defined by the population aged 15 and over has been growing steadily during this century (Figure 1). In 1989, the population aged 15 and over stood at 20,141,000. Of this group, 13,503,000 were counted in the labour force, 12,486,000 were employed and 1,018,000 were unemployed for an unemployment rate of about 7.5 percent. Since 1989, Canada has slid steadily deeper into a recession with unemployment now over 10 percent.

Disaggregating the labour force into agricultural and non-agricultural employment, the overarching trend of this century has been the disappearance of an agricultural class of workers in Canada (Figure 2). Only about 423,000 Canadians were employed in agriculture in 1989 compared to slightly over 12 million who were employed in non-agricultural activities.

Further disaggregation of the labour force statistics, shows Canada's transition from an industrial to post-industrial society since World War Two. For this purpose, the labour force is divided into: agriculture; primary industries other than agriculture (mainly fishing, forestry and mining); manufacturing; construction (the goods producing sectors); and

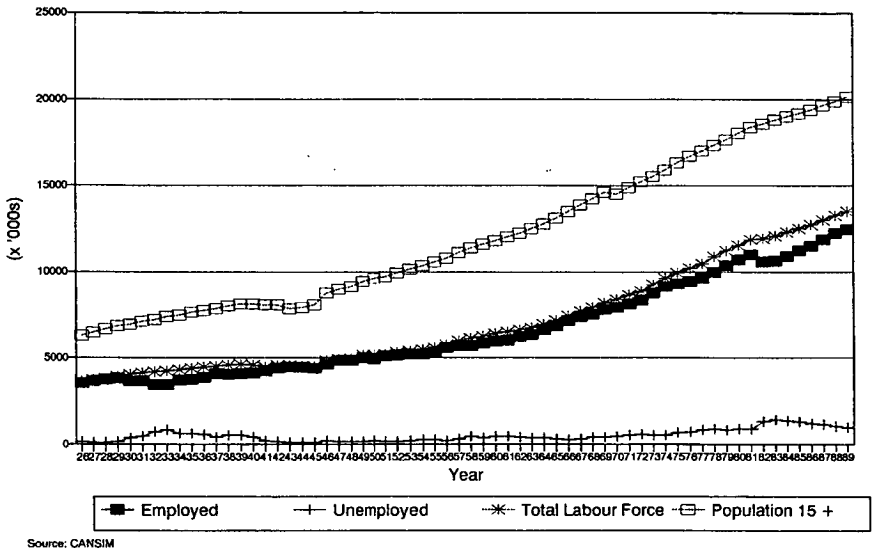


FIG. 1. Growth in the Canadian Labour Force, 1926 to 1989

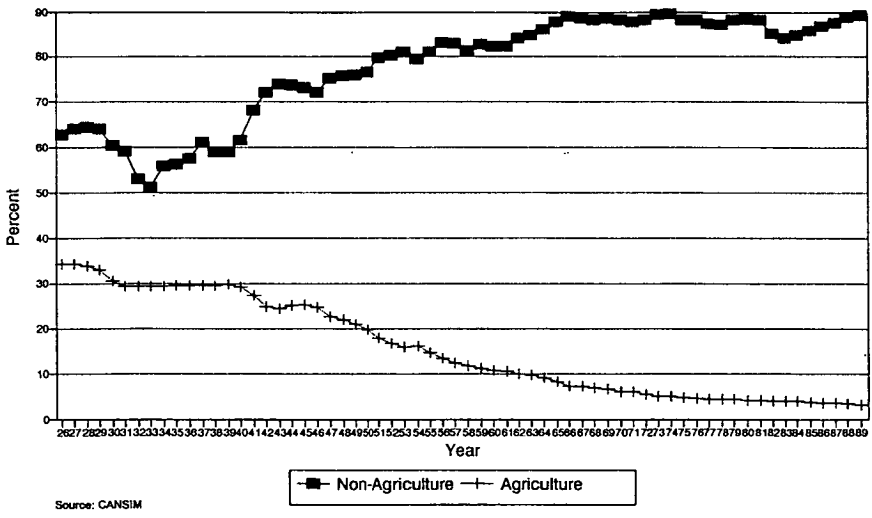


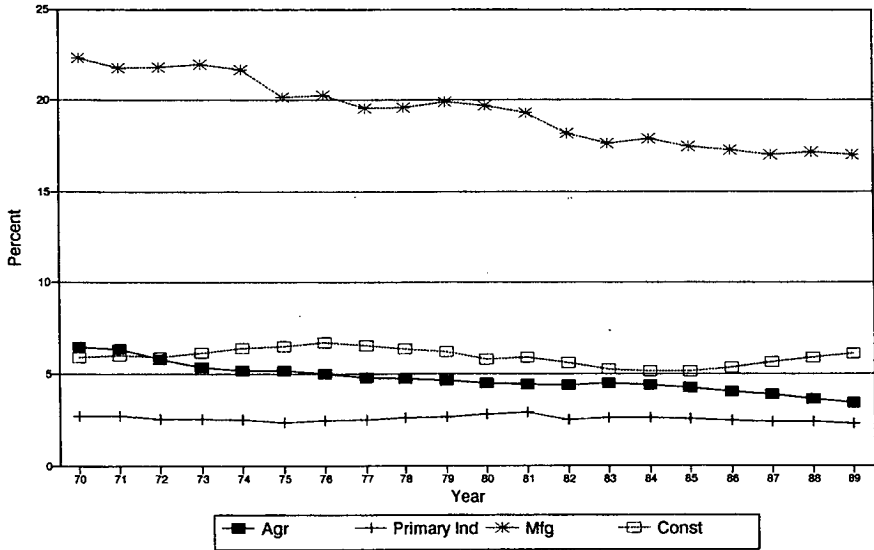
FIG. 2. Percent of the Labour Force Employed in Agriculture and Non-agriculture

transportation and public utilities (mainly electrical power); trade; finance, insurance and real estate; community, business and personal services) and public administration (the service producing sectors). Even for the much more attenuated time period of 1970 to 1989, the decline in the percentage of the labour force employed in the manufacturing sector, down to about 17 percent from about 23 percent, and the growth of those employed in community, business and personal services from just over 25 percent of the labour force to about 34 percent of the labour force can be observed (Figures 3 and 4).

