

## Canada and Québec buck the trend

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Donald Trump's candidacy has surprised everyone in the United States, the United Kingdom voted for Brexit, and in France the Front National has traction. In three leading Western countries, isolationist forces are making waves.

In the realm of international commerce, isolationists view the free trade of goods more as a threat to traditional jobs than an opportunity for growth by ambitious local businesses. Culturally, isolationists view immigration as a threat to national identity rather than enriching the cultural fabric.

In contrast to the wave of isolationist opinion sweeping across these three world leaders, Québec and Canada seem to be standing out. Naturally, isolationism exists in every society, including ours. However, it is noteworthy that no political party, union or association of employers in Québec — nor at the federal level — has yet to advocate tearing up trade agreements or halting immigration.

Sometimes we are disappointed in how we stack up against the rest of the world, but in this case, we have reason to be proud!

But this pride must not render us complacent, nor insensitive. With regards to economics, let's bear in mind that trade agreements have enabled many businesses in Québec and Canada to increase their exports and develop. In some cases, these agreements have helped us withstand the threat of foreign protectionism. For example, the Softwood Lumber Agreement with the United States has enabled our forestry industry to resist protectionist pressure from softwood lumber-producing regions in that country. Here at home, Québec producers have found practical allies in American industries that use softwood lumber and want to maintain their access to Canadian suppliers.

This example reminds us of an often forgotten advantage of trade agreements: greater purchasing power for consumers. Occasionally, we are all saddened by the closing of a local plant as production is moved somewhere with lower wages. This is obviously a shock to the workers and to their community. But we also need to remember that nowadays households can buy products for less, in real prices, than they could before the globalization of markets. Take home appliances as an example. The money that we save on imported goods is still being spent in the local economy, albeit on something else.

As is the case of NAFTA, the Comprehensive Economic and Trade Agreement between Canada and the European Union will also see winners and losers among producers on both sides of the Atlantic. On the other hand, all consumers, in Canada as well as in Europe, will come out ahead, through access to a wider variety of goods, at occasionally lower prices.

There are some lessons to be learned from the isolationist wave currently rolling through the US, the UK and France. First we need to refresh the case for freer international trade. It is unwise to take popular support for free trade agreements for granted. But it goes beyond that. To drive off the spectre of isolationism, we must also enhance public policy in two areas.

With regards to labour market policy, we need to offer better perspectives to those who pay the price when barriers are lowered—especially the workers whose jobs disappear because of lower priced imports. Fortunately, we are entering a time when the main challenge in labour force management will be to fill positions left empty by workers retiring. These positions often require different skillsets than those of workers whose jobs are threatened by imports. Our challenge will be to persuade this latter group, through a combination of social discourse, training and financial assistance, that their future success lies in professional or geographic mobility. In other words in adapting to change rather than fighting to restore the protectionism of a bygone era.

To reassure the host society on the value of immigration, we need to ensure immigrants are properly integrated, both economically and culturally. This means ensuring they have access to jobs as good as those available to native workers. It also implies reasserting our expectation that they integrate into mainstream culture over time, as opposed to forming a mosaic of distinct cultural communities.