Canadian public opinion regarding "going global", the Free Trade Agreement and the development of information materials for

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CANADIAN PUBLIC OPINION REGARDING "GOING GLOBAL", THE FREE TRADE AGREEMENT AND THE DEVELOPMENT OF INFORMATION MATERIALS FOR THE CANADIAN PUBLIC

- Focus Group Findings -

43-262-214

ANGUS REID GROUP

CANADIAN PUBLIC OPINION REGARDING "GOING GLOBAL", THE FREE TRADE AGREEMENT AND THE DEVELOPMENT OF INFORMATION MATERIALS FOR THE CANADIAN PUBLIC

- Focus Group Findings -

Submitted to: External Affairs and International Trade Canada

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Appendix - Moderator's Guide

1.0 BACKGROUND

The Angus Reid Group has been contracted by the Communications Policy division of the Department of External Affairs and International Trade to carry out public opinion research regarding "Going Global", the Canada-U.S. Free Trade Agreement and the development of information materials for the Canadian public.

As outlined in the scope of work as supplied to the Angus Reid Group by the Department, the "Going Global" trade strategy, announced by the Prime Minister in a speech in Singapore on October 15, 1989, is a programme of new trade, investment, and science and technology initiatives, designed to position Canada strategically in its major markets: Asia - Pacific, Europe, and the United States.

As noted in the perspective supplied by the Department, "Going Global" is the corollary of the Canada - U.S. Free Trade Agreement which was implemented on January 1, 1989. Recognizing that the Canada - U.S. Free Trade Agreement is now in its first stage of implementation, the Department has indicated the need for a thorough analysis of the public's attitudes towards international trade in general, and the Free Trade Agreement specifically, in order to develop themes and information materials and to test them before they are released to the general public.

As a result, the Angus Reid Group has been commissioned to conduct a comprehensive public opinion study consisting of three components: a quantitative "benchmark" study to include 1,500 interviews of a representative sample of Canadian adults, stratified by province; a series of tracking studies involving interviews with 1,500 persons on related topics with respect to the benchmark study; and 16 focus groups for the development of information materials for the public with respect to "Going Global" and the Free Trade Agreement. The focus group schedule is divided into two parts -- a preliminary round of 8 focus groups that were conducted in late April 1990, to determine attitudes on a series of specific topic areas in order to scope out the parameters of issues for future investigation; and a follow-up set of 8 focus groups on the completion of the quantitative (benchmark) study. The latter focus groups would be used for the testing of specific communication materials for public dissemination.

This report summarizes the results of the first phase of the research -- a series of focus group discussions conducted April 17, 18 and 19, 1990 -- including 2 each in Toronto, St. John (N.B.), Vancouver and Montreal. Participants were screened to reflect a balanced representation by age and sex and excluded anyone who may have previously participated in a focus group where Free Trade was discussed.

As noted above, the purpose of the preliminary focus group research was to obtain qualitative insight into the opinions and concerns of Canadians with respect to selected issues related to trade and international trade. The discussion results are useful both as qualitative data in themselves and as a means of exploring the range of public opinion and providing an interpretive context for the quantitative survey design and results. The focus group results are also useful in the development of hypotheses and questionnaire items for further tracking research. Topic areas covered in the focus group discussions included:

1) economic outlook and driving factors

2) international trade: a context

3) competitiveness

4) international trade: a focus

5) the Canada-U.S. Free Trade Agreement

6) communication needs/perspectives.

A complete list of the question areas is contained in the Moderator's Guide, a copy of which is appended to this report. The Moderator's Guide was developed by the Angus Reid Group in close consultation with the Communications Policy division of the Department of External Affairs Canada.

The highlights of the following report were presented in an oral briefing to the client on April 26, 1990.

