

What is the FTAA?

The Free Trade Area of the Americas (FTAA) is the expansion of the North American Free Trade Agreement (NAFTA) to every country in Central America, South America and the Caribbean, except Cuba. Negotiations began after the completion of NAFTA in 1994 and are to be completed by 2005. A total of 34 nations are expected to be included in the FTAA, which would create the largest free trade zone in the world.

What is the Summit of the Americas?

The plan to unite the economies of the Western Hemisphere into a single free trade agreement began at the Summit of the Americas, held in December 1994 in Miami. The FTAA negotiations were formally launched in April 1998 at the Second Summit of the Americas in Santiago, Chile. The Third Summit of the Americas was held in April 2001 in Quebec City, where a number of key decisions were made regarding the FTAA negotiations and Ministers received a draft text of the FTAA agreement from the negotiating groups. The draft text was not made public at that time.

What is the stated purpose of the FTAA?

The stated purpose of the FTAA is to reduce barriers to the free flow of goods, products and services within all the countries of the Americas. There is currently a complex set of trade agreements between a range of nations in the Americas. Supporters of the FTAA believe that the current trade agreements unfairly set restrictions on certain industries and particular countries, and that these restrictions, tariffs and protectionist measures reduce the economic efficiency and well-being of populations across the Americas. A single free trade area with rules that are equal for all and enforced by a central commission would increase prosperity through open markets, hemispheric integration and sustainable development.

Why do people oppose the FTAA?

Opponents argue that the FTAA is essentially an expansion of NAFTA, and that NAFTA's legacy demonstrates unequivocally that this expansion should be opposed. They believe that these agreements threaten the environment, labour rights, human rights and democracy, placing commercial interests above all other values. Specific concerns of the opposition include the following.

Corporate Interests Have Been Heard but Public Interests Have Not

- The document has been primarily negotiated in secret. In Canada, there has been no public consultation or debate in Parliament. Citizens' groups and even the United Nations have not been able to participate in the process, whereas corporate interests have taken part in meetings and advised negotiators.

The Agreement Will Undermine Labour Rights and Cause Further Job Loss

- NAFTA resulted in corporations moving operations to other countries to access cheap labour and take advantage of weaker labour standards. This resulted in extensive job loss in the home country and underpaid workers with no labour rights protection in the country to which the corporations moved. It is believed that, under the FTAA, this type of labour rights erosion will continue as corporations set exploited workers in Mexico against even more desperate workers in countries such as Haiti and Guatemala.

The Agreement Will Increase Environmental Destruction

- The export-driven growth model promoted by free trade agreements destroys the environment because it encourages countries in the global South to exploit their natural resources for much needed currency. This environmental destruction is further compounded by the fact that the increased industrial activity occurs without providing any environmental protection. In fact, the environmental laws of all countries within the Americas are threatened since corporations will be able to sue governments directly for lost profit resulting from the passage of laws designed to protect health and safety or environmental standards.

The FTAA Gives Corporations Too Much Power

- The FTAA gives transnational corporations the right to compete for and challenge every publicly funded service of its governments, including health care, education, social security, culture and environmental protection. Certain provisions and inclusions within the FTAA could remove the ability of governments within the Americas to create or maintain laws, standards and regulations to protect the health, safety and well-being of their citizens and the environment.

Information for this backgrounder was collected from the Official FTAA site at www.ftaa-alca.org, the Global Exchange FTAA page at www.globalexchange.org/ftaa and the Council for Canadians website at www.canadians.org.