



# Speaking notes: NASCO 2017 Workplace Forum

## **Speaking Notes for Perrin Beatty**

August 31, 2017

12:00 PM, Brookhaven College, 3939 Valley View Lane,

Farmers Branch, TX 75244

## **Luncheon Keynote: Workforce in the Changing Face of NAFTA**

Good day everyone. We had initially planned to start this outreach mission in Houston, a city that shares Canada's rich resources and benefits from the free flow of services and goods in our leading energy sectors. We had a series of roundtables as well as visits planned to the Port and to local facilities. We regret we had to cancel these opportunities for the sake of everyone's safety.

Canadians are always sensitive to any news out of the US -- the good and the bad. As each other's closest neighbors and partners, what hurts America, hurts Canada.

That's why I want to take this time to let our American friends know that Canada is thinking of them and sending messages of support and strength.

When I travel to the US, I enjoy reading all the different state mottos on your license plates and billboards. The Ocean State, the Sunshine State, the Volunteer State. Texas is a little different. Its motto has just one word: friendship.

This week, Texas has shown the world what friendship is, as we've seen neighbours helping each other out, people welcoming strangers in their house, and volunteers ready to

help other communities. Together you'll get through this and please know that Canada, your longtime friend, is here to help.

Now, to begin, I would like to thank our hosts at NASCO for bringing us together here at Brookhaven College. I can't imagine a better venue for discussing the challenge of skills in the workforce today.

Institutions like this one, across the United States, Canada and Mexico, have the responsibility for equipping youth with the skills they need for the future. These halls are filled with the next generation of entrepreneurs and innovators.

Their success is crucial to our success.

I come here on behalf of the Canadian Chamber of Commerce, the country's largest business organization, representing 450 local, regional and provincial chambers and the 200,000 businesses in our network.

Our mission is to support the success and growth of businesses in every sector. We want to see a country - and hopefully a continent - where every single citizen has the opportunity to start and grow a business if they choose to try and work for it.

After all, good ideas don't discriminate by nationality, race, religion or gender. Anyone who can add value in our economy deserves to have that chance, and they deserve every opportunity to succeed.

Our vision can't be accomplished without having a country of skilled workers and entrepreneurs. And it can't be accomplished without having markets that are open to the world, where our people can sell their products and services.

Our members tell us that finding the right people, with the right skills, at the right time is the hardest thing for any business to do and the biggest challenge they face.

But the companies who can find the right people are the same companies that will succeed and grow in the long term. Businesses investment doesn't just mean technology and intellectual property, but it means investing in human capital and developing their workforce as well.

Our mission fits with our partners in NASCO, which supports competitiveness in North America. Our future depends on opening up markets, improving coordination, and ensuring that trade deals are a “win-win-win” for all NAFTA partners.

That also means that we have a workforce that is ready to take advantage of those trade deals. **We can't have the best economy in the world without also having the best people working in it.** That means working together building human capital.

Cooperation between our countries needs to go beyond simply signing legal agreements on the dotted line. We need to build deeper connections in our companies, schools, and civil society.

Sitting across the negotiating table from one another is one thing. But it is far more important to sit together around the same table, and discuss issues of common concern. Bringing together educators across borders. Public servants and regulators. Business leaders from every corner of North America.

The Canadian Chamber of Commerce has been taking that lesson to heart. We have been travelling across North America to the communities that depend on open markets and listening to them about their concerns, as well as sharing our own perspective.

There is a lot of anxiety about the future. People are concerned about their jobs. That's why we can't forget the jobs that depend on over a trillion dollars of trade that is



exchanged among NAFTA's members. The best cure for fear is knowledge, and there is no better source of knowledge than our institutions of higher learning.

Brookhaven College is a part of the Dallas Community College District, which is one of the largest community college systems in the state of Texas. Not only one of the largest, but also one of the best, considering the awards it has won.

American higher education is often best-known for institutions like Harvard. But America's community colleges and technical schools are the lifeblood of a trained, technically minded workforce. Millions of Americans every year get the skills they need from these institutions.