Community, business and personal services are also those where the low-end service sector dominates. Low-end services are those services where a low level of education or minimum skill levels are required and wages are low in contrast to the high-end service sector where a higher level of education and/or skill is required and wages are commensurately higher. Notice also over this same period, that there has been little growth in any of the areas of the high end service sector. The percentage of people employed in finance, insurance and real estate has grown only modestly from just under 5 percent of the labour force to just over 5 percent of the labour force and the percentage of the labour force employed in public administration has stayed virtually constant at between 6 and 7 percent. Re-aggregated, the high end service sector has represented only about 11 percent of the Canadian labour force since 1970, and has not increased with respect to the low end service sector. Looked at another way, about 70 percent of the Canadian labour force is now employed in service industries compared to 30 percent who are employed in goods producing industries (Figure 5).

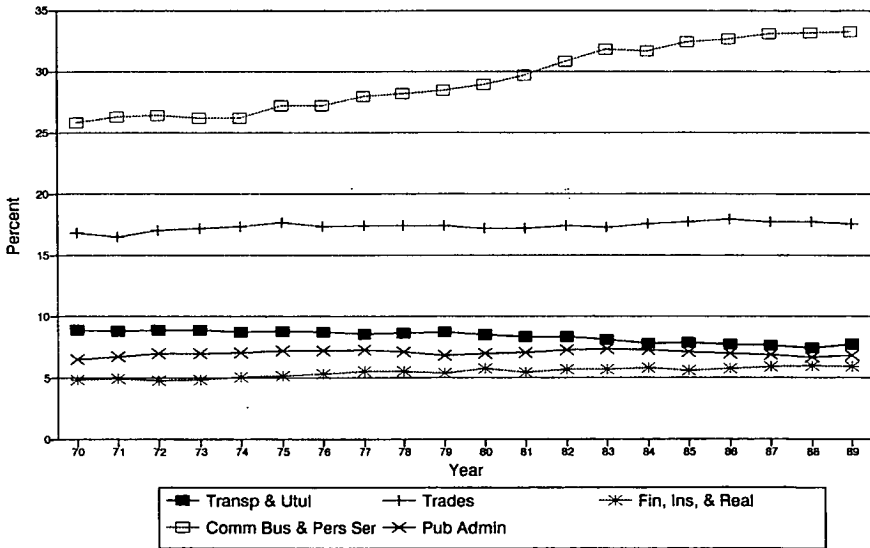
When looked at from a fiscal perspective, the evidence is not quite so overwhelming, but certainly supports the notion that the goods producing sectors are declining compared to the service producing sectors of the economy. In Figure 6, comparing sectors as a percentage of gross domestic product at factor cost by industry, it is clear that the goods producing sectors are all contributing less to the economy and the service producing sectors are contributing more. Note when measured this way, it is finance, insurance and real estate services followed by transportation, communications and utilities which show growth compared to trade, community, business and personal services and public administration.

