

NAFTA and Free Trade: An Ecological Economics Perspective

May 8, 2018 webinar for the Sustainability Network

Introduction by **Paul Bubelis**, Executive Director of the Sustainability Network

Eric Miller, author of NAFTA and Free Trade: An Ecological Economics Perspective

Madison Hopper, Director of Fair Trade Toronto

Gordon Laxer, co-author of NAFTA 2.0: For people or polluters?

Followed by questions and comments from the audience

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Canada has signed many free trade agreements, including the North American Free Trade Agreement (NAFTA). In theory, free trade on the basis of comparative advantage will be mutually beneficial to all trading countries, even if one of them has an absolute advantage in producing all tradable things. In practice, many factors challenge the application of comparative advantage, when considering its requirements and costs. Modern free trade agreements affect much more than the trade of goods and services. Ecological economists tend to be critical of the current model of free trade that empowers marketplaces and restricts some powers of governments. Alternative models of global trade are needed to help conserve resources, reduce pollution, and promote more public goods.

Canada has signed many agreements. About one third of total production in Canada in a year is exported to the rest of the world. Conversely, about a third of everything consumed in Canada is imported from the rest of the world. This exchange, and other aspects of the Canadian economy, are directly or indirectly governed by trade agreements.

Canada has signed 61 free trade and investment agreements with other countries, according to the website of Global Affairs Canada. Another 30 are being negotiated or explored. Most agreements are relatively recent, with only a quarter in effect prior to the year 2000.

Some agreements are with individual countries, while others are with multiple countries. Some of these countries are economically similar to Canada, while others have different marketplaces and levels of economic outcomes.

One well-known agreement is NAFTA – the North American Free Trade Agreement.

This agreement governs most trade between Canada, the United States of America, and Mexico.

Modern free trade agreements are much broader than reducing tariffs and restrictions on the movement of goods and services. Agreements typically expand protections for intellectual property and investor rights, establish extra-judicial dispute settlement mechanisms, and mandate specific norms such as reciprocal and non-discriminatory treatment by governments. The environmental implications of these intentions are complicated and controversial.

Free trade advocates are enthused about comparative advantage

Anyone who has taken an introductory economics course will have been taught the principle of “comparative advantage”. This concept was derived in the early 1800s when there were also debates about whether international trade should be enhanced, or further restricted through

Remarks by Eric Miller author of the brief

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- Canada has signed many trade and investment agreements
- Free trade advocates are enthused about comparative advantage
- Many factors challenge the application of comparative advantage
- Ecological economists are generally critical of modern free trade
- Free trade agreements affect much more than the trade of goods
- NAFTA contains some unique and controversial provisions
- New models of trade could promote greener economies

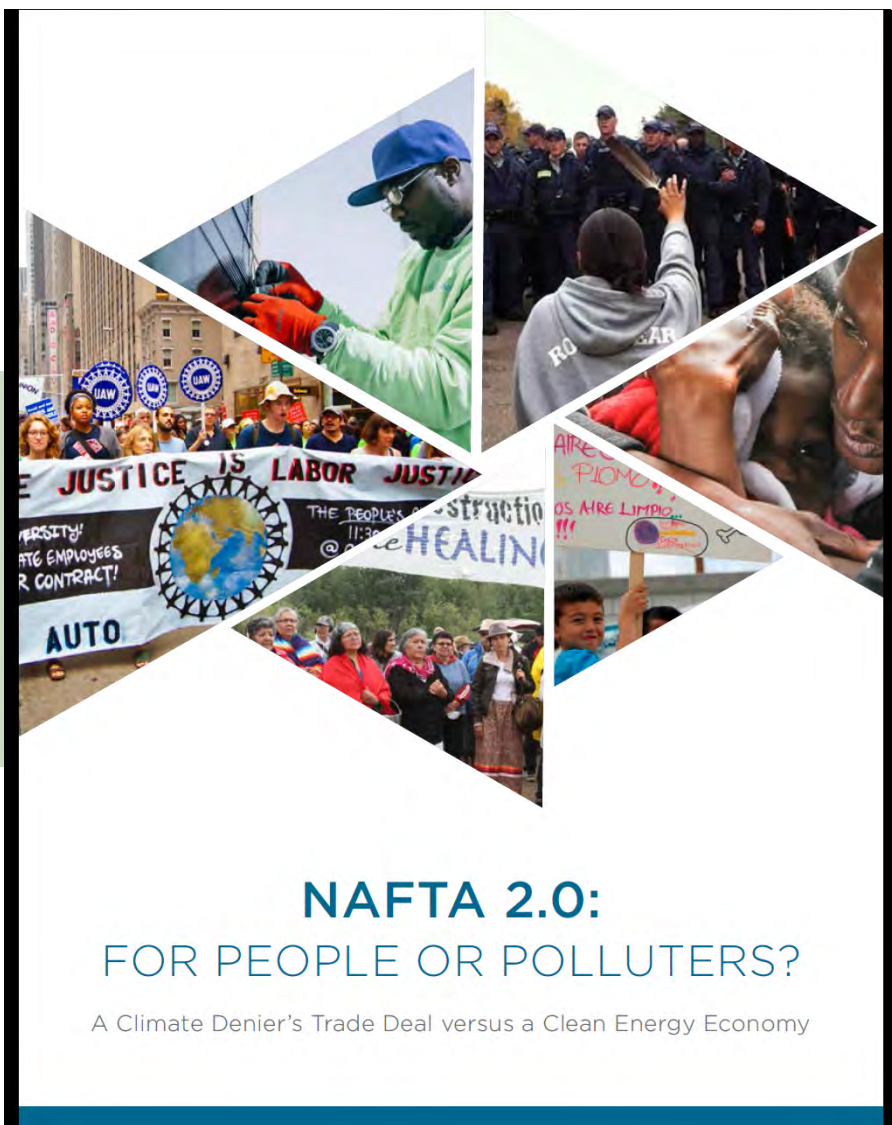
Global Affairs Canada:

“The linkages between trade and environment are multiple, complex, and the subject of many multilateral, plurilateral, regional and bilateral discussions and negotiations...

One of Canada’s important policy objectives in this area is to ensure that trade and environmental protection and preservation are mutually supportive.”

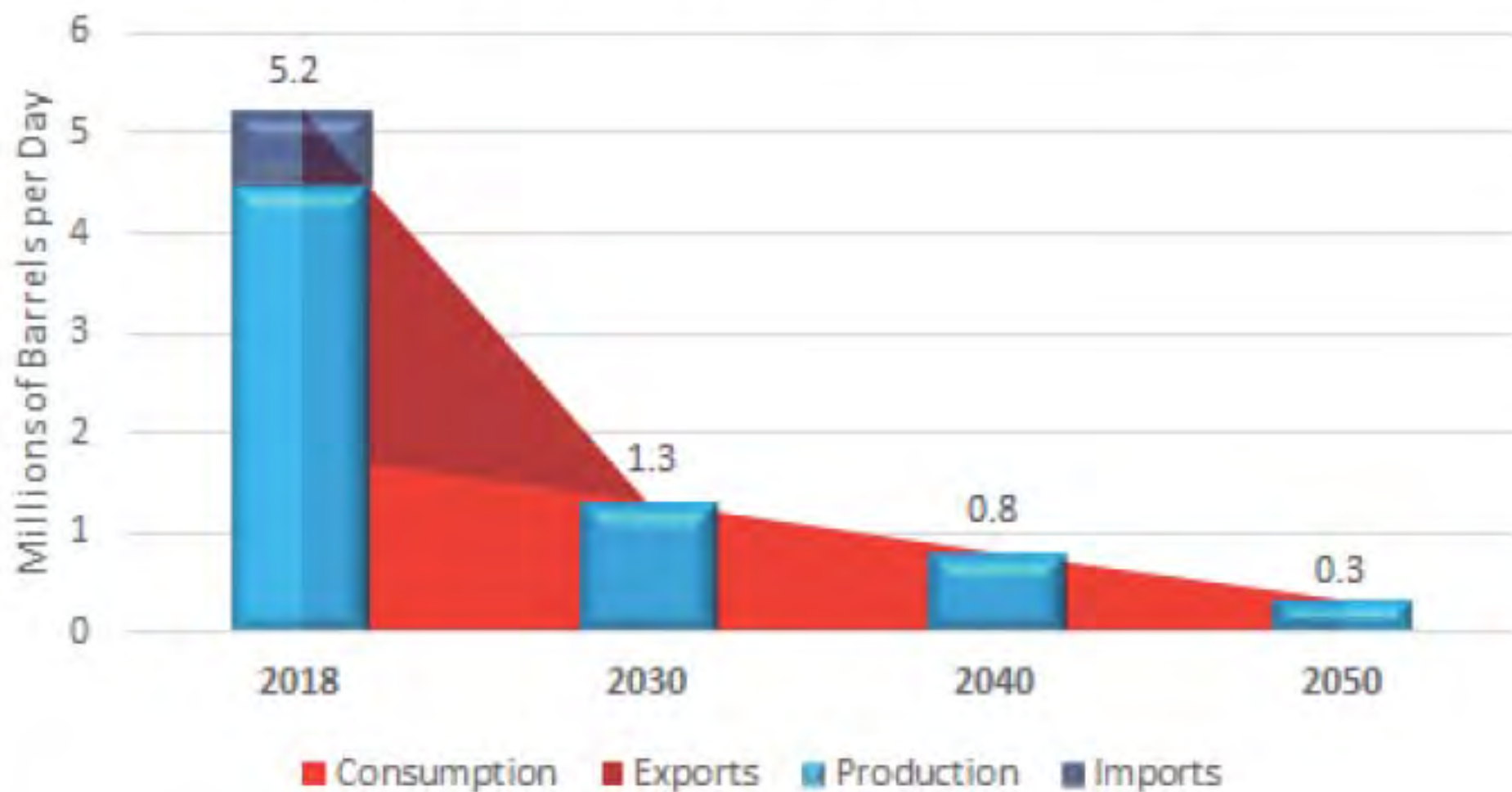


Remarks by **Madison Hopper**
Director of Fair Trade Toronto