The community college principles of open enrolment and applied job skills allow these institutions to fill a niche that too often gets left behind. They are crucial to building an inclusive and progressive workforce. And their close partnerships with businesses and workplaces also let them listen and keep their programs relevant.

Canada has our own network of technical colleges across the country which fills a similar role. Parallel to our universities, our technical schools focus on job skills and employment.

The success of these schools in reaching out to all levels of society is why we can rightly boast one of the most highly educated workforces in the world.

Just last year, I completed my term as Chancellor of the University of Ontario Institute of Technology. UOIT is

Ontario's youngest university and it is co-located with Durham College, so we can get the synergies that come from matching academic studies with hands-on learning.

Investing in people is crucial for economic growth and opportunity. No matter the technology we develop, people will continue to be the real source of innovation and growth.

But we can help people to innovate, by opening markets, supporting mobility and investment, and making sure new ideas can find their niche in the largest possible market.

We can help businesses find the people they need from the largest, best-trained workforce possible. Increasingly this means hiring across borders, and building companies that have operations in every corner of North America. Many of

the members of the Canadian Chamber of Commerce have operations in Mexico and the United States. They look all over for the best people they can find.

Our integrated North American supply chain means that we don't just sell things to one another, we build things with each other. When we each bring our unique strengths to the the supply chain, we help build a North American powerhouse that can take on the world and win.

Great ideas will be coming out of Brookhaven College that might solve business problems in Toronto. Ideas from my alma mater, at the University of Western Ontario, might solve problems in Guadalajara. Trying to keep these locked behind borders will only impoverish both sides.

Technology increasingly means that ideas do not stay in one place, even if we try and make them. The touch of a button can bring people into contact from around the world. The only barriers are the ones we choose to put in place to movement of ideas and products.

Can you imagine the loss if we did go in the other direction? Imagine if a graduate from Harvard could not work outside of the greater Boston area, or a graduate from Brookhaven could not work anywhere outside the Dallas metro region. The loss to income, opportunity, and investment would be unthinkable.

North American trade has been a boon to innovation and prosperity. The North American market is worth nearly 20

trillion dollars. More than a trillion of that is just trade between NAFTA members alone.

Others have taken note of the benefits of trade and bigger markets. This year, China has begun a major push on their “Belt and Road” initiative to link their economy across Asia all the way to Europe as never before. Europe continues to sign trade agreements with partners globally. And investments in Africa are linking that continent together with railways, ports and air transport like never before.

Other countries are investing in skills, too. By 2020 China and India are expected to be producing 40% of all the graduates in the world. The research output of the developing world is growing every day. The Times Higher

Education university rankings have added over 100 more institutions to their list in Asia alone.

North America still has an edge with some of the best schools in the world, but we can't rest on our laurels for long. The rest of the world is not standing still.

We need to make sure our education systems are ready for a future with bigger markets, faster connections, and more competition than ever before. And we need to ensure our countries have the agreements in place to support mobility, innovation and investment.

NAFTA has done a great deal to support those priorities.

Worker mobility provisions have helped experts in a number of industries to apply their skills across borders.

Investor protections mean that businesses can invest with confidence. Market access means that a start-up in one corner of North America can find partners and customers anywhere on the continent.

As the economy changes, our trade agreements need to change as well. It's no secret that NAFTA contains a lot of outdated definitions. This is especially glaring in the job listings. It has job definitions for land surveyors, but not computer programmers.

A future agreement needs to be framed in ways that will stay relevant. Updating the job classifications is one step, but changing the way we keep those classifications relevant is just as important.



We need to consider the changing way that companies employ people. More workers are working on flexible contracts, or on remote platforms that allow them to do more work over the internet than ever before.

It will not be enough to just have more relevant job lists in our trade agreements. Soon we will have to start changing our very notion of what a “job” is.

Traditionally, a job has been about filling specific roles permanently in an organization. Tomorrow, we expect more workers are going to be working on selling tasks to a wide range of clients.