The third set of measures of post-industrial society relate to the increased participation rates of women in the labour force. Figure 7 illustrates the truly remarkable rate of increase in female participation rates in the labour force. In 1966, about 35 percent of women aged 15 and over participated in the labour force. By 1989, female labour force participation rates were approaching 60 percent, and the female participation rate is converging with the overall participation rate. As well as being evidence for Canada as a post-industrial society, the growing participation rate has implications for the elderly population (See below).



Source: CANSIM

FIG. 3. Percent of Labour Force Employed By Sector, 1970 to 1989



Source: CANSIM

FIG. 4. Percent of Labour Force Employed by Sector, 1970 to 1989

There are, however, some disturbing aspects to women's participation in the labour force. Historically, unemployment rates for women have been higher than for men (Figure 8). Except for a brief period during the early 1980s recession in Canada, female unemployment rates have been higher than the overall rate. The convergence of rates during periods of recession is likely due, at least in part, to the concentration of males in those industries such as resource extraction and construction which are highly cyclical giving the impression that females are «better protected» than males against the impact of recession when in fact they are not. What is also disturbing is that as the economy improves, the gap between female and overall unemployment rates begins to widen again. Finally, there is evidence to support the argument that although females are participating in ever-increasing numbers in the labour force, they are occupying the low-end service sector and part-time positions in disproportionate numbers.

To quote a Statistics Canada (1990, p. 74) report, *Women in Canada*:

Although the number of women employed has increased substantially, they themselves are mostly concentrated in non-unionized service industries and in lower-paying occupations.

Women formed the overwhelming majority in clerical occupations (approximately 80 % in 1988) and were significantly represented in service (57 %) and sales (46 %) occupations. Taken together as a group clerical, sales and services employed the majority of women in 1988 (approximately 58 %)...

In the same report, Statistics Canada (1990, p. 83) also points out that 25.2 percent of women worked part-time compared to 7.7 percent of men in 1988, and that this was part of a trend where the percentage of women working part-time has been increasing since 1975.

So, has Canada become a post-industrial society? The answer is «yes», but not in the way Bell forecast nor in its composition. The change to a low-end service sector society is undeniable, as is the growing participation of women in the labour force. While it would be difficult to argue that new technologies have not played a role in the growth of Canada as a post-industrial society, what is argued here is that the *deindustrialisation* of Canada has been even more important in creating a post-industrial society.

While there is much debate over which processes are dominant in explaining the deindustrialisation phenomenon, space precludes an indepth discussion of the various points of view. The scenario which has occurred in Canada's development into a post-industrial society and the various factors which have played a role in this process can be briefly sketched. After World War Two, Canada's manufacturing sector grew very rapidly in response to the consumer demand generated by the baby boom. Much of the secondary manufacturing which began in Canada was located in the Windsor to Quebec corridor and were branch plants of mainly United States based multinational corporations. No industrial sector better

