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Introduction

Extensive work has been done, in detail, to describe the history, structure and evolution of the Pacific Alliance as well as to discuss the costs and benefits of Canada joining the PA.

Taking a position from academia as a Senior Fellow at the School of International Development and Globalization at the University of Ottawa I would like to step back from the sectoral or regional arguments around the agreement and focus on a more expository 'why'.

Partially because when speaking about the agreement this is in Canada, as opposed to elsewhere, this invariably is the first question I am asked.

Why not What

Why should Canada negotiate a trade agreement with countries which it already has trade agreements?

Answering this sheds light upon the agreement that should be useful for the committee in internal debate as well as communicating with constituents.

First, this question really should be asked not just with the PA but whenever we discuss trade agreements. Our trade agreement agenda with China, Colombia, the E.U. or eventually the U.K. or whomever is next, were not and will not be to create something entirely new but rather to build upon a – trade agreement – that we already have with these countries. In every case we are negotiating a trade agreement with a country with which we already have a trade agreement - the Uruguay Round and various other agreements at the World Trade organization to which Canada is party with 163 other nations.

We find value in going beyond the basics of the WTO agreements to seek greater advantage based on the unique economic opportunities and political willingness to pursue these opportunities.

This is what we have in the Pacific Alliance. It is something that comes along rarely. When it does come along we need to seize it.

As We've Done in the Past

Since we signed our first bi-lateral agreements with members of the PA these countries have taken an even more advanced step in seeking advantage to go beyond not just the WTO but also beyond traditional bi-lateral trade agreements that build upon the WTO. This is a simple extension of the logic of trade liberalization and integration.

It is also an agenda in which Canada - had been - an active and eager participant.

The most obvious example would be the Canada-U.S. and subsequently the North American Trade Agreement, NAFTA, which in hindsight turned out to be only a stepping stones to deeper North American economic integration. We built upon NAFTA to add the NEXUS program, the regulatory

cooperation council, the beyond the border initiative, the Canada-Mexico partnership, and the recent North American Energy Ministerials.

A less known, or obvious, example is the New West Partnership Trade Agreement (NWPTA) between British Columbia, Alberta, Saskatchewan and Manitoba and its predecessor the Trade, Investment and Labour Mobility Agreement (TILMA) between British Columbia and Alberta and Saskatchewan.

Comparing text from the two agreements is instructive

NWPTA	Pacific Alliance
<p>ESTABLISH a comprehensive agreement on trade, investment and labour mobility that applies to all sectors of the economy;</p> <p>ELIMINATE barriers that restrict or impair trade, investment or labour mobility;</p> <p>ENHANCE competitiveness, economic growth and stability;</p> <p>INCREASE opportunities and choice for workers, investors, consumers and businesses;</p> <p>REDUCE costs for consumers, businesses and governments;</p> <p>PROVIDE access to information to facilitate trade, investment and labour mobility;</p> <p>PROMOTE sustainable and environmentally sound development, and high levels of consumer protection, health and labour standards;</p> <p>COOPERATE on matters related to trade, investment and labour mobility;</p> <p>MINIMIZE the impacts of other measures that may adversely affect trade, investment or labour mobility;</p> <p>RESOLVE disputes in an effective, inexpensive and timely manner;</p> <p>SUPPORT ongoing trade and investment liberalization both nationally and internationally; and</p> <p>DEMONSTRATE the benefits of freer trade within Canada by simplifying and expanding upon the scope and coverage of the Agreement on Internal Trade;</p>	<p>INSPIRED by the Presidential Declaration of Lima of April 28, 2011, by which the Pacific Alliance was established for the creation of a deep integration area, which seeks to progress progressively towards the free circulation of goods, services, capital and people;</p> <p>CONVINCED that regional economic integration is the essential instrument for Latin American States to advance sustainable economic and social development, provide a better quality of life for their peoples and help solve the poverty, exclusion and persistent social inequality that affect the region;</p> <p>DETERMINED to strengthen the previous integration schemes in Latin America aimed at fostering open regionalism, which insert members into the globalized world and links them to other regionalization initiatives,</p> <p>COMMITTED to offer business a predictable legal framework for the development of trade in goods and services, and investment, to promote their active participation in economic and commercial relations between the Parties;</p> <p>AGREE to establish clear and mutually beneficial rules between the Parties, to create the necessary conditions for growth and diversification of trade, development and competitiveness in their economies;</p> <p>CONVINCED of the importance of facilitating the free movement of people between the Parties to contribute to improving competitiveness and economic development;</p> <p>REAFFIRMING as an essential requirement for participation in the Pacific Alliance the validity of the Rule of Law and the respective constitutional orders, the separation of the powers of the State, and the promotion, protection, respect and guarantee of human rights and fundamental freedoms</p>
<p>http://www.newwestpartnershiptrade.ca/the_agreement.asp</p>	<p>https://alianzapacifico.net/en/documentos/ (author translation)</p>

What is not articulated but widely understood to be an essential *raison d'être* of the NWPTA was to enhance the regions competitiveness for trade with Asia. Or, as the Pacific Alliance phrases it, “become a platform of political articulation, economic and commercial integration and projection to the world, with emphasis on the Asia-Pacific region.”

But We Have Failed or Are Failing

While the Pacific Alliance has succeeded in its pursuit of these advanced integration objectives Canada has had mixed success to date, but the future looks bleak if not outright antagonistic to any progress.

The New West Partnership is arguably in tatters with the four western provinces reduced to fighting over license plates. Earlier attempts to rationalize and share foreign trade missions and export promotion activities died and unseemly death and now the four provinces go it alone while the Pacific Alliance countries not only forge ahead with cooperation on trade but have even reportedly opened a joint embassy in Africa.

Four countries that in recent memory were literally at war with each other have managed to bury the hatchet in pursuit of mutual economic gain while in Canada we fight over license plates.

Progress on North American integration is threatened with a severe reversal in the difficulty surrounding the NAFTA negotiations. But NAFTA is not the entirety of integration in North America. It appears that several of the post-NAFTA initiatives such as NEXUS and the Energy Ministerials will continue. The issue is that this has become less about advancement of integration and more a backdoor route to try to hold on to what we have. Meanwhile the Pacific Alliance is moving full speed ahead with new initiatives to deepen integration to become even more competitive and attractive for trade with Asia.

So, it is in this light that the PA becomes even more important to Canada.

Added Benefit with the PA

For the current Canadian government, the PA is also the most ‘progressive’ of all such deep integration schemes. For example, the PA has had working groups and a focus on gender since before our current Prime Minister stood for leadership let alone began to think seriously about trade.

There will be a cost to Canada either joining the PA as a full member or deepening its integration with the group. Access to the benefits of membership in the PA will require some concessions. Those will have to be analyzed and debated.

The purpose of this exposition is not to run through the cost-benefit inherent in this debate; it is to lay out a framework for thinking about how to evaluate data in that debate. As a final note, we will likely soon face a debate over whether to enter a trade agreement with the U.K. One argument, perhaps the strongest, that will be put forth to justify doing so is that the cost of negotiating and entering in to an agreement with the U.K. will be extraordinarily low – we can build on the E.U. agreement, etc.

Other Writing on the Pacific Alliance

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5. A Gateway to Latin America. May 2015. World Trade Centre Winnipeg. <http://www.wtcwinnipeg.com/en/news/a-gateway-to-latin-america/>
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 - b. Korea Institute for International Economic Policy. Jun 2013. http://prezi.com/mptv2ciqjd7/?utm_campaign=share&utm_medium=copy