



The bus driver shortage is not limited to the United States. The same problem, or something similar, is found in many other countries. Shown here is a M.A.N. tour coach that is parked awaiting the return of its passengers who are visiting the Arc de triomphe at the end of the Champs-Élysées in Paris.

# Looking Beyond the Driver Shortage to Demography and the Global Economy

by Larry Plachno

Photos by the author unless indicated

In common with several other articles that have appeared in these pages, this one started with questions to our “Curious Coachowner” column that were too involved to answer quickly in a short column. As some people have already figured out, the driver shortage represents the tip of an iceberg that is both global in nature and most likely to impact our bus industry at some point in the future.

While we normally would not get involved in the global economy in these pages, there are reasons to make an exception. One is that this is involved with the driver shortage. A second is that your editor has done research and writing in this area for other media, so I feel comfortable in providing the basics. The third is that much of this is somewhat unremarked by the Main Stream Media yet will most likely impact bus operators and suppliers in the future.

Rather than try to answer individual questions, I will try to cover everything as briefly and simply as I can. We can start with reasons behind the driver shortage, move on to the figures behind the global demographic concerns and issues, and end up with thoughts on how it might impact the bus industry in the United States and Canada. This may be an unusual ride, but you will probably find something you did not know that could help you in the future.

## The Driver Shortage

Back in the May, 2018 issue of NATIONAL BUS TRADER we ran an article titled “Twenty Tips on Hiring Bus Drivers.” This issue has been with us for quite some time and is not limited to the United States and Canada. Several other countries are suffering a driver shortage while most developed or industrialized nations have the same or related problems. Looking for answers, the International Road Transport Union in Europe ran two surveys polling their members (including both trucks and buses) from October, 2018 to January, 2019. Their results are interesting and we can share some of them with you.

- Results showed that 57 percent of male drivers and 63 percent of female drivers believe that the poor image of the driving profession is stifling recruitment. This is particularly interesting since Europeans are generally more accepting of public transportation than Americans.

- 79 percent of drivers believe that the difficulty of attracting women to the profession is one of the top reasons for the driver shortage. This would be difficult to dispute since existing data shows that females represent only two percent of road transport drivers.

- 76 percent of drivers believe that working conditions deter many from entering the profession while 77 percent say that long periods away from home do the same.



- The industry suffers from an aging labor force. It is interesting that 70 percent of the young drivers (aged 25-34) believe that the difficulty in attracting young drivers is one of the top reasons for the driver shortage. This then leads us into the critical global demographics and its impact on driver shortage and on the bus industry.

### Global Demographics

Perhaps the simple way to explain this is to note that many people have changed from a “we” philosophy to a “me” philosophy in recent decades. They have moved away from marriage, family and children while accepting divorce and abortion. You can find trends like this to a greater or lesser extent in virtually every developed or industrialized country. The logical result is that fewer children are being born. Hence, there are some ongoing changes in demographics.

One of these is in population age. Since the start of recorded history (and probably long before) the age demographics for a typical society looked like a pyramid with numerous babies at the base and then fewer older folks as age went up. However, with fewer babies being born and increasing longevity for adults, our diagram is now more like a diamond on playing cards with few babies on the bottom but a lot of older folks at the top.

This can be good for the bus industry since older folks make good bus passengers. This also means fewer people of working age can make it even harder to find drivers. It also can be a problem for a nation’s economy if you do not have enough workers. The recent survey in Europe discovered that the



Yutong has two factory complexes in China, each the equivalent of a small city. While most of their buses are smaller than what we see in America, some of their manufacturing is highly automated. This photo shows a part of one of the assembly lines at a Yutong factory.

average motorcoach driver was 52 years old. It also uncovered the fact that European bus operators would like to expand their fleet by 19 percent but could not because of a lack of drivers. Hence, a lack of workers is detrimental to the economy.

A second problem is a lower birthrate that in turn causes populations to decline. Some countries now count on immigration to provide needed workers. In some countries the indigenous population is declining

at alarming rates often identified with endangered species. When a species or group cannot reproduce they risk having problems or even becoming extinct.

I will try to keep the numbers and examples as simple and as brief as possible. None of this information is secret or hidden and can be found in books, magazines and even online if you would care to look for additional numbers and details. I will start with examples in Asia. These are more glaring because there is not a lot of immigration in Asia and one country actually reinforced this demographic trend.

### Asia

That country is China. Faced with an increasing population, China began to encourage family planning in 1953. In 1979, China’s leader, Deng Xiaoping, imposed the now-infamous One-Child Law on the country. Complicating matters, the One-Child Law prompted many couples to abort baby girls but keep a boy to better guarantee financial support from their child in their old age. As a result, China now has 34 million more men than women. These single men are called “bare branches” because they cannot add to their family tree. The one-child plan also created family support problems that the Chinese call 4-2-1. An only child could end up being the sole support of two parents and four grandparents, a situation fraught with problems.

Looking ahead, in 2050 there will be more than 330 million Chinese older than 65. China saw these problems coming and started to make changes. In 2016, China went to a two-child policy and recently has eliminated mention of family planning alto-

The International Road Transport Union in Europe recently ran two surveys of its members. A total of 79 percent of the responding drivers believed that the difficulty of attracting women to the profession is one of the top reasons for the driver shortage. Existing data shows that only two percent of road transport drivers are female. VOLVO.





gether. However, this may well be too little, too late since the problems have already arrived. One source says that China's labor force has been declining for seven years, not necessary unexpected since the one-child policy went into effect 40 years ago.

