

Assessment of the Effects on Women

Most major economic studies of bilateral free trade with the United States show that free trade will result in higher employment, an increase in real income and more competitive consumer prices for Canadians. These studies also indicate that the adjustments to the new environment will be manageable, relatively small in comparison with the adjustments in the economy that typically occur each year, and easily absorbed in a growing and flexible economy. The Canadian economy has a proven ability to adjust and is well able to meet this new challenge. Women can expect to share in gains from the Agreement and to be able to make the adjustments necessary in an expanding economy.

Women in the Labour Force

For most industries, the elimination of bilateral tariffs and the lowering of non-tariff barriers will have a positive effect, both direct and indirect. Through enhanced access to the large U.S. market, Canadian industries will benefit from specialization, more efficient production and economies of scale. In addition, lower cost inputs will enable them to become more competitive, not only vis-à-vis U.S. industries, but worldwide. More efficient and competitive industries will mean more and better jobs for Canadian workers, both women and men. The Department of Finance estimates a net increase of 120,000 jobs by 1993, only five years into the phasing-in of the Agreement. The increasing participation of women in the labour force suggests that they will be able to take advantage of the

new opportunities in manufacturing and service industries.

In this paper, it is not possible to provide detailed impacts on women in individual industries. What follows is an overview of the general impact of the Agreement on the manufacturing sector as well as on the service sector, where the majority of women are employed. The remainder of this chapter touches briefly on women in agriculture and then goes on to look at some of the savings to Canadian consumers, both women and men.

An extensive series of Industry Profiles, covering a range of industries in both the service and manufacturing sectors, will be published by the Department of Regional Industrial Expansion in the near future. These profiles will assess the strengths and weaknesses of these industries and examine the implications of the Agreement on their competitiveness.

Manufacturing

According to the Department of Finance, manufacturing output in Canada should expand by as much as 10 per cent as a result of the Agreement. This gain reflects the impacts of the more efficient production arising from greater export opportunities to the larger North American market and the reduced costs of input materials from the United States. The Finance study indicates that, for most Canadian industries, regardless of whether their level of trade protection is high or low, production will increase.