

Are there alternatives to free trade?



by Sujata Dey

Squeezed between nativists who seek to obliterate the world trading system for their own purposes and neoliberals who want to use trade regimes to erode public power, the ongoing debate is missing a vision of a progressive system of trade rules. Too often, progressives end up rejecting trade agreements instead of proposing avenues for transforming world trade.

To look at these issues, the Canadian Centre for Policy Alternatives and the Trade Justice Network (of which the Council of Canadians is a member) held a day-long symposium in Ottawa in late November titled “Beyond Neo-Liberalism: Toward an Agenda for People and the Planet.”

In a keynote address, Maude Barlow, Honorary Chairperson of the Council of Canadians, set the scene for the discussion. She asked, “What would trade agreements look like if they prioritized the needs and rights of workers over corporations? What would they look like if they promoted a more sustainable model of food production that protects soil and water and respects farmers? What would they look like if they had to take into account their water and environmental footprints at home and in other countries? What would they look like if they promoted alternative, more sustainable sources of energy? What would they look like if instead of giving preferential treatment to global corporations, they established binding human rights and environmental obligations on corporations and placed capital controls on runaway speculation of the kind that caused the 2008 crash? What would they look

like if they took into account the free, prior and informed consent of local Indigenous peoples now enshrined in the United Nations Declaration on the Rights of Indigenous Peoples?”

There are many ways trade agreements have been proven to benefit corporations over people. The most glaring example is the investor-state dispute settlement provisions that give multinational corporations power over what countries can legislate. This has cost us money. Regulatory cooperation and trade rules have been used to ensure that public policy is measured by how it enhances trade rather than public welfare. It leads governments to favour multinational suppliers over local production.

As Barlow said, “Modern free trade agreements, along with deregulation and privatization, have led to the greatest wealth disparity since the robber barons of the turn of the 20th century. Of the world’s top economies, 31 are countries and 69 are corporations. Apple’s revenues exceed the GDPs of two-thirds of the world’s countries. Walmart’s annual revenues exceed the GDPs of 157 countries. BP is bigger than Russia. Exxon is bigger than India.”

Workshops at the symposium discussed drug pricing, environmental policy and the Green New Deal, overhauling dispute mechanisms to address environmental and human rights concerns, digital rights, Indigenous rights, food sovereignty, labour standards, and cultural diversity.

The progressive trade experts attending shared many ideas about how agreements could be binding on

human rights, social issues, and the environment. The ideas included provisions that would allow people or governments to sue corporations for violations, including a basic series of rights in all agreements that if violated, the country could be removed from the deal or sanctioned, or the ability to impose penalties for environmental violations, and more.

Howard Mann, an advisor on international law, concluded by saying that trade agreements have little to do with trade itself. Countries are told they are adapting poorly to trade agreements, he noted, but it is trade agreements that create social problems such as income and gender inequality, unemployment and environmental degradation.

Since its inception the Council of Canadians has fought against the power granted to corporations through trade agreements. From the Canada-United States Free Trade Agreement of 1988, through NAFTA, the World Trade Organization and Canada’s many Foreign Investment Protection Agreements, to the more recent deals with the European Union and Trans-Pacific countries, these deals enrich multinational corporations at the expense of the vast majority of people and the planet.

Trade agreements should be made by and for people, not corporations. It’s time to make trade deals fair, and trade policy open and democratic.

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CANADIAN PERSPECTIVES
EDITOR Jan Malek
DESIGN Amy Thompson
PRINTING Plantagenet Printing

Past issues of *Canadian Perspectives* are available at www.canadians.org.
Publications Mail Agreement
No. 40065620

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