

Article

FREE TRADE: A STRUGGLE IN CONSTANT TRANSFORMATION

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I started to take an interest in free trade at the Quebec City Summit in 2001. I was there because the Free Trade Area of the Americas (FTAA) project that was at stake there seemed to me very questionable, even dangerous. But I also went there a bit out of curiosity. The social movement that was taking shape seemed to me of great interest and obviously something important would take place there, but I did not have a clear idea of what exactly might happen.

Until then, I was one of those intellectuals passionate about public debate and politics, but who refused to step down from their ivory tower. Any form of engagement was for me a bit of a loss of independence, a danger of weakening my critical thinking, so necessary in my eyes to avoid the pitfalls and simplifications of partisanship. I had been outright put off by far-left activism, with its dogmatism, intransigence, and the power of excommunication it had given itself. I was also wary of political parties, mainly of the party line and of the many compromises to be adopted even if only to walk towards power.

Free trade got closer to me as it spread. I admit I had little interest in the subject when Canada entered into Free Trade Agreement (FTA) negotiations with the United States. And not so much more when Canada signed NAFTA and became a member of the World Trade Organization (WTO). I had been moved by the Zapatista revolt in Chiapas, and although I had made a short trip to this region, I still did not understand how this emancipatory movement was linked to free trade. It must be said that as an informed ordinary citizen, it was difficult for me to go beyond government propaganda and criticize agreements whose signing is always presented as excellent news, a necessity to improve our standard of living.

The first shock came when the cultural community challenged the Multilateral Agreement on Investment (MAI). This struggle strongly appealed to me, as I put culture at the top of all my fields of interest. I suffered a second shock at the WTO ministerial meeting in Seattle in 1999. Everything was becoming clearer in my mind. A vast international movement was building up against an economic order to the advantage of gigantic companies, like an international extension of the ultra-liberalism set up by Margaret Thatcher and Ronald Reagan, which had always repelled me and whose final triumph was wanted. To observe resistance to this order, in Seattle, but also thereafter in Prague, Washington, Nice, Gothenburg, gave me great relief.

It was after all that that I went to the Quebec City Summit, without allegiance to a union, or to a particular association, as an "independent protester", as I joked. What I saw stunned me:

heads of state hiding to concoct a deal going against the interests of their citizens; a very real fear of democracy on the part of these elected officials; demonstrators ready to be jostled, beaten, gassed, in order to remind their so-called representatives of their duties; police violence again and again, numerous and unjustified arrests, incredible amounts of gas which, seen from afar, looked like great white columns diluting in the sky. Faced with this situation, with such affronts to my image of democracy, I could no longer remain a passive intellectual as before.

A Long Journey from MAI to CUSMA

I chose to be an activist in the ATTAC-Quebec association. This organization attacks - and continues to attack - the financial sector considered to be one of the main culprits of social inequalities, and sought to impose a tax on financial transactions. Founded in 2000, it is part of the international network of Attac, created in France in 1998 and which is still present today in about thirty countries. The Attac movement has been a major opponent of the deployment of neoliberalism and has clearly associated itself with alter-globalization, by being, among others, among the founding organizations of the World Social Forums. ATTAC-Quebec took advantage of belonging to this international movement, and transmitted a lot of information from this network, while developing important alliances with other movements with similar objectives in different countries.

Free trade was one of ATTAC's main targets and I quickly became interested in this file. I have therefore closely followed the major negotiations which took place from the 2000s: among others the FTAA, the General Agreement on Trade in Services (GATS) at the WTO, the Comprehensive Economic and Trade Agreement between Canada and the European Union (CETA), the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP)¹ and the Canada-United States-Mexico Agreement (CUSMA). ATTAC-Quebec has made great use of its international roots to make the link between the struggles undertaken in other countries and our Quebec reality. One of our most successful campaigns has been to mobilize the cities of Quebec against the General Agreement on Trade in Services (GATS) by drawing inspiration from the model of cities that have declared themselves "non-GATS zone" in Europe mainly, supported in large part by the Attac movement.² In Quebec, ATTAC became a member of CAP-monde, a network of around twenty groups opposed to the FTAA, then of the Quebec Network on Continental Integration (RQIC), a coalition of organizations from labor, grassroots communities, and international development, whose main activity is to monitor the evolution of free trade agreements. The involvement of ATTAC-Quebec within the RQIC has been important. I have personally been its representative for over a decade (I still am). As an association, we have contributed to documenting the members of the network on free trade and we have fully participated in the mobilization against various trade agreements (GATS, NAFTA, PPS, CETA

