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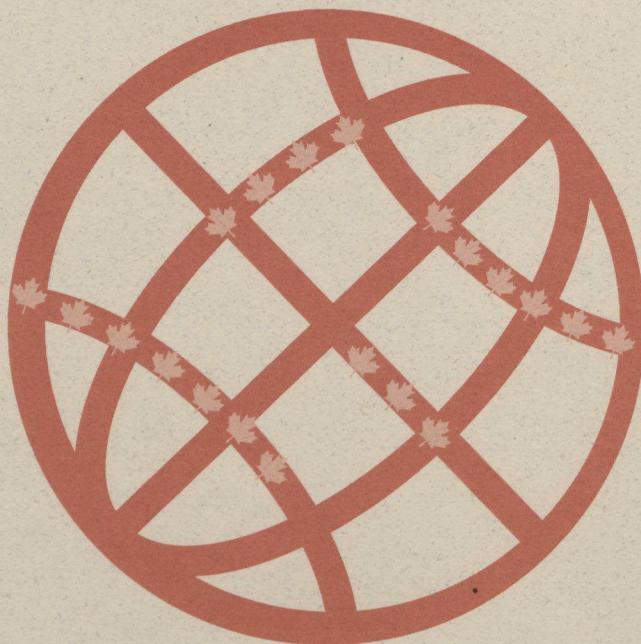
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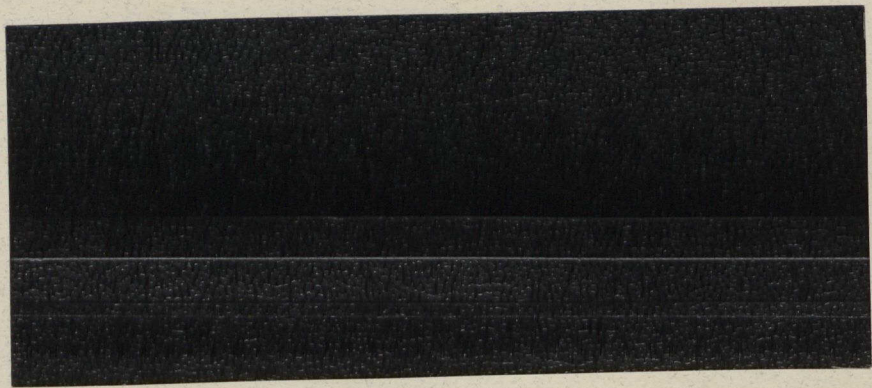
**TRADE AND VALUES:
TEAM CANADA'S MISSION TO LATIN AMERICA**

Canadian Centre for International Development Reporting (CCIDR)

April 15, 1998

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125 Sussex Dr. Ottawa, Ontario K1A 0G2

TRADE AND VALUES:
TEAM CANADA'S MISSION TO LATIN AMERICA

A Report on a One-Day Event

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Canadian Centre for International Development Reporting (CCIDR)

The Canadian Centre for International Development Reporting

April 15, 1998

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on April 15, 1998

at The National Press Club, Ottawa

Report written by Kelley Baker

with assistance from Kelly Chalmers

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PREFACE

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A Report on a One-Day Event

Hosted by

The Canadian Centre for International and Development Reporting

on April 15, 1998

at The National Press Club, Ottawa

Report written by Kelley Baker

with assistance from Kelly Cryderman

EXECUTIVE SUMMARY

PREFACE

This event was hosted by *The Canadian Centre for International and Development Reporting (CCIDR)*, which was established in the spring of 1998 to promote understanding of international issues as they relate to Canada and to involve journalists with other players in the development of foreign policy.

The Centre is housed at *The National Press Club* in Ottawa and used the Club's premises for this event. *The National Press Club* was a partner in organizing and staging the event.

[<http://www.pressclub.on.ca>]

The event was funded by *The Canadian Centre for Foreign Policy Development* [<http://www.cfp-pec.gc.ca>] which is part of Canada's Department of Foreign Affairs and International Trade [<http://www.dfait.maeci.gc.ca>]. The Centre's mandate is to "help Canadians outside of government contribute to the development of Canadian foreign policy." The funding came from its John Holmes Fund, which supports policy option projects.

The Honourary Co-ordinator of **Trade and Values: Team Canada's Mission to Latin America** was W. Bilal Syed, who in addition to being a freelance journalist working on Parliament Hill, is also the President of the National Press Club.

This report was written by Kelley Baker, a Master's student in Communications at Carleton University and an intern with the International Development Research Centre. She was assisted by Kelly Cryderman, who is a second year honours student in Journalism and Political Science at Carleton University.