2.0 EXECUTIVE SUMMARY

The following are the key highlights and directional conclusions of the focus groups held April 17, 18 and 19, 1990:

(i) Key Highlights

a) Respondents are generally not very optimistic about the economic outlook for the next 2 to 3 years -- noting that the GST, high interest rates and the FTA will not help. Further, respondents indicated that Canada is gradually going through a restructuring of the economy, and that the Meech Lake Accord is the big unknown for the time being.

b) Respondents indicated that some of the big issues faced by Canadians currently concern the GST, housing, high interest rates, health care, education, free trade, and the deficit.

c) In this era of globalization, respondents opined that we must have confidence in ourselves, be more aggressive and specialize in order to be more competitive and attract foreign investment. "Europe 1992", the FTA, Eastern European countries liberalization etc. are all seen as opportunities for hard working, motivated, determined and well-trained Canadian players.

d) International trade is well understood by the majority of respondents and most deplored the fact that Canada is still exporting, to a large extent, its natural resources (non renewable). It was indicated that Canadians should develop their own manufacturing in some "specialized areas" where others are less competitive, noting that this is how "jobs can be created for all".

e) Respondents suggested that it is difficult for Canada to be competitive -- that we produce high quality goods but salaries are high ("we are spoiled") and we need better trained people. In order to be competitive, respondents indicated that we need to have something "unique", and nothing really exists to make us so. Further, Canadians need to produce "high quality goods" -- which we can do -- noting that the fundamental issue is really "who can best keep Canada competitive and Canadian in the 1990's".

f) Participants felt that Canada should definitely be looking "OUTWARD" -- noting that protectionism is archaic in this global trade era and is "useless"; further, only by being open will Canadians have opportunities.

g) With respect to adjusting to changes in the economy and trade in the world marketplace, respondents felt that it will not be easy but "we can do it as well as anybody and we don't have much of a choice anyway." In general, respondents indicated that we must retrain people and live within our means; however, when it came to visualizing personal retraining/consequences, enthusiasm was lower and anxiety was higher amongst respondents due to not knowing what skill or "safety net" would be advanced.

h) In terms of competitiveness, respondents believed that we have absolutely no choice if we are to survive and we must pay the price in terms of the sacrifices required. Further there is a definite "cost" or downside involved -- but it is not clear what it is, nor how to avoid it.

i) With respect to Canada's best "products" for opportunity in international trade, respondents listed a variety of areas -- including aeronautical, electrical, communications, financial services, transportation, engineering, construction, pulp & paper, design, agriculture, and nuclear energy. A selected group of respondents felt that Canada should focus on high-tech and medical research areas -- "The Intelligence Service Sector".

j) According to a majority of the participants, focusing on international trade should have a positive impact on R & D and job training as well as on foreign investment; however, with foreign investment a significant minority indicated that there is a concern about "how much is too much".

k) Overall, Governments (and in particular, the Federal Government) were not perceived by respondents as having any cohesive plan involving the direction, initiatives or strategy concerning the improvement of Canada's international trade situation.

l) The "Going Global" idea was understood by most participants in terms of international trade -- "out-looking" -- but only clearly when prompted re: Trade. It was noted by some respondents that the linkage to international trade is sometimes (when prompted) viewed as an extension of the FTA i.e., FTA came first, now global trade -- however, this was a minority view.

m) Global trading and competitiveness is linked in respondents minds to our national identity. It was generally put forward that in order to compete "we must be proud -- we must have a strong identity" (i.e., U.S. "Aggressive" -- Canada "Assertive").

n) All of the "globalization" movements such as Europe 1992, GATT etc., were relatively well known and understood fairly clearly if not in great detail by the participants.

o) For areas outside of Toronto, a majority of respondents indicated that it would appear that there has been no real visible or tangible effect yet as a result of FTA -- maybe a few jobs have been lost (but also maybe for other reasons). Overall, participants felt it was a "win some, lose some" situation and for most there was an attitude of "wait and see" -- that it is virtually impossible, for the time being to say who benefits most from the FTA. On a long term basis, respondents felt the FTA would likely produce big changes in our society and that Canada's social programs could still be at stake. In Toronto, the effects of the FTA were viewed by almost all participants as very negative -- i.e., costs jobs, plant closures, etc.

p) Canada is perceived as having a positive trade balance by most respondents; however a minority believe that this positive balance is eroding.

