The NAFTA renegotiations currently taking place have lessons far beyond this country or continent, as trade agreements world-wide have caused and are causing grave inequalities and injustices.

Donald Trump’s attack on NAFTA may come back to bite him, because new thinking is being unleashed in Canada about what could come into being be without NAFTA. Indeed, several countries around the world including Bolivia, Brazil, South Africa, Australia, India and Malaysia, are reassessing the purposes and goals of trade agreements in the light of the deep inequality they engender. Most trade deals favour transnational corporations and business lobbies over the welfare of the people. No one knows at this point what the future holds for NAFTA. Will Trump walk away from the table or will Canada or Mexico do so because of Trump’s unreasonable demands resulting from his ludicrous nationalism, which he names ‘Making America Great Again’?

Should the talks collapse, an opportunity could arise for a new life after NAFTA, which would include an end to the pro-corporate trade tribunal, known as the Investor-State Dispute Settlement Mechanism (ISDS), set up in Chapter 11 of the agreement. Most Canadian citizens are appalled that, under the provisions of this chapter, Canada has been sued 39 times out of 80 challenges during the 23-year life-span of NAFTA. The challenges were brought by USA and Mexican corporations. Worse still, almost two-thirds of the claims have targeted Canada’s environment regulations and resource management policies. Canadians also wonder why, in contrast, the USA has never lost a case. Thus far, Canada has paid out more than $215 million in compensation to American corporations and spent more than $65 million de-fending itself, while it still faces $2.6 billion in challenges. The ISDS is seen as the biggest problem with NAFTA, as it gives large corporations powerful legal protections and rights which are denied to domestic investors. The same corporations use these advantages to slash jobs and pollute the environment. The ISDS is not necessary as investors can seek due protection of their investments by re-course to domestic courts and governments.

A study by the Canadian Centre for Policy Alternatives (CCPA) found that, “if NAFTA is terminated and Canadian exporters are forced to revert to World Trade Organisation rules and tariff rates, the impact would be “disruptive, but by no means catastrophic”’. The report by Scott Sinclair and labour economist, Pierre Laliberte, found that for 96% of all Canadian exports, the effective cost of losing the ‘NAFTA advantage’ would be only 1.5% of the value of these exports.²

---

¹ NAFTA involves Canada, USA and Mexico. President Trump has condemned NAFTA and wants the agreement to be renegotiated to better benefit the USA.

² Sinclair Scott and Laliberte Pierre, What is the NAFTA Advantage? Putting the tariff impacts of a Trump termination in perspective. 29 June 2017.
If Trump’s intention is to pretend that he is against NAFTA to get himself a better deal, he may be in for a surprise. According to an EKOS Research poll commissioned by the Council of Canadians, most Canadians say that our government should walk away from NAFTA if it is a ‘bad deal’. 80% agree that water should not be treated as a commodity under NAFTA as it is now; 70% say measures requiring Canada to maintain energy export quotas to the USA should be removed; and 63% agree that Chapter 11 (ISDS) should be removed from the deal.³

Bruce Campbell, former Executive Director of the CCPA, found that: ‘NAFTA has played an important role in the growth of job insecurity and precarious work, in the dramatic increase in wealth inequality, in wage stagnation, in the hollowing out of the middle class, in the weakening of public services and the shrinking of our social safety net. Although NAFTA is not solely responsible, it has been the key strand in the web of mutually rein-forcing policies that have facilitated the ‘structural adjustment’ of the Canadian state to the demands of the ‘new global reality.’ ⁴

Workers engaged in precarious work are most likely to be women, racialised persons (persons differentiated on the basis of race), immigrants, Indigenous or people with disabilities. NAFTA devastated Canada’s manufacturing sector where the jobs were more secure and well paid and greatly diminished the capacity of labour unions to represent the interests of their workers. The auto sector has been hardest hit, both in car manufacturing and auto parts. Trump wants to use NAFTA to gain more intellectual property (IP) concessions from Canada.

Many Canadians agree with the Council of Canadians that we should only accept a new trade agreement for North America if:

- Chapter 11 is removed;
- workers and their rights are at the heart of the agreement;
- public services are promoted and protected;
- there are strong provisions to protect the environment and natural resources;
- the right to regulate in the public interest is maintained;
- the energy chapter is removed and the proportional energy sharing provision cancelled;
- all references to water are removed;
- cultural exemptions are maintained and expanded and indigenous rights protected and enhanced;
- Canada’s supply management system is protected.

Source: Mary Boyd (Grail Canada)

EUROPEAN UNION AND AFRICAN, CARIBBEAN AND PACIFIC (ACP) NATIONS
Three significant decisions

1 Replacing the Cotonou Agreement

In June 2000, the European Union (EU) concluded a partnership agreement with 78 members of the African, Caribbean and Pacific (ACP) group of nations, known as the Cotonou Agreement. It outlines the EU’s commitments to aid, trade and development to these countries and is the most comprehensive partnership agreement between developing countries and the EU.

The Cotonou Agreement is due to expire in 2020. The EU’s Post-Cotonou High Level Facilitator, Pascal Lamy, says that the EU is eager to sign a new agreement, but one that would be better focussed on the particularities of each region. ‘Issues such as environmental...

³ Barlow Maude, Council of Canadians, Getting it Right, a Peoples’ Guide to Negotiating NAFTA, 7 September 2017.

⁴ Campbell Bruce, Trump Launches NAFTA Renegotiation, the CCPA Monitor, 1July 2017.
resilience, ocean management, sustainable agriculture and sustainable energy - all these will probably feature more highly in the new agreement than they did in the previous partnership", he said.

