



CANADA IN AN AGE OF ANTI-GLOBALIZATION

2025 Investment Innovation Conference

SEAN SPEER

Co-founder and editor at large at The Hub (www.thehub.ca)





Leap of Faith

On the basis of our own research and numerous prior studies, this Commission is convinced that Canada-U.S. free trade will produce significant net economic gains for Canada.”

- Macdonald Royal Commission



Rise of Globalization

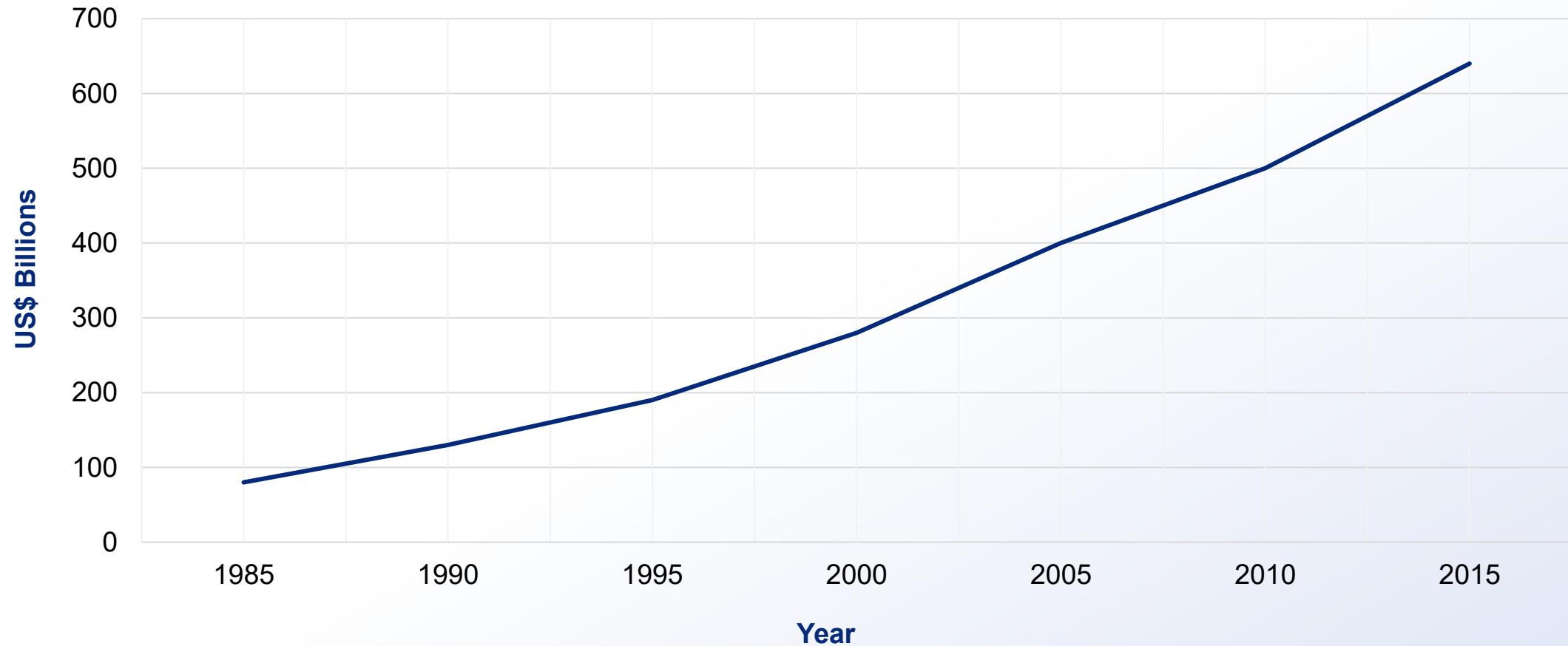
The CUSTA and NAFTA agreements were outstanding achievements and a sign of things to come. As the Cold War came to a close, the era of managed trade was passing. Bilateral, multilateral and regional trade negotiations broke out everywhere. The number of international trade agreements has since more than quadrupled.”

