



2001 SUMMIT

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Revitalizing Negotiations

The state of democracy in the hemisphere has dominated discussions at the last two meetings of the Summit Implementation Review Group (SIRG), as well as recent issues of our newsletter. In the weeks and months leading up to the Quebec City Summit in April, trade seems set to move to the top of the agenda. A meeting of the Free Trade Area of the Americas (FTAA) Negotiations Committee is scheduled to take place on January 24-25, and the drafting process for action items in the "Creating Prosperity" Summit basket will begin at the January 30-February 1 SIRG meeting. Both events are eagerly awaited, as they will give us a sense of where the countries of the region stand prior to the Buenos Aires Trade Ministerial meeting two weeks before the Summit.

Some major challenges to completing trade negotiations by the 2005 deadline remain to be addressed, but the political will and enthusiasm of 14 newly elected leaders in the hemisphere has brought a general feeling of optimism. Most onlookers expect that the pro-free trade Bush administration will gain the fast-track authority needed to negotiate a comprehensive trade deal. President Lagos of Chile has created waves with his proposal to advance the FTAA deadline to 2003 and to open FTA negotiations with the United States. And the fresh energy emanating from the business-savvy Fox cabinet in Mexico may be a further catalyst to kick-start the stalled negotiation process.

The obstacles to creating a hemispheric free trade area are well known;

some of them have been around since negotiations were launched at the Miami Summit in 1994. At the sub-regional level, financial crises have slowed down the process, and only modest economic growth is predicted for most sub-regions in the coming years. Economic and political strife in the Andes has been a particular concern, while some of the larger countries in the hemisphere have put the emphasis on building sub-regional trade blocs and links with other world regions. Taking account of the needs of smaller economies (primarily in Central America and the Caribbean) has also been an issue. In the past these countries could integrate into the world economy through a combination of aid and differential treatment, allowing them to adopt economic reforms at a slower pace. Now, they increasingly have to play by the same rules as large countries.

The question of how to address labor and environmental standards in the context of the FTAA likewise remains unresolved. Latin American leaders are willing to cooperate on a labor and environment agenda that complements trade negotiations, but most of them would oppose linking these issues to the actual trade agreement, fearing this would stifle trade and investment instead of boosting economic growth. The participation of civil society in the negotiation process is another sticky issue. The creation of the FTAA Committee of Government Representatives on the Participation of Civil Society represented a small first

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Civil Society Prepares for the Summit

With the objective of promoting constructive dialogue and collaboration between civil society organizations and governments of the hemisphere in the process leading to the Quebec City Summit, Participa of Chile, in partnership with the Esquel Group Foundation (USA) and FOCAL (Canada), developed the initiative "Citizen Participation: From the Santiago Summit to the Quebec City Summit." At the core of the initiative was a process of national civil society consultations in 17 countries of the region to submit proposals to governments on established agenda items of the Quebec City Plan of Action. Specific issues discussed at the consultations included: civil society participation, women, corruption, education, sustainable development, human rights, indigenous issues, and trade and microenterprises. The consultations did not seek to be representative of all civil society organizations in the region, but were rather a process that enabled a broad range of civil society organizations to learn about the Summit process and participate in it. Participa led its own national consultation in Chile, while the following civil society organizations held meetings throughout the rest of the hemisphere:

Espiral, Mexico
 Fundación Dr. Guillermo Manuel Ungo, El Salvador
 Instituto de Investigación y Autoformación Política, Guatemala
 Fundación Democracia y Desarrollo, Honduras
 Participación Ciudadana, Dominican Republic
 Association of Development Agencies, Jamaica
 The Network of NGOs of Trinidad and Tobago for Advancement of Women
 The Granada Community Development Organization
 The Women for Development Unit, Barbados

Centro de Estudios Internacionales, Universidad de los Andes, Colombia
 Associação Gaúcha de Proteção ao Ambiente Natural, Brazil
 Fundación Esquel, Ecuador
 Centro de Estudios y Promoción del Desarrollo, Peru
 Centro de Información y Recursos para el Desarrollo, Paraguay
 Asociación Encuentro, Uruguay
 Asociación Conciencia, Argentina

The results of the national consultations will be discussed at a final hemispheric meeting on January 18-20, 2001 in Miami, Florida. Participants at this high-level meeting will include government representatives (the national coordinators of the Summit Implementation Review Group [SIRG], ambassadors to the OAS, and other officials involved in the Summit preparations), along with the civil society

organizations that led the national consultations, thematic civil society networks, and representatives of international organizations. The two-day event will facilitate constructive dialogue between government officials and civil society participants within the framework of the Summit process and promote the incorporation of civil society proposals into the official Summit negotiations.