TABLE OF CONTENTS

PREFACE

This event was hosted by the Canadian Centre for International Development Reporting (CCIDR), which was established in the spring of 1998 to promote understanding of international issues as they relate to Canada and to involve journalists with other

Executive Summary page 1

Morning Presentation page 2

Roundtable Discussion page 7

Luncheon Presentation page 13

Appendix: List of Roundtable Participants page 17

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EXECUTIVE SUMMARY

On Wednesday, April 15, 1998, the *Canadian Centre for International and Development Reporting* (CCIFR) hosted **Trade and Values: Team Canada's Mission to Latin America**, a one-day event on the role of values promotion in Canadian trade policy and promotion. The event, which was supported by the *Canadian Centre for Foreign Policy Development*, was held at the *National Press Club* in Ottawa.

Trade and Values: Team Canada's Mission to Latin America brought together representatives of the media, foreign diplomatic missions, non-governmental organizations, business lobby groups and opposition parties. They addressed the questions of whether and how Canada should link trade to the promotion of values, such as human rights, protection of the environment and labour standards.

The day had three components. First was a breakfast speech by the Minister for International Trade, the Honourable Sergio Marchi on the occasion of the release of his department's report *Opening Doors to the World: Canada's International Market Access Priorities-1998*. This was followed by an informal roundtable on the trade-human rights link. Finally a luncheon speech was given by Shawn McCarthy, Economic Reporter for the *Globe and Mail*, who gave a reporter's eye view of the Team Canada missions.

The Team Canada trade missions are an initiative of the Liberal government elected in 1993 and re-elected in 1997. There have been four missions so far. The first was to China in 1995. The second was to Indonesia, Pakistan and India in 1996, and the third to South Korea, the Philippines and Thailand in 1997. The most recent mission of January 1998 was to the Latin American countries of Mexico, Chile, Brazil and Argentina. This last mission saw more than 140 companies, mostly small and medium-sized enterprises, along with educational institutions, sign a record 306 deals, worth more than 1.7 billion dollars.

Participating in the roundtable were diplomatic representatives from countries Team Canada visited on its Latin American mission (with the exception of Chile), opposition parties' international trade critics staff, along with staff from the parties' research bureaus, a representative of a major business lobby group, and a representative of a leading development think-tank. In addition two members of the media observed, as did a representative from the *Canadian Centre for Foreign Policy Development*. The above people also attended the breakfast and luncheon presentations, as did ambassadors and diplomatic representatives, representatives from non-governmental organizations, representatives of government departments, and some media.

For a full list of roundtable participants, please see Appendix A.

MORNING PRESENTATION

The Honourable Sergio Marchi Minister for International Trade

The Minister spoke on the occasion of the release of the Department of Foreign Affairs and International Trade's report *Opening Doors to the World: Canada's International Market Access Priorities-1998*. The report describes Canada's activities at the multilateral, regional and bilateral levels, in seeking improved access for goods, services and investments. It also identifies Canada's access priorities in key markets, discusses specific obstacles in several markets, and outlines Canada's approach to these obstacles.

The theme of the Minister's speech was opening doors. He opened by stating that in 1998 a Department of Trade does not have the luxury of either just promoting trade or working toward trade policy; it needs a balance of both in this competitive shrinking environment. Canada must not only open doors, but go through them and make sure they remain open. Opening doors then, is the common denominator between promoting trade and making trade policy.

Team Canada is the main government tool in promoting trade. It opens various types of doors for different actors. Firstly it opens doors to foreign markets for Canadian companies. The size and importance of Team Canada's delegation is "highly impressive to a host government." The recent mission to Latin America is a case in point. The presence of the Prime Minister, the 10 Provincial Premiers and two Territorial Leaders, as well as federal Ministers, enhanced the credibility of the 522 accompanying business people. The trade missions open doors to those companies who wouldn't have gone to these countries otherwise, or not as quickly had these doors not been open to them.

In addition to giving Canadian companies access to foreign markets, Team Canada also gives Canadian companies access to each other. This is especially important for small and medium sized enterprises (SMEs) who are able to network with bigger Canadian companies they would not have had access to otherwise.

Team Canada also opens doors between the federal and provincial governments. The Prime Minister has often said Team Canada missions are the best 10 days of the year for federal-provincial relations. Working as a team fosters goodwill and trust. Indeed, the Calgary Accord was a byproduct of a number of the Team Canada missions. For federal-provincial relations, "Team Canada is probably the best recipe that we've had in a lot of years."