¹ We have always emphasized the irony of the name: there is nothing "progressive" about this agreement in our view.

² Many Canadian cities have also spoken out against the agreement.

mainly). ATTAC-Quebec has also developed many links with the Council of Canadians, an organization much larger than ours, but sharing similar objectives.

One of the peculiarities of the fight against trade agreements in Quebec was the important place occupied by the independence movement within the left. Sovereignists strongly supported free trade. Within the Parti Québécois, it was seen as a way of escaping Canada's economic blackmail. If Quebec gained its independence, free access to other markets would allow our economy to develop even if Canada's borders were to be closed. This reasoning was widely shared in the movement, including by the most progressive elected members of the Parti Québécois and the Bloc Québécois. It created a great misunderstanding among the forces of the left in the country: while in the rest of Canada, progressives opposed free trade, those in Quebec linked to sovereignist parties supported it. Our strategy, as militants, allowed us to go beyond this division and obtain, from the turn of the year 2000, significant support from both the separatists (with some reservations, however, that never ceased to formulate us) and the federalist left (rather minority in Quebec). We have demonstrated, with supporting evidence, how free trade is an assault on state sovereignty - an idea which, moreover, has always been at the heart of our analyses. Chapter 11 of NAFTA and the investor-state dispute settlement mechanism in many agreements was blatant proof of this, which helped to lead many sovereignists to become very critical of free trade, including Jacques Parizeau, who, in a letter to *Le Devoir* in May 2001, launched a charge against the trade agreements negotiated by Canada, accusing the FTAA of being "a great bill of rights for multinationals". With the creation of Québec solidaire, all ambiguities have arisen: this party is clearly opposed to free trade, while being sovereignist.

The results of these years of struggle against free trade are mixed, to say the least. Protesters against trade agreements tend to see the glass half empty. The conclusion of three very big deals by Canada - CETA, CPTPP and CUSMA - is seen by many as a failure, the proof that free trade continues to advance despite strong opposition. But the reality is more complex.

It remains clear, in my opinion, that important victories have been achieved. Agreements have been blocked, like the MAI and the FTAA. The WTO has been paralyzed for several years and its attempts to revive have failed. This weakening of the WTO hit the GATS hard, which collapsed along with the Doha Round.

The failure of this latest agreement marked an important milestone for activists. This concerned one of the main challenges of free trade, namely the liberalization of services. The GATS subjected the services sector (health, education, transport, culture, etc.) to successive negotiations, which would lead to the presentation of new liberalization offers in each round of negotiations, and this in a never-ending process.

The pressure to privatize public services was therefore significant. The education sector, in which I was active as a trade unionist³, was particularly targeted. Chains of private universities, companies producing school supplies, firms specializing in school administration, multinationals like Pearson, offering a wide range of services, carried out intensive lobbying to enter the public

³ I joined a union a few years after the Quebec City Summit.

system, or just replace it. The international trade in education was going through major deregulation, which would be ensured and made irreversible by free trade agreements, and more specifically the GATS. Similar pressures were being made in other sectors, particularly in the health sector.

Many deplore the progress of privatization, which varies greatly from one country to another. In Europe, electricity, water, municipal services and transport are now under the control of large international companies. This shift has often been accompanied by higher prices and a decline in the quality of service. In America, the levels of privatization vary widely, from neoliberal South America (Chile, Peru, Mexico, among others), to the United States and Canada, where almost all service sectors are affected.

