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Op-ed on missed FTAA deadline FTAA misses New Year's deadline; will it ever fly?

By Rick Arnold*

'Free trade' proponents won't be holding any celebrations this January 1st when the completion date for the Free Trade Area of the Americas (FTAA) negotiations passes. This 'fixed' date will be allowed to quietly expire with little official comment on why these hemispheric-wide talks have been paralyzed for over a year, and no clear indication of when (if ever) negotiations will start up again.

The FTAA was unveiled in 1994 at the first Summit of the Americas held in Miami, Florida. The sweeping proposals for an FTAA, dubbed "NAFTA on Steroids", would have extended NAFTA to 31 more countries in the hemisphere. However, it was not until April of 1998 that a four-year preparatory process began, culminating in the start of formal negotiations in 2002. Over the past seven years there have been some two dozen high level meetings involving Ministers, and in three cases Presidents, to try and get 'lift off' for the FTAA. There have been countless negotiating meetings of the 'thematic teams', and three drafts of the proposed accord floated. At each session the message was the same – a non-negotiable January 1, 2005 completion date.

Though International Trade Ministers and Chief Negotiators from the countries involved aren't prepared to say much about the failure to meet this deadline, there are several factors that have come together to derail the FTAA.

From the beginning there has been a divide between those Latin American and Caribbean nations who thought that 'free trade' negotiations should be limited to market access questions, versus Canadian and US insistence that other non-trade items such as public services, intellectual property, and investor-state provisions, had to be on the table as well. The countries pushing NAFTA expansion were forced into a major retreat during the November 2003 FTAA Ministerial meeting in Miami when they had to agree to dramatically scale back the scope of the proposed agreement to avoid a total implosion of the negotiations.

A major irritant in these talks has been US obstinacy in maintaining and even increasing agricultural subsidies, while at the same time demanding that other governments unilaterally drop their barriers to trade. Newly elected centre-left governments in Brazil and Argentina have frequently expressed frustration with this hard-line US position of demanding major concessions while ceding little in return. At the same time, Caribbean nations' insistence on special provisions to protect small economies during this process of economic liberalization has largely fallen on deaf ears in Washington. Venezuela has entered the fray and is seeking support for a different approach to trade and integration challenges in the Americas.

The growth in organized popular resistance throughout the hemisphere has been a determining factor in the missed January 1st deadline. All the FTAA negotiating rounds drew large-scale protest. Opposition to trade liberalization negotiations received a boost in 1997 from the formation of the Hemispheric Social Alliance (H.S.A.) The H.S.A. convened Summits of the Peoples of the Americas to coincide with the second and third Summits of the Americas, held in Santiago, Chile in 1998 and Quebec City in 2001. The Alliance members have also developed a very different set of proposals for integration in a document entitled Alternatives for the Americas.

With a comprehensive FTAA accord apparently on ice for the moment, the USA has opted to pursue a 'hub and spoke' series of bilateral negotiations (with itself as the hub). This shift poses a grave danger to smaller nations with fragile economies and little bargaining leverage, and has led to the H.S.A. rethinking some of its strategy in order to be able to successfully parry US divide and conquer intentions.

In the early part of the FTAA negotiations Canada acted as a battering ram for the idea that NAFTA was to be THE model for the FTAA talks. However, since the hemispheric negotiations stalled, Canada has remained on the sidelines looking to strike its own bilateral deals once the USA has moved on. This stance has been a major disappointment for governments that hoped that Canada would suggest alternative approaches.

Though the FTAA blueprint promoting corporate globalization in the Americas is not six feet under yet, the missed deadline is a powerful reminder that opposition continues to mount against 'free trade' policies that harm workers, threaten our environment and undermine democracy. For many people across the Americas this is well worth a New Year's toast!