

Skills Shortage Symposium

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Good morning.

Minister Milloy, Anne – I'm happy to be here to speak about what is certainly one of the most critical challenges facing our economy today.

The OCC has been working alongside government – labour – academia and business – in regard to this vital issue for many years.

Our reports and research have helped inform stakeholders on the issues – and through Ontario's Workforce Shortage Coalition – we've been able to further raise the profile of our skills challenges.

But despite all these efforts – the shortages we are seeing now are just the tip of the iceberg – and the impacts on our economy may yet be underestimated.

I'd like to talk to you today – in the few minutes I have – about what is perhaps a lesser understood impact of the shortages.

I'll also speak of what I see as one critical step towards solving this problem. I hope that these thoughts/observations will help stimulate today's discussion.

### **Diversification – Skills shortage**

I've spoken a great deal of late about the need for Ontario to diversify its external trade efforts.

Focusing on the US has been a natural byproduct of our geography – but I'd argue that it has made us somewhat complacent.

Having spent time in Canada and abroad in our trade offices – I've observed that Canadians often fail to promote themselves vigorously. We tend to tread lightly on the world. This may be one reason why we're not more visible in some of the world's largest capital projects consortia.

But it has recently occurred to me – that Canada's relative lack of diversification today will only be further impaired by our skills shortage.

Just think – if a shortage of workers is hampering efforts for our companies to expand here at home - how will they grow beyond our borders?

Let's take for example infrastructure development.

As a vast country, it's been necessary to develop extensive infrastructure – telecom, construction, engineering, architecture – we have superior know-how in each of these areas.

And yet – who is building the roads, bridges and telecommunications networks in the emerging economies?

A study we've commissioned regarding infrastructure opportunities for Ontario companies in India - points out that if India is to maintain its current growth rate – it must overhaul its physical infrastructure.

Massive investments must be made in roads and highways – airports – railroads – ports and powerlines – all areas in which Canadians excel.

Likewise – the sheer magnitude of development in China – from where I've just returned – is nothing short of astronomical.

Last year in Hong Kong 10 key major infrastructure projects were announced.

These projects are not long into the future. Some will come on stream as early as 2009 and most will be completed by 2015.

And in mainland China - 97 regional airports are in the plans - with 45 of those to be completed by 2010.

I'm convinced that these projects offer opportunities for Canadians.

### **Shortages force domestic focus**

But while Canadian companies have the know-how and are well positioned to bridge the cultural divide thanks to our multicultural workforce – our skills shortage has created invisible walls past which it may be increasingly difficult for some companies to negotiate.

Take our architectural labour force for instance – key to the infrastructure sector.

According to the Royal Architectural Institute of Canada – the aging of its workforce is beginning to create fissures in its otherwise seamless ability to meet demand.

Between 1991 and 2001 – the proportion of the architectural labour force 45 years old or older - increased by roughly 40 per cent.

Each year, the Institute estimates that Canada is graduating roughly 200 fewer in this field than demand will require – a deficit that will be exacerbated by increasing retirements from the profession.

And don't forget designers – draftsmen – and other related professionals.

In Ontario - even fewer young entrants into the field are proceeding to full designation status – this is out of sync with the increasing requirement in Ontario's building code standards for professional services.

And other regions like Alberta are crying out for architectural services.

Like in so many other areas – we are having trouble meeting domestic demand for these services – let alone overseas demand.

And skilled trade shortages have been documented in many other industries including construction – mining and metal trades.

As Anne said earlier – the Conference Board of Canada has estimated that Ontario will be short 360,000 skilled workers by 2025 and more than 560,000 by 2030.

Without enough workers – companies will be hard pressed to grow their export activities.

### **Stewardship efforts limited**

Canada's stewardship of the world's human, health and environmental resources may also be limited by skills shortages.

Shortages in the healthcare sector are – as we all know – particularly acute today and expected to worsen.

Our long tradition of caring for the world may in fact suffer if we're hard pressed to meet the health requirements of our population here at home.

