

## -Miami FTAA Results a Complete Wash- Thirty-four Ministers sign unsatisfactory agreement

**By Aaron Cosbey**

The Trade Ministers of the western hemisphere gathered in Miami in November to hammer out progress on a proposed Free Trade Area of the Americas (FTAA). In the end, talks concluded a day early—something unheard of in international trade negotiations, where the norm is to cobble together desperate deals at the eleventh hour.

The Ministers did not, however, earn their unscheduled day off. Upbeat press releases notwithstanding, what happened in Miami was not agreement on how to move forward, but rather agreement to scuttle ambitions for a deal of any value.

The Miami negotiations were supposed to refine a draft agreement that covered nine diverse areas, including trade in agriculture and services, and rules on such things as investment, intellectual property rights and competition.

The U.S., however, refused to reduce domestic agricultural support and lower agricultural tariffs at anything but the global level, arguing that this would allow the EU and other subsidizers to have a field day in world markets. Brazil—the prize of the proposed FTAA from the U.S. perspective—refused in turn to budge on issues sensitive to it unless it got better U.S. market access for its agricultural exports.

So the two stitched up a deal to which the other 32 countries reluctantly signed, committing to bare

bones agreement in all nine negotiating areas, with the possibility of negotiating deeper commitments in selected areas among sub-groups of the whole. The regional-level agreement would serve as a minimalist “buffet tray,” with no commitments on agriculture or Brazil’s sensitive issues, onto which countries could pile up whatever additional commitments they chose to take.

The Ministers can boast of broad agreement, but they had to torpedo ambition and common sense to get it.

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Brazil had good reason to resist negotiating in the areas of intellectual property, investment, services and government procurement. For example, the NAFTA has taught us that investment rules can be used by investors to attack government public interest regulations in areas such as environmental protection and public health. And stronger intellectual property rights disciplines would push essential medicines further from the reach of the poor.

With Brazil pushing hard, we might have achieved agreements in these areas that actually served the hemispheric interest. But the current agreement allows the U.S. to push through plurilateral deals that are bad for developing countries while Brazil,

which is strong enough to be able to do so, opts out. The rest of Latin America will be relentlessly divided and conquered by the U.S. in this kind of negotiating forum.

Lowered ambition also means a missed opportunity for Canada and others that, like Brazil, want the U.S. to cut back its bloated domestic agricultural support programs and lower trade barriers in key areas.

The buffet tray approach also means that we can forget any hopes for a regional environmental mechanism. Some environmentalists had called for an institution to track and manage environmental concerns at the regional level, and build capacity in the hemisphere to better manage environmental challenges. Though Canada has included such an institution in all of its free trade agreements in the hemisphere to date (albeit with no real budgets) a scaled-back regional agreement, scrubbed of any controversial elements, would surely mean a break in that trend.

The Miami deal should also worry developing countries outside the hemisphere. These countries have tried to rely on a strong rules-based multilateral system to protect their interests against trade bullies such as the U.S. and the EU. But since the failure of the world trade talks in Cancun in September, the U.S. has redoubled efforts to sew up bilateral deals, where it has much less trouble getting what it wants. Multilateralism, dealt a body blow by the Cancun results, has taken another powerful hit.

The Cancun failure, embarrassing and demoralizing for the Ministers, haunted them as they negotiated in Miami. Many charge that the skimpy results of the meetings were a desperate attempt to avoid another outright collapse.

The public interest would have been better served if the Ministers had frankly admitted failure and vowed to continue working. If all we can get is a poor deal, we may as well have no deal.

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