

Malcolm Turnbull has declared the case must be made for greater, not less, global economic integration, while warning the American election result showed policy changes “must be fair in a very broad sense”.

In a speech to the Business Council of Australia before leaving for the APEC summit in Peru, Turnbull acknowledged the need to address the rising disquiet in the wake of economic change. But while stressing the importance of fairness, he argued against this being judged narrowly, in terms of winners and losers from each particular measure.

As the world waits anxiously to see whether Donald Trump will carry through with his protectionist rhetoric, Turnbull said: “Retreating from policies that have delivered us prosperity and opportunity is the wrong call. We would ignore the gains from openness at our peril. Instead of looking backwards, we must make the case to increase global economic integration.”

Countries with open trade and investment had had significant gains in income, employment and living standards, and billions of people had been lifted out of poverty, he said.

“But people are seeing things change around them – they are concerned that they could be left behind. Weaker growth in incomes is feeding uncertainty, helping anti-trade sentiments find a foothold.” In the past year new protectionist trade measures had been introduced by economies at the fastest rate since the global financial crisis, he said.

Policies mustn’t ignore that the impacts of change could be uneven across the community. “To overcome the rising disquiet, we must ensure that the benefits of open markets deliver for the many and not just a few.

“If the results of the recent US presidential election have taught us anything, it is that policy changes must be fair in a very broad sense,” Turnbull said.

“But fairness does not mean examining each decision in isolation, looking at a narrow set of

winners and losers. It means making sure our overall system is fair, examining the transfers of goods and services over a person's lifetime and asking ourselves, does this reflect the benchmarks we set ourselves of an open, fair and just society?

"That is why our economic plan is built on recognising these intrinsic links between economic and social policies."

Australia could only succeed in the 21st century if it continued to tap into the worldwide flows of technology, innovation, knowledge and commerce, he said.

"Instead of retreating from the world, we need to strengthen our engagement internationally and with the fast-growing nations in our region."

Turnbull said the environment for reform had become more challenging. "After 25 years of growth, the need to undertake reforms that will deliver long-term gains – but which may create winners and losers in the near term - isn't keenly felt in many parts of Australian society. We risk becoming victims of our own economic success. This needs to change."

As well as arguing the case for economic reform that would boost Australia's prosperity, businesses must act in accord with the values and expectations of society, Turnbull told his audience.

For example Australia's largest businesses had a responsibility in their hiring to promote the interests of women, older and younger workers, and Indigenous people.

Turnbull argued that addressing the position of the budget wasn't just an economic priority but a fairness issue too. Young people had to both get a foot in the door of the job market and save for a house deposit. "How does it help them if we also make them face higher taxes?"

Trump, in his absence, will be the talk of the Peru meeting. Turnbull noted the meeting came

Define 'fairness' more broadly than winners and losers from individual decisions: Turnbull

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amid slowing growth and rising protectionism and so APEC's "mandate for openness and reform in our region is more vital than ever".

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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