(ii) Directional Conclusions

a) Concerning future communication on Global trade initiatives and FTA, it was observed that the credibility of the source requires further study. There appeared to be "no clear winner" on this issue; however, more information was sought by all respondents on both issues. Further, it was noted that information vehicles (i.e., brochures, advertising, etc.) require regional testing to determine appropriateness.

b) Overall, respondents do not perceive the same potential cultural threat or economic damage in global trade as in the FTA.

c) It would also appear that the current negative political climate tended to skew responses with anti-government bias: not trustworthy, credibility low, fragmented and divisive policies.

d) Respondents, in the majority, felt that the Government role is to set framework -- context -- which does not appear to exist in respondents minds at present for international trade/competitiveness. Further, there was no perceived link to other current government policies (i.e., GST, UIC, etc.) in the context of international trade and competitiveness; and, respondents felt that many domestic economic initiatives/policies of the government were "isolated events", with no single directional framework.

e) Respondents believe that Government spending/adjustment/re-training for competitiveness programs must be focused and beneficial, and involve regional and local targeted initiatives.

f) Participants believe that Canada can be competitive -- however, the key is to be "aggressive" and "assertive", lower our expectations (personal), train our youth, build on "new world" and distinctly Canadian products or high quality products i.e., high tech, telecommunications, health care, etc. vs. an "old world" resource based economy. It was noted that the environment issue is starting to play out in the area of natural resources (i.e., "cutting down trees for exporting is environmentally damaging".)

g) It would appear that the positive benefits of the FTA to date not generally known, and respondents indicated that they were often influenced by media concentration on plant closures, etc. i.e. "bad news". However, the FTA consequences were generally viewed as "transitory" -- and that the real effects were likely five years out, and potentially positive.

h) It was noted that foreign investment is seen as positive; however, respondents felt that the role of government should ensure that a balance is kept so that "we do not lose control".

i) The "Going Global" term was accepted and understood by a vast majority of respondents when linked to international trade; however, unless the clear link was made, "Going Global" can mean other things i.e., environment. Respondents appear to want more information on what other countries/trading blocks are doing and why.

j) Respondents believe that consultation and planning is expected from government; however, there was a sense by most that the imperative is to <u>act</u> vs. just <u>talk</u>.

k) It appeared that the FTA impact/outlook was skewed by regional experience/aspirations of respondents:

- o Maritimes - transitory, consequences inevitable, no choice, viewed as a "chronic condition" i.e., unemployment, support from government etc. that engenders a level of "resignation" to events, but underneath is optimism.

- o Montreal - opportunity, transition positive and link to world markets through strengthening competitiveness, strengthens Quebec economic self sufficiency and engenders high level of optimism.

- o Toronto - high degree of negativism -- all bad news contributes to sense that Canada has "sold out", economy sliding south, great pessimism, world trade initiatives may be more of the same -- except bigger.

- o Vancouver - modestly positive -- but key is Pacific Rim trade that will heat up economic prosperity over coming years.

3.0 FOCUS GROUP FINDINGS

3.1 Economic Outlook and Driving Factors

As a lead in to the specific topics for discussion (i.e., International Trade, Competitiveness, Canada-U.S. Free Trade Agreement), respondents were asked to give their views on the short term (2-3 years) and longer term economic outlook and the likely driving factors affecting the economy.

Respondents were generally pessimistic about the short term health of the Canadian economy -- believing that the country is likely headed towards a recession (albeit modest) over the next number of months. In terms of contributing influences to the economic downturn, respondents believed that prolonged high interest rates, the implementation of the Federal Government's Goods and Services Tax (GST), and the continued growth of the Federal deficit, were key factors.

Further, there was concurrent anxiety over the potential impasse of the Meech Lake Accord and what the new political dimensions vis a vis Quebec and the rest of Canada might contribute to economic uncertainty; and what the impact of the Canada-U.S. Free Trade Agreement might have on various sectors and regions throughout the course of its implementation.

While the economic mood of the respondents was generally pessimistic both on a personal and national basis, there were regional variations: Vancouver respondents viewed the future with modest optimism due to increased foreign investment from the Pacific rim countries; Montreal respondents were optimistic that the Free Trade Agreement was beginning to show some positive effects and that their outlook for Quebec on the world economic stage appeared bright; St. John respondents expressed a sense of resignation with respect to the future -- noting that the entire maritime industrial base, prone to chronic unemployment and government assistance programs, was seeking a direction for its next generation; and Toronto respondents appeared the most negative in terms of their outlook -- with the Free Trade Agreement cited as the key determinant in numerous recent plant closures and a general economic and industrial "slide to the south".

Other concerns in terms of local issues were relatively consistent across the board -- including housing shortages, health care, education, the environment and the rise in crime in various neighbourhoods.

