

**THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)  
VERSUS AN ALTERNATIVE CONCEPTUALISATION  
OF SUSTAINABLE DEVELOPMENT**

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**A thesis in partial fulfillment of the  
requirements for the degree of  
Master of Arts (International Development Studies)**

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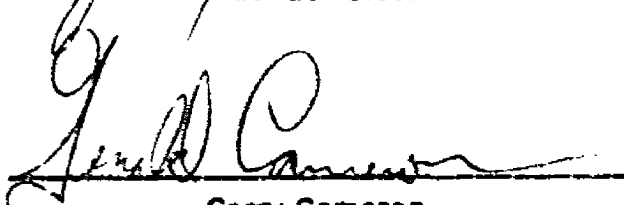
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Henry Veltmeyer



Michael Clow



Gerry Cameron

Date: August 27, 1993

# **THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) VERSUS AN ALTERNATIVE CONCEPTUALISATION OF SUSTAINABLE DEVELOPMENT**

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August 27, 1993

**Abstract**

The North American Free Trade Agreement (NAFTA) is an econocentric policy designed to increase North America's competitiveness in the New International Division of Labour. Although NAFTA is primarily a political-economic policy, numerous environmental and socio-cultural aspects of development are necessarily marginalised by its econocentric orientation. This is exacerbated by numerous contradictions of development and the political economy. Many formulations of sustainable development are inadequate because they fail to address these contradictions. This type of approach, better called sustainable growth, has co-opted the discourse of sustainable development. Thus, an alternative conceptualisation of sustainable development that addresses these issues from a holistic perspective will be used. By contrasting NAFTA and the alternative conceptualisation of sustainable development it can be seen that NAFTA does not facilitate, but rather undermines, the implementation of sustainable development. This is because NAFTA plays right into the contradictions of development that are central to this crisis in development.



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## CHAPTER ONE

### INTRODUCTION

"Free Trade with the United States would be like sleeping with an elephant. If it rolls over, you're a dead man. And I'll tell you when it's going to roll over. It's going to roll over in a time of economic depression and they're going to crank up those plants in Georgia and North Carolina and Ohio, and they're going to be shutting them down up here." (Brian Mulroney, PC leadership campaign, 1983, cited in Sinclair, 1992: 16).

The North American Free Trade Agreement (NAFTA) represents an attempt to overcome the political and economic challenges faced by Canada, the US and México in a context of tough economic times and increased competition. The market-based approach of NAFTA is a continuation of the Canada-US Free Trade Agreement (FTA). Through NAFTA Canada is to become more competitive and prosperous. In the words of Michael Wilson (cited in Government of Canada, 1993: ix), "it is laying the foundation for a stronger, more prosperous, more resilient and more confident Canada, a Canada that is a vibrant part of the global economy". However, there has been vigorous debate on free trade with the US under the Free Trade Agreement (FTA), and now also with México with NAFTA. This debate has not subsided even as the political leaders have become more confident in their posturing, or even after Canada has signed NAFTA. It is clear that not all Canadians are as sold on NAFTA as our politicians would have us believe.

In recent years sustainable development has become a central issue for development planning and policy. It has become clear that sustainable development is crucial to ensuring that our development

strategies are not responsible for further destruction of the environment.

NAFTA plays a major role in Canada's current development strategy. NAFTA involves millions of people in three countries in a major trade agreement. Because of this, NAFTA must be evaluated, as should all development strategies, in terms of its consistency with a programme of sustainable development. This is necessary because of the vital importance of sustainable development for the survival and well-being of life on our planet.

An examination of NAFTA and sustainable development necessarily requires discussion in several thematic areas, and reflecting this the thesis is divided into six chapters. Chapter one provides an overview to the issues involved in this examination of NAFTA and sustainable development. This will also include a discussion of the advantages and limitations of the approach taken. Chapter two provides a theoretical and ideological framework of analysis for both NAFTA and sustainable development. A discussion of the relationship between NAFTA, the Canada-US Free Trade Agreement (FTA) and the GATT provides an ideological and political context for NAFTA. This is crucial because NAFTA can be seen to play into a broader agenda that is rooted in politics, economics and global power.