Participa (www.participa.cl) is responsible for the general coordination of the event, gathering the national consultation results, producing a final report on the process, and disseminating the findings to the governments of the region in time for the Quebec City Summit.

Stacey Wilson-Forsberg
 Policy Analyst, FOCAL

Negotiations *continued from page 1*

step on the part of negotiators to receive the views of civil society, and was in many ways unique to trade negotiations. But the one-way "mailbox" mechanism has proved to be highly inadequate. Finally, in what may be their biggest challenge, governments of the region will have to make sure that the benefits of economic growth through free trade are more evenly distributed. At least so far, free trade has not been associated with the improvement of the daily lives of the poorest sectors of the hemisphere's population.

These challenges may seem daunting, but the outlook for meeting the 2005 FTAA deadline seems better today than it has in a long time. Supporters of a hemispheric free trade area hope that the Quebec City Summit will create the kind of positive dynamic between heads of governments needed to make headway on these significant issues. The event will be a bona fide "meet and greet" for the hemisphere's newly elected leaders, an occasion not only to get better acquainted with one another, but also to launch innovative ideas and thoughtful recommendations. Canada as Summit host will be in a prime position to use its long-standing experience with the process and to harness this new energy. If all goes well, Quebec could be remembered as the Summit that instilled a new dynamic into the FTAA negotiations, making it possible to tackle existing obstacles and paving the way for the agreement's conclusion on schedule.

Stacey Wilson-Forsberg, Policy Analyst, FOCAL
 Gerd Schönwälder, Deputy Director, FOCAL

Bush in Quebec City: What to Expect?

US President-elect George W. Bush is sure to be the focus of much attention at the 2001 Summit after his razor-thin election victory. The Quebec City Summit will be Bush's first major international event, and the region eagerly awaits indications of where the new US administration's policy toward the Americas is headed. Most observers have expected Latin America to be a priority for Bush, given his experience as governor of Texas. Bush himself has encouraged these speculations with campaign statements about the United States' 'special relationship' with Mexico and his declared intention to make the region as a whole a cornerstone of US foreign policy.

The Free Trade Area of the Americas (FTAA), a key issue on the Summit agenda, is one area where Bush's victory may make a difference. The Republican president-elect supports free trade without the labor and environmental safeguards favored by his Democratic challenger, and the Republican-led Congress will likely give the administration greater authority to pursue the negotiations. As a result, the FTAA is expected to advance at a quickened pace under Bush, but it will likely fuel strong opposition from labor and environmental groups and other civil society actors advocating the incorporation of social issues in any eventual trade accord. Questions also remain as to whether Bush can secure fast-track authority before the April 2001 Summit, given the current political gridlock in Washington. An eventual compromise with moderate Democrats may be needed before the process can move forward.

Generally regarded as inexperienced on the foreign policy front, the new president faces a steep learning curve and a number of challenging regional issues, including a worsening civil war in Colombia and weakening democratic institutions in a number of countries. The US has been criticized for its 'war on drugs' and military approach to the conflict in Colombia, and many fear an

intensification of such policies under the new administration. Most analysts also believe that regional institutions such as the OAS should be given a stronger mandate to address key hemispheric issues, and there is concern over a greater tendency toward US unilateral action under the Republicans. Thus far, Bush's commitment to multilateralism (its institutions and its moral force) is unclear. In the case of Cuba especially, the new administration's ties to the powerful Cuban exile community in Florida could result in a harder line toward the island than that taken by President Clinton.

Despite these concerns, many feel that Bush's interest in Latin America represents

a positive opportunity for closer relations between the countries of the region and could raise the United States' awareness of its southern neighbors. Ironically, Canada, the host of the 2001 Summit, is concerned that the new administration will be so focused on Latin America that Canada may lose its status as the number one US trading partner. Many Canadians wonder whether the Bush team's vision of the Americas will even include Canada, or whether the US will engage with its northern neighbor on regional issues only when convenient.

James Buchanan
Policy Analyst, FOCAL

Trade Links

<http://www.ftaa-alca.org>

Official home page of the Free Trade Area of the Americas process (FTAA). This site follows the process initiated at the 1994 Miami Summit to integrate the economies of the Western Hemisphere into a single free trade arrangement.

<http://www.sice.oas.org>

Information technology arm of the Trade Unit of the Organization of American States (OAS). Provides the most complete information on trade in the Western Hemisphere.