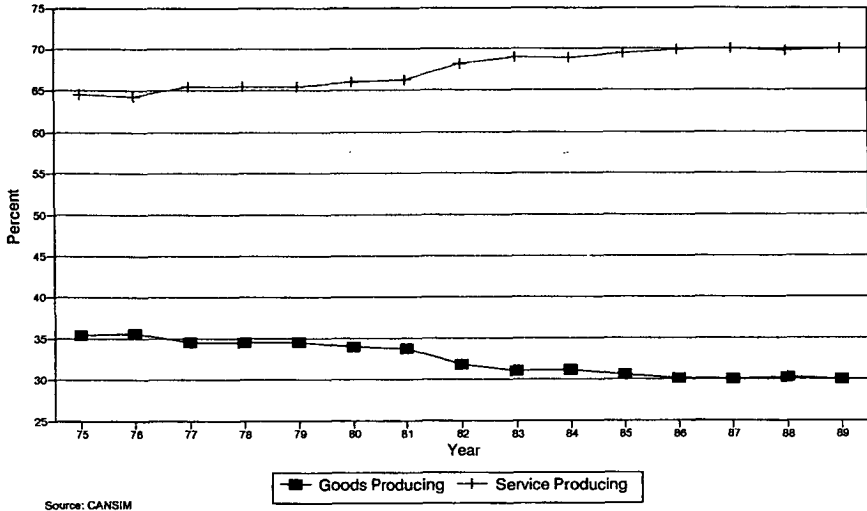


FIG. 5. Percent of the Population 15 Years and Over Employed in Goods vs. Service Industries

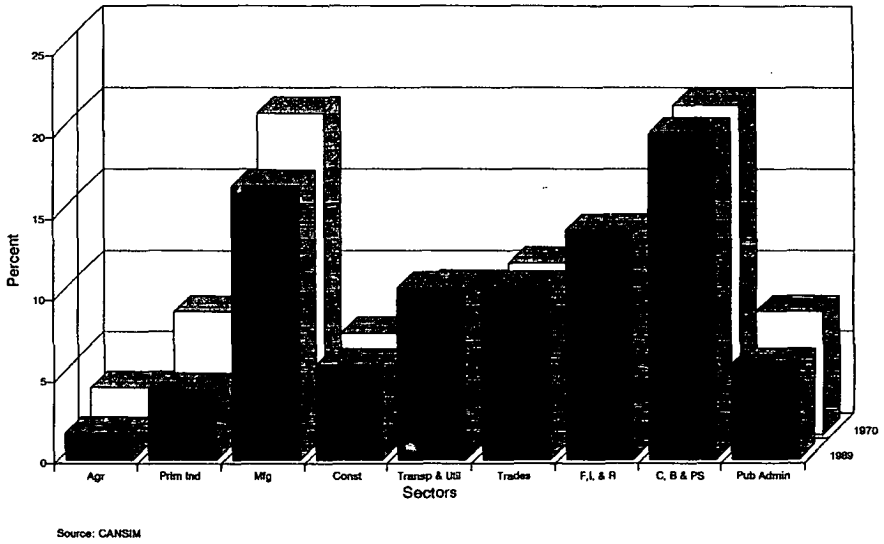


FIG. 6. Sectors Compared as a Percent of Gross Domestic Product

illustrates this process than the automobile industry. General Motors, Ford and Chrysler all invested heavily in locations throughout the Windsor-Quebec corridor, and as the result of the Auto Pact, automobiles and auto-parts moved duty free between the two countries. Holmes (1991) has documented how the 1980s have wreaked havoc on the automobile industry in Canada as part of this process of deindustrialisation.

Among the factors that one can point to in the deindustrialisation of Canada which began in the 1970s are the globalisation of production, the substitution of capital for labour (e.g., the development of industrial robotics), high interest rates and consequently an over-valued currency, the Canada-United States Free Trade Agreement and the recessions of the early 1980s and the late 1980s and early 1990s. While some might argue for the pre-eminence of one explanation over another, deindustrialisation of Canada can be seen as the cumulative result of *all* these factors making Canada less attractive to foreign investors and making other places and other sectors more attractive to domestic entrepreneurs.

What Canada is fast becoming is what John Myles (1991) has called «a dualization-high-employment» post-industrial society. He describes this as a country where there has been success «in creating a large number of new jobs but mainly at the bottom of the labour market» and where the government provides various support mechanisms to maintain the working poor (Myles, 1991, pp. 362-363). This becomes the point of departure then for examining Canada's elderly population and the implications for them of living in a post-industrial society.

CANADA'S ELDERLY POPULATION

In 1986, 2,032,575 people were aged 65 and over. For most administrative purposes in Canada, being aged 65 and over means that you are part of the elderly population whether you feel «young at heart», are working, married, divorced, have recently had a child or whatever. In the «eyes» of the government you are elderly! These slightly over 2 million Canadians also represented about 10.6 percent of the total population in 1986.