With respect to sustainable development several contrasting approaches to sustainable development are examined and critiqued. Limits to growth, indigenous approaches, and the distinction between sustainable growth and sustainable development are discussed. This discussion reveals that sustainable development is

not limited to definition by the Brundtland Commission and *Our Common Future*, and that a redefinition of sustainable development is necessary. An evaluation of NAFTA and sustainable development is virtually meaningless without adequate consideration of the global political economy because neither can exist in a political-economic void. Chapter three is a discussion of six contradictions of development and the political economy. These reveal the ways that our current development strategies contribute to the spiral of over and under development and to the destruction of the environment. An understanding of these contradictions is necessary in order to appreciate the potential functioning of development programmes, such as proposed both by NAFTA and sustainable development. In response to these contradictions, the fourth chapter proposes an alternative conceptualisation of sustainable development which is organised around eight key issues. These directly follow from earlier discussions of the contradictions and of the approaches of sustainable development. This alternative conceptualisation provides a set of parameters for the implementation of a viable programme of sustainable development. Chapter five places NAFTA against the constraints of the alternative conceptualisation of sustainable development. This examination of NAFTA is structured around the key issues of the alternative conceptualisation of sustainable development. This allows for the evaluation of NAFTA as to its contribution to or consistency with the implementation of the alternative conceptualisation of sustainable development. In this chapter it will be revealed that NAFTA is counter-productive to the implementation of virtually any

type of sustainable development. Furthermore, NAFTA will be shown to exacerbate the contradictions of development and the political economy. The implications of this will be examined in chapter six. Suggestions for finding a path back towards the implementation of sustainable development will also be discussed.

The majority of evaluations of both NAFTA and sustainable development tend to provide in-depth analyses on individual aspects of NAFTA's components or those of sustainable development. There is relatively little focus on the interconnections between the various issues relating NAFTA to sustainable development. There are similarly few examinations of the broad range of issues that involve the interaction of issues associated both with NAFTA and sustainable development. However, NAFTA and sustainable development are not isolated issues or policies that can be dealt at the exclusion of the other or of the myriad of other complex issues that are intertwined between them.

NAFTA represents the implementation of an extensive trade regime. Sustainable development and the global, non-national quality of the environment and of ecosystems demand that analyses and evaluations of NAFTA be done in terms of the implications at all levels, not just for economic sectors, trade, nation states, or trading blocs. In order to address these issues a more holistic approach to both NAFTA and to sustainable development will be taken. This allows for a more global understanding of the issues involved. Furthermore, it allows the possibility for going beyond a critique of NAFTA or of sustainable development, to a clearer understanding of where development should take us as co-

inhabitants of the planet. In that context it is possible to question whether or not NAFTA is conducive to achieving these developmental objectives.

There are several limitations to such an approach. Firstly, no prescriptions are provided for the implementation of sustainable development, only constraints or parameters within which viable programmes of sustainable development can be implemented. These are issues that in some formulation must be addressed. Although this may be seen as a limitation, it is necessary because the complexity and diversity of different socio-cultures, geographies, histories and political economies demand a diversity of adaptations with respect to the constraints of sustainable development. This can also be seen as a reflection of virtually all adaptations of life with each other and with their ecosystems. It is therefore inappropriate, and in fact destructive, for there to be one set of prescriptions for the implementation of sustainable development.

In addition, just because there are diverse adaptations of sustainable development, I do not think this undermines the value of discussing the commonalities associated with these adaptations. Even though there may be a variety of strategies there remains some common issues and a problematique which must be addressed by any successful strategy of sustainable development. Furthermore, our current programme of development has led to a number of clear problems with respect to sustainable development. These failures allow for further clarification of the parameters within which sustainable development must be implemented. It is within this context that the contradictions of development and the political

economy, and the proposal of an alternative conceptualisation of sustainable development are discussed.

This broad and holistic approach to NAFTA and sustainable development necessarily leads to the limitation of examining many issues with relatively little depth. The choice of saying lots about little or little about lots is a ongoing issue. I have chosen to attempt to be faithful to the complexities of these issues. Clearly this is not an easy choice. The push for specialisation and for narrowing the field of examination in the face of complexity remains an empowered approach in academia. There have been numerous consequences, both academic and otherwise, from this.

With respect to NAFTA and sustainable development there are numerous examinations, evaluations and analyses that are sectoral or 'micro' in focus. These types of analyses, however, are virtually blind to the interconnections between the issues. These interconnections are crucial both to NAFTA and to sustainable development in terms of building an essential or representative picture. This is not to minimise the importance of sectoral or micro analyses, for they are essential for building and verifying the 'big picture'. It is for these reasons that I have chosen to maintain a degree of complexity and breadth to my examinations of NAFTA and sustainable development. With this type of approach necessarily comes the risks associated with using exemplars to identify and represent broader issues, and of generalising these data. However, it is not the purpose of this study to examine in depth the finer details of each of the issues involved. For such an examination of each of the many issues discussed I refer the reader to one of many