Despite everything, the mobilization against the privatization of services has yielded tangible results. The initial plan to fully privatize anything that could bring in profits seems to be on the decline. The liberalization of services is no longer part of the new agreements, except by roundabout means, such as opening up calls for tenders to foreign competition, to which a ratchet effect has been added, which prevents nationalization or the remunicipalisation of a sector passed into the hands of private enterprise (in the CETA mainly for Canada).

Not everyone share this optimism and rightly complain about the presence of the private sector in many sectors - notably health - and the favorable prejudices of governments in its favor. Nevertheless, we observe a major difference between the initial intentions of the free trade agreements of the 2000s and the difficulties of enshrining true liberalization of services in trade agreements. It must be said that privatizations have done their share of damage in several countries (United States, United Kingdom, Chile, etc.) and that it is more and more difficult to convince populations that private enterprise will do better than the public service.

The election of Donald Trump in the United States and the Brexit in the United Kingdom are symptoms of a significant change in the perception of free trade by the people. It is becoming evident that the promises of prosperity for all through trade liberalization have not come true. Competition between workers from all countries has left serious wounds, among others, in industrial zones of Northern countries, while Southern countries gained very poorly paid jobs and deplorable working conditions. No one emerged as a winner, except the wealthiest people and the owners of multinational companies who saw their incomes rise. The 2007-2008 crisis and its effects which continued for many years, through the implementation of budgetary austerity plans, made the situation even more difficult for the middle class and the most deprived. The collapse of the big banks is linked to the ideology that is the very source of free trade: outright economic liberalism.

The New Realities

Trump and the Brexit have greatly complicated the fight against free trade. Ironically, these are parties that are deeply rooted to the right, anti-immigration, with racist elements inside, which have become, at least in appearance, opponents of free trade and have taken advantage of this.

opposition to attract votes. And this while the fight against trade agreements has been coming for years from progressive groups and parties, diametrically opposed to the radical right. The center-left parties, on the other hand, have never capitalized on this dissatisfaction, fearing to question the great neoliberal economic dogmas: the majority of them clearly supported free trade.

Even if Trump and Brexit are disturbing, on the right and on the left, they have not faced very strong opposition from the financial elites, who rather seem to be getting along with it. The capitalist system comes to terms more easily with the far right and its political program than with a left which dares to question the foundations of the economic system. Reducing the number of immigrants, for example, is not a very high price to pay for big companies, if they are allowed to prosper in peace. Restoring the illusion to citizens of living in a proud and strong country does not impose great constraints either, especially if the economy is doing well, as in the case of the United States today. The Trump administration shows how far it is from wanting to upset the financial class: it has granted its representatives a significant tax cut, it continues to support some of the most lucrative industries (banks, fossil fuels, the military-industrial complex, the automotive industry), it does not embarrass large companies with restrictive regulations. The CUSMA negotiations have shown how moving from NAFTA, the "worst deal ever" according to Trump, to a new agreement does not pose him any difficulty, even if we find in both texts the same basic principles. The imposition of tariffs by the United States in the aftermath of Trump's election was more of a negotiating tool (otherwise effective) than a firm commitment to revert to protectionism.

Questioning free trade, from the point of view of the left, is much more demanding: it would then be necessary to reduce the power and the weight of the multinationals; allow greater regulation of trade; prioritize human rights and the environment; design mechanisms for the distribution of wealth. It is becoming necessary for the largest firms not to meet such requirements. They must then activate their networks, solicit their army of lobbyists and develop a large propagandist arsenal to avoid disaster. And discreetly ally himself with the far right, take some ideas from them, since it is necessary.

A Fragile New Impetus

The context in which the CUSMA negotiations took place illustrates the free trade situation today. Governments continue to believe that trade agreements that promote free trade are necessary, that they must always be negotiated. But the heart is not there. Going too far in this direction is even a real political risk, judging by the victories of Trump and Brexit.