Outside of the specific 2-3 year horizon, respondents felt that the Canadian economy was in the throes of a general restructuring; however, there was little sense as to the "big picture" -- with most seeing the effects of the "trees" rather than the "forest".

Further, respondents recognized that changing global linkages -- Europe in transition, the Pacific Rim and the U.S.-Mexico trade discussions -- were beginning to balkanize traditional trading options and that it would change the way that Canada would do business in the future. As to how it would impact Canada on the world economic stage specifically, there was a fairly large "unknown", except that the imperative was to be part of the new order and not to be left behind.

As for how Canadians -- personally and collectively -- would have to cope within the context of economic downturn and change over the next few years, respondents believed that Canadians had to "tighten their belts, get back to solid work ethics, spend within their limits, and increase productivity through training, education and research and development". However, when asked to identify both the key challenges and likely remedies on a future horizon (i.e., to the end of the decade) respondents were at a loss to substantively identify or speculate what the future held, except for the advancement and potential of high technology as a key influencer.

3.2 International Trade: A Context

Having broached the major dimensions of the economy in the short and longer term, respondents were asked to respond to what they thought the term "Canada is Going Global" meant. This approach was intended to seek a top of mind and unprompted response in order to test awareness and to act as the bridge to a discussion on International Trade.

Respondents indicated that in and of itself, "Going Global" conjures up a "world stage" dimension; however, without some element of prompting or framework, the concept does not translate immediately into international trade -- with some respondents viewing it as part of an "environmental" theme (i.e., "think globally, act locally"), or simply Canada being "outward looking". Once the dimension of international trade was prompted, respondents identified the concept and its various attributes.

In this context, respondents felt that Canada should definitely be "outward" looking -- that trade protectionism in this global trade era is archaic and useless. In short, only by being viewed as open and part of the larger trade arena will Canadians have opportunities for future growth and economic enhancement -- particularly where it concerns the economy over the next decade.

In terms of the various dimensions of global trade, all of the various "globalization" movements -- such as Europe 1992 and GATT -- were relatively well known and understood fairly clearly, if not in great detail. (It was evident, in terms of regional variation, that heightened awareness was greater in Quebec of not only the concept but also the opportunities associated with global trade initiatives.)

Further, respondents volunteered that in this era of globalization, Canadians must have confidence in themselves, be more aggressive and specialize in order to be more competitive and attract foreign investment. "Europe 1992", Eastern Europe block liberation and, to a limited degree, the prospects of the Free Trade Agreement, were all seen as opportunities, in general, for hard working, motivated, determined and well trained Canadian players.

However, while international trade was viewed as an opportunity, most respondents deplored the fact that Canada is still exporting, to a large extent, its natural resources -- because they are non-renewable, keep Canada segregated as a resource supplier as opposed to product manufacturer for world markets, and may be significantly and negatively affecting the environment in the longer term. There was a view that Canadians should develop manufacturing in some specialized areas where other countries are less competitive -- in short, if there is a soft spot in the marketplace, Canadians should seize the opportunity and "corner" the production of these goods.

It was also noted that global trading and competitiveness is linked in respondents minds to perceptions of national identify: in order to compete, we must not only make good quality and distinctly Canadian products, but that we must be proud: "it is an attribute, just as the United States is aggressive".

With respect to key issues in international trade in the 1990's, respondents felt that getting "our own economic house in order" was important -- and that a plan for making Canadians better prepared, trained and positioned was an imperative to meet world market challenges. Some of those challenges identified included competition against lower paid ("cheap" "foreign") labour (Japan, Korea, Mexico) which would be accomplished only through a concurrent lowering of Canadians' wage expectations and making better quality products/being more productive; being part of the world market place where Canadians could trade "21st century" products i.e., health care, technology, etc. and not "old world" resource based products; and, how to forge new alliances with other trading countries where foreign investment in Canada was encouraged and welcomed -- but balanced so that Canadians would not lose control over their own economy or their ability to make decisions.

Perceptions as to the threats to Canada in international trade tended to focus not so much on the ultimate effects but rather on structural inadequacies which could lead to "not being in the game" -- noting that Canadians were generally unprepared, without a game plan, and not exploiting new or growing areas of non resource based manufacturing and technology for international consumption. Also, as noted above, modest concern was voiced over potential loss of sovereignty unless government kept "tabs" on foreign investment.