– Stephen Harper

Canada-US Trade Flows (1985-2015)



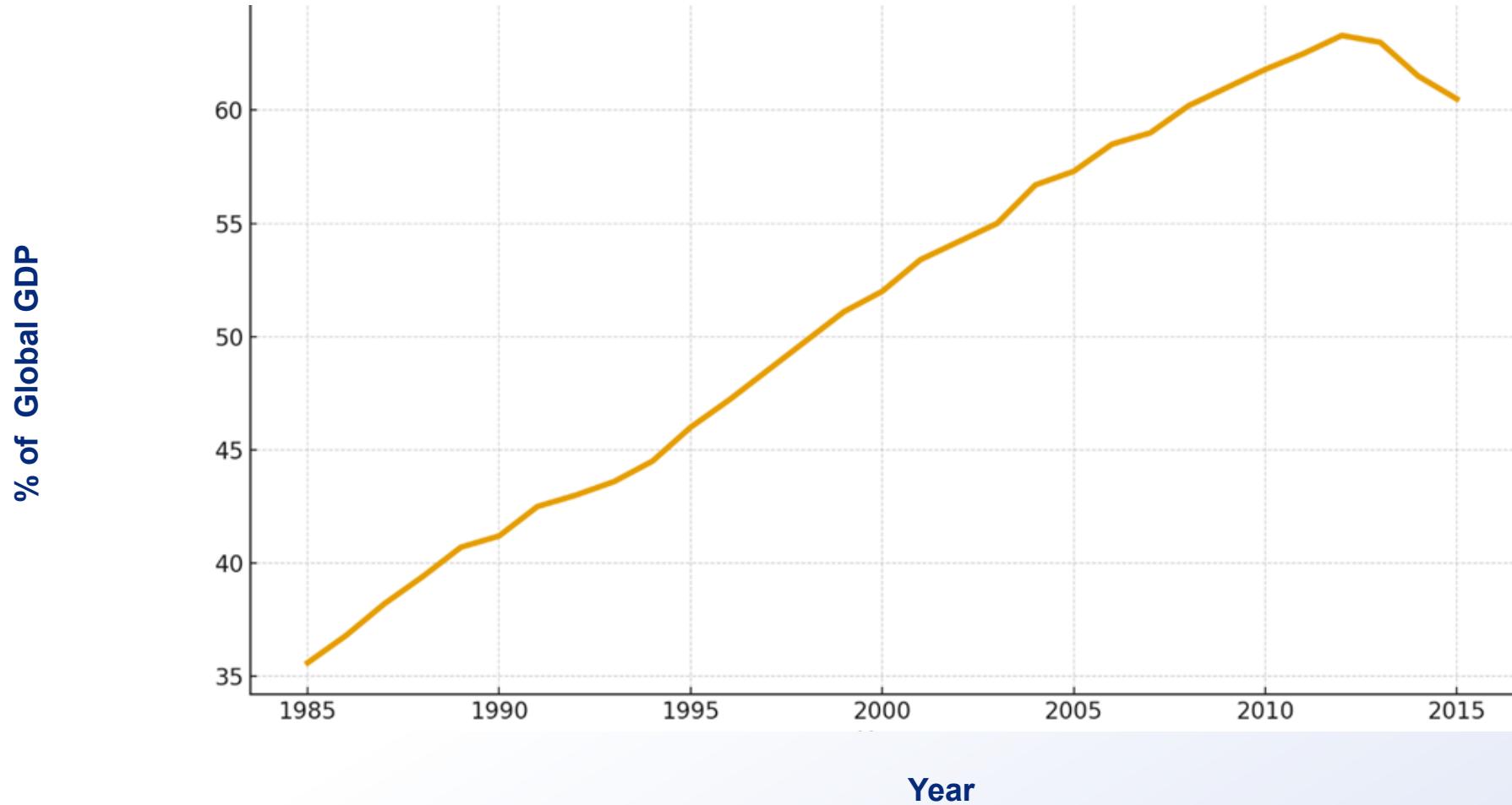
Nominal Canada-U.S. Trade, 1985-2015 (Goods Only)



Global Trade as Share of Global GDP (1985-2015)



Global Trade as Share of Global GDP (1985-2015)



The “End of History”: A New Globalization Consensus



"I hear people say we have to stop & debate globalisation.
You might as well debate whether autumn should follow summer."

