

More Asia Does Not Mean Less North America

By Yuen Pau Woo

Our economic relationship with the United States is in a state of comfortable discontent. Despite perennial ambivalence about American policies, we have taken solace in our superior access to the world's richest economy. There is every reason to believe that America will continue to be our most important market for the foreseeable future. But this complacency has been shaken by the recent economic malaise in the US.

According to a national opinion poll released today by the Asia Pacific Foundation of Canada, 36% of Canadians believe China holds the most potential for expanded trade and investment, compared to only 26% who chose the United States. When asked if in ten years the influence of China and India in the world will equal that of the United States, a resounding majority agreed.

Canadians may have noticed the global power shift toward Asia, but it is not clear that we are willing to adjust to it. It isn't simply that many Canadians harbour protectionist instincts (71% support measures against imports from low-wage countries). The more fundamental challenge is that most Canadians do not include Asia in their mental maps. When asked "Is Canada part of the Asia Pacific region?", only 33% of respondents agreed. Even in British Columbia, the statistic is only 57%.

Our hopes about the economic rise of Asia are conflicted by fears about product safety, environmental degradation, human rights abuses and military conflict. Even if Canadians do not include Asia in their mental maps, there is growing awareness that the major transformations taking place in Asia have global repercussions and that Canada is affected willy nilly.

The question is not whether Canada should refocus its priorities toward Asia - as if "Asia" were a menu choice in an international smorgasbord. Rather it is about how Canada should adjust to the ineluctable global impact of Asian countries on everyday issues from mortgage rates to air quality.

The most important actions that are needed to strengthen Canada's ties with Asia are not just the standard menu of diplomatic and commercial activities that are performed "over there;" rather they are the painstaking investments in Asia awareness that have to be made right here in Canada. These include teaching about Asia and Asian languages in the school system; encouraging our government, business, and university leaders to build long-term relationships with Asian counterparts; and fostering better informed public discussion about the rise of Asia and relations with Asian countries.

More Asia does not mean less North America. Stronger economic ties with Asia will depend in part on deeper North American economic integration, especially on issues related to the Canada-US border. But it will also depend on policies toward Asia that differentiate Canada from our NAFTA partners. For example, it is not in Canada's interest to jump on a protectionist bandwagon on the pretext of common continental challenges. Likewise, we should not follow the US lead in discriminating against foreign (especially Asian) state-owned enterprises and sovereign wealth funds. And if the US and Mexico are wary of foreign workers and students, Canada should find ways to show that we are more open than either of our NAFTA partners.

Canada is uniquely positioned to be the preferred North American partner for transpacific business. Geography has placed Canadian west coast ports closer to Asia by two sailing days. Demography has endowed our country with a vibrant community of transnational citizens who are as likely to call Vancouver or Toronto home, as they are to reside in Shanghai, Mumbai or Seoul. But the collective Canadian psyche has yet to incorporate Asia into its mental map, which is the most important step in embracing an Asia Pacific future.