Respondents indicated that adjusting to changes in order to take advantage of global trade and economic activities will not be easy -- but, "we can do it as well as anybody and we don't have much of a choice anyway". In this respect, no single influencer or decision leader area -- government, business, labour, academic, workers -- was seen as the most responsible agent or positive influencer for dealing with future change. While each influencer was viewed as having a role or responsibility, it was indicated that adjustment to change would be collective in nature: government would have to set the "plan", "sell" Canada's image abroad, facilitate promotion through its trade offices, and target adjustment assistance that would be flexible and responsive on a regional and specific sectoral basis; business would have to be aggressive in the development of new products becoming more efficient and in pursuing new frontiers; labour would have to lower wage demands; academics would have to prepare future workers with emphasis on "new world skills"; and individual workers would have to work harder, produce more, and lower their wage and economic expectations.

Respondents also felt that there were few ways to minimize or avoid the impact of these changes or adjustments in the short term; however, longer term impacts would be offset by training, research and development, sectoral and manufacturing specialization for world markets, etc.

3.3 Competitiveness

This section of the discussion focused on the perceived definition and attributes of the term "competitiveness". What emerged from the respondents was that the term conjured up not so much an economic definition i.e., competitive means more price sensitive products; good quality products; and being more productive -- these were all "givens" -- as it did an attitude that Canadians were lacking -- that of being aggressive or assertive.

This definitional context -- of being aggressive or assertive -- was a point of common harmony amongst respondents, with the belief being that even with all the right products, planning and assistance, being competitive would not be achieved without being aggressive, assertive or "salesman like". In this respect, respondents felt that Canadians often "plan things to death" instead of just "doing it" -- the implication being that while planning is prudent and diminishes risk, the critical mass can get bogged down in talking about action rather than taking action, thus leaving the field open to others who are more aggressive.

In terms of competitiveness, respondents felt that Canadians have absolutely no choice if "we are to survive in the world stage", and that "we must pay the price in terms of sacrifices required". However, in terms of what these sacrifices could be -- outside of lowering personal expectations, etc. -- few respondents knew what real consequences could arise, or how they might be affected personally. Yet, despite this lack of knowledge, there was optimism that each and all would "get through" and benefit from the results. The view of respondents was that Canadians -- themselves, their regions and the country -- generally were woefully unprepared for greater competitiveness: even though many perceive what the notion of competitiveness engendered, and despite not knowing the resulting consequences of "tooling up", respondents were quick to indicate that the missing link in the process was an overall contextual framework, plan or strategy for dealing with the economic challenges of international trade in the future -- a blue print, that while collective in effect, would have to come from government.

In terms of some export "commodities" that could effectively compete on the world market, respondents identified aeronautical, electrical, communications, transportation, engineering, construction, pulp and paper, architectural/fashion design, agricultural products and expertise, nuclear energy, high technology and medical research. It would appear that from this mix of export "products", many respondents viewed the "intelligence service sector" -- i.e., "expertise" products (consulting in health care, financial services, communication, environmental and general technology etc.) as a potential source of untapped future trade opportunities. Further, tourism was viewed by most as an "export" Canadians could sell -- particularly in regions such as the Maritimes where further development had potential.

In terms of future growth markets for Canadian exports, respondents pointed to Europe and the Pacific rim as primary, with the U.S. and other countries (i.e., Latin America, Asia etc.) as secondary. Also, respondents perceived Canada as having a positive trade balance; however, a minority believe that this positive balance is eroding.

As noted above, respondents believe that the approach to greater competitiveness preparation and action is through a collective effort; however, it was emphasized that the role of government is to set a framework or plan in place, act as a facilitator within Canada for setting measurable goals and putting efforts in a context, and to externally promote opportunities for Canadian entrepreneurs. Respondents envisaged a multi-disciplined response from government that would attempt to tie together various avenues of current or potential programs into a focused and cohesive direction.

In this regard, respondents currently believe that the government has no cohesive strategy or plan to deal with international trade and greater competitiveness. Further, respondents had no sense of an economic framework or blueprint to contextualize trade efforts -- including the Free Trade Agreement.

