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2. Social Structure and the Economy

The growing *inequality in income and wealth distribution* in the region was on the mind of many participants. Some argued that economic inequality should be addressed through targeted social policy. There was an extensive debate about the applicability of social rights and environmental protection clauses in trade agreements, with some doubting their feasibility and effectiveness. A clear and transparent legal and regulatory framework for trade and investment was often promoted.

The views on deepening the *economic integration* of the Hemisphere, including trade liberalization and deregulation of capital flows were sharply divided. While some promoted integration as the only means to economic development, others raised concerns about its negative socio-economic and cultural consequences. Nevertheless, it was emphasized that the integration process should be guided by a set of principles:

- FTAA negotiations should be conducted in the context of WTO processes;
- deeper integration should be accompanied by a powerful reaffirmation of rule-based market economies;
- bureaucratic barriers should be removed; and
- initiatives aimed at building a “business culture” in the region should be developed.

Focus on Trade:

Canada and the FTAA (Joël Monfils et al.). As Canada’s chairmanship of the Trade Negotiations Committee (TNC) draws to an end, little progress has been made in negotiations aimed at creating the Free Trade Area of the Americas (FTAA). To date, Canada has developed a relatively uniform trade policy within various regional and multilateral negotiation forums. The Canadian government favours comprehensive trade agreements involving high levels of trade discipline as well as a real involvement of civil society in the negotiation process. This policy document seeks first to emphasize the difficulties associated with implementing Canadian trade policy in a regional context. It challenges the blanket application of Canada’s trade policy in the Americas, considering the special dynamics of negotiations in this region and the various objectives set out by the government with regard to the process of hemispheric integration.

Focus on Drugs:

Canada and Hemispheric Narcotrafficking

The ascendancy of narcotrafficking deserves serious attention due to the huge threat it wages against human security and legitimate political structures, writes James Rochlin of the Okanagan University College (Kelowna, B.C.) in a paper commissioned by the CCFPD. Rochlin goes on to say that the informal economy of narcotrafficking is immense both globally and within Canada. The wealth generated leads to the emergence of parallel security structures that undermine the capacity of the state.