That means we are going to have to create an agreement that will stay relevant. An agreement stuck in one set of ideas

will only fall behind and create barriers instead of removing them.

Worker mobility still matters. Companies still want to find workers who can collaborate and work in a variety of teams.

There is no substitute for having an expert on site. Online platforms open up new avenues for work, but they can't fully replace the old ones.

Protecting workers and promoting jobs still matters. But this is something that needs to happen on the side of skills, education and training. Each country is going to have to make sure its education system continues to change along with the economy.

If people have useful skills, if they are hardworking and entrepreneurial, they will be better off with more trade. If education systems properly equip them, they will be able to find jobs. But first we have to make sure our education systems keep up.

In Canada, experts estimate that nearly half the workforce is facing disruption from new technology. But it's a mistake to think that disruption necessarily means fewer jobs.

Take for example at the financial sector. They are a big driver for automation. They have automated tellers, online services, and increasingly make use of AI for decision-making. If any sector would be a case of robots taking over, it would be in that area. Yet we see that sector has been growing in employment for decades.

Disruption means changing jobs. But change does not mean things will get worse. In finance, there are more tellers than before. But now their jobs have changed to require less time counting stacks of bills, and more human interaction, sales, and advising customers.

Those are the kinds of skills we see even greater need for in the future. Human interaction, insight, wisdom and problem solving. Things that we are still a long way from teaching any computer to do.

Changing technology also means equipping people for lifelong learning, ensuring they are literate with technology, and making sure the structure is there for retraining when new technology does come online.

We have the chance to build a North American market where well-trained workers have more opportunity available than any workers in the world. Where businesses can access customers and investment in the most lucrative market in the world. Where government regulations support them rather than hold them back.

The story of North American business success is one of cooperation, human capital investment, and building institutions that reach across borders. We need to write the next chapter in that story.

For the sake of young people across North America in schools like this one, let's make sure it's about building a growing and prosperous economy across the continent.

Informational points:

- Greater regional integration around the world: EU, Chinese “Belt and Road” initiative, etc. North America must continue to build strong ties regionally.
- Expansion of higher education: Asia, Africa, etc. More attendance, more competition in knowledge sectors, more demand for advanced skills
- Automation: new technology is leading to major disruptions. Requires a mix of digital literacy as well as stronger soft skills, and must expand connections between business and education systems. Will have to rethink many sectors of HR development.

- Lifelong learning and experiential education are two sides of an increasingly important issue: Maintaining core skills for older workers (who have job experience) and improving job experience for younger workers (who have core skills).
- North America needs to encourage worker mobility, credential recognition, recognize professions that can work over borders, and support students studying across national borders as well.

Key figures:

- 380,000 Texas jobs depend on trade with Mexico. Since 1994, The Dallas Federal Reserve Bank estimates NAFTA

accounts for a quarter of Texas' six-fold increase in exports to Mexico"<sup>1</sup>.

- 34.2% of all exports from DFW totaling over \$9.8 Billion being traded with NAFTA countries<sup>2</sup>. Canada alone represents approximately \$5.1 Billion in bilateral trade (imports and exports), with the largest share being imports of material from Canada
- Over 125,000 small businesses sell their goods in both Canada and Mexico thanks to NAFTA, and exports to markets with trade agreements have grown by 60% from 2006-2016, with NAFTA countries being the largest contributors to that growth<sup>3</sup>.

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<sup>1</sup> Austin Chamber of Commerce, "Highest Federal Priorities", 2017 Federal Agenda, Austin TX, <https://www.austinchamber.com/upload/files/2017-FederalAgenda-full.pdf>

<sup>2</sup> Dallas Regional Chamber of Commerce, "DFW Trade Around the World", Dallas TX, 2016, <https://www.dallaschamber.org/wp-content/uploads/2016/03/Economy-GlobalTrade.pdf>

<sup>3</sup> Texas-Mexico Trade Coalition, "NAFTA Works: Let's Make it even Better", 2017, <http://www.texasmexicotrade.com/nafta-works-lets-make-work-even-better/>