By international standards, Canada still has a young population compared to most other developed countries, but has an obviously older population than is found in developing countries (Demographic Review, 1989, p. 21). As the baby boomer cohorts, begin to reach age 65, the growth in the size of the elderly population will begin to increase rapidly. In 2001, about 13.7 percent of the total population will be elderly. By 2036, it will almost have doubled to about 25.7 percent of the total population (Demographic Review, 1989, p. 22). The ratio favouring elderly women to men is part of a much longer demographic process which will become even more exaggerated in the next century (Demographic Review, p. 23).

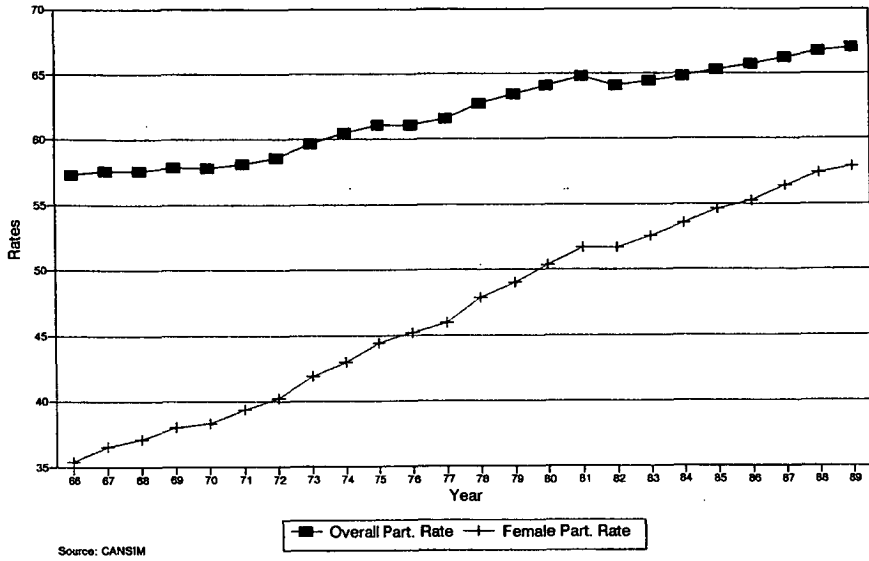


FIG. 7. Labour Force Participation Rates Compared

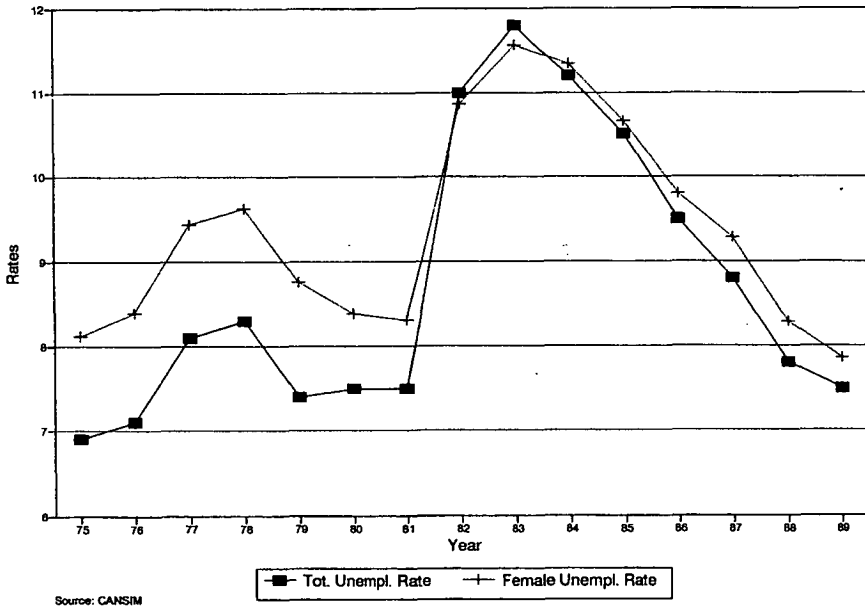


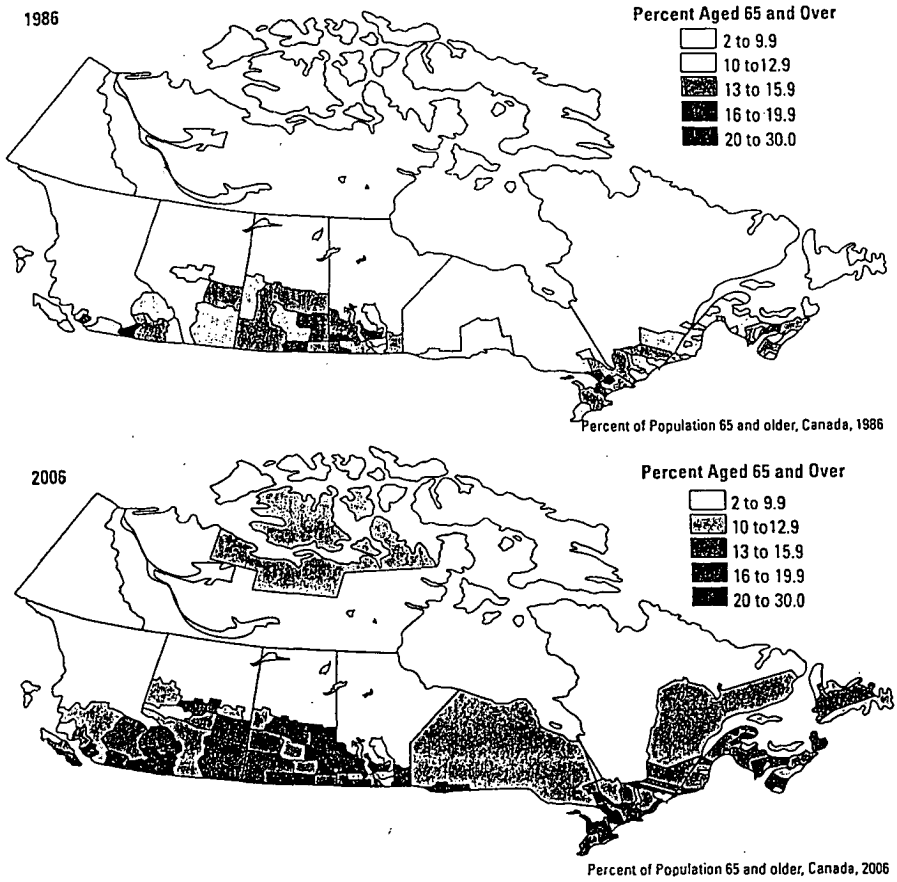
FIG. 8. Unemployment Rates Compared

The growth in the elderly population also has implications for the dependency ratio (Demographic Review, 1989, p. 25). From 1851 to 1951, the overall dependency ratio declined with the contributions of the young and the elderly to it remaining fairly constant. With the baby boom, the dependency ratio shot up as the percentage of the young increased dramatically in the 1950s and 1960s. By the 1970s, the baby boomers had entered the labour force and the dependency ratio began to even out overall, but the ratio of the elderly to the young began to change. After 2001, this trend will increase in velocity as baby boomers become the elderly; not only dominating the young component of the dependency ratio, but also generating increases in the overall dependency ratio.