Also, respondents believed that government was compelled to be involved in international trade and competitiveness because of its international complexity and its potential consequences over the longer term for the country. In terms of the perceived motivation for government being involved with international trade, respondents felt that while politicians, in general, tend to be motivated for "self serving short term electoral" reasons, this was an issue which should be approached more seriously, with a greater degree of commitment and with a sense of imperative because unless dealt with, external players and events would overtake Canadians and "set the agenda" for them. Clearly, however, respondents felt that the trust factor with this current government had been eroded so substantially over the past few years that issues associated with credibility and believability in framing a direction for the future would be met with suspicion and skepticism. As a result, it would appear that while respondents believe that the federal government is compelled to act in this area to protect longer term Canadian economic interests and jobs, its motives for doing so will likely be challenged.

And finally, despite the credibility issues noted above, respondents felt that the Federal Government, as opposed to the various provincial or local governments, was the primary level of government that had to provide the fundamental leadership in both setting the agenda and facilitating the various components of competitiveness and trade that would effect regional and personal circumstances for future economic enhancement.

3.4 International Trade: A Focus

Respondents felt that an increased focus on international trade would have a positive impact on research and development, and job training. As noted above, respondents felt that various influencers should play a collective role: that government should set the framework and encourage/fund specific elements of research and development to capitalize on new areas of product or service "exports", and that job training should be the combined focus of the key players including business and labour -- however, in this area, specific attention should be given to the educational framework at the secondary and post secondary level to prepare the next generation for entering the new global age of international competitiveness. In terms of job re-training -- for those workers currently employed and who could be displaced as a result of new circumstances, there was a view that this was a necessary consequence of restructuring; however, when respondents were asked to visualize themselves being placed in this position they were less enthusiastic in terms of both the consequences or prospects of job retraining -- primarily because they did not know what "safety net" or skill training would be advanced on their behalf.

Also, as noted earlier, increased foreign investment was seen as an opportunity in a new international trade focus; however, sovereignty issues were raised as concerns unless government had a "check and balance" scheme in order to keep Canada competitive <u>and</u> Canadian in the 1990's.

In the context of current government initiatives (i.e., GST, UIC, R&D efforts, etc.), respondents did not see any apparent link between these activities and any preparation for international trade or competitiveness. Further, many respondents viewed these domestic initiatives in isolation with a growing perception that an uncoordinated series of actions such as these in the absence of a linked framework will likely give rise to a disparate and potentially negative set of consequences.

Having discussed all of the matters noted above, the term "going global" was reintroduced for recognition -- to which respondents indicated that given the context of international trade and competitiveness, there was a definite focus and conceptual understanding.

MODERATORS' GUIDE

MODERATOR'S OUTLINE
TRADE GROUPS - APRIL 1990
4-723-02

I. INTRODUCTION AND LEAD-IN

- Thank-you for coming
- Mirror and observers
- No experts/No consensus
- Speak from your hearts
- Respondent introductions

Issues Agenda

- When you think of your homes, your families, your jobs, and your communities - what, for you, are the most important issues you will be facing in the next 2 to 3 years? [**WATCH FOR ANY REFERENCE TO ECONOMY/TRADE ISSUES**]

II. ECONOMIC OUTLOOK AND DRIVING FACTORS

- Thinking of the next 2 to 3 years, do you think you and your family will be better off financially, worse off or about the same? Why?

- What about your region economically? Will it be better off, worse off, or about the same? Why?

- What about Canada as a whole economically? Will Canada be better off, worse off, or about the same? Why?

- Thinking about the Canadian economy in the 1990's, what do you think will be the most important issues that Canadians will have to face, and as a result, what kind of changes do you foresee?

- What factors do you think will cause these changes, and what kind of impact do you think they are going to have on Canada's economy, your region and your own job/situation? How?

- Thinking about international changes and developments, what do you see as possibly affecting the economy of Canada, your province/region, and you personally? How?

- In the same way, do you think that the way Canada does business with other countries will be affected?

III INTERNATIONAL TRADE: A CONTEXT

- What do you think about when people talk about "international trade"?
- Do you think that international trade is changing? How? Why?
- Thinking about international trade in the 1990's, what do you think are the key issues that Canada will have to face? Why?
- As a result, what type of role should Canada play and what kind of relationships should Canada have with other trading countries? **[PROBE FOR "OUTWARD" vs "INWARD" LOOKING]**
- With these changes in international trade, what do you feel are the threats for Canada, Canadians and yourself?
- Do you foresee any opportunities?
- Do you think that, on the whole, adjusting to changes in international trade will be easy/difficult for Canada, your region or yourself? Why?
- Are there ways to minimize or avoid the impact of these changes or adjustments?

