

despite the promise of prosperity, the spread of free markets (facilitated by NAFTA) has often led to enhanced social and economic inequality, stagnant wages and unemployment. Jerry Barr added that the unemployment situation in the region is exacerbated by the fact that around 85% of all new jobs are created in the informal sector. This trend suggests that the modern economy has stopped producing jobs. The real wage level is about 27% less than it was two decades ago.

Latin America is among the most dangerous places in the world for labour movements and labour activists. Child labour remains pervasive and the work-load faced by women is on the rise. In some cases, the spread of the markets has meant the destruction of family farming. According to Katz, despite the relatively successful macro-economic stabilisation, the market-driven policies failed socially.

According to recent public opinion polls an overwhelming number of Canadians (including business managers and owners) think that trade agreements should include labour rights and environmental protection clauses. This chasm between what people think and how trade negotiations are being conducted may undermine the credibility of the process.

Max Cameron, University of British Columbia, argued that without a social policy, the link between free markets and democracy becomes contentious. Therefore, social rights and environmental protection clauses should be included in trade agreements. Nancy Thede's idea of a human rights framework applies here as well. It could be used to bear on trade agreements as legally and morally binding.

Dave Hecnar from the Canadian Chamber of Commerce, doubted the feasibility and effectiveness of such additions in trade agreements. Hecnar argued that trade negotiations are built on mutual consensus. Since many Latin American countries do not share Canadian labour and environmental standards, social and environmental stipulations may preclude agreement and hinder integration. According to Hecnar, the positive impact of the market is uncontested, however, time is required for growth and other positive results of liberalisation. Excluding Latin American countries from the benefits of trade on the basis of their non-compliance with Canadian social and environmental standards could prove much more harmful to their societies in the long run. Obvious questions also arise about the effectiveness of potential enforcement mechanism.

Nevertheless, both, labour and business representatives agreed that clear and transparent legal and regulatory frameworks for trade and investment are required. Barbara Arneil suggested that one of the specific areas where Canada could help is the integration of disabled people into the economic structures. Nobina Robinson, FOCAL, pointed out that Canada could also offer its expertise in tax reform and administration.