Meanwhile, the number of citizens age 65 or older increased substantially and some of China's provinces are running out of money for social security benefits. China's population is expected to peak somewhere between 2027 and 2030. After that their population will decline along with the number of workers, their domestic consumption and their economy. Researchers suggest that India will replace them as the leading economy. Since the global economy has relied on China and its inexpensive workforce for growth, any reduction in workers and production in China could be a negative impact on other economies around the world.

While China may be an obvious example, there are other Asian countries facing population, aging or economic problems. A good measure of this is fertility rates. A rate of 2.1 is considered replacement level. Numbers above this indicate an increasing population while numbers below this indicate a declining population.

Singapore can boast of modern buildings, impressive health care and low crime rates. However, they have a fertility rate of only 1.1, which is approximately half of the replacement level. In spite of some immigration, their average age is now about 40. Hong Kong has a fertility rate of 1.09, even less than Singapore. The Hong Kong government has been encouraging larger families to deal with their aging population. In Taiwan, the fertility rate



Several tour and charter coaches are lined up alongside the Seine River in Paris near the Eiffel Tower. European coach operators have also been facing a driver shortage. A recent survey disclosed that they could increase the number of coaches operated by 19 percent if they had more drivers.

is down to 0.9. Their population declines by half with each generation. South Korea is now spending substantial funds supporting families and children because their fertility rate is down to 1.15.

Some researchers have said that Japan is aging faster than any country in history. Since 2011, more adult diapers have been sold in Japan than baby diapers. By the year 2040, there will be one Japanese citizen above the age of 100 for every baby born. Researchers have predicted that in 30 years,

2050, only 28 percent of Japan's population will be of working age. Japan's industry is trying to move to robots in order to reduce the need for workers, but this solution may only apply to certain applications or jobs.

#### Europe

While the worst problems may be in Asia because of its limited immigration, Europe is also having problems. Immigration has helped increase the number of workers in Europe, but immigration has in turn created its own problems since some of the immigrants have not assimilated well into the European culture.

Because of past policies, Russia now has a fertility rate of about 1.2. Immigration has not worked well and the government has offered a large baby bonus to increase the population and number of workers. Spain has a fertility rate of 1.48. The government has a pro-natal policy to promote births and increase the population and workforce. Germany has a similar fertility rate of 1.4 but survives better because its strong economy attracts immigrants. Even with that, Germany has had to close schools and its population is starting to age.

Demographers are particularly concerned about Italy which now has a fertility rate of about 1.4. Venice has problems because it has more tourists than residents. When the population declined below 60,000, Venice held a mock funeral for itself. The number of indigenous Italians is declining at an alarming rate. A Eurostat forecast says that by 2080, indigenous Italians will become a minority as people of African or Asian descent will make up more than 50 percent of Italy's population.

The Chinese have been leaders in developing and building electric buses and coaches. Shown here is a Yutong Ce12, an electric touring coach. It has two doors and a range of about 137 miles. The photo was taken at a recent Busworld event in Kortrijk, Belgium.





Is any area of Europe doing well? Ireland has the fastest-growing economy in the European Union four years in a row. A major factor is that Ireland has the youngest population in the European Union and hence has a young and viable workforce. Much of this can be credited to Ireland's strong religious heritage, but Ireland recently began moving away from this heritage.

#### United States

The United States has survived better than most because of immigration. However, by the second generation, the immigrants no longer have a substantially higher fertility rate. The recent reduction in corporate taxes to increase employment found many employers scrambling for qualified applicants because we were running out of workers. In late February of 2019, the U.S. Bureau of Labor Statistics indicated there were 7.1 million unfilled jobs. However, there were also 6 million Americans "unemployed." Hence, if everyone looking for a job was qualified and able to take it, we would still have a million unfilled jobs. This goes a long way towards explaining the bus driver shortage.

Demographers are warning that in 2030, approximately 20 percent of the population of the United States will be retired. This will be the first time since the founding of our country that we will have more retired people than children.

#### Impacting the Bus Industry

Readers are welcome to do their own research on these items and see how they may impact the bus industry. Here are



This J4500 operating for Classic Bus Lines was photographed in Fort Lauderdale in January while running shuttles to and from the Convention Center for the UMA Motorcoach Expo. A driver shortage has been an ongoing problem for many bus companies. Because of changes in demographics, this and similar situations are becoming global problems.

some of the more obvious thoughts I can share.

- Expect the U.S. population to age in the future. This may be a good thing for the bus industry since older folks tend to appreciate buses more.
- Consider gearing your vehicles and operations to an older population. Lifts may become more important as more people use mobility devices. Consider expanding in

areas that serve seniors such as tours or service to senior housing or attractions.

- Do not expect to see more young people in our workforce. You will continue to compete for younger workers, but older people will be available if you can use them.
- While there are numerous predictions, we do not yet have the answers. We need to watch the impact of a declining workforce in places like China and Japan for possible impact on the global economy.
- Some countries that have a young and vibrant workforce may expand their economy to take over operations declining elsewhere because of an aging population. This will undoubtedly happen, but it is too early to tell how it will impact the bus industry. □

This two-door Mercedes-Benz Tourismo coach was photographed just down the street from the Vatican and St. Peter's in Rome. Demographers have been watching Italy because of its low fertility rate. Researchers suggest that by 2080, Italians will become a minority in their own country.



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