



The Value of Democratic Debate about International Trade Agreements

Tamara Kay, University of Pittsburgh-Pittsburgh Campus

January 2014 marked the twentieth anniversary of the implementation of the North American Free Trade Agreement, one of the most contested public policies of recent times. Contrary to what supporters promised, this treaty actually increased inequality across the continent. But its negotiation did show that wide-ranging democratic discussion can play a constructive role in exploring the full range of social and environmental effects of international trade agreements – a crucial lesson to keep in mind during new rounds of negotiation over the pending Trans-Pacific Partnership Agreement and the Transatlantic Trade and Investment Partnership.

New Debates and Activist Strategies

During and after the 1993 debates about the North American agreement, international trade went from being an esoteric technical issue to a topic of dinner table conversation. Broader understandings took shape from the mid-1980s. After economic integration was furthered by the Mexican maquiladora program of 1965 and the Canada-U.S. Free Trade Agreement of 1989, many manufacturers moved plants to areas of North America with the lowest labor costs and loosest regulatory systems. Furthermore, under the terms of the General Agreement on Tariffs and Trade, domestic regulatory laws in Canada, the United States, and Mexico could be challenged by trade lawyers and weakened in dispute settlements.

Activists woke up to the fact that national governments might no longer be able to enforce domestic rules about environmental protection, public health, workplace safety, and other vital matters. When official negotiations started about a new North American trade pact, many groups and activists recognized that crucial issues were at stake beyond the narrowly economic. Such an agreement would affect not only jobs and work conditions but also the environment, consumer goods and services, health and safety, and human rights. With the broad stakes clear, labor activists, environmentalists, and other key civil society organizations strategized and organized in new ways. They searched for common ground and learned to work together, forming a tri-national “fair trade” coalition of groups whose interests had seemed opposed not long before.

For labor, the shift was especially telling, because North American unions had previously worked in isolation and focused on their own nations. But the debates over the content – and subsequent implementation – of the North American Free Trade Agreement pushed many unions and labor leaders in Mexico, Canada, and the United States to see their interests and futures as inextricably linked and to look for ways to ally with other movements. They organized across national boundaries and formed new political alliances with environmental, consumer, and immigrant rights groups. Equally significant, labor unions moved beyond traditional workplace-centered struggles to engage in broader and more diverse efforts. If they continued to act in isolation, labor leaders realized, the power of global corporations and other free trade promoters would be impossible to counter or temper.

August 24, 2014

<https://scholars.org>

Fostering More Democratically Transparent Negotiations

The fair trade coalition could not keep the U.S. Congress from ratifying the North American Free Trade Agreement, but it did help to alter legislators' positions on the specifics of the agreement. In Washington, DC and their home regions, coalition participants mobilized to lobby Congressional representatives and threaten unresponsive ones with loss of votes if they supported the trade pact. On the eve of the crucial vote, it appeared that the trade agreement might not pass because it contained few labor and environmental protections. In response, President Bill Clinton accepted side agreements to ensure enforcement of labor and environmental laws, making the North American Free Trade Agreement the first multi-lateral trade treaty to include such mechanisms, however minimal.

In short, in the early 1990s North American labor and environmental activists made it clear that trade agreements were public business, and that they were not simply about jobs or market rules, but also about the environment, consumer protections, workplace safety, and other matters previously pigeonholed as purely "domestic." This new understanding soon diffused across the globe, inspiring social activists in many nations to demand access and relevant legal provisions when their governments negotiated trade agreements.

Continuing Struggles over Democratic Scrutiny

Right now, new rounds of debate focus on labor, environmental, and other protections in a proposed Trans-Pacific Partnership Agreement and a new version of the Trans-Atlantic Free Trade Agreement that supporters call the Transatlantic Trade and Investment Partnership. Civil society organizations want to continue the wide-ranging democratic debates that started in the 1990s, but corporations and government agencies have never stopped looking for new ways to avoid public scrutiny of trade negotiations.

Between 1995 and 1997 the Clinton administration tried to conduct secret trade negotiations of the Multilateral Agreement on Investment, which ultimately failed. Currently, the administration of President Barack Obama is likewise trying to negotiate trade agreements in secret, blocking access by Congress and civil society groups to draft documents and negotiating positions. By treating interim documents as classified, the Obama administration is blatantly violating a 2002 sunshine law supported by labor and environmental groups and is also alienating many people in both political parties.

Worse, the Obama administration's secretive approach shows that it has not learned one of the most important lessons from the 1990s. To be sure, the North American Free Trade Agreement was very flawed, but it was a better international pact than it would have been without input from many affected social groups in the United States, Mexico, and Canada. In coming months and years, any new trade agreements the United States enters into can only benefit from similarly broad democratic input. Trade agreements among nations affect many dimensions of economic and social life and they cannot be left only to self-interested insiders.

Read more in Tamara Kay, *NAFTA and the Politics of Labor Transnationalism* (Cambridge University Press, 2011).