10 years
Team Canada also opens doors to a new image of Canada abroad, and makes selling our products and services easier. People learn that Canada is more than just a natural resource-based economy. Team Canada "places a new brand image of Canada" by making people aware of other Canadian areas of expertise, such as in high technology, telecommunications, and the aerospace industries. And other areas of expertise also include social-benefit type businesses, such as healthcare, and education, which are also of interest to foreign governments. On the mission to Latin America, 64 educational institutions took part. This type of involvement helps Team Canada "tell the Canadian story" better, to showcase our different interests and capabilities. Indeed the mission to Latin America -as the largest and most comprehensive so far - did "tell the Canadian story" as best possible in a 10-day mission.

Lastly, Team Canada opens the door to a new Canadian self-image within the global community. "I think as we trade differently, and as we discover our momentum and our confidence, we are also transforming how we see ourselves and our role within the international community. And I think that's positive." Through trade with emerging markets Canada is discovering different parts of the Canadian identity and is continuing to evolve its trade history. The country started with deep roots in Europe, moved on to build strong trade ties with the U.S., and has recently discovered the Asia Pacific.

In Canada's process of discovering the Asia Pacific, the Asian-Canadian community has transformed Canada culturally and economically. It has brought Canada to the doorstep of Asia Pacific, a region that has half of the world's GDP and two-fifths of the world's population. Now Canada is on the cusp of discovering Latin America. Later this week the Free Trade Area of the Americas (FTAA) will be launched. Canada is very involved in establishing this new trading community and in strengthening its ties with the region. In addition to hosting a Ministerial meeting next year, Canada is hosting the annual meeting of the Organization of American States (OAS) in 2000, and hosting the Pan American Games. Our increased trade with Latin America will lead us to discover a real fascination and compatibility with the region and yet another side of our Canadian personality.

On the whole, Canada is well positioned strategically within the three big regions of tomorrow: APEC (Asian Pacific Economic Co-operation Forum), Latin America and Europe. We are members in two of these trading blocs (APEC and FTAA) and have deep roots in the third region.

Trade is immensely important to Canada. Our GDP is almost 40 per cent-based on trade. One out of three jobs depends directly on export, and we have one of the world's highest dependencies on trade for wealth creation. Moreover, as the country is too small in population to trade with itself, and as internal trade barriers exist, trade beyond our frontiers is nothing short of a necessity.

Given the importance of trade to Canada, it is vital we change Canada's trade culture. This includes encouraging more SMEs to trade, and to trade more. Roughly 50 of the top 5000 active exporters are responsible for 50 per cent of the trade. The top 500 companies are responsible for 75 per cent of the trade. Only 10 per cent of the approximately 2 million SMEs actually do any direct exporting beyond fulfilling their obligations with large Canadian companies. "I think there's a lot of room for improvement. Not to kick the big boys and girls out of the international arena but to add a complement of small and medium-sized firms."

The Department of Foreign Affairs and International Trade has made encouraging SME exporting a priority and has set up a special division devoted to this goal. The move has already yielded results. On the last China mission, most of the contracts were signed by SMEs. On the last Team Canada mission 75 per cent of the delegation were SMEs, whereas on the first Team Canada mission in 1994 only 25 per cent were. More and more SMEs are finding the confidence to go abroad, ushering a transformation of Canada's trade culture.

Another department initiative to change Canada's trade culture has been to re-balance the distribution of domestically and foreign-based trade commissioners. Currently half of Canada's trade commissioners are based in Canada and half are based abroad. This distribution will change to 70 based overseas and the remaining 30 per cent based domestically. This arrangement will also foster closer federal-provincial relations, as with the decrease in Canada-based trade commissioners, the two levels of government will have to coordinate to make Canadian companies more export-ready.

The federal government is also playing a role in changing the country's trade culture by coordinating its trade-related services. With some 20 federal departments connected to trade, the three main ones being International Trade, Industry, and Agriculture, the government must provide a disciplined "one-stop shopping" access point to prospective Canadian exporters. We need a "federal government response to trade and not 20 ad hoc responses, which is obviously frustrating to any business person."

A key part of changing Canada's trade culture is changing public attitudes towards free trade from apprehension to support. This change is already taking place. In the 1988 election campaign, the issue of free trade polarized the country. Yet today 72 per cent of Canadians support the FTA, and about the same amount supports NAFTA. It is normal that some Canadians have anxieties about liberalized world trade: "If they feel that the future is coming at them very quickly, then people will have questions." That is why it is imperative to sell the Canadian public, especially the political class, on the benefits of free trade policy. Sometimes that's not done as well as it should be, sometimes the government takes for granted the pendulum swing of opinion of the last

10 years.