Lamy was recently in the Pacific region to discuss with Pacific leaders what they see as priorities for the new agreement, because negotiations will need to begin soon in order to meet the 2020 deadline.

Source: Radio New Zealand, www.radionz.co.nz/international/pacific-news

2 The EU sugar reform, October 2017

From 1st October, the European Union sugar market changed as a result of the abolition of domestic quotas of sugar. Prior to this, sugar suppliers to the EU were mostly small and vulnerable economies whose products were allowed free access to Europe under the Economic Partnership Agreement (EPA) and the Everything But Arms (EBA)5 Initiative. These suppliers had strongly opposed this change of policy since it was first proposed in 2013. They expect two serious repercussions for their fragile economies:

- Sugar production in the EU will increase and sugar imports from Least Developed Countries (LDCs) and African / Caribbean / Pacific (ACP) countries will decrease, reducing the socio-economic benefits this trade brought them.

- The increased European production is likely to at least double the quantity of sugar the EU will export to world markets where it will compete with LDCs and ACP countries.

Considering the EU’s expressed desire to better contribute to the sustainable development of small and vulnerable economies and to consult their interests in a new formulation of the Cotonou Agreement (see above), no wonder the ACP Group is calling on the EU to propose and adopt more coherent, development-friendly policies in regard to both EU domestic agriculture and EU trade.

Source: Josephine Latu-Sanft, ACP Press Office, Brussels. Email latu@acp.in Edited A. Healey.

3 The EU and Sweden support the future of Pacific fisheries

The fourth Our Ocean conference, hosted by the European Union took place in Malta in early October. It is reported that those represented there – countries, regional organisations, non-government organisations (NGOs), private enterprise - made some hundreds of ‘tangible and measurable commitments’ to new action in the fields of sustainable fisheries, marine protected areas, climate change, sustainable blue economy, marine pollution and maritime security. At this conference the EU Commissioner for International Cooperation and Development, Neven Mimica, and the Secretary General of the Pacific Islands Forum (PIF), Dame Meg Taylor, signed an agreement whereby the EU will provide 35 million euros to finance a program to be implemented in 15 Pacific members6 of the ACP group of nations. The EU Commissioner also signed an agreement with the Deputy Prime Minister of Sweden, Isabella Lövin, which provides for additional Swedish co-financing of 10 million euros.

It is expected that the program will engage civil society organisations and non-state actors at all levels in on-going dialogue, in the hope of ensuring that what is developed is sustained beyond the lifetime of the program.

5 The EU’s Everything But Arms arrangement (EBA) was born in 2001 to give all Least Developed Countries (LDCs) full duty free and quota-free access to the EU for all their exports with the exception of arms and armaments.

6 Cook Islands, Fiji, the Federated States of Micronesia, Kiribati, Nauru, Niue, Palau, the Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, Papua New Guinea and Timor-Leste.
Commissioner Mimica opening the conference said, ‘As the life force that sustains our planet and every person on it, we will continue to support every effort to manage our oceans more sustainably for local communities and for many generations to come’.

The Secretary General of the Pacific Islands Forum, Meg Taylor said: ‘Our fisheries are fundamental to the health and prosperity of our people. For this reason it is vitally important that they are managed and developed in a sustainable way’.

Source: Pacific Islands Forum Secretariat, media@forumsec.org; PACNEWS, www.pina.com.fj

WORLD TRADE ORGANISATION (WTO)
11th Ministerial Meeting, Buenos Aires, 10-13 December, 2017

We will soon know the outcome of this meeting in Argentina and will report on it in this Bulletin as soon as possible. We already know some of the proposals that will be urged during the meeting that will enrich the already rich and further constrain the power of governments to legislate and regulate in the public interest and to reduce inequality. They include the following:

- The high-tech sector that now includes five of the seven largest corporations globally are determined to achieve new rules that will lock in profit-making opportunities in the digitalised economy of the future and enable them to move labour, capital, inputs and data seamlessly across time and space without restriction.
- Corporations want new rules limiting domestic regulation of services.
- Proposals for new rules to control fishing subsidies in order to reduce overfishing, which exempt fossil fuels to large fleets, may end up favouring industrial fleets at the cost of smaller producers in developing countries.

Source: Deborah James, Coordinator Our World is Not for Sale Network, Huffington Post, 26 June 2017. Summary by A. Healey.

BELIEFS OF NEO-LIBERALISM

The market is efficient – so give it free rein.
Business is innovative – so let it lead.
Finance is infallible – so trust in its ways.
Trade is win-win – so open your borders.
The state is incompetent – so don’t let it meddle.
The household is domestic – so leave it to the women.
The Commons is tragic – so sell them off.
Society is non-existent – so ignore it.
Earth is inexhaustible – so take all you want.
Power is irrelevant – so don’t mention it.

Kate Raworth, Donut Economics, pp. 59-61

Contributions to Bulletin and responses to its content are welcomed. Deadline: 14th of each publication month. Publication bi-monthly from office in Sydney.

The Bulletin is currently produced by two networks: Justice and Trade Agreements and Human Trafficking.
Coordinators: JTA - Mary Boyd (maryboyd@live.ca); Alison Healey (grailsydney@ozemail.com.au);
HT – Patricia Foito e Camisao (pcamisao@gmail.com); Angelina Kyondo (mksgrail@yahoo.com).
Design: Thanks to Marian Kelly for her donation of time and talent.