

EMPLOYMENT

As jobs tonic, big digs may be a thing of the pastTAVIA GRANT
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The image is persuasive: Thousands of industrious workers wielding shovels to fix Canada's crumbling roads and bridges, netting a windfall of earnings for their families and motoring the economy out of recession. Trouble is, it may be an image from another era.

While infrastructure spending is a great way to prop up economic activity, many economists don't see it doing much for job growth, where money may be better spent on daycare and nursing homes.

The knocks against infrastructure are that it is not as labour-intensive as it used to be, tends to employ many more men than women and, these days, requires skills in engineering, technology and architecture that are already in short supply, critics say.

"A lot of this ethos of infrastructure-equals-jobs comes from the 1930s when you put a lot of guys to work digging ditches and shovelling gravel. And we don't do that any more," said Dr. Jim McNiven, professor emeritus and former dean of management at Dalhousie University.

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"You can't just take unemployed people off the street and have them build roads and overpasses," he said.

Much new funding may well wind up being spent on new machinery rather than hiring, he added said.

"You might as well just send a cheque to Caterpillar in Illinois."

He's speaking from experience. Dr. McNiven oversaw job creation programs as Nova Scotia's deputy minister of development during the recession of the early 1980s. He believes now, as then, that employment growth should focus on the services side of the economy, where three-quarters of Canadian jobs already lie. It's where our economy has tilted in recent decades and where hiring could be stepped up quicker.

"If you want to create jobs, as opposed to buy equipment, you do daycare expansions, more help in senior citizens' homes and more community services. And you need to be more imaginative."

He's not alone in his skepticism. As Canadian employment losses mount, questions are emerging over what will best bolster job growth as the employment outlook deteriorates.

Canadian employers shed jobs for the second month in a row last month. Companies' opinions about future employment levels are the gloomiest in at least a decade, a Bank of Canada survey showed this week.

"Job creation will be a major issue and will probably be the No. 1 factor determining policy at this point," said Benjamin Tal, economist at CIBC World Markets Inc.

Just about everyone agrees Canada badly needs an infrastructure overhaul - and Finance Minister Jim Flaherty promised to boost such spending in his Jan. 27 budget. South of the border, president-elect Barack Obama hopes to create three to four million new jobs, partly through infrastructure spending.

Mr. Flaherty said last week that he wants to hear ideas from all parties and levels of government on how to best resuscitate the economy.

At least \$61-billion in public and private money will flow into infrastructure projects this year, according to a report released today by ReNew Canada magazine.

The largest slated for this year, at a capital cost of \$6.5-billion, is the Romaine Hydroelectric Complex Project in Quebec.

The second largest, Ontario's Bruce A Nuclear Generating Station Restart, plans to hire 250 people this year - mostly in skilled positions such as nuclear operators and control technicians.

Finding those specialized workers "has been and probably will continue to be a challenge," spokesman Steve Cannon said.

Labour experts are proposing a range of other options, from converting traditional factories to green manufacturing as global demand grows, to spending on retraining and education.

A low-skilled, unemployed worker, for example, could get a stipend for retraining at a community college.

In Alberta, where an economic boom caused a spike in school dropouts, many could now be nudged to finish high school, helping to create a better-educated work force for when hiring ramps up again.

"Measures that would encourage people go to school would have a short-term impact and boost productivity in the long term," said John Clinkard, chief economist at Deutsche Bank in Canada. "I'm talking about an investment in human capital."

He frets that lag times in starting infrastructure projects, heightened by the scarcity of skilled workers, mean that by the time many of these projects are up and running, the worst of the recession will have already passed.

Perry Sadorsky, associate professor of economics at York University's Schulich School of Business, suggests Central Canada's traditional factory base should morph into a hub of green manufacturing that would supply growing demand here and abroad.

"You're seeing changes in other countries with respect to renewables - Germany, Spain, and now Obama is talking about it in the U.S. I see massive changes in the energy sector globally and it would be a shame for Canada to lose out on that.

"We could build ourselves into a world-class manufacturing base for renewable energy components. But we need a sense of urgency."

PUBLIC WORKS THROUGH THE AGES

Ambitious infrastructure projects have employed great swaths of the population in years past. Not all labour was voluntary, nor well paid, but here are some snippets from the history books:

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At least \$61-billion in public and private money will flow into infrastructure this year, according to ReNew Canada magazine. Energy and transport projects dominate the list. *Globe and Mail Editorial Research, Canadian Encyclopedia*

TORONTO SUBWAY

On Sept. 8, 1949, construction began on Canada's first subway. The project took 7,250 'man years' of skilled labour, and 13,580 man years of unskilled labour, according to the TTC Archives Department.

HOOVER DAM

To control and harness the power of the Colorado River, construction on the dam was begun in 1930 and completed in 1935. About 16,000 people worked on the project, with about 3,500 employed there at any one time.

GREAT PYRAMIDS

Pyramids were erected in Egypt to serve as burial vaults. The Great Pyramid of Giza employed an average work force of 14,567 people, with about 40,000 workers at the peak, according to some theories.

TRANS-CANADA HIGHWAY

The 7,821-kilometre highway was formally opened on July 30, 1962. Work started in the summer of 1950 with an infusion of \$150-million of federal funds but revisions increased the federal contribution to \$825-million.

TRANS-CANADA RAILWAY

The railway was built by Canadian Pacific Railway Co. between 1881 and 1885 as a condition of British Columbia's entry into Confederation. About 15,000 workers helped build the railway.

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Phillip Crawley, Publisher