Another demonstration of the difficulties of free trade: the tumultuous vote during the ratification of CETA in France. With a clear majority in the National Assembly and with all the president's weight in favor of the deal, the deal was supposed to be fairly straightforward. But the public debate turned out to be very unfavorable, to the point that several elected officials from the president's party, La République en Marche, abstained from voting in favor of the agreement. The CETA has still not been ratified in many European countries. For the first time, a country has spoken out against the agreement: Cyprus in July 2020. A lot of pressure is being exerted to bring

this small country back into the fold, but its current refusal to ratify the agreement could also have a ripple effect in some reluctant countries, such as the Netherlands, Italy, France and Germany, where opponents of the deal continue to pressure for its rejection. In Canada, a great resignation in the social movement, caused by the fact that the CETA has long been ratified by our government, has the consequence of considerably reducing support for European resistance protesters.

It was in a context unfavourable to free trade that the CUSMA negotiations were launched. Trump's thunderous statements against the trade deals signed by the United States hinted that the outcome of the negotiations may be different.

The social movement in North America quickly mobilized. Although still a little skeptical, it still saw its chance to state his expectations, to say in what context and according to what requirements should trade between the three countries take place. In May 2017, the Meeting of Social Organizations from Canada, the United States and Mexico was held in Mexico City, some intense days of questioning and brainstorming, resulting in an important declaration.⁴ The many organizations present called for more transparency in the negotiations, the elimination of Chapter 11 of NAFTA, the protection of food sovereignty and public services, the protection of workers' rights, indigenous people, and human rights in general, and significant measures to preserve the environment, and to respond to climate change. These demands are also very much in line with what the anti-free trade movement has been demanding for years.

Because of these significant pressures, both from the media and from the social movement, the negotiations were a little different, although the balance of power was not radically transformed. From the outset, the media shone their spotlight on some of the most controversial aspects of the upcoming deal: the tariff barriers imposed by the United States, supply management in Canada, the condition of workers in the automotive industry. As always, negotiators listened carefully to the demands of the most powerful business lobbies. But a few groups from the social movement, the most powerful and well-organized, such as the advocacy group Public Citizen or the Canadian union Unifor, were able to make their demands known to the negotiators. This obvious clash between two types of interests, the media attention to the negotiations and Trump's vague promises to defend the middle class - and the presence of a majority of Democrats in Congress since the midterm election - have yielded a curious result. First, some victories for the social movement: the withdrawal of Chapter 11, the absence of the planned extension of drug patents, and for Canada, the general protection of culture and the withdrawal of the principle of proportionality⁵.

But the whole agreement remains difficult to accept. First, for Mexico, which has made no significant gain, even though the country has been devastated by the loss of its food sovereignty since the signing of NAFTA. Environmentalists are the ones who have most clearly stated their

⁴ Political declaration of the meeting of social organizations from Canada, the United States and Mexico, May 31, 2017. <https://rqic.quebec/2017/05/31/declaration-politique-de-la-rencontre-des-organisations-sociales-du-canada-des-etats-unis-et-du-mexique/>

⁵ This principle obliges Canada to export to the United States the same quantity of certain natural resources as it did during the three previous years, which gives an astonishing priority of access to the American market.

disappointment: in an era of climate change and major mobilizations on the topic, the agreement does not deliver anything concrete, not even a mention of the Paris Agreement. What worry the groups I belong to the most is Chapter 28 on "Good Regulatory Practices", which in fact makes the adoption of regulation so complicated that governments risk giving it up: indeed they have to announce the law a year in advance, provide scientific evidence of its necessity (which may be contradicted by the other party), provide a reference person on whom lobbyists can lobby, and submit the law to a committee that will judge later of its effectiveness. It is clear that with such a process, Chapter 11 is no longer necessary. Large companies have found a more efficient and more discreet way to have a say in the regulations that affect them. The CUSMA proposes some measures favorable to workers (increasing wages in the automotive sector, defending unionization in Mexico, mentioning the problems of harassment and violence at the workplace), but as it always inevitably happens in free trade agreements, nothing concrete can be found to ensure that these good intentions can lead to concrete results.

