

Technicolour Dreams and a Cold Splash of Reality: Waking up to the labour shortage and what to do about it.

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It is quite a luxury for me to speak to a group of Nova Scotians who understand that we are not facing an impending labour shortage, but actually dealing with a current one.

Better still, it is a high honour indeed to be allowed to join your celebration of doing something about that labour shortage. Rest assured I will share your stories with anyone and everyone who will sit still for even a second over the coming months and years.

You set the standard to which we all should aspire.

You see, unlike the people in this room, many Nova Scotians believe that we continue to be awash in surplus labour, that to have a successful career you need a university degree, that immigration will solve all of our demographic problems, and

that there are few barriers to working in Canada. That is what used to be called “dreaming in technicolour”. I suppose in today’s language it translates roughly to “dreaming in digital HD”.

The punch line is that these are the dreams we WANTED people to have, in fact we have spent the better part of the last two decades working very hard to order our collective thoughts to ensure that these dreams took root.

I am told that by exploring your dreams or nightmares you can, if you want to, avoid recreating them in real life, so let’s explore these dreams together shall we?

First, the dream of surplus labour.

This is the NUMBER ONE problem facing every industry in Canada.

We have a labour shortage now, and it is only going to get worse.

In 2001, AIMS estimated that by 2020 there would be almost 80,000 fewer workers in Atlantic Canada, 11,000 in Nova Scotia.

The demographic trends that led to that prediction have gotten worse, not better in the last five years. They are; lower birth rate, higher out-migration, and weak immigration.

Right now, in Nova Scotia, our unemployment rate is the lowest it has been in 30 years. In 10 years, unemployment in Nova Scotia will be ZERO.

With zero unemployment comes severe disruption in the economy, goods don't get made, crops don't get picked, product doesn't get delivered, people go hungry.

It is this problem, and its devastating result, that your work in expanding the opportunities in your industry to non traditional entrants will help to overcome.

I wish I could tell you that your work will be easy and the victory swift. But I can not.

For, unlike your collective response to this new reality that is being celebrated here tonight, our public policy has not kept pace with developments.

In the late 60s and early 70s we WERE awash in surplus labour, and we created very effective public policy to deal with that situation:

Employment insurance allowed people to have some income while we tried to find room for them in the workforce – and with access to rotating benefits and regionally differentiated EI we could string that delay out for quite some time.

We created massive jobs programs; one of the biggest is called the public service. We grew it by leaps and bounds. In the 70's that gave work to people who never would have found it anywhere else – today it is keeping workers out of your trucks and warehouses and offices.

Another jobs program was post secondary education, and in particular, universities. The more kids we could stockpile in university, the better – not to mention large numbers of professors and admin support positions. The longer a degree program could be made to last, the better. And how about a second degree, and a third?

The fascinating thing here is HOW we did this. We started with the assertion that everyone COULD go to university and turned that valid equity statement into an invalid value statement.

We moved from everyone COULD go, to everyone SHOULD go to university.

That is how we created dream number two – the one about needing a university degree to be “successful”.

And it worked. Unfortunately for those of you trying to hire skilled truck drivers and dispatchers it is still working.

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But guess what? A recent study in the United States discovered that the skills needed to succeed at post secondary and the skills needed to succeed in the “trades” are virtually identical.

More to the point, the study also demonstrated that the people who went into trades training – electricians, plumbers, carpenters, truck drivers, administrators to name just a few – were virtually identical to those who went to university in terms of their IQ, basic skills, level of comprehension and problem solving abilities.

So much for the technicolour dream that the best and the brightest are to be found in the Ivy League.

We have to do more to get this message out. It takes skill and brains to do these jobs. They represent a challenging and rewarding career with lots of potential for personal growth and, to be crass if realistic, material success.

We also need to reconnect our youth with the value and importance of this, and other, industries to our society.

Without the trucking industry few people would have food to eat, a roof over their heads, clothes on their backs or even that fabulous big screen plasma HD television to watch my poor Habs lose night after night.

But what about dream three – that we can make up for our shortcomings – in birth rate, in skills, in energy and drive – through immigration.

North America was built on this model – there can be no greater evidence that this at least is not a pipe dream than the two countries that successive waves of massive immigration have built.

But let us consider the MODERN version of immigration in this country. The immigrants look like us, not necessarily in terms of their outward appearance, but in terms of their age, family status, stage in their career, skills and qualifications.

How do we possibly make up for our shortcomings by bringing in clones of ourselves?

Nor are we as welcoming as we would like to believe.

The WORST thing a student looking to study in Canada can say is that they might, after graduation, consider staying in Canada to build a life. You are young, bright and want to come here and take care of us in our old age? Forget it!