The counterpart to trade promotion is trade policy, for “if trade is the lifeblood of the economy, then access is really its arteries.” Canada still faces many challenges in securing access to foreign markets. “There is still a long way to go because the world indeed is a global village, but from a trade perspective, there are still neighbourhoods that we can’t enter, there are streets that we still cannot travel through, and there are stores where we cannot sell our products and our services. And the whole essence of trade policy is built at both the regional and multilateral level to do just that, to bring down those barriers and to make it more accessible to our companies.” These access challenges are addressed in the just-released report. But overall, Canada is experiencing a “trade renaissance.” Though we still have a lot of our “trade eggs in the American basket,” the amount is far lower than it was 15 years ago. Canadian companies are thinking more internationally.

In conclusion the Minister outlined the three planks to Canadian trade strategy:

1. Open doors to new markets.
2. Promote Canadian businesses to go through the doors.
3. Work through multilateral and regional organizations for good trade policy to ensure the doors remain open.

In the questions that followed his presentation, the Minister was asked to speak about the U.S.-Canada trade relationship. Generally it is positive, he said. Ninety-five per cent of the 1 billion dollar value daily that moves between borders does so freely. Areas of friction between Canada and the U.S. on trade are dairy subsidies, salmon, wheat and softwood lumber. The last sector is also problematic for representing the “worrisome trend” of American managed trade. “Managed trade is not free trade. And managed trade is a one-way trade. And one-way trade is dead-end trade.”

But the real issue of contention between the two countries is culture, much to the frustration of Canada. “When we say culture, they mean business. We mean something a little more of added value.” Canada wants to express itself culturally and to have this ability protected. It is not enough to get this protection at a regional trade level, we need to take it to the ultimate arena, the World Trade Organization.

Another interlocutor, noting the recent deportation of two Canadian human rights monitors from Chiapas, Mexico, asked what Canada was doing and could do to deal with human rights issues in the context of trade. The Minister replied that Canada must not be shy as a member of the FTAA club to speak to those values, even though we are one member of 34. FTAA is more than a trade deal, there is also a foreign affairs aspect, which incorporates education, training, poverty alleviation, building up of democratic institutions, including respect of human rights. “Trade is at the centre. But trade isn’t done in the abstract. Trade is obviously done in a community and in a

country...where all people's rights at the end of the day must be respected."

Some ways Canada can deal with human rights in the context of trade are to talk about how we run our business in Canada and how we engage our respective publics. For example, the Minister has met with NGO communities in Canada to discuss their aspirations for free trade. As well, at a recent FTAA meeting, Canada "almost suggested as a bottom line" a plan to create a committee that gives a channel for civil society organizations to express their concerns. This committee would then evaluate the recommendations and make recommendations to the entire Council of Ministers, the same way it happens for the business forum within the FTA. This was a "make it or break it" issue for the talks, but the U.S. and Canada insisted on it, and eventually won. Similarly, the Minister would like to see a place for labour to express its concerns within APEC. Last year Canada tried to make APEC more open by holding six ministerial meetings with all types of NGOs.

Questioners:

Susan Murray, *CBC Radio*

Sidney A. Hicks, *U.P.I.*

Gail Dugas, *CBC Newsworld*

Heather Scoffield, *The Globe and Mail*

Monique Grégoire, *TVA*

Christina Spencer, *The Ottawa Citizen*

ROUNDTABLE

Introduction:

The roundtable was moderated by W. Bilal Syed. He announced the discussion would be informal and not for direct attribution. He asked the participants to address the following loose question:

What has been the impact of recent Team Canada missions on the promotion of Canadian values-including human rights-abroad?

Mr. Syed contextualized the question within the larger question of whether human rights objectives were achievable in trade practice, and if so how.

Participants:

There were 14 participants at the round table. They included: representatives of the diplomatic missions of the four countries Team Canada visited on its recent Latin America trip (with the exception of Chile), representatives of the opposition parties' research bureaus and International Trade critics (with the exception of the Bloc Quebecois), a communications consultant who has written speeches on Team Canada, a representative of a development policy think tank, and a representative of one of the country's leading business lobby groups. As well, two members of the media were present as observers.

Discussion:

All participants contributed to the discussion, which was animated and wide ranging. In the course of the roundtable three fundamental questions emerged:

1) Is Team Canada the appropriate forum for the Canadian government to promote Canadian values abroad?

2) What do we mean by "Canadian values" ?

3) What role-if any-should the Canadian private sector play in promoting Canadian values while doing business abroad?

This roundtable summary will be organized according to discussion around these three questions.

Question #1: Is Team Canada the appropriate forum for the government to promote Canadian values abroad?