The Future of Free Trade

The CUSMA negotiations have shown how difficult it is to reform free trade. This system continues to defend the greatest freedom for business and deregulation. As always, we played one economic sector against another (in Quebec, it is accepted that the aluminum industry, the supply management, protecting among other things the dairy products industry, are the biggest losers in this agreement), leaving behind the vast majority of the population. And this, even if the public debate around the agreement was more important than for those which preceded it and the demands of the social movement were expressed from the start.

It seems clear to me that we are now arriving at a new stage in the struggle against free trade, which also presents us with new difficulties. Since I have been campaigning against trade agreements, our mobilization has centered on the need to block the ones we negotiated, or at least eliminate their most harmful aspects. But with the signing of three giant agreements (CETA, CPTPP, CUSMA), the list of countries with which Canada could conclude agreements is considerably reduced. And if there is agreement, the consequences will be limited, since it will probably not be major economic partners - with the exception of China of course, but the very strong political tension between the two countries makes it unfavorable to the opening of negotiations. The activists' work will then consist in analyzing the consequences of the signed agreements, to see to what extent their fears are being realized. As free trade agreements are also a tool available to companies, it will be necessary to continue to defend progressive values, for example to support quality public services, so that governments assume more their responsibilities to their populations and that companies engage as little as possible the great gears of free trade in their favor only.

Persist in Resistance

These are significant challenges. After the ratification of the CUSMA, free trade will be much less present in the news. My experience as an activist has shown me on numerous occasions that a topic that is little talked about in the mainstream media makes it very difficult not only to mobilize, but also to make progress, however small, that can correct a situation. Since the conclusion of the three major agreements ratified by Canada, I have observed a sort of resignation among activists and a difficulty in arousing interest in a subject considered worn out and put aside.

The fight against free trade should, in my opinion, follow three main avenues that could reinvigorate it and bring it into line with other major fights.

- It will first be important to keep a close watch on the effects of free trade. The main area of concern should be “good regulation” and the means used by major lobbyists and multinationals to reduce regulation. The CETA Regulatory Cooperation Forum is already attracting the attention of activists and, to a certain extent, tracking pressures to weaken regulations. Some journalists and organizations were able to note that GMOs and chemicals were the targets of the first meetings⁶. Due to the lack of transparency, this work will be demanding and will require expertise and financial resources that are not within the reach of all organizations. We must continue to put pressure for the elimination of investor-state dispute resolution mechanisms, as Canada did in the CUSMA. It will also be important to thwart privatization through free trade agreements. To achieve this, it will be necessary, among other things, to put pressure on the various levels of government so that they reduce the calls for tenders, eliminate the criterion of the lowest bidder and formulate their requests in such a way that they can have positive impacts on the local economy.
- Free trade will have to be linked more to the fight against climate change, to show how the two are incompatible. Living in a better environment means rethinking the economy in a different way, replacing, among other things, the use of long circuits, unlimited transport of goods, by short circuits and local production, as much as possible. This particularly affects agriculture, which is responsible for more than 25% of greenhouse gases. It is essential to tackle the export-oriented agro-industry, which remains largely favored by free trade agreements, and to give a major place to local production, organic if possible, with the aim of achieving food sovereignty. Protecting the environment must be the top priority and come before corporate profits. Governments should be able to adopt all the regulatory measures necessary to achieve this, without having to comply with business demands.
- Trade agreements should help to eliminate tax competition, which has very serious implications for international trade. Although heads of state have always firmly rejected this approach, ever-growing social inequalities make this question unavoidable. Several solutions are possible:

⁶ Stewart Trew, *International regulatory cooperation and the public good* How “good regulatory practices” in trade agreements erode protections for the environment, public health, workers and consumers, CCPA, 2019.

minimum tax rate, tax on financial transactions, progressive ecotaxes, etc. Pressing for these ideas to advance is an important challenge for activists: free trade and tax justice are very compartmentalized subjects, and although several associations, like Attac, tackle them both, the energy must be divided nonetheless between the two concerns. In addition, the interlocutors in governments are not the same, which further complicates matters when it comes to determining who to speak to. It is possible to achieve greater tax justice within states themselves, as the Scandinavian countries demonstrate. But the liberalization of the economy on an international scale makes these achievements rare, fragile and difficult to establish, while tax competition between states acts in an increasingly damaging way. Reversing this trend becomes essential.

