

Pest analysis of canada

Business



Canada is a rich and beautiful country full of agricultural land, but the majority of the population resides in the southern provinces.

In 1867, Canada became a recognized country by the British North America Act. Nearly one hundred years later, the country chose their official white flag: a maple leaf between two red stripes. Now, Canada has become the second largest country in the world, following behind Russia.

This PEST analysis highlights key factors about the country regarding political, economic, social, and technological discoveries.

Political Factors: Trudeau vs. Harper

Canada, a democratic country, has a parliament government containing the house of commons. The governmental parties are Liberals, Conservatives, New Democratic Party (NDP), Bloc Quebecois, and the Green party. But the leading parties switch between the liberals and conservatives, followed by the NDP.

A Leader of Nearly 10 Years

From 2006 to 2015, Stephen Harper, the leader of the conservative party, governed the country as the prime minister (equivalent to the president) of Canada.

Unlike in the United States, where presidents can serve a maximum of two terms in the White House, Canada has no such rules. Had he been voted for again during the 2015 elections, Harper would have remained the prime minister. But by that time, he had turned off too many voters.

In the start of his term, Harper promised to avoid a deficit. Yet he ended up adding \$150 billion to the nation's debt by the end of his term. Budgets were tossed in questionable directions, like towards new boats and expensive freighter jets. Less and less was done about climate change. He took the spotlight for interesting changes, like the closing of Ontario coal plants, even though he initially wanted them to remain open.

By this time, Harper himself joked about how he was a hated man in his country. And it showed during the 2015 elections.

Harper Out, Trudeau In

When the 2015 election arrived, Harper was voted out and Liberal party leader, Justin Trudeau, moved in.

Trudeau is the current prime minister of Canada, but he's not governing without trouble. He's been dismissed as a "pretty boy," and unable to match the charismatic and intellect of his father, the beloved former president Pierre Trudeau. His father inspired Trudeaumania in the 50s. He developed a dedicated fan base, especially among young girls, for his good looks and wit. But his son? Not so much.

Justin Trudeau is ridiculed for his expressive statements such as using "peoplekind" rather than "mankind" and pandering to the LGBTQ community. Canadians are weary of the Liberal party in general, after taxes have routinely increased whenever a Liberal leader becomes Prime Minister. This, potentially well-deserved prejudice by the nation leaves many dismissing Trudeau with his "pretty words."

Economic Factors: A Needy Agreement

Canada is not only one of the wealthiest countries in the world, it's also within the top ten trading nations. However, the majority of its trading resides with the United States.

Their partnership, so to speak, grew after signing the US-Canada Free Trade Agreement (FTA) in the late ' 80s and the North American Free Trade Agreement (NAFTA) in the ' 90s. Canada primarily exports products and the US is primarily a net importer. While the US relies on Canada, it has trade agreements with many other countries. Canada, however, focuses a large amount of business with the US. It's clear who depends on who more, economically speaking.

A small change in the US, especially regarding interest rates, can have massive repercussions for Canadians. That's why Canada is slowly expanding outwards since relying heavily on one country isn't necessarily stable for their economy.

Social Factors: An Emphasis on Schooling

Between 2005 to 2015, the median total income for Canadian families increased from \$63, 457 to \$70, 336. This is more than a 10 percent improvement. Many factors can contribute to this positive change, and education might be a big one.

Schooling is highly important to Canadians, both secondary (high school) and post-secondary (university/college).

Student loan debt has been on the rise, but new bills are being introduced within the last couple years to allow lower-income families to attend college or university free of charge. Unfortunately, graduates within the last ten years are receiving little help to decrease their debt.

One third of the population falls into the working class category with 40-50 percent being middle class. Only 3 to 5 percent of Canadians are considered upper class. Since the majority of the population is split between the working and middle class, paying interest on student and similar loans can be a crippling affair.

Technologic Factors: The Two Big Guns

The country is one of the most developed regarding both technology and science. Canadians rely heavily on the internet for their education, careers, and leisure. Over 28 million users (more than 80 percent of the population) are internet users. The most online-savvy provinces include British Columbia, Alberta, and Ontario. This could be because they have more access to competitive internet plans than other provinces, like the Yukon.

Internet plans are highly regulated in the country. The two major internet companies, Bell and Rogers, essentially control the internet and phone industries. Even when smaller companies pop-up, they can't possibly compete with these two oligopolies.

If you want the highest internet speeds, you'd need to live in the highly populated areas, like Ontario (Toronto), Alberta (Calgary), and British Columbia. Even if you branch a few hours north of these locations, your

technological options are greatly reduced. The only hope is that either Bell or Rogers comes rural towns, but those chances are slim.

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