There were two opposing camps on this question. The first camp contended the Canadian government currently is not, but should, take advantage of the trade links Team Canada creates to raise values issues with foreign governments. The second-and bigger-camp argued that though values issues were important, they would be more appropriately addressed at the specific fora set up for that purpose.

Within the first camp, one participant addressed the general question of government involvement in values promotion abroad. He quoted Jeffrey Garten, the Undersecretary of Commerce during U.S. President Clinton's first term: "In the best of worlds, governments ought to get out of this business (of values promotion) altogether. But the marketplace is corrupted by the presence of government. So do you sit on the side and pontificate about Adam Smith or do you enter the fray?"

Some like-minded participants believed Canada's promoting of values abroad is made all the more vital given Canada's moral leadership in the international community. Currently these "difficult questions of democracy and human rights" are not high enough on government's agenda as it has relegated them to a secondary status behind trade. Proof that trade is the government's priority is the government's attempt to conceptually "compartmentalize issues" by separating its foreign policy from its trade policy. But it is not appropriate to, say, defer all labour issues to the International Labour Organization (ILO) or all environment issues to the World Trade Organization (WTO). These concerns should all be integrated, since "Canadians are looking to their government for a *coherent* foreign policy."

This theme of values taking a back seat to trade was echoed by another participant. He argued that not only does Team Canada not promote human rights as much as it could; but neither will it ever do so. Although the human rights initiatives of Foreign Affairs Minister Lloyd Axworthy are laudable, the Cabinet's priorities lie in trade. The fact that some public corporations, such as Export Development Canada, refuse to adopt the Minister's proposed code of business ethics, illustrates the supremacy of trade.

One participant from this group opined that the "complete flexibility" of the Team Canada concept lends itself to promoting values, though not necessarily by the government itself. Team Canada missions are increasingly broadening their focus, as is reflected in the widening participation by different members of Canadian society. The missions have evolved to include small and medium-sized enterprises (SMEs), and most latterly, educational institutions. He believes that they will soon also include non-governmental organizations (NGOs). This expansion of Team Canada's composition

and reach has the positive result of giving, "some visibility to Canadian concerns about some of these broader social issues."

The main line of argument of the second camp was that trade is not the appropriate lever by which to promote values. One participant compared foreign trade missions to an invitation to dinner. "A trade mission is almost like being invited to someone else's table. You're going there to eat their food but at the same time you want to try to sell your own food. And I don't think that is the time necessarily to bring up the fact that the people who prepared your food in your kitchen back home are treated in another way. I think perhaps it's too early on in the process." Once deals have been secured and business activity begins, then values talk can begin.

Many participants pointed out that a variety of multilateral organizations devoted to values issues already exists, including within trade fora themselves. One cited the extensive discussions of rights issues at the December 1996 WTO Ministerial meeting in Singapore, where it was widely agreed that the interaction between trade and labour standards should be dealt with by the ILO. He also noted the ongoing work at the WTO on environmental issues, as well as the progress being made in the Free Trade Area of the Americas (FTAA) discussions for the creation of mechanisms for civil society involvement. He called the FTAA development "very important and welcome," as it showed the countries were open to discussing and addressing values.

The act of trading itself was seen as a means of value promotion. One participant said the changing nature of world trade offered opportunities for value promotion. The shift away from trade in goods to trade in information and communications brings values to the fore, since "the more communication you have, the more you develop the basis for civil society and the institutions for that, and developing the values around that." Canadian companies and technologies could play a very important role in this global information, and hence value, exchange, he continued.

He criticized the usefulness of bringing up values issues in the context of a trade mission: "There's no human rights or environmental issue that's going to be resolved with the Prime Minister and a President of another country at the table. Perhaps it opens the door to future discussions. But let's be reasonable. Nothing's going to be solved by a Team Canada mission, apart from raising awareness on particular issues."

One of the objections to linking trade to values was based on the concern this linking might lead to protectionism. One participant said such a concern was especially strong among the developing countries, who fear that developed countries might block exports from developing countries for the sake of environmental or labour standards. He warned that rather than encouraging developing countries to improve in these areas, such a move, "at the end of the day would hurt our own process of development." Similarly another participant argued the more political interests get worked into trade

agreements, the greater the danger that interests become non-tariff barriers to commerce, as is the case within the North American Free Trade Agreement (NAFTA). We have to be careful not to, "reconstruct protectionism here under some other guise."

A concern for the economic cost to Canada were it to link trade to values was voiced. With the world's markets opening up so thoroughly, creating countless commercial opportunities Canada cannot afford to not participate fully in world trade. World trade will continue to take place-regardless of Canada's participation.

