

# Red Flag warning on Free trade agreements

On October 30<sup>th</sup> in Brussels, amid great fanfare, Prime Minister Justin Trudeau signed the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union—a deal that will see 99% of duties eliminated across the board on all tariff lines. Our political leaders were quick to hail the pact, not the least of them Québec Premier Philippe Couillard, who claimed it will mean “jobs, prosperity and quality of life.”

Yet this agreement, like the vast majority of deals of this nature, flies in the face to democracy: it was negotiated behind closed doors, under a veil of secrecy and with zero consultation of the populations concerned, neither at the time of the talks nor prior to ratification. Moreover, the pact places corporate interests above the laws of the nations: in the case of disputes, special tribunals of ambiguous functioning, dubious transparency and questionable impartiality will have the task of ruling on matters between government and business. While it appears that Wallonia has secured guarantees that the arbitration process will be improved, judging from the last 30 years of experience, can we really bank on a promise of change?

## Free trade or the right to destroy the environment with impunity

Yves de Repentigny  
Environment Committee

This primacy of corporate profit over law also applies when it comes to the environment. Most free trade agreements allow companies to sue governments over laws and regulations, including those designed to protect natural habitats or reduce pollution, they feel are prejudicial to their business. Here are a few examples of real-life cases.

### Ethyl Corporation vs Canada

In 1997, Ethyl Corporation, a U.S. manufacturer of the fuel additive Methylcyclopentadienyl Manganese Tricarbonyl (MMT), submitted a Notice of Arbitration under Chapter 11 of the North American Free Trade Agreement (NAFTA), which came into effect on January 1, 1994, following the Parliament of Canada’s adoption of the *Manganese-based Fuel Additives Act*, a law prohibiting the import and commercial trade of MMT. This Act was passed in response to concerns over the negative effects of MMT on human health as well as on vehicle emission systems and the on-board diagnostic systems that monitor these emissions. Ethyl Corporation initially filed a claim for USD\$201 million, but the matter was settled out of the court when Canada agreed to repeal its law and pay the company \$13 million in damages.

### Pacific Rim vs Salvador

In 2009, Pacific Rim Mining Corporation (later acquired by OceanaGold Mining) filed a lawsuit against El Salvador for \$310 million (5% of the country’s GDP) under Chapter 10 of the Central America Free Trade Agreement (CAFTA). Claiming the company failed to comply with environmental requirements, the Government of El Salvador refused to grant it a permit to start digging at its El Dorado gold and silver mine property, an operation that would require excessive water consumption. This case is still pending.

### Metalclad vs Mexico

In 2000, the U.S. waste disposal company Metalclad was awarded \$16.7 million in damages under Chapter 11 of the NAFTA after the Mexican State of San Luis Potosi blocked construction of a landfill site when Metalclad refused to clean up 20,000 tons of hazardous waste that had been previously dumped on the site and subsequently expropriated the company to create a natural area for the protection of a rare species of cactus.

These are but a few of the many examples out there; they are just the tip of the iceberg. And if the past is any indication of the future, there are bound to be many more such horror stories to come!

In keeping the public on the sidelines in these trade deal negotiations, decisions are being made to the benefit of a few some whose only real interest is their own personal gain, with little or no concern for the greater good. So when these agreements threaten our public services, as is the case for education, we have the right and the duty, both as educators and as citizens, not only to question these treaties, but to demand that our States refrain from signing and ratifying them.

## Trade in services agreement (tisa): a very real threat to education!

Ariane Bilodeau  
International Action Committee

Last May, Education International, of which FNEEQ is a member, launched an urgent appeal to save education from the Trade in Services Agreement. The 23 countries or blocs engaged in these trade negotiations are Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Korea, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Switzerland, Turkey and the United States. In 2015, two countries, Paraguay and Uruguay, pulled out of the negotiations, the latter in response to growing concerns from the civil society over the potentially grave consequences of the deal. One of these centered on the private funding of education—a phenomenon referred to as “Starbuckization”—which will lead to a proliferation of low-cost private schools whose funding, administration, curriculum and programs are able to circumvent social and regional particularities and policies and result in the standardization of education and mediocre working conditions for teachers.

EI has therefore called on all of its affiliates to lobby their respective governments to have education—a sector that comes under the GATS definition of “services” being proposed for TISA—excluded from the deal. The listed reservations in the area of public services currently do not

go far enough, nor are they sufficiently defined to ensure the protection of public education under the agreement. Education is thus in a position of great vulnerability, and TISA poses a monumental threat to free, quality public education.

Leaving education on the table opens the door—and keeps it open—to foreign investors and suppliers with commercial, profit-seeking designs on the sector and ensures these private interests new rights. By setting legally binding rules on States, TISA will see to it that governments treat education providers in the public and private sectors without discrimination—a practice known as “competitive neutrality”—making any promotion of public education potentially actionable.

The Trade in Services Agreement is expected to come to a conclusion by the end of the year, probably in the final weeks of the Obama administration. Between now and then, FNEEQ, which answered EI’s call to action last May, will continue fighting tooth and nail against TISA! This agreement, just like GATS, could ultimately lead to the liberalization, commodification and privatization of our public education system. Do our governments have to be reminded, once again, that education is an inalienable human right and an essential public good?

FNEEQ signed the *Appel de la société civile francophone contre la marchandisation de l'éducation et des systèmes éducatifs* launched this past November 24<sup>th</sup> by the *Réseau francophone contre la marchandisation de l'éducation*. Rooted in the protection of the right to education, this joint declaration is to serve as a powerful lever in stamping out the social inequalities that are being accentuated by the privatization and commodification of education in countries in both hemispheres. Do not hesitate to re-tweet #NeVendezPasEducation [#NeVendezPasEducation](https://www.facebook.com/NeVendezPasEducation)

1 To learn more, see *Philantropicapitalisme et éducation* in the special publication on the World Social Forum, available on the FNEEQ Website, <http://fneeq.qc.ca/wp-content/uploads/Publication-FSM-2016-11-17-final.pdf>.