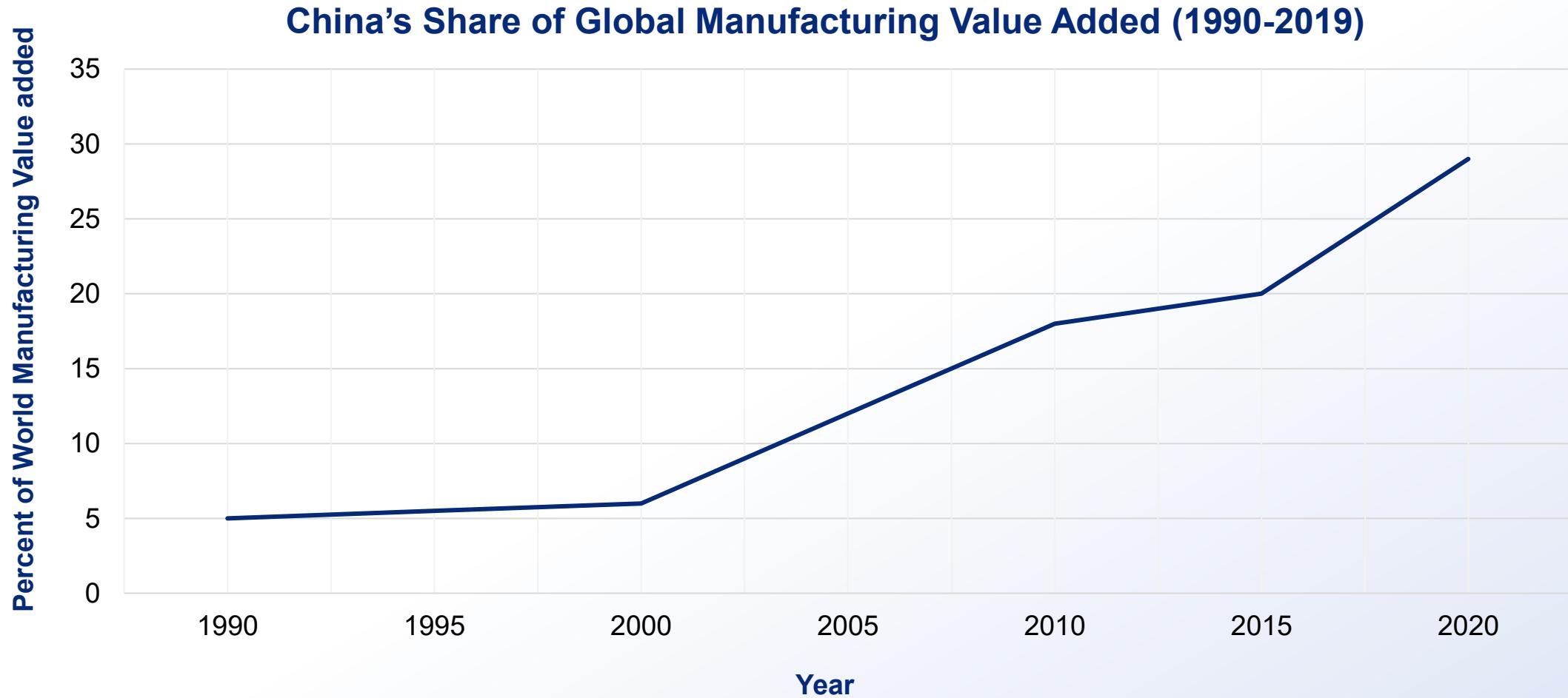
– Tony Blair



Globalization and the Rise of China



A big part of the globalization story is the rise of China as “the factory of the world.”