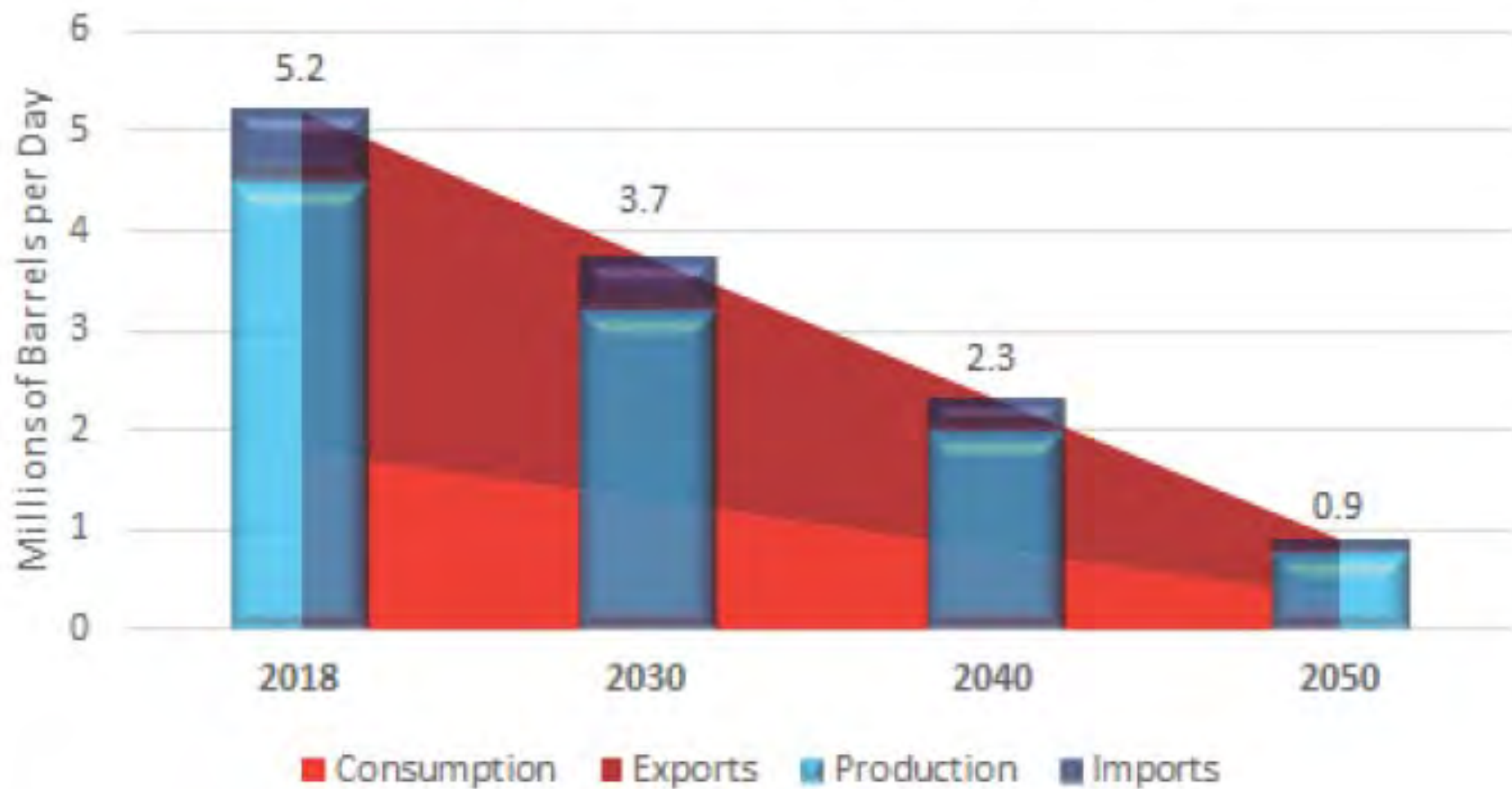


Remarks by **Gordon Laxer**
co-author of the report

Canada's Oil, Free of Proportionality



Canada's Oil, under Proportionality



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Audience questions and panel discussion

Moderated by Paul Bubelis
Perspectives from Eric Miller, Madison Hopper, Gordon Laxer

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