<http://www.infoexport.gc.ca>

Canadian Trade Commissioner Service. Excellent country reports on trade from a Canadian perspective.

<http://www.iadb.org/intal>

Institute for the Integration of Latin America and the Caribbean, part of the Integration and Regional Programs Department of the Inter-American Development Bank (IDB). Produces excellent research articles on hemispheric integration and a useful external trade statistics database.

<http://wbi018.worldbank.org/external/lac/lac.nsf>

The World Bank Group supports economic integration policies as well as the Summit of the Americas agenda. Excellent source for news and analysis on economic development.

Labor at the Summit

Labor issues have been at the forefront of the Summit of the Americas debate, as well as the Trade Ministerials that have framed the Free Trade Area of the Americas (FTAA) process. Past summits have dealt with labor and environmental questions as part of non-trade-related baskets, and until recently most bilateral trade agreements relegated these concerns to side agreements. The controversy has revolved around efforts to link international labor standards to trade expansion; specifically, to condition the opening of world markets on adherence to internationally recognized worker rights. These include freedom of association and the right to bargain collectively, prohibitions on child and forced labor, and non-discriminatory practices in the workplace.

Labor organizations boycotted the first Summit of the Americas in Miami, while at the second Summit in Santiago, unions and worker rights activists from across the hemisphere joined social organizations in a "People's Summit" held during the official talks. The People's Summit produced a platform of social and labor "alternatives" (<http://www.asc-hsa.org/documentos.html>) based on the premise that supra-national trade and investment issues directly affect society at all levels of the development process. This platform served as the basis for the formation of the Hemispheric Social Alliance, which will organize a second People's Summit in Quebec City (www.peoplessummit.org). Since the Santiago Summit, unions

and NGOs have made significant progress in seeing their concerns addressed in the talks for hemispheric integration. The Hemispheric Social Alliance has received excellent press and some official support for its letter demanding the "liberation" of the texts of the nine FTAA negotiating groups to the chair of the Trade Negotiations Committee. The Canadian government recently made public the positions it presented to the negotiating groups, a key step toward increasing the transparency of the proceedings. Another important development was the inclusion of labor and environmental provisions in the recently negotiated free trade agreement between the United States and Jordan. These provisions appeared in the main body of the text, instead of in separate side agreements, as they did in NAFTA. Similar language purportedly is being discussed in agreements the US is negotiating with Chile and Singapore.

The debate over worker rights has served as an important "wedge" to open the Summit process to greater civil society input. Efforts at institutionalizing civil society dialogue and promoting action on social and labor rights within MERCOSUR have been exceptional, and the change in government in Mexico has raised hopes for a similar trend there. The Chilean government also has worked to promote public discussion of the social issues involved in trade.

Worker rights are now a part of the larger agenda supported by wider segments of civil society. Labor issues will feature more prominently not only in the coalitions that develop around specific events, including the Summit, but also as part of growing national dialogues. In the meantime, the continuing debate over such civil society concerns as environmental protection and enforcement of international labor standards has the potential to bring increased participation and transparency to the Summit process.

Bruce A. Jay
Senior Analyst, SOAC

Summit-Related Events

January 18-20, 2001; Participa, Final Hemispheric Conference to present results of civil society national consultations; Miami, United States

January 24-25, 2001; FTAA Trade Negotiations Committee Meeting; Lima, Peru

January 26-27, 2001; Meeting of the Leadership Council for Inter-American Summitry; Coral Gables, Florida

January 30-February 1, 2001; XXI Meeting of the Summit Implementation Review Group (SIRG); Washington, D.C., United States

February 2001; Meeting of Energy Ministers of the Hemisphere; Cancún, Mexico

February 16, 2001; Meeting of Special Committee for Inter-American Summits Management of the Organization of American States (OAS); Washington, D.C., United States

March 5, 2001; XXII Meeting of the Summit Implementation Review Group (SIRG); Barbados

March 7-8, 2001; Inaugural Meeting of the Inter-Parliamentary Forum of the Americas; Ottawa, Canada

March 12-13, 2001; Inter-American Juridical Committee (IAJC) Winter Meeting; Ottawa, Canada

March 14-15, 2001; Meeting of Transport Ministers of the Hemisphere; Uruguay

March 17-21, 2001; Inter-American Development Bank (IDB) Annual Meeting; Santiago, Chile

March 20-21, 2001; Meeting of Finance Ministers of the Hemisphere; Toronto, Canada

March 29-30, 2001; Meeting of Environment Ministers of the Hemisphere; Montreal, Canada

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