The final point raised in favour of Team Canada not being linked to the promotion of values was that according to the government's official documentation, Team Canada's mandate was to be a trade mission, full stop. Neither the countries visited on the mission, nor the business community invited to participate understood it to be otherwise, and indeed would not be interested in Team Canada if it were to stray from its stated mandate. "If Team Canada was being advertised to the business community-and I'll be very frank-as a mission where human rights and the environment and labour-that's what we're going to go down to talk about. You wouldn't get many people to sign up for that."

This putatively unambiguous status of Team Canada as only a trade mission was challenged by some participants, who maintained the participation of the Prime Minister, the leaders of the provinces and territories, and some Cabinet Ministers, gave Team Canada, "some type of political colour and hence a space for a broader conversation than just trade."

A charge was raised that the Canadian business sector was hypocritically playing this ambiguous status of Team Canada. Business appreciated the prestige the political aspect of the missions lent to the economic aspects, yet only inasmuch as the political did not jeopardize the economic. "It seems to me that from the point of view of businessmen travelling on Team Canada, you're in the unenviable position of wanting to have your cake and eat it too." Yet Canadians expect the Prime Minister to do his political job abroad by raising such "awkward" issues as human rights.

The discussion on this first question also touched upon the general question of the social and economic consequences of trade liberalization. One participant called for a stand on trade liberalization which avoided ideological extremism: "Trade liberalization is not a panacea but not the root of all evil either." A few participants argued the consequences of trade liberalization have been largely negative. One cited an Ottawa-based Latin American ambassador who claimed that trade liberalization in his region was creating growing poverty and economic and social inequity. The ambassador believed there are signals of imminent social explosion, which could even portend the return of dictatorships. Another participant recalled the injunction of the former director

of the General Agreement on Tariffs and Trade (GATT) and others at the recent World Economic Forum in Davos, Switzerland, to start addressing the problems globalization presents.

In response to these concerns about the negative effect of trade liberalization, one participant conceded, "There *are* social and economic implications of liberalizing markets around the world." But, he maintained, these problems should be seen as economic opportunities: "there are some great business opportunities and I think Canadian companies should be working in these economies to help solve these problems."

Question #2: What do we mean by "Canadian values" ?

The term "Canadian values" was variously defined and debated. Consensus on its meaning was not reached. Some participants argued that the phrase was meaningless, since "Canadian values," are the same as universal values. Another main point raised was that a key Canadian value was the respect for the values of other countries. This respect implies understanding other countries' values within the countries' specific political, economic and social development. Foreign governments and companies prefer doing business with Canada because it respects these values.

On the other hand, one participant asserted that trade liberalization itself is value-laden. While we all agree on the neocolonial tone of imposing our standards on other countries, we should also, "recognize that we *do* impose our standards on these countries when it comes to economic issues." We ask them to fall into line with our notions of a level playing field, subsidies, trade distorting mechanisms and the like.

In an opposing vein, one participant dismissed as futile trying to define what the abstract term "values" means. He advocated defining values more concretely, in terms of their manifestation in business ethics. The Canadian business community, he said, accepts the need for business ethics and is adopting voluntary codes of ethics. Business realizes it, "just can't afford to be on the bad side of those (values) issues."

The criticism that Canada is defining values too narrowly was levelled by one participant. Canada, he said, is conflating human rights with political rights. But "human rights is not a single-sided issue. It has several characteristics." Not only does human rights include political rights, such as the right to vote, but it also includes economic and social rights: "Human rights, at least for many developing countries, means that we have to support and to enforce the human right for everybody, for any human living, not only to vote, but to live adequately. That means to have proper housing, proper food intake, proper education." He remarked, "in that sense we are of

course wide open to any kind of Canadian initiative. (But) We are not open to any foreign intervention on how we should conduct our political life.”

This argument that Canada should respect the national sovereignty of other countries and not interfere in their domestic affairs was echoed by another participant. Asking, “if trade is a two-way avenue, what human rights input is Canada prepared to receive from other countries?” he speculated that Canada would not appreciate other countries telling it what to do on such issues as Quebec and aboriginal affairs.

Question #3: What role-if any-should the Canadian private sector play in promoting Canadian values while doing business abroad?

On this question, those who thought the Canadian private sector should have no such role were in the minority. They held that, “a capitalist’s job is to earn money and create jobs, not raise political issues: that’s government’s job.” But the general opinion was the Canadian private sector *did* have a role to play in promoting Canadian values; the questions were which values should be promoted, to what degree, and how.