IV COMPETITIVENESS

- A lot of people talk about Canada becoming more "competitive" in world markets. In this context, what does the word "competitive" mean to Canada, your province/region, and yourself? **[PROBE FULLY -- WHAT OTHER WORDS CAN BE USED TO DESCRIBE THE SAME IDEA?]**
- Do you think it is really necessary for Canada to be more competitive? Why?
- Is it necessary for your region to become more competitive?
- Generally speaking, what are the effects of being more competitive? **[PROBE FOR CONSEQUENCES, OPPORTUNITIES, SACRIFICES AND TRADE-OFFS]**
- When people say Canada must be more competitive, do you think that you will be affected personally? How? What do you think your reaction will be?
- In what way do you think jobs will be affected -- in Canada, your region and your own -- by being more competitive?
- Do you think that Canadians are prepared for greater competitiveness? What should we be doing?
- Can you think of things Canada can export which can compete on the world market? What about things your region can make? Can they compete effectively?

- Where do you think the growth markets of the future are for Canadian exports?

- Do you think Canada should concentrate on things that compete on world markets and import the things we cannot produce; or do you think Canada should try to make everything it needs for itself and not import or export very much?

- Compared to other countries in the westernized world and how much they import and export, is Canada doing well or not?

- What does doing "well" or doing "poorly" mean to you? How would you know if Canada was doing well or poorly?

- Overall, in terms of making Canada more competitive, who do you think is going to have a more positive influence -- government, business, labour, academia, or individual workers (i.e., yourself)?

- Why does government get involved in international competitiveness?

- In terms of international competitiveness and international trade, what do you think is the role of government? Business?

V INTERNATIONAL TRADE: A FOCUS

- If Canada were to have an increased focus on international trade, what would this mean to you? What would it mean in terms of Research and Development? Job Training?

- Do you think that an increased focus on international trade would have an impact on foreign investment in this country? Would it increase or decrease? Would this be bad or good? **[PROBE FOR ISSUES RELATED TO SOVEREIGNTY]**

- Thinking about an increased focus on international competitiveness and trade, you think that any level of government currently has a strategy or plan to assist Canadians in being prepared for the future? **[PROBE FOR ANY SENSE OF LINKAGE BETWEEN CURRENT GOVERNMENT INITIATIVES I.E. GST, UIC, R&D, ETC. AND PREPAREDNESS FOR COMPETITION/INTERNATIONAL TRADE]**

- What do you think the motivating reasons would be for the federal government to increase its focus on international trade? **[PROBE: TO HELP CANADIANS; TO HELP ITS "BUSINESS FRIENDS"; TO "MANAGE CHANGE"]**

- Now, when I mention the term "globalization", what do you think of? **[PROBE FULLY]**

- When I say Canada is "going global", what image comes to mind? **[PROBE FULLY]**

- What do you think of when I say "Pacific Rim", "European Economic Community" and "Europe 1992"?

VI FREE TRADE AGREEMENT (FTA)

As you probably know, a free trade agreement has been in effect between Canada and the United States since the beginning of 1989.

- What do you think of the Free Trade Agreement so far?
- Have you changed your mind about the Free Trade Agreement in the past few months? Why? Why not?
- Has the FTA had an impact on you personally, your region, Canada? How?
- Would you say that, on the whole, the number of jobs in Canada has increased or declined since the FTA came into effect? Why do you say this?
- Is this a short term impact or will it continue in the long term?
- What do you think the long-term effects of the Free Trade Agreement will be?
- Have you heard of the term "trade deficit"? Does Canada have a trade deficits? Has the FTA contributed to this?
- Has the FTA had any impact on the powers of the federal and provincial governments?
- There are people who talk about the Free Trade Agreement in terms of the other efforts of the government to expand Canada's trade. How do you see the Free Trade Agreement in the larger scheme of things?

VII COMMUNICATION

- A lot of people say they still don't know very much about the FTA. What kind of information do you think is lacking, and if you want to know more what would you do?
- After having talked about international competitiveness and trade, what kind of information do you want/need? Where would you expect to get it and in what form? What information would make you feel confident that Canada is doing well?

