

International

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*Social Charters and Free Trade
The Politics of Contradictions*

As the US Presidential election race heats up down south, the debate over free trade is suddenly being resurrected. Four years ago, Ross Perot led the charge with a blistering critique on the economic and social impacts of NAFTA. While both Bill Clinton and George Bush essentially campaigned in support of the NAFTA deal, the Perot challenge forced Clinton to distinguish his position from that of Bush by calling for the addition of labour and environmental side-bar accords. Although the side-bar accords proved to be mainly cosmetic devices, they were enough to put Clinton over the top in the 1992 election.

Four years later, a similar scenario may be emerging. With Pat Buchanan leading the charge in the primaries, anti-NAFTA sentiment was stirred up to an almost fever pitch, particularly among American workers, most of whom traditionally vote Democrat. Once again, this poses a dilemma for Bill Clinton. Both he and his Republican opponent, Bob Dole, are stalwart champions of NAFTA and free trade. To distinguish the Democrats from the Republicans (and to stave off a potential challenge from Ross Perot again), we may well find Clinton calling for a modest renegotiation of NAFTA to include some form of social charter.

The idea of incorporating a social charter in comprehensive trade agreements has been around for some time. The European Common Market, for example, includes a social charter designed to protect basic labour and social standards in its member countries. Unfortunately, the European experiment has demonstrated the limitations more than the benefits of a social charter, largely because of the lack of built-in enforcement mechanisms. More recently, labour and citizen movements in each of the three NAFTA countries have begun to put increasing priority on promoting a form of social charter as a means for renegotiating the continental free trade regime.

To date, the proposals for the inclusion of a social charter in NAFTA have been focused on ways of ensuring and protecting basic labour, social and environmental rights and standards. In theory, a social charter would serve to curb the negative effects of free trade by providing basic standards for the operations of transnational corporations and investment

under NAFTA. In effect, this would mean that the guarantee of free market access to foreign-based corporations in all NAFTA partner countries would be contingent upon the recognition of basic labour standards (e.g., public health care, education, social assistance, etc.) and environmental standards (e.g., pollution controls, export quotas on natural resources, etc.)

To move in this direction, however, is to engage in the politics of contradiction. After all, free trade deals like NAFTA were, first and foremost, designed to be a bill of rights and freedoms for transnational corporations. Their prime purpose is to provide transnational corporations with free access to domestic markets (in this case, the Canadian market), unfettered by government intervention and regulation. Thus, the "national treatment" clause in NAFTA guarantees that foreign investors in Canada have the same rights and freedoms as Canadian firms while the "investment codes" ensure that certain regulatory measures in Canada (e.g., foreign investment requirements, export quotas, job content, local procurement, and technological specifications) will be removed.

To incorporate a comprehensive social charter would fly in the face of the central core of NAFTA. Each of the main components of NAFTA — the investment code, national treatment clauses, the resource code, the cross-border services clauses, the intellectual property rights code — are all designed to remove restrictions to the free flow of capital. The number one priority here is to create a "level playing field" for the movement of investment, goods and services. If any labour, social and environmental standards are to be maintained under this model of free trade, they will be based on a lower rather than a higher common denominator among the participating countries. A social charter, without strong enforcement mechanism, would likely serve to enforce, rather than reverse, the trend towards lower labour, social and environmental standards here in Canada.

Take, for example, our publicly funded, universal health care system. While the federal government maintains Canada's Medicare system is fully protected under the "public purposes clause" of NAFTA, the US government and its profit-oriented, mega-health care corporations have a different reading. Unless health care services are fully government-funded and operated, they are subject to the investment rules of NAFTA. In effect, this means that a wide range of services which have been partially privatized or commercialized under our public health care system here in Canada — including community health clinics, diagnostic services, cataract operations and X-ray labs — will soon be subject to takeover by US corporations under the provisions of NAFTA. In other words, the inclusions of a social clause to protect these basic health services may well prove to have been ineffective.

It remains to be seen, of course, whether Bill Clinton tries to woo wayward Democrats fired up by Pat Buchanan's anti-NAFTA attack (or Ross

Perot's subsequent challenge) through calls for the inclusion of a social charter. If so, the proposals will, more than likely, be cosmetic. After all, a comprehensive social charter with strong enforcement mechanisms would undercut the very core of NAFTA itself, namely the investor's code. Moreover, both Clinton's and Dole's campaigns for the presidency will, in all likelihood, be heavily bankrolled by the same transnational corporations who, under the auspices of the US Business Round Table, brought us NAFTA in the first place. And since they, in turn, are among the 500 corporations which now control over 70 per cent of global trade in goods and services and the 350 of these that own half the total stock of direct foreign investment throughout the world, we can be assured that every effort will be made to see that any social charter proposals for the renegotiation of NAFTA are merely cosmetic devices.

If labour and social movements in Canada, Mexico and the US (as well as Chile) want to press for a renegotiation of NAFTA based on a social charter strategy, the package would be a comprehensive one with strong enforcement mechanisms, aimed at prying open and dismantling the core elements of the deal. In the end, this would be a more productive use of the politics of contradiction.

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Disabilities

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Disabled Persons Community Resources

Quality of Life for Persons with Disabilities: A Building Code Issue

In January 1996, the Harris Government released "Back to Basics: A Consultation Paper on the Focus of the Ontario Building Code". It states that "the Government of Ontario has made a commitment to return Ontario to prosperity".¹ The consultation paper proposes to do so by eliminating accessibility requirements in buildings in order to cut development costs. The recommendations in this consultation paper appear to reflect the sentiments of large and small builders who have expressed concern that "the balance between public goals and cost-effectiveness of the Building Code has, in some cases, shifted".² These builders are concerned that some of the present Ontario Building Code requirements add extra expense to building costs.

The Ontario Building Code Act was first passed in 1974 and since then barrier-free access provisions have been broadened twice including changes in 1986 and 1990. The consultation paper "Back to Basics" proposes to set the clock back and eliminate more than twenty years of progress towards