The geography of Canada's elderly population is quite specific (Figure 9). By the 1980s, three demographic processes were at work creating the geographic distribution of the elderly population. In the Prairie Region of Canada and in the Atlantic Provinces, the movement of young working age people from rural areas to larger urban centres combined with aging-in-place created high percentages of elderly persons in these regions. The lower mainland of British Columbia in particular and to a lesser extent, the central counties of Ontario attracted persons looking for amenity areas in which to retire. The third demographic process which is beginning is the aging-in-place of the baby boom population in Canada's largest urban areas. These changes in detail in a set of *Atlases of the Elderly Population of Canada* (Moore, et al., 1989).

Rosenberg and Moore (1991) have examined in detail the implications of the changing geographic distribution of the elderly population for financing and providing services for the elderly population of the province of Ontario. They show that concentration of the elderly population relative to the working age population is greater than 26 percent in some parts of Ontario in 1986. Where the elderly population is relatively large, transfer payments from the provincial and federal governments can make up over thirteen percent of employment income. These trends will become increasingly important in the next century when the baby boomers become the elderly. In many parts of southern and northern Ontario, the elderly populations will make up almost 30 percent of the total population. This will mean as a ratio to the working age population, the percentages increase and income from transfer payments will approach 20 percent of employment income in some areas.