VIII WRAP-UP

- Any final comments
- Any questions

3.5 The Canada-U.S. Free Trade Agreement

Respondents were asked to give their impressions concerning the implementation of the Canada-U.S. Free Trade Agreement -- its short term impacts, consequences and longer term effects.

Generally, respondents believe that it is too soon to tell as to whether or not the Free Trade Agreement will be a net benefit or net loss. Most respondents believe that a 3-5 year time frame is needed to form an opinion. However, while it appears that judgementally, the "jury is out" during this time of "transition", many believe that there is a "good news vacuum" -- that more profile has been given to job loss and plant closures than to opportunities and Canadian businesses taking advantage of the new Canada-U.S. trade relationship. In this regard, the "measuring stick" for respondents tended to be local as opposed to national in nature.

It was noted that there appeared to be tangible regional respondent variations in terms of how respondents viewed the FTA a year after its implementation -- with the Maritimes in a "wait and see mode"; Montreal believing that Quebec would ultimately benefit from the FTA through economic self assurance, and that, on the whole, the effect had been balanced; Toronto respondents believing that the Free Trade Agreement was one, if not the most, negative elements for the future economy of Ontario and Canada -- with nothing but plant closures and a "slide-south" on "every front"; and in Vancouver, where a modestly negative view was tempered with a positive sense that Pacific rim trade opportunities would balance off most negative effects.

On the whole, while respondents acknowledged that the FTA in the longer term could yield some positive net results, it could also have deeper impacts on Canadian society, with the spectre that social programs could still be at stake.

There was also a perception that, despite previous statements by the federal government that Canada had taken the initiative to enter into the FTA with the United States, the United States had "out smarted" Canadians by having their own game plan all along -- and that Canadians did not. As such, current initiatives by the United States to enter into a new trade relationship with Mexico and its involvement in European liberalization and economic revitalization were viewed as part of a previously determined U.S. master plan -- with Canada as part of that plan. Respondents generally felt this way since there was no apparent evidence to suggest otherwise -- i.e., the FTA was passed, and after a year and a half there had been no "next step" for Canada whereas clearly the U.S. was putting some series of related deals together.

Further, respondents generally did not view the FTA as a component of a predetermined and broader, strategic effort to have Canada embark into international trade.

Finally, while respondents generally held reservations about the future of the FTA and its possible effects on the Canadian economy, their region and themselves personally, this was offset by a belief that international trade with other countries did not pose the same potential degree of cultural or economic threat as under the FTA. In fact, respondents believed quite optimistically that by broadening international trade Canadians would be strengthened and have more options in terms of flexibility, etc. to offset any FTA consequences.

3.6 Communication Elements

It would appear that the greatest source of concern by respondents deals with credibility and believability. The focus group respondents found fault with all elements of the decision leader group -- government, business, labour, academic -- since each was seen to have either an intrinsic bias or stake in the issue and as a result where Canadians would not likely get "the goods". Media was viewed, generally, as the group least biased in the dissemination of information because it provided a collective forum for debate.

Given that the focus groups were inconclusive in determining the most credible source of information, it was recommended to the client that further study be engaged in the quantitative phase of the research.

Further, it was recommended to the client that with respect to the creative and executional elements of any communication message, that further information be ascertained with respect to the definition of competitiveness as it is linked to action (i.e., productivity) and attitude (i.e., aggressiveness).

As a result, informational vehicles -- brochures; television, radio and print advertising; conferences; seminars, etc. -- are all likely considerations in terms of the development of an informational campaign; however, this should be tested more fully in the second round of focus groups and should recognize regional sensitivities in terms of the most appropriate vehicles.

In terms of information that respondents appeared to want, the following was noted:

(a) FTA: tangible local profiles that would give them a balanced perspective as to net benefit vs. loss; some "measuring sticks" to gauge progress of the agreement; and, what plans, if any, there were from various decision leader elements during the apparent transition phase of implementation (i.e., 3-5 years).

(b) International Trade: a context or framework; the elements of and potential consequences of a focus on international trade and competitiveness; what distinctly Canadian products could be made to compete in the world marketplace and what new elements of the current economy could be identified and promoted (i.e., new technology vs. traditional commodities); and, a sense of what role each of the major players could play in facilitating change in a collective and cohesive fashion through training, education, research and development, etc.

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