

Janice Stein in Conversation: Navigating the Future of Canadian Economic Development

By: Niall Casselman and Karan Gill

At the Economic Developers Council of Ontario 2021 annual conference "EvolveOn", Niall Casselman and Karan Gill, students in the post-graduate Public Administration Program at Seneca College, summarized the workshop entitled "Navigating the Future of Canadian Economic Development". The speaker was Janice Stein, Belzberg Professor of Conflict Management in the Department of Political Science and the Founding Director of the Munk School of Global Affairs and Public Policy at the University of Toronto and Lidy Romanuk, EDCO 2021 President.

Abstract

This article presents the thoughts of Janice Stein, a Canadian political scientist and international relations expert, on the future of economic development in Canada for the EvolveON Conference. The potential challenges to Canadian and American relations in the new Biden administration are addressed in regard to economic trade and the challenges presented by the COVID-19 pandemic. The article explores Stein's views on the potential for growth and avenues through which Canadians can achieve success and identifies key areas in which they can improve.

Keywords: *Digital Economy, Fourth Industrial Revolution, COVID-19, Biden Administration, Pandemic, EvolveON, Canada-United States relations*

Introduction

EvolveON is the 64th Annual Conference and Showcase hosted by the Economic Developers Council of Ontario (EDCO). Beginning on January 20th with a keynote conversation between Janice Stein, and Lidy Romanuk. The goal of this report is to encapsulate, organize, and present the themes of the conversation for use by economic development professionals. Two broad categories of subject matter have been identified: (1) the Canada-United States relationship as it pertains to economic development; and (2) the COVID-19 pandemic and the future of economic development in Ontario.

1) Canada and the United States: Challenges Ahead

Despite an end to the Trump Administration in the US, there are serious challenges ahead in Canada's trade relationship with its neighbour to the south. Professor Stein points out that, though we can expect an end to belligerent foreign policy by the USA toward traditional trading partners and allies, President Biden will be under significant domestic political pressure. These pressures will focus on maintaining an 'America first' economic policy and addressing rising concerns about climate change and China. This

will only be exacerbated by the COVID-19 pandemic, which has closed borders and left millions unemployed.

According to Stein, Canada's economic performance and recovery from COVID-19 hinges on the success of the Biden Administration in bringing the pandemic under control in the US. Until such a time, our border will remain closed, decreasing trade and tourism. Moreover, the precariousness of Americans during COVID-19 means the government's first priority will be getting Americans back to work, not ensuring easy international access to US markets. The Biden Administration will likely favour US goods and companies where government procurement is concerned; hence Canadian businesses will have a hard time accessing money from President Biden's recovery initiatives. Thus, until the US has been successful in getting the spread of COVID-19 under control, Canada's economic recovery cannot be complete.

There are further concerns for Canada's trade relationship with the United States. On the first day in office, President Biden cancelled the Keystone Pipeline project. This represents a signal to the marketplace that climate change is a major portion of his agenda. Private business is being told, in effect, that political capital spent lobbying against environmental regulation will be capital wasted. More broadly, Canada must expect continued challenges in bringing fossil fuels to market in the US.

The final pressing area of concern for the US-Canada is their respective relationship with China. Increasingly, the Chinese government is coming under international scrutiny for its treatment of its Uighur minority, its crackdown on Hong Kong, and its response to the outbreak of COVID-19 in Wuhan in 2019. The Biden Administration has said it plans to build a coalition of democracies to put pressure on China. This would circumvent China's diplomatic strategy of making bilateral deals with individual democracies where it can leverage its size and power to set favourable terms. However, there is no guarantee that the US will be successful in this regard. The European Union has already signed an investment deal with China which represents a concerted Chinese effort to separate European economic interests from those of the US. Canada's trade strategy has been to seek out more access to China, in large part to get away from dependence on the US market (for the reasons described above). At present, 75% of Canada's exports go to the US, despite numerous attempts to diversify. Therefore, Canada will be in a difficult situation if trade tensions ratchet up further, torn between two major trade partners. Stein emphasizes that Canada will have to be nimble and innovative in order to enter new markets or remain successful in existing ones.

2) The Pandemic and the Future of Economic Development in Canada

As it is commonly known the effects of the COVID-19 pandemic has had a wide range of impacts on the daily lives of Canadians across the country. It has also opened new avenues for future economic growth and development. Professor Stein described how Canadians can potentially benefit from the changing tides of growth as a result of the COVID-19 pandemic. Stein remarked that as a consequence of the pandemic a large

number of Canadians have opted to move away from traditional housing options in large cities such as Toronto. Individuals are favouring the more comfortable amenities that are provided by smaller communities outside the boundaries of cities. Largely as a result of work at home measures, the small living conditions at high and exorbitant prices are no longer an attractive option for working professionals as most are able to fulfill their job requirements without the necessity of physically being in an office setting. Stein added that if this diversification of economic growth, entrepreneurship, and innovation, outside of the current clusters of big cities, into the smaller communities that surrounds them, can be encouraged and retained, then everyone in and around those communities will benefit greatly from this diversification of growth.

Stein acknowledged the concerns of big cities in regard to the loss of population by adding that, just as they have in the past, big cities will continue to survive and add upon their population base through immigration once the pandemic passes and the restrictions on immigration are lifted. Future growth in Canada has and will continue to rely on immigration and the movement of working professionals to smaller communities from big cities. should therefore not be a concern as there will always be an influx of people willing to replace them.

There are three key factors which must be addressed in order to spur on future economic growth and development in small communities across Canada. First and foremost, Stein noted that the nation must usher in the fourth industrial revolution, which is a transition towards a fully digital economy. Policy makers and leaders must push for greater digital access and increased digital literacy throughout smaller communities as it is critically important that these services be of the highest grade possible in order to retain the current influx of big city migrants. Working professionals must be able to complete their job requirements to their highest potential without sacrificing quality as a result of poor digital access, additionally improving digital literacy allows for communities to cultivate greater potential talent within their boundaries.

The second key factor is improved public transportation which expands beyond the perimeters of the cities into smaller communities to allow for working professionals to venture into cities with ease on days where their presence is necessary in an office setting. By improving the public infrastructure system, it will allow for working professionals to complete their movement into smaller communities without the need for a return to big cities following the lifting of 'work from home' pandemic restrictions.

And finally, Stein outlined the necessity of great public services ranging from public schools to shopping areas where people could congregate and develop a sense of community. These services will aid in cultivating a vibrant and supportive community which will allow for an easier transition from big cities to smaller communities.

Conclusion

The post COVID-19 future of Canada is fraught with challenges. Abroad, Canada must protect and grow its trade relationships amidst tumultuous geopolitics. At home, it must move forward into the digital economy and improve public infrastructure. These are challenges that will engage government, business, and civil society; and success or failure in meeting may be the difference between prosperity or stagnation. Stein's key message is that Canada's future success, both at home and abroad, hinges on its ability to pursue innovative approaches to the challenges of the future.