All the participants agreed that it was not reasonable to expect Canadian business to pursue such sensitive issues as political prisoners. Yet establishing a code of conduct was agreed to be feasible. Such a code could cover such issues as labour and environmental standards in the operations of a company. These standards would not necessarily have to equal Canada’s, but they could establish a baseline of acceptability. One participant called for the discussion of standards right at the trade mission phase. She argued that since many of the participating Canadian companies had already visited those countries and been in contact with those companies, raising such issues would not be rude, but rather “a continuation of a dialogue.”

Whether a code of conduct should be voluntary was debated. One participant called for voluntary guidelines in place of a code, arguing that some companies would refuse to adhere to lowest common denominator standards because their current ones were higher. He remarked that the whole issue of corporate governance was becoming increasingly important to companies, who were under pressure from shareholders and customers to do business more responsibly. Indeed, he said, a lot of Canadian companies, “are at the forefront of developing some pretty strict codes of business practice (and) environmental management.” He also cautioned against Canadian companies establishing policies before they fully understood the issues, and gave child labour as an example. While he was against the employment of young children, he said, he thought employing young people for a wage could help a community develop its local economy.

LUNCHEON PRESENTATION

Shawn McCarthy

Economic Reporter For *The Globe And Mail*

Mr. McCarthy has covered two of the four Team Canada missions including the recent one to Latin America. Within the two-week span of the last trade mission to Latin America, he wrote over 20 stories. His topic was a reporter's eye view of the Team Canada trips, "how they get covered and why."

McCarthy opened by describing how the Team Canada concept is very close to the Prime Minister's heart. "The first thing you should know about Team Canada is that it's Jean Chrétien's baby. He created it, he nurtured it and he loves it." Team Canada serves many functions for the government: "It's sort of a multi-purpose baby for him. It's been a high-profile part of his national unity agenda when he didn't have much else to sell. And a high-profile part of his jobs strategy when nothing else seemed to be working." Moreover, the Prime Minister loves "hobnobbing" with world leaders. So, despite all its warts, Team Canada missions are likely to continue.

These warts include a "clash of cultures" within Team Canada's operations. This clash is inevitable, as the business, bureaucratic, political and media worlds-each with its own agenda- all come together for a very intensive two weeks.

Team Canada also suffers from logistical problem, such as lack of media access to the politicians. On the recent Latin America mission, the media became disgruntled with the situation. Not only were the Prime Minister and Quebec Premier Lucien Bouchard delayed in joining the delegation because of the ice storm, but the politicians and business people were on one plane while the journalists were on another. At one point journalists became so frustrated with the controlled access to the politicians and the lack of photo opportunities that they retaliated by running a picture of the International Trade Minister and the Nova Scotia Premier lounging by the pool. However this rebuke, implying the politicians were enjoying a holiday in the sun, was an unfair portrayal.

Another Team Canada logistical problem is in the whole mission's subservience to the politicians' schedule. On that same mission, many business executives were offended at having to "play second fiddle" to the politicians. For example many of the business people had to wait hours on a plane while official meetings ran overtime.

Beyond Team Canada's operational and logistical mishaps, the more substantive issue is whether Team Canada missions have outlived their usefulness. The Latin

American trip garnered only around \$2 billion in deals, the least of any mission. And some contend this figure was "massaged" by the government to reach DFAIT's target of that amount. By comparison, the first Team Canada mission, to China, netted over \$8 billion in deals. Similarly the mission to Southeast Asia was also profitable. But each subsequent trip has netted less than the previous one.

The decline in the value of deals can be partly explained by the change in focus of Team Canada. Increasingly business participants are the small- and medium-sized firms, whose motive is mainly to make contacts. A small-business-focussed trade mission is harder for journalists to cover because there is no way to measure the success of the mission. If the government wants media coverage of Team Canada mission, it has to be clearer on the mission's goals and in communicating these goals.

Another challenge the Team Canada missions pose to the media is in finding the right balance between political and economic stories. Most of the reporters who accompany the mission are political reporters, much to the chagrin of some of the business people, who complained that business stories were getting short shrift. These political reporters are more aware of the human rights and environmental stories than the business ones and hence write about them, although admittedly sometimes superficially.

Having described the major problems of Team Canada trade missions, Mr. McCarthy moved onto the question of their value. In the eyes of the Canadian business community, these trips are very valuable, and easily worth the approximately \$20,000 per person. The missions introduce Canadian business people to new markets and promote a Canadian agenda in terms of market access and furthering trade deals. In addition to providing an entry into levels of government and business Canadian businesses would not have had otherwise, the missions also provide great networking opportunities among Canadian businesses themselves. Indeed many business people come away from Team Canada missions feeling the contacts they made with other Canadian companies were nearly as valuable as the foreign contacts they made. The fact that DFAIT was flooded with requests to participate on the recent mission to Latin America, prompting the addition of a second plane, illustrates the business community's support of this approach to trade promotion.