**sectoral and micro analyses of both NAFTA and of sustainable development in current circulation.**



## **CHAPTER TWO**

### **A. THEORETICAL AND IDEOLOGICAL FRAMEWORK FOR ANALYSIS**

Neither NAFTA nor sustainable development exist in a theoretical or ideological void. Both are grounded in a series of assumptions about how the world works, and operate within various structures and policy regimes. Both NAFTA and sustainable development provide agendas for development strategies and the role of human beings in those strategies. In examining the theoretical and ideological context for NAFTA it is important to discuss its precedent, the Canada-US free trade agreement (FTA), as well as the General Agreement on Tariffs and Trade (GATT) because of its dominance in the global political economy as an international trade agreement. This allows for a better understanding of NAFTA in a broader historical, geographical, political-economic, and ideological context.

There are many different perspectives of sustainable development. Although many of these perspectives have important contributions, I have chosen to briefly discuss two contrasting perspectives in order to identify some of the range of approaches to sustainable development. This is followed by a discussion of a third and more predominant type of approach to sustainable development. These perspectives of sustainable development differ greatly in their representation of 'development' as well as 'sustainability'. It is essential to gain an understanding of these differences as well as their political agendas in order to appreciate the complexities and necessity of defining the alternative conceptualisation of sustainable development.

This chapter is divided into two basic sections. The first provides a theoretical and ideological context for NAFTA. Included in this is a brief discussion of the relation between NAFTA, the FTA, and the GATT. The second section provides a theoretical context for sustainable development. Two perspectives discussed are the limits to growth perspective and indigenous perspectives. This is followed by a discussion of the distinction between sustainable development approaches and sustainable growth approaches. Included in this section is a critique of approaches such as those proposed by the Brundtland Report (*Our Common Future*). The differences between these perspectives, as well as their deficiencies will demonstrate the necessity of an alternative conceptualisation of sustainable development.

#### 1. The FTA, NAFTA and the GATT: An Ideological Grounding

The North American Free Trade Agreement (NAFTA) is an extension of the Canadian and American Free Trade Agreement (FTA) to include México in a North American trading bloc. The purpose of this is for North America to be more competitive on the global market, and to reinforce the neo-liberal conservative agenda (Government of Canada, 1993; Grinspun & Cameron, 1993; Marchak, 1991; Sinclair, 1992).

NAFTA is intended to extend and increase the gains that have been achieved under the FTA. Michael Wilson, (cited in Government of Canada, 1993: ix) explains:

"We live by trade and are critically dependent on rules that ensure a fair basis for all our partners. Because our future depends on it, we have been at the forefront in every major trade negotiation. We

know that we remain burdened by the protectionists- at home and abroad- and we know that the only effective weapon against them is a good rule book, premised on open markets; a rule book that is constantly updated and improved. We are a nation with many advantages- an educated workforce, abundant resources and an efficient infrastructure. We need to reward private initiative and encourage entrepreneurs to approach the future with the confidence necessary to exploit new opportunities. The FTA, and now the North American Free Trade Agreement (NAFTA), can provide the foundation for economic vigour".

The FTA has been instrumental for the implementation of NAFTA because it established many precedents that have facilitated the fast track implementation of NAFTA. NAFTA could not have been passed without much public scrutiny if the FTA were not already in place. This has raised concerns that NAFTA has not been presented for fair public scrutiny; instead, political and economic influence was used to push NAFTA through. In México, the election of Salinas de Gortari in 1988 and his electoral defeat of over Cárdenas has come into question. Salinas de Gortari is a Harvard-educated proponent of neo-liberal development, whereas Cárdenas is more liberal and favoured by popular sector organisations. It is believed by many that the election was fixed in the face of defeat after preliminary results pointed to a win by Cárdenas.

In Canada, members of the well-tailored Business Council on National Issues (BCNI), spent more than \$56 million in support of free trade just prior to the 1988 election, which led to the re-election of Brian Mulroney for a second term. Unfortunately, environmental and social interests do not have the financial or political backing of the BCNI, and so NAFTA is proceeding in the face of protests by groups in Canada, the US and México, who argue that

the environmental and social consequences of NAFTA will be devastating to most Canadians, Americans, and Mexicans, as well as the environment (Traynor in Sinclair, 1992: 2-8). Many disagree with Michael Wilson and other politicians in that the FTA has not been beneficial to Canadians and that NAFTA will result in the amplification of all the losses of jobs and other costs of adjustment that we have seen in the past several years under the FTA.

The text of the NAFTA maintains the basic principles and architecture of the FTA, but adds clarification and extensions of its provisions. For example, even though there will be an extension of trade between the three countries under NAFTA, the economic relationship between Canada and México is relatively weak as compared to that between Canada and the US. This is not likely to change (CCPA, 1992: 1).

