

ATTAC-Québec Position on a Deep Economic Integration Agreement between Canada and the European Union

Canada-European Union - Consultations on the negotiations of an eventual deeper economic integration agreement with the European Union (closing on January 20th, 2009)

Text of the Association pour la Taxation des Transactions financières et pour l'Action Citoyenne (ATTAC-Québec) forwarded to Foreign Affairs and International Trade, Regional Trade Policy Division

With respect to on-going consultations on the negotiation of an eventual deeper economic integration agreement with the European Union, ATTAC-Québec would like to take this opportunity to voice its concerns.

Created in 2000, the Association québécoise pour la Taxation des Transactions financières et pour l'Action Citoyenne (ATTAC-Québec) is a non-partisan group composed of some 1,000 members and sympathizers, including some thirty organisations. The group is involved in increasing public awareness and organizing diverse actions on issues relating to financial globalization.

Our primary concern relates to the fact that the present minority Conservative government refuses to release to the public the draft of the Canada-European Union agreement, an agreement that promises to be more sweeping than NAFTA and to have a major impact on the population. According to a survey conducted by Strategic Communications (1), 77% of Canadians wanted this text released before the October 14, 2008 federal election, while 67% of Conservative voters felt that the draft should be made public immediately. We therefore question the value of the present consultation and hope that the government will release this text as soon as possible in order that a real democratic examination and consulting process take place.

Given the scarcity of information available, anyone who expresses concern on this eventual Canada-EU accord today can only do so on the basis of usually held free trade principles.

A growing proportion of the Canadian population is critical of free trade, as suggested in a recent Environics survey(2) that revealed that 61% of Canadians want NAFTA renegotiated to better protect workers and the environment. The Réseau québécois sur l'intégration continentale (RQIC), Common Frontiers Canada, the Alliance for Responsible Trade (ART-US) and the Red Mexicana de Acción Frente al Libre Comercio (RMALC), representing hundreds of thousands of workers and citizens, also ask that NAFTA be renegotiated for the same reasons.

Economic agreements are presently based on: unfair competition between unequal forces, the irrational quest for power and profits of transnational corporations, increasing deregulation and privatization, the weakening of democracy and public authorities and regulations that protect the public interest (including the interests of employees, the environment, food security, culture, etc.).

We are not averse to trade but we feel that the economy should be based on: meeting the real needs of populations in regards to food security and the environment, cooperation, social, fair and local development, the conservation and development of workers' rights and public services and the reinforcement of democracy. We therefore believe that Canada should not negotiate an economic agreement with the European Union according to the usual principles of so-called free trade.

Canada should innovate and promote new agreements based on human rights, social justice, national sovereignty and environmental protection. It must also work to meet its obligations in regards to the International covenant on economic, social and cultural rights and other treaties of the United Nations. Canada must strive to attain the goal set by the United Nations of remitting 0.7% of the GDP to aid rather than the present 0.3%. This is the avenue we favour for Canada instead of trade agreements that further deepen inequalities to ensure the prosperity of the few.

Furthermore, the **liberalisation and deregulation of financial services** according to the General Agreement on Trade in Services (GATS) of the World Trade Organization (WTO) and similar agreements have contributed to the present global financial and economic crisis. We too often fail to recognize this publicly in Canada. We therefore feel it is inadmissible for the Canadian government to contemplate further liberalisation of financial services under the Canada-EU agreement (or any other accord) since that would entail further deregulation, the opening of markets to new financial products, etc., exactly what is not required at the present time. Governments must regain their full capacity to regulate and control financial services and must therefore avoid the liberalisation of financial services and capital flows in economic agreements.

To further support our position, we recommend the following studies:

Gould, Ellen, « Financial Instability and the GATS Negotiations », July 16, 2008
<http://www.policyalternatives.ca/reports/2008/07/reportsstudies1930/?pa=6104ea04>

Vander Stichele, Myriam, « How trade, the WTO and the financial crisis reinforce each other », November 13, 2008
<http://somo.nl/files/extern/financial/trade-wto-financial-crisis>

What is true of financial services also holds in general: **governments must regain and preserve their full capacity to regulate many sectors of society in the public interest**, including the manufacturing and services sectors. In order to do so, Canada must act to modify existing agreements as well as the eventual Canada-EU agreement. It must also stand against provisions

concerning internal regulation and the transparency of the Canada-EU accord that are unacceptable because they essentially aim at weakening if not eliminating regulation that is considered too stifling by companies, as is the case for provisions in the GATS. We firmly believe that it is not up to companies to dictate which regulation or standard is acceptable. It is up to the population and public institutions accountable to the citizens, through real democratic and transparent processes, to come to a fair and acceptable balance for all.

We also wish to stress the importance of excluding public services from trade negotiations in a clear and unambiguous fashion (which is not the case for the GATS). **Public services should not be governed by trade laws because they meet essential needs (water, energy, etc.) and give effect to fundamental rights (right to health, education, work, etc.).** Our prosperity was built on the quality of our public services and they remain essential in the fight against poverty. Their development throughout the world should remain a national and international priority.

The will to ``expand our commitments by virtue of the Agreement on Government Procurement of the WTO as much as possible and to abolish all discriminatory measures and practises remaining`` is of grave concern to us. That would lead Canada further down the path of partial or complete privatization of public services, which goes against the wish of Canadians. In 2004, an Ipsos-Reid survey(3) revealed that 84% of Canadians feel that public services in Canada should be delivered by public sector workers, accountable to elected representatives and to the population, and not to companies solely accountable to their shareholders. In May 2008, a new national study conducted by Nanos Research (4) for the Canadian Union of Public Employees (CUPE) showed that a strong majority of Canadians put more trust in municipal administrations to deliver public services than they do in private companies.

We feel that a strong, quality public sector is important in general and even more so in the present economic situation. The public sector must be protected and developed. Canada can very well manage this if it stops depriving itself of important revenue as is the case in the proposal of a tax-free savings account (TFSA). According to a recent study: ``It is estimated that in 2012-2013, the TFSA will cost \$385 million to the public purse`` (5).

In concluding, although we salute the fact that the Conservative government has agreed to submit commercial treaties to Parliament, we oppose the fact that it reserves the right to ratify such treaties unilaterally and without the consensus of the Parliament. **International treaties and agreements should be submitted to members of Parliament for consideration through transparent, democratic and on-going processes throughout the negotiations, without haste and should be submitted to mandatory vote.** We invite you to improve the present international treaties and accords procedure accordingly as soon as possible.

1 <http://www.canadians.org/francais/medias/commerce/2008/08-oct-08.html>

2 <http://www.canadians.org/media/trade/2008/26-Sep-08.html>

3 <http://www.ipsos-na.com/news/pressrelease.cfm?id=2116>

4 <http://cupe.ca/updir/CUPEPollTabulations.pdf>

5 Budget 2008 - Qu'offre-t-il aux femmes ?, par Armine Yalnizyan, Centre canadien des politiques alternatives, 2008.