The next question is whether taxpayers find value in Team Canada. These missions are not cheap: "It costs money. We don't often get a full accounting as to how much it costs, but a couple million dollars at least to run one of these trips." Assessing the value of the missions was easier with earlier trips, in which big companies participated and brought home big-dollar deals that created a lot of Canadian jobs. But Team Canada's changing focus to small and medium-sized enterprises, whose trip goals are often to make contacts, makes assessment more difficult now. Nonetheless the

value of Team Canada missions to Canadian taxpayers, “ is a legitimate question for the opposition and the media to ask.”

On the topic of domestic media coverage of Team Canada missions, Mr. McCarthy stated that while still newsworthy, Team Canada missions do not generate the same media or general interest they once did. Indeed, the concept has become familiar and so “people are becoming less enamoured of it.” Most Team Canada stories are now relegated to the business section. But this does not imply they are not interesting: “There are some good stories there for an economic/business reporter”, especially one who goes off the beaten path. Nor are they unimportant. These stories, “not only educate Canadians a little bit as to what sort of development issues are going on in some of these places, but as important from the government perspective and the trade perspective, (they educate) the small and medium sized business people to the opportunities out there.”

Among the host foreign press, Team Canada still makes the news, though again mainly in the business section. Part of the mission’s appeal is the size and importance of the delegation. Undeniably, “you do get a bigger bang for the buck when you come down with that kind of entourage.”

In the questions that followed Mr. McCarthy described the unfolding of a Team Canada mission upon arrival in a host country and the Canadian media’s coverage of it. The Team follows two distinct agendas, one political, one business. The media cover both, as much as possible. In each country Prime Minister Chrétien meets the Head of State for an official one-on-one. Then the premiers join them. The media are invited only for the photo opportunities at the beginning and end of the meetings. This means the media do “ a lot of standing around in ornate hallways.” After these meetings, an official luncheon or dinner, replete with speeches, takes place. They are open to the media. Afterwards the official and business delegations separate with the Prime Minister continuing his meeting with the Head of State and the business people getting briefed by Canadian embassy officials on the local economic situation, and meeting their local counterparts. These business meetings are usually open to the media. This separation marks the beginning of the “juggling act” for the media.

The media must decide which delegation to follow, official or business, based on where they believe the best stories can be found. To offset this challenge, some members of the media pool stories and visuals-both officially and unofficially. At the end of each day DFAIT officials usually give a briefing on the results of the day’s closed door meetings. However these reports often lack balance. On the whole media access to the Prime Minister and Premiers is “controlled, to say the least,” but to business people is “generally pretty good.” A prime venue for access is the plane, which made the separation of the media from both groups during the Latin American trip

especially problematic.

To a question on Team Canada's role in promoting human rights, Mr. McCarthy explained how Team Canada is now trying belatedly to explain the benefits of free trade. At the November APEC summit in Vancouver, many people took note of U.S. President Clinton's assertion that free trade could not be just about business; it had to advance the social agenda as well. In contrast, the Prime Minister has been "poor at articulating this." He maintained that APEC was just about business. International Trade Minister Marchi, on the other hand, has been better at articulating the need to at least persuade people that free trade will benefit the broad population and is not just a business agenda. Similarly, the NDP Premiers of British Columbia and Saskatchewan, insist on free trade being about more than just market access. They are calling for civil society involvement and for labour and environmental issues to be on the table.

Over the course of the mission to Latin America, the Prime Minister revised his explanation of free trade's goals. Early on in the trip he answered a question on the social dimensions of free trade strictly in terms of human rights. But "by the end he was starting to at least grapple with or talk about the need to have a social side of the free trade agenda." The government is now trying to come up with this agenda.

In response to a question on whether the Team Canada model was being copied by other countries, Mr. McCarthy said that in general it was not. Although some countries, notably the Philippines, had developed their own versions of it, Team Canada was difficult to copy wholesale. The extent of power-sharing among the federal and provincial levels of government was one impediment. Another was the manageable number of provincial leaders, in contrast to the more unwieldy number of American state leaders.

Nasreen Bhimani of the Canadian Centre for Foreign Policy Development concluded the day's event by thanking everyone for attending. She said the roundtable was the first of a series of "frank and open discussions about Team Canada, including the role of Team Canada in the promotion of human rights abroad."

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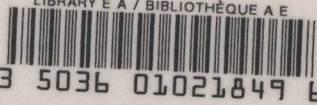
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