There are, however, several key changes from the FTA to the NAFTA. NAFTA is more binding on the provinces than the FTA. Article 105 provides that the federal government must take 'all necessary measures' to secure compliance by provincial governments. Two years after NAFTA comes into effect, a full list of all provincial legislation and regulatory measures that are in violation of FTA/NAFTA provisions must be provided in order that they can be "grandparented" into the agreement. This means that all provincial measures will be subject to NAFTA unless they are specifically exempted at this point. All provincial measures after this point will be subject to NAFTA (CCPA, 1992: 2-3). The impact of this on provincial initiatives to pursue provincial interests will be discussed later.

Many of the changes from the FTA to the NAFTA reflect the draft provisions under discussion for the GATT. This is significant in that those provisions tend to be those which best reflect and protect US interests. If these provisions are not accepted in the new GATT, it is conceivable that Canada will be bound to these provisions through the NAFTA even though many of our trading partners may not be. This would greatly affect Canada's trade relations outside the North American trading bloc (CCPA, 1992: 2). One example of this is Trade Related Intellectual Property Rights (TRIPs). US business interests, reflected in the Intellectual Property Committee (IPC), have convinced the US government to treat the TRIPs provisions from GATT drafts as a minimum levels of protection not maximums. This creates the potential for NAFTA to require that Canadians and Mexicans bow down to US business interests even if these extreme measures are not passed in the GATT (CCPA, 1992; Marchak, 1991).

The goal is to create an integrated market-led free trade zone which will be strong enough to lead in the new globalised economy. A borderless continent, where governments are subservient to the needs of the marketplace. A vision regulated by the terms of an international trade treaty and accountable to its mechanisms and procedures for determining disputes. This Tory, neo-liberal agenda is dependent on the significant restructuring of social, economic and political life in the countries of the Americas (CCPA, 1992: preface).

The impact of this has been the transformation of the country based on the ideology of unleashed capitalism. The liberation of

capital has been the basis of changes in government at all levels and aspects of the economy. "[This] runs on the belief that what's good for business- big business- is good for the country, and any mucking around with business' freedom to act only further jeopardizes the economy" (Benn in Sinclair, 1992: 45-6). Associated with this is the 'trickle down' approach to distribution, tax breaks, deregulation, privatisation, and 'free' trade. The products of this approach have been the polarisation of society between rich and poor, as well as the mismanagement and cutting of basic industry. This has contributed to a drastic increase in bankruptcies and the collapse of regional economies. It has also undermined the federal regulating agencies, affecting occupational safety and health, labour relations, civil rights, and the environment (Benn in Sinclair, 1992; CCPA, 1992).

Thus, NAFTA is the continuation of the FTA and has clear links to the GATT in terms of the operation of a North American trading bloc in the global political economy. Because of this, NAFTA plays an important role in the continuing of the neo-liberal agenda of increasing capitalist and market-based development in North America.

## 2. Theoretical Perspectives on Sustainable Development

### The Limits to Growth

The first world is clearly among the world's most inefficient and wasteful consumers of material and energy. It contains 26% of the world's population, yet consumes about 80% of the non-renewable resources and up to 50% of the world's total food output (Trainer, 1989). Current North American development ethics include

the continual, and legal, disposal of 189,000,000 tons of waste into the waters off the coast of North America. Even given our limited knowledge of the interdependence of natural ecosystems there is little doubt that this must have significant and detrimental effects, not only to those species that inhabit the ocean, but to every ecosystem linked to it. The limits to growth perspective is based on the recognition of our unsustainable practices.

Despite the many attempts to explain the origins of any particular nation's wealth, most explanations fail to recognise that the finite natural resources which humans have been extracting at phenomenal rates, are the real sources of wealth. It has been human ingenuity which has enabled us to invent ways of tapping into other sources of wealth hence increasing the depletion of natural resources. But it is the biosphere, which we did not invent, that gives us this wealth.

"All life on earth is tied up with all other life and with the weather, soil cycles and water cycles that keep the ingredients of life in motion and moderate extremes of heat and cold within the few kilometre thick layer of the earth's biosphere" (Clow, 1989: 4-5).

Not only does it give us life but it fuels the development processes of each and every community, region or nation. Whether we extract natural resources through mining, harvesting crops through agriculture, or powering our nations through hydro-electricity, nuclear power or the burning of fossil fuels, we are drawing from the earth's finite resources. Of course there are renewable resources, but their renewability depends on very careful management.

This poses great