

T16P01 / The Resurgence of Economic Nationalism vs. "Progressive" Trade Agenda: Issues and Strategies

Topic : T16 / GLOBAL POLICY

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GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

Since 2017, the Government of Canada is promoting a “progressive” agenda in international trade. Canada is indeed officially encouraging a more equitable, “middle-to-lower-class” centered approach to world trade and regional trade. To implement such an approach, Canada is trying to include new social and environmental dispositions to its free-trade agreements. The Canadian government hopes to reform commercial treaties on a number of aspects, such as working conditions, environmental protection, gender equality, and the rights of First Nations. This “progressive” trade agenda was, for instance, among the themes of the Canadian G7 Summit held in 2018. Yet, this agenda clashes with the rise of populism and the resurgence of economic nationalism around the globe. Besides, it also clashes with some of the trade practices of Canada itself.

Shortly after President Donald Trump entered office for example, a presidential decree was signed which ended the United States’ participation in the Trans-Pacific Partnership (TPP). This treaty (not devoid of nationalist motivations in the first place) was notably devised as a counterweight against China and was signed in 2015 by twelve countries in Asia and the Pacific, including Canada and the US, which together represented 40% of the world’s GDP. Following the withdrawal of the US, Canada partook in new discussions with the ten other partners of the original agreement to conclude a new “Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) including additional exceptions on culture, intellectual property, and foreign investment. On the other hand, Canada’s wish to conclude such a multilateral deal also reflected its own, strategic commercial repositioning toward Asia in reaction to the rise of American protectionism, a repositioning which can help explain some of its contradictory positions on the environment, the rights of First Nations, and the Trans-Mountain pipeline project.

During the first months of its presidency moreover, Trump imposed a renegotiation of the North American Free Trade Agreement (NAFTA), presented as the “worst trade deal of all time,” on its Canadian and Mexican partners. It should be recalled, however, that this is not the first time that Canada and the world have to face the US’ protectionist inclinations. In the early and mid-1980s, the Reagan administration (1981-1989) considered the trade practices of Japan, Europe and the “Asian Tigers” as detrimental to the US economy. Harsh criticisms were also addressed to Mexico, China and NAFTA during the presidential elections which saw Bill Clinton (1992) and Barack Obama (2007) elected to the White House. The words of Clinton’s adversary, Ross Perot, who evoked the “giant sucking sound” of jobs leaving for Mexico, or the words of Obama himself who described NAFTA as “unjust” for workers and as having never benefited the US, were still resonating during the last presidential campaign. Canada’s “progressive” agenda, besides, is reminiscent of the Clinton administration’s which insisted on reopening NAFTA to include parallel agreements on working standards and the environment.

On the other side of the Atlantic, on June 23rd, 2016, a slight majority of British citizens voted in favor of the withdrawal of the United Kingdom from the European Union. Following this referendum, the British government currently headed by Theresa May adopted an aggressive posture by promoting the UK’s complete withdrawal from both the EU’s Customs Union and Single Market, and by prioritizing new “bilateral” negotiations with Commonwealth countries, notably. Despite the positive discourses of Canadian Prime Minister Trudeau, German Chancellor Merkel, or French President Macron, pessimism with regards to free trade is palpable everywhere.

Paradoxically we are witnessing a communist dictatorship, of which a large part of the economy is dependent on state corporations and public investment, become one of the most important proponents of free trade. Chinese President Xi Jinping, indeed, presented himself as a fervent advocate of globalization and trade liberalization in its opening speech at the 2017 World Economic Forum in Davos. According to him, “globalization has powered global growth and facilitated movement of goods and capital, advances in science, technology and civilization, and interactions among peoples.” Other world leaders, such as Japan’s Prime Minister Shinzo Abe, opted for a low-profile approach and prioritized direct bilateral contacts with the new American President to remind him of the economic and security interest linking their countries. In any case however, “national” interests now seem to

override liberal principles.

In this context, Canada's "progressive" agenda seems to clash with the increasingly nationalist and protectionist turn that characterizes international political economy since 2008. The objective of this conference is to take stock of the true meaning of such an agenda, and of the ways in which the resurgence of economic nationalism – in the US, Europe and Asia – is forcing Canada and other industrialized countries to rethink their commercial strategies. These issues will be addressed from different angles – theoretical, historical, commercial, fiscal, legal, political, diplomatic, military, environmental, and social – by foremost experts from Quebec, Canada, the US, Europe and Asia. This conference is thus meant to be one of the first meeting points for academics working on international trade and economic nationalism, in a context where it has become impossible to invoke one without invoking the other.

CALL FOR PAPERS

We are looking for papers about:

- 1) the return of economic nationalism and its impact on trade policy at the multilateral level but also in bilateral trade negotiations like the recent USMCA (new NAFTA).
- 2) We are also interested by papers about the "new progressive trade agenda". How to make trade more inclusive? How to include more women in trade activities? How to better protect Human rights, the environment, labor rights?