And so – the economic impact of these skills shortages – already estimated by our organization in the billions of dollars in terms of lost taxation revenue – should also take into account the cost of missed opportunities.

With that in mind – as you discuss today what business – educators and government should do to address these critical shortages – I'd like to leave you with one potential pathway – a pathway which I see as essential to bridging the skills gap.

### **Stigma of Skilled Trades**

It's no secret that there is a stigma attached to skilled trades in Ontario.

For whatever reason – somewhere in our history – the trades became devalued in comparison to other professions.

An Ipsos Reid poll in 2004 showed that 43 per cent of young people between the ages of 13 and 24 would be UNLIKELY to consider a career in the skilled trades.

A Queen's University survey recently found that less than six per cent of grade 11 and 12 students were considering apprenticeship.

Parents too have been described as snubbing trades as a career for their children.

Case in point – Colleges Ontario is launching a marketing campaign right now to counter the fact that parents tend to steer their children towards university at the exclusion of all else – an action that not

only results in fewer skilled workers and apprentices but also often sends students in a direction where they may not be destined for success.

And yet when it comes to skilled trades - we know that incomes are good and job demand is high – very high.

Is there anyone here from Seneca College?

Just yesterday – I understand there was a special demand for plumbers at Seneca when the King Campus was closed due to an “unexpected plumbing issue”! I hope they’re not still waiting for a qualified plumber!!!

Kidding aside - According to Skills Canada, more than 20 different trades can provide earnings substantially above average.

In 2005 – the average national wage in all occupations was \$16.91 per hour.

The average tool and die maker receives over \$20 an hour – an industrial electrician about \$23 per hour.

And the unemployment rate for those with college or trades training is lower than average for all education levels and on par with the unemployment rate for university grads.

Furthermore – many trades’ people will remain insulated from the painful adjustments caused by the changing nature of our economy.

As described by economist Alan Blinder - the latest industrial revolution is affecting work easily delivered electronically.

We’re seeing jobs in our highly computerized economy – go offshore.

Whereas jobs that rely on “personal” delivery cannot be outsourced.

As Blinder so aptly observed – “you can’t hammer a nail over the Internet”.

### **Legacy of Skilled Trades**

In addition to healthy incomes – low unemployment rates and job security – I would add one more reason the trades should get more respect from young people and parents.

And that is – the legacy they leave.

We’re surrounded by buildings – bridges – towers – marble floors - columns – and even technology - that will live on long after the hands that created them.

Last fall the Royal Ontario Museum opened the much touted “Lee Chin Crystal”.

Designed by architect Daniel Libeskind and made possible through the \$30 million dollar donation by Michael Lee-Chin – the Crystal has been called “one of the most important architectural projects of our

time” – “a distinctive new symbol for Toronto”.

This one-of-a-kind structure was produced by the hands of over 2,000 trades’ people.

Two hundred laboured on the project each day of construction.

Drywallers – sheet metal workers – welders and carpenters will share in this legacy.

Talk to them and you will hear the pride in their work.

Think also of the landmarks throughout Europe where there is a long tradition of respect for and pride for the work of craftspeople.

It also underlines the close connection between the craftspeople and their communities.

Like the Duomo in Milan – the most outstanding example of Gothic-Lombard architecture – which dates back to 1300.

It would take some five hundred years to complete.

The evolution of this cathedral reads like a history of master craftsmen – generations of artisans who devoted their lives to the creation of its delicate spires.

In one family – three generations worked on the Duomo.

Something more modern and perhaps less literal ... the green technology being developed today – from alternative energy to hybrid automobiles.

The specialists who bring this technology to life will create a legacy that lasts generations and – will help ensure that we maintain that delicate balance of sustainability.

Somehow we must return a level of respect and pride to our trades.

I believe it will take a cultural shift – so that our culture once again values work done by hand.

All of us have a role to play – business – government – labour and education.

Only through collaborative efforts will we return our trades to their rightful place in the hearts and minds of Canadians.

Those are my observations – I know that the collective knowledge and creativity in this room will generate some exciting outcomes.

I look forward to seeing the results. Thank you.