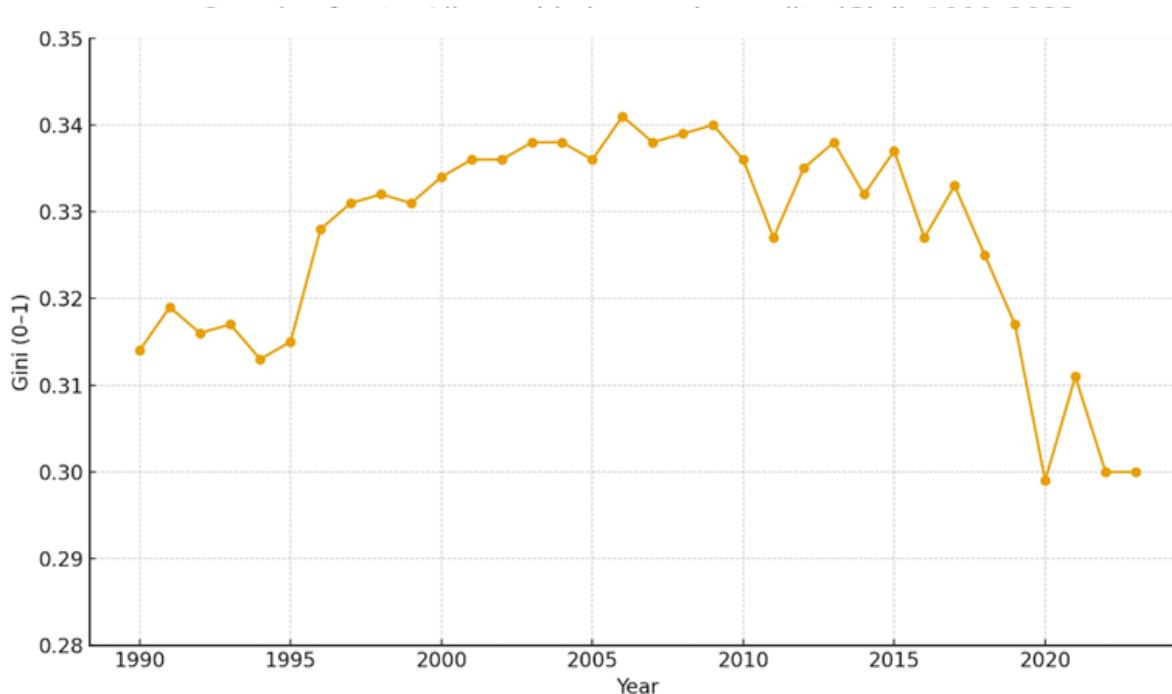


Globalization and Inequality

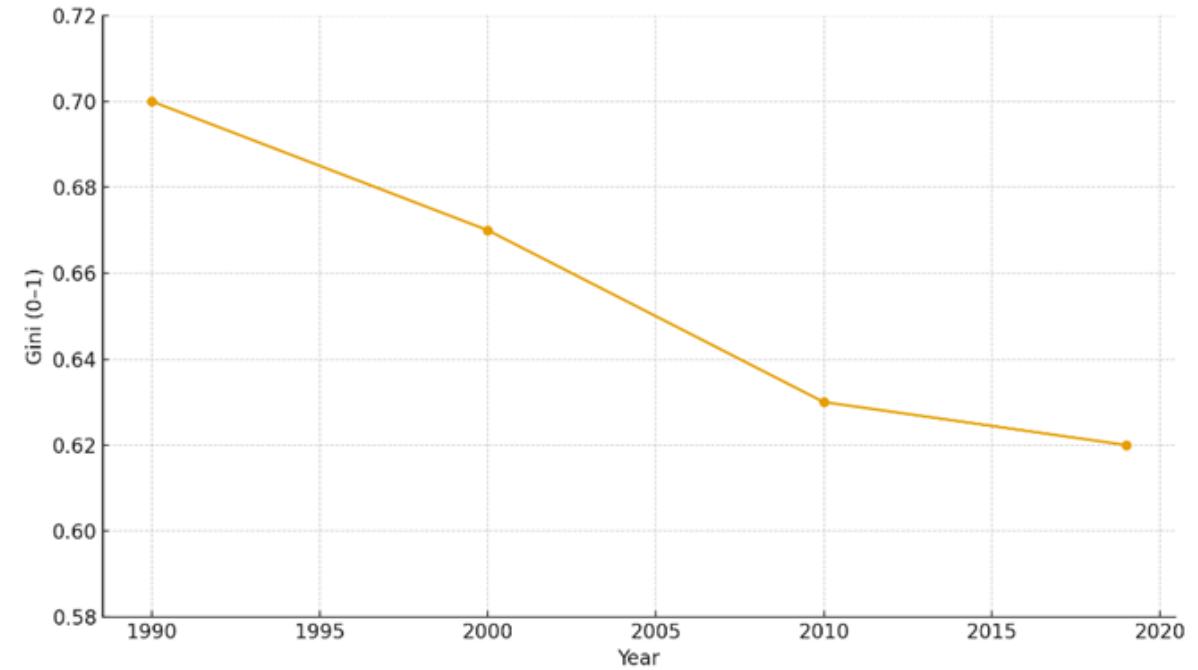


Globalization contributed to a rise of domestic inequality and a decline in global inequality.