These demographic trends, when combined with the type of post-industrial society already described, have wide-ranging implications for the elderly population. The issue that needs to be confronted first is whether Canada can continue along the path of a dualization-high employment post-industrial society. It is unlikely because a low wage-high employment strategy cannot be sustained at the nation-state level in a world where goods producing and indeed service producing activities are increasingly globalized. It is no longer a question of Canadians competing among



Source: Moore et al. (1989). Reprinted in the Demographic Review (1989, p. 27).

FIG. 9. *The Atlas of the Elderly*

themselves for low or high wage jobs, but competing with labour in other countries (mainly in the United States or developing countries of the world) for jobs where by definition wages are lower, regardless of whether employment is in a goods or service producing sector. Ironically, this threat to the low wage-high employment strategy is only possible because of another aspect of post-industrial society, global telecommunications, another feature of Bell's post-industrial society.

In Canada, what may be a better characterization of post-industrial society is low wage-higher unemployment where greater numbers of people are unemployed for longer periods of time, permanently unemployed, are working part-time or taking more than one job to maintain a minimum standard of living. The implications of these trends is that when these people become elderly they will have had less opportunity to accumulate assets during their working years, they are less likely to have pension income and more likely to be dependent on transfer income. It is also useful to consider whether persons whose employment history is marked by long periods of partial or permanent unemployment, or who have had to work at more than one job for long periods of time will have higher morbidity and disability rates as elderly persons. There is already evidence to indicate lower income Canadians have higher rates of tobacco and alcohol consumption and poorer diets, but the long term connections to health outcomes are not so clear.

The problem of less financial support in retirement will be more acute for women than men. Although women are participating more in the labour force which will improve their financial position in retirement, the fact that they continue to be concentrated in low wage, service sector positions means that many women will continue to be dependent on transfer income to maintain themselves in their elderly years.

A second reason, Canada is not likely to continue along a dualization-high employment path stems directly from the problem that a low wage labour force, especially one where a growing percentage are partially or permanently unemployed, do not generate taxable income. The result is that governments at every level in Canada find that their deficits are increasing and their ability to fund services are decreasing. Although some have suggested that the most obvious implication for the elderly population is that the federal government will no longer be able to afford transfer payments, this scenario is most unlikely. What are more likely to be the outcomes are growing debates about *targeting*, *rationalisation*, *privatisation*, and *re-allocation*.

Targeting is the identification of those elderly persons most in need and providing them with transfer payments. At the present time, Old Age Security payments in Canada are made to every person age 65 and over regardless of their income. There are already some who would argue that Old Age Security payments should not go to individuals above a certain income level and that payments to those who would be eligible could then

be increased or the amount that would have to be spent on Old Age Security payments could be reduced.

Rationalisation is the consolidation and/or closure of services and facilities. In a country like Canada where there are three levels of government, the potential for overlap and duplication of services is great. In this respect, rationalisation superficially appears to be a sensible policy option. An example of why it might not be as sensible as it first appears given the changing demographics of the Canadian population is the issue of deinstitutionalisation. In the 1970s, governments in Canada decided to end the institutionalisation of the majority of the mentally disabled in favour of community-based treatment. What had not been recognized and is still not recognized is that with a much larger elderly population in the next century, the number of elderly people who will be mentally disabled as the result of dementias, Alzheimer's and other disease of aging will grow dramatically. The ability to care for these people in community-based settings when there will be fewer family caregivers and a relatively smaller working age population is questionable. Many will need communal settings which no longer exist because of the deinstitutionalisation process of the 1970s.

Privatisation is allowing the private sector to offer services which have previously been offered in the public sector. In Canada the debate is not about whether there should be privatisation any more, but how far privatisation should go. Two examples illustrate this issue in the context of Canada's elderly population. For many years, there has been parallel public and private operation of nursing homes. «Does Canada need a parallel service?» is the question some are asking. The second example is the health care system. As the result of provincial and federal legislation since the 1950s, Canada's health care system has become almost completely public and access is universal. The combination of lack of government resources to increase funding beyond present levels (over 30 percent of most provincial government budgets now goes to health care) and the Free Trade Agreement with the United States is creating pressures to allow private operators to enter the health care system in various guises.

Re-allocation is the transfer of public spending from one sector to another or from one group to another. This may eventually turn out to be the most socially divisive debate of all in Canada because it will pit the elderly population against the young in debates about the re-allocation of public spending from services for youth (particularly spending on education) to services for the elderly population.