Or, let’s consider another example. Say you are middle aged, highly skilled in a competitive industry where lots of jobs are vacant in Canada because Canadians can’t or won’t fill them. What do we do?

First, we tell you your industry is a trade and because of that your skills don’t exist and you are entirely unskilled. Second, we tell you, even if you come, your partner cannot take a full and active part in their new community by say, going to work, meeting people, and improving their language skills,

Sound familiar? It should. This is the current immigration policy for married truck drivers.

I am pleased to note though that a move is afoot to have that changed. To reclassify truck drivers as skilled workers, to fast track their applications for entry, and to change the rules for skilled workers to allow their spouses more flexibility to work if they want to.

According to recent media reports that effort is being spearheaded by a New Brunswick MP to solve a problem being faced in New Brunswick.

You and I both know the problem extends far beyond New Brunswick. But we also know that many hands make light work. If the idea is for a pilot program, then why not a Maritime or Atlantic Canadian pilot. Better still, if one MP can bring the problem to the table, what could two do, or 10, or 24?

Immigrants want to come here and join your industry – you are already committed to helping them do that, this is one more opportunity for you.

Speaking of opportunity, this brings me to the fourth and final technicolour dream.

Many people believe that taxes in this country are progressive; that as you earn more you pay more. Or that, at the very least, the taxes on the lowest income earners, the people in the entry level jobs, is the lowest.

Regrettably, that is not true. The highest marginal tax rate is actually paid by those people trying to transition from welfare to work. For every dollar they earn, they lose a dollar in benefits. In effect, we tax them at a 100% just for having the gall to get a job. The province of Nova Scotia just launched a pilot program for agricultural workers called “Harvest Connections” where the first \$3,000 of earned income does not affect the benefits received.

Does this pay people for being on welfare?

Absolutely not.

What it does is change the incentives – no longer are they better off not to have a job.

And, once they have a job, they are likely to keep it, build skills and get a better job – breaking the cycle of poverty and, in the process, helping us address the number one problem of this generation – the labour shortage.

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While I am not a transportation expert, it strikes me that no industry knows more about connections than this one.

Surely “Community Connections” for the trucking industry is in order.

But the question you will need to be able to answer is whether \$3,000 is enough. Does that create a sufficient shift in the incentives to carry people over the threshold? Perhaps \$5,000 is a more appropriate target for your industry.

Through your work on “removing the barriers: creating opportunities” you have created the unique partnerships necessary to speak with authority on just such a question. Community groups, worker’s advocates and employers; all at the table, working together to solve a collective problem.

I would urge you to have those conversations, find that answer and then tell government. The best public policy is made where the problems are, because that is where the solutions lie.

Unfortunately, taxes are not the only barrier that we place in front of people who want to

work, and people on welfare are not the only ones that we create barriers for.

Consider the groups you are already dealing with. Aboriginals, women, immigrants, and the physically challenged. All traditionally underemployed and all eminently employable – as you yourselves have shown.

My current pet peeve is those workers, active, able and enthusiastic who are fired because they have turned 65. We call it retirement and portray it as a reward for a long life of dedicated service but for those who want to continue to work, they have been fired, and for a reason that in any other context would be illegal.

I can't tell you how happy I was to hear that these workers too made it onto your list of traditionally underemployed groups being targeted to take up the slack in your industry. The experience, work habits and reliability of these workers, and their slightly less old compatriots, will serve you and frankly, the rest of us, well in the years to come.

You are here to celebrate a collective effort to break down all of these barriers. To find ways to overcome perhaps even barriers you yourselves have inadvertently created or perpetuated.

You address your problem by solving the problems of others. That is a dream worth having and one worth bringing to life.

I want to end tonight by applauding your efforts and encouraging others to model your success. As I have said repeatedly tonight, the labour shortage is the biggest threat that this country has faced in a generation and only through creative action will we overcome it.

Charles Cirtwill is the acting President of the Atlantic Institute for Market Studies.

Cirtwill's published works focus on government structure and organization, business-government relations, inter-governmental relations, performance measurement and accountability. He has spoken across Canada and the United States on the role of think tanks in society, the appropriate assessment of government activities and the use of school performance data to improve classroom practice and fully engage all education stakeholders.

Cirtwill has worked in the public, private and not-for-profit sectors as a program manager, policy analyst, senior administrator, consultant and entrepreneur. Cirtwill has served as policy advisor to several political campaigns and has provided advice and direction to provincial and municipal administrations throughout Atlantic Canada. He served for three years on the Nova Scotia Municipal Assessment Appeal Court and has had leadership roles in multiple community organizations including Scouts Canada, local school associations and local homeowners associations. He attended Dalhousie University, earning a BA in Political Science, a LLB, and a MPA with a focus on quantitative analysis and program outcome assessment.



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