Canada After-tax/Disposable Income Inequality (Gini) 1990-2023



Between-country Income Inequality (Gini) 1990-2019

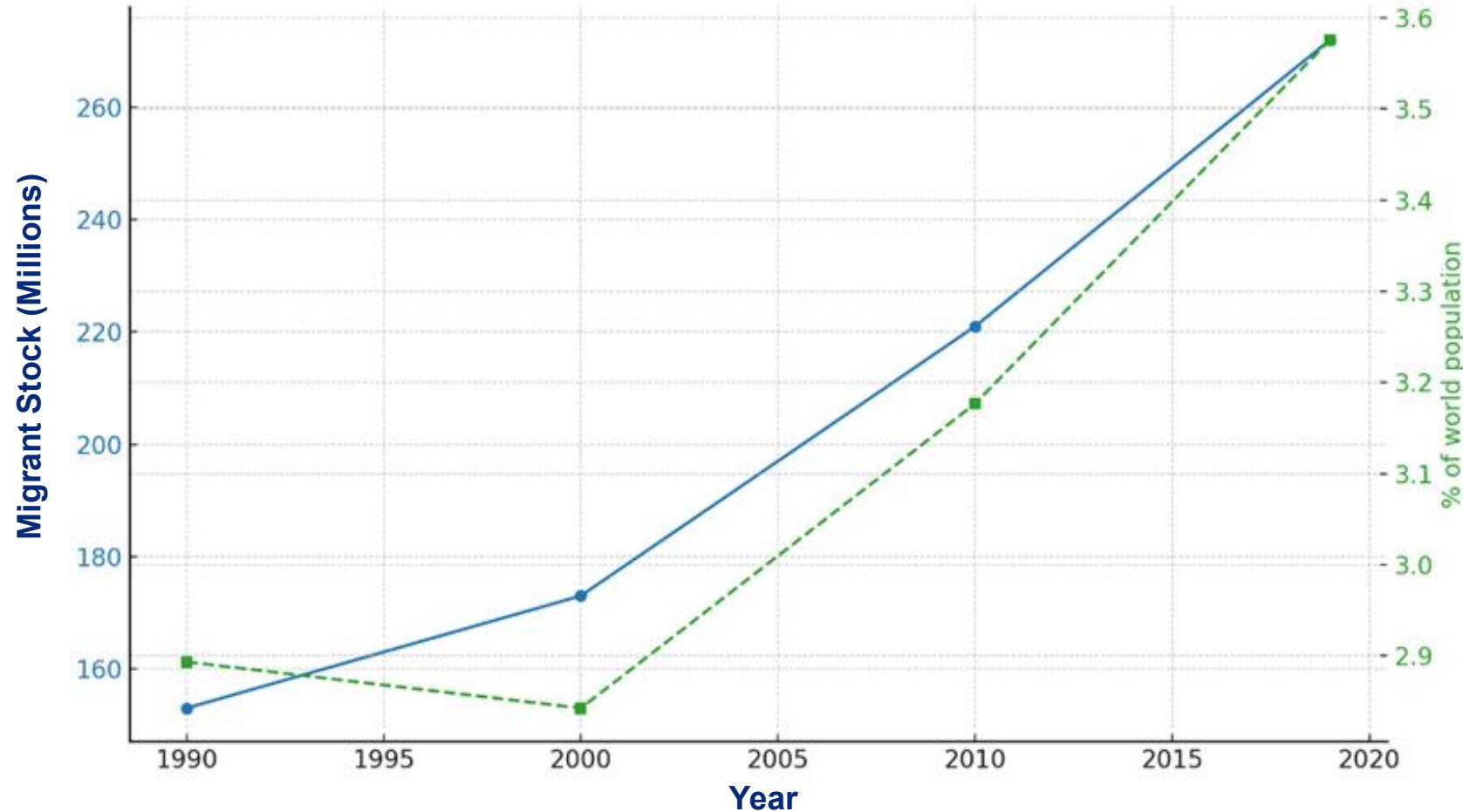


Globalization and Population Flows



Globalization wasn't just about capital and goods. It was also about people.

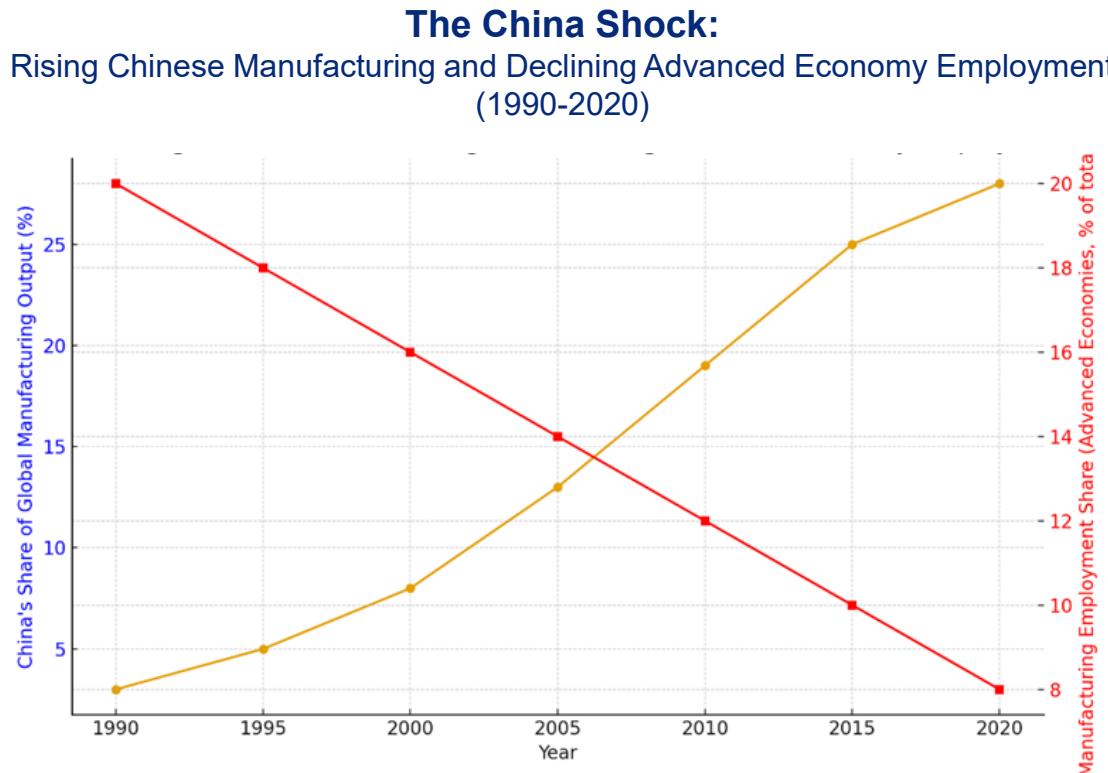
Global International Migrants, 1990-2019 (UN DESA Data)