LESSONS FOR SPAIN

Demographically, the structure of Canada's and Spain's populations appears to be quite similar (Figure 10). Canada's population appears to be

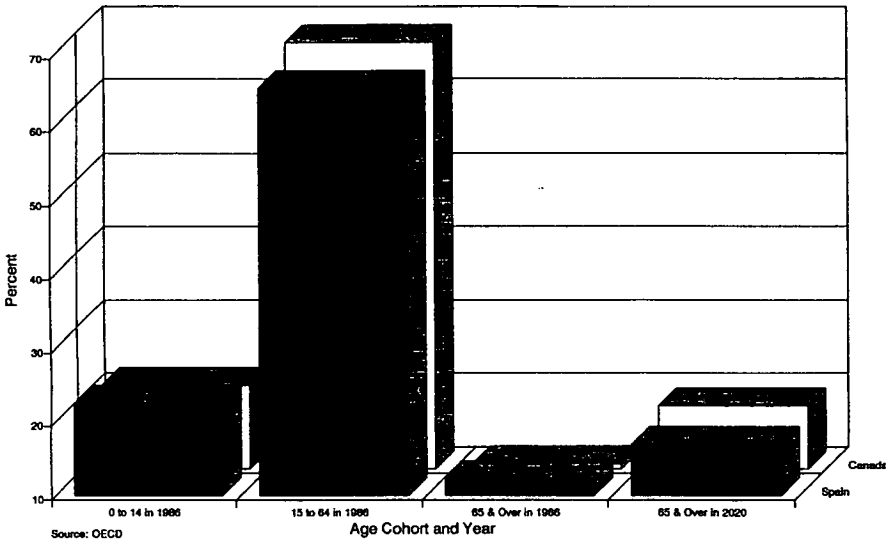


FIG. 10. Canada and Spain: Age Structures Compared



FIG. 11. Canada and Spain: Aged Dependency Ratios Compared

slightly younger because the baby boomers are «packed» into the working age cohorts to a greater degree than they are in Spain. But as the baby boomers move into the elderly age cohorts in the next century this comparison is reversed. In 2020, 18.6 percent of Canada's population will be elderly compared to 17.0 percent of Spain's population. This same dynamic causes a reversal in the *aged dependency ratio* between 1986 and 2020 (Figure 11).

It also seems that one can draw some parallels between Canada's post World War Two experience in its relations to the United States and Spain's relations to Western Europe. Just as Canada's rapid expansion of manufacturing through United States based multinationals corporations in the 1950s was driven by its proximity to the United States and relatively lower factor prices, it seems that much of the more recent investment in manufacturing in Spain by foreign based multinationals is the result of Spain's proximity to the Western European market and relatively lower factor prices. A third parallel is that just as many Canadians look on with some unease at the idea that a North American Free Trade Agreement will encourage foreign-owned Canadian based manufacturers to move their plants to Mexico, some have speculated on whether foreign-owned Spanish-based manufacturers will choose to move if the EC extends its reach into eastern Europe.

While the forces that are at work towards larger trading blocs or free trade zones are not likely to diminish in the foreseeable future, what is critical is how one structures the labour force in becoming a post-industrial society. In contrast to the dualization high-employment society that Canada has become, the alternatives are what Myles (1991, p. 362) calls the «high-wage-low-employment» strategy or the «high-wage-high-employment» strategy. The former can be described as state where productivity gains are translated into less employment, and the role of the government is to implement labour market «exit» strategies (i.e., the social welfare system is used to absorb surplus labour). The latter strategy is dependent on a high degree of cooperation between government and the private sector to allow the government to act as «employer and manager of labour market transitions as employees shift from declining to expanding industries» (Myles, 1991, p. 362).

Either the high-wage-low-employment or the high-wage-high-employment strategy would appear to have greater potential to support an elderly population in a postindustrial society because they are based on people contributing to the public purse at higher wage levels over longer periods of time. What is not so obvious is how Canada or Spain would create the types of jobs, labour force and institutions required to achieve these alternative strategies. For Canada, the challenge is how to transform itself from a dualization-high employment post-industrial society to another type of post-industrial society without sacrificing the welfare of its elderly population in the transition. For Spain, the challenge is to achieve a post-indus-

trial society through a strategy that avoids the critical problems Canada now faces.

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