Of these three avenues, the fight against climate change seems the most profitable. But it also shows how the force of inertia, and the huge economic interests that benefit from it, seem to be winning for the moment. Despite the calls of scientists, despite the presence of countless demonstrators in the streets, despite actions of all kinds, despite the diversity of strategies to make the population and governments understand the seriousness of the problem, the changes necessary to act effectively on climate change is still not happening. We observe that the entities resisting these measures are also those who strongly support free trade agreements: the extractivist, automotive, chemical industries, among others. And all those who benefit from the expansion of the latter, the banks, the asset management companies, the advertising industry, the major privately-owned media, etc. The interest of these very large firms is consistent with the basic principles of neoclassical economics, so ill-suited to the turn that we must undertake, but in which we continue to believe blindly: growth, the harmfulness of taxes, the need to deregulate.

In the almost twenty years that I have fought against free trade, there have been many reasons for discouragement. The proximity of financial circles to governments is so great, so constant, that we always have the impression that our demands are barely heard, or are advancing at a snail's pace, when they are not retreating. In addition, our economic system has shown how well it can withstand shocks and come out unscathed. It has resisted the negative effects of structural adjustment plans in the countries of the South, the speculative Internet bubble of the 2000s, the economic crisis of 2007-2008, the unpopularity of the austerity measures adopted following this crisis, with the constant rise in social inequalities. Despite rethoric, it seems in fact little affected by the climate crisis. It is kept in place by offering bread and circuses to populations worldwide, a little less bread perhaps for the most deprived, a little more games for everyone. This minimum satisfaction of essential needs seems to suffice for the greatest number and ensures a Roman peace, with some troubled episodes, although temporary. And this while continuing to gradually deprive the populations of what they need (good public services, good pensions, good working conditions, etc.), making these reductions with great consistency, but in small doses, to get them accepted more easily, to make the changes less noticeable.

However, COVID-19 could mark a significant change in the way we approach free trade. The pandemic has exposed how essential it is to have a vibrant local economy and how dangerous it can be to rely on foreign markets for the supply of essential goods. The borders between countries, which were sought to be eliminated by globalization and by the proliferation of trade

agreements, have made their existence noticed again. In Quebec, a government campaign to buy locally is symptomatic of a large-scale movement that is difficult to predict now whether it will continue after the pandemic. COVID-19 has also shown the importance of having good, well-funded, well-structured public services, and reminded that strong state intervention in times of crisis can be vital to protect populations. This contradicts some very pro-business clauses in trade agreements. It seems very likely that genuine mistrust of deregulation and unrestricted movement of products, heightened by concerns about environmental destruction, will make further extensions to free trade more difficult. Years of struggles against free trade have surely prepared people to become more critical on the issue.

The fact that I continue to campaign for causes on which I often feel that my actions and those of my comrades have so little significance, despite some very real progress, is difficult to explain, even for me. Social and environmental justice will always remain an inescapable cause, and doing nothing would undoubtedly give me remorse of conscience. But also, I am convinced that the economic system which is ours is unsustainable and that it will not be able to avoid the collapse, or at least a radical transformation, even if this fall, or this mutation, will not happen before a very long time. I never felt it, however, as vulnerable as in front of the current climate crisis and the COVID-19 pandemic, and this, although the attitude of the people who support it is mostly to see nothing, to believe nothing, essentially, and not to anticipate the future. I see this as yet another reason to continue the fight, especially since what lies ahead gives rise to ever greater fears.