Globalization Consensus Unravels



There are various factors to the rise of free trade and globalization skepticism.
The “China shock” is part of the story. The global financial crisis is another.



The Rise of Anti-globalization Populism



Not only must we fight to end disastrous unfettered free trade agreements with China, Mexico, and other low wage countries, we must fight to fundamentally rewrite our trade agreements so that American products, not jobs, are our number one export.”

Bernie Sanders



We have rejected globalism and embraced patriotism. Globalization has made the financial elites who donate to politicians very wealthy, but it's left millions and millions of our workers with nothing but poverty and heartache — and our towns and cities with empty factories and plants.”

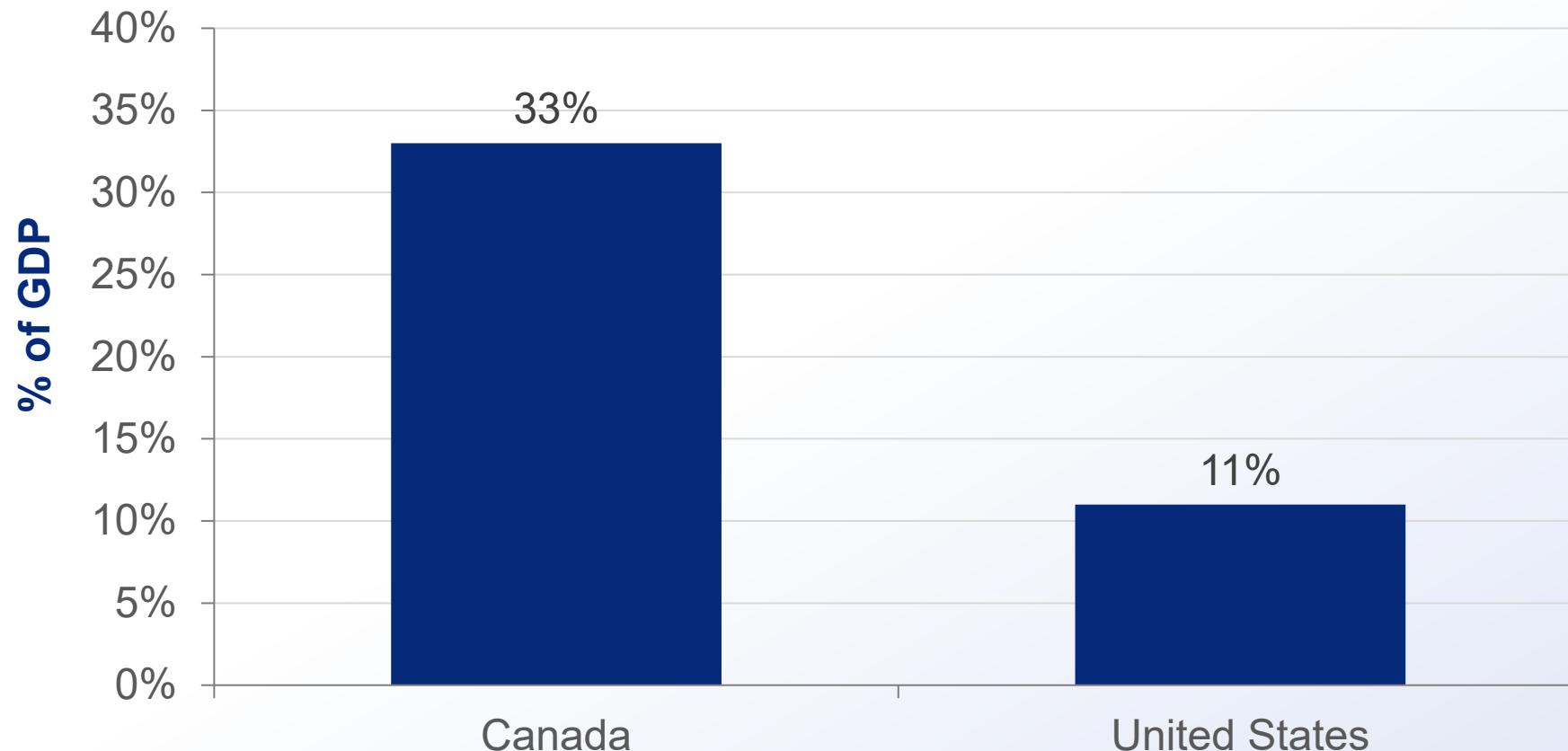
Donald Trump



Anti-globalization is bad for Canada

Although Canada hasn't been immune to the tradeoffs of globalization, an open global trading system matters for us more than others.

Exports of Goods & Services (% of GDP) – Canada vs. United States (~2023)





Economic Nationalism is the Wrong Answer

Some argue that Canadian policy should aim to engineer domestic ownership of certain industries or technologies. This is a mistake.

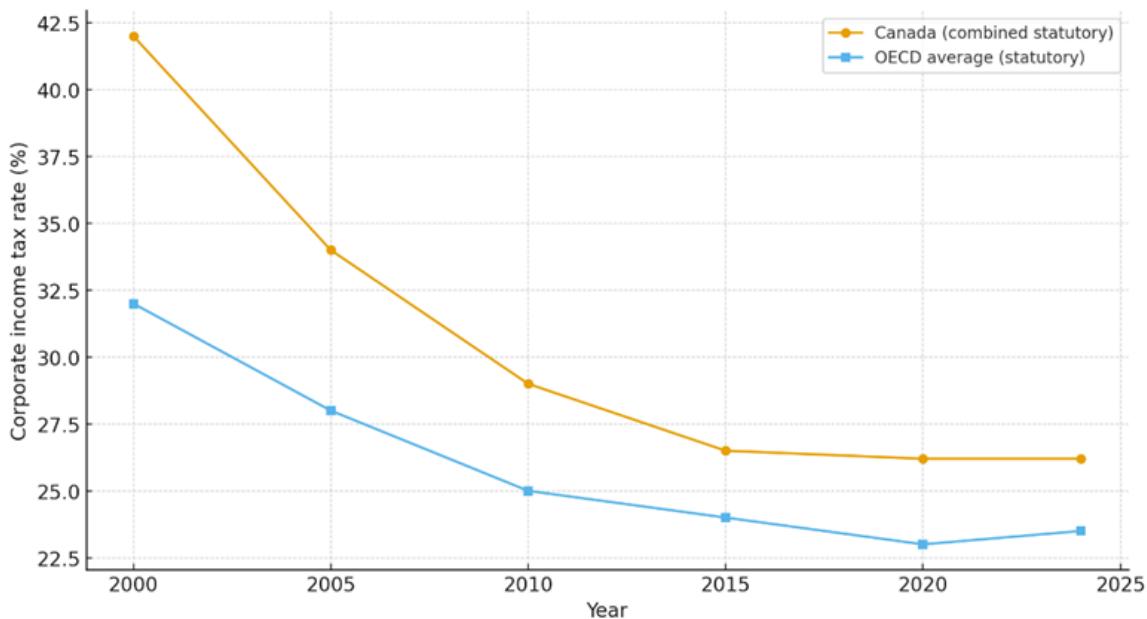
– Bricklin

Right Answer Lies in Economic Competitiveness

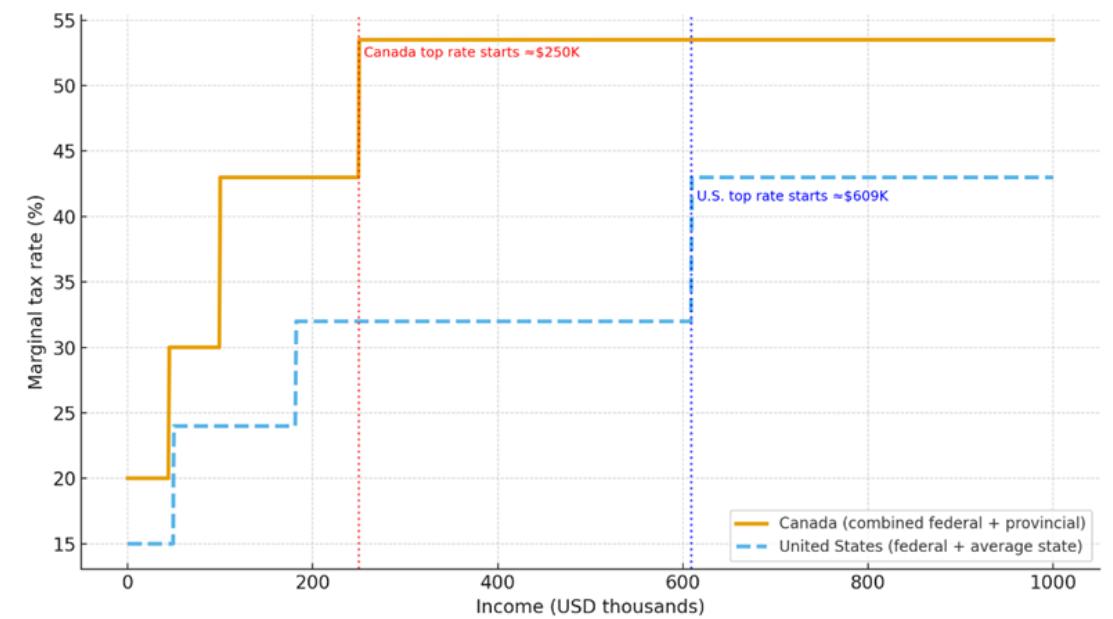


It is time for something radical to offset the incentives of Trump's tariffs to pull capital and production to the U.S.

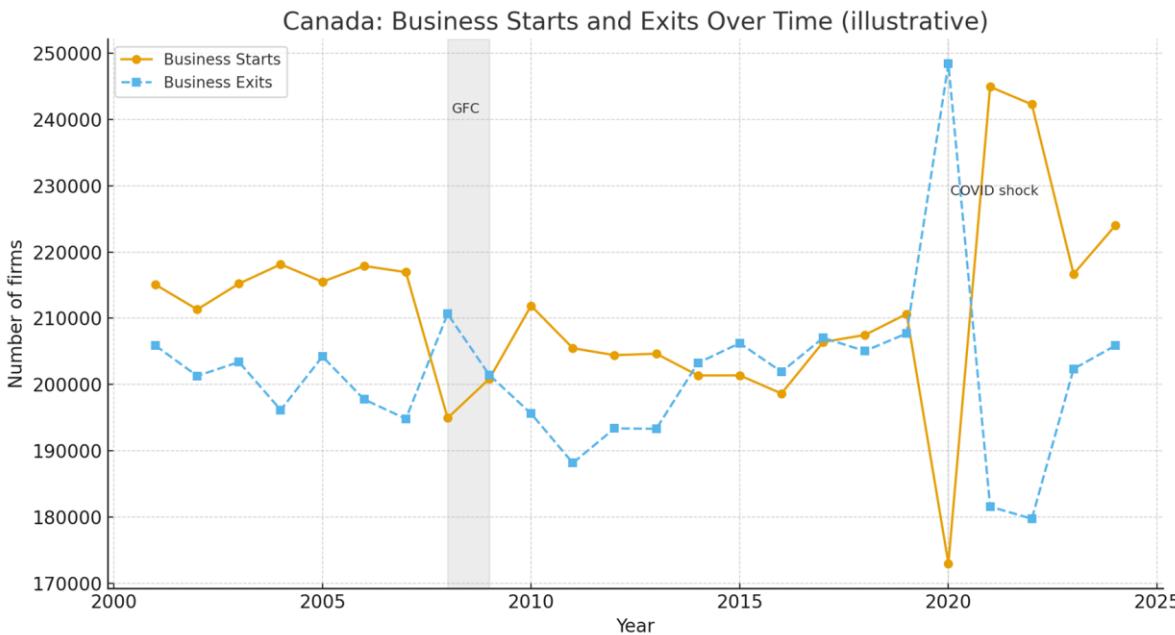
Statutory Corporate Income Tax Rate:
Canada vs. OECD Average (2000-2024)



Marginal Personal Income Tax Rates:
Canada vs. United States (2024)



Business Starts and Exits



A key economic metric must be business starts and exits.



The data suggest a weakening in Canada's business dynamism: starts aren't growing, exits are rising, and the long-term trend is one of declining churn.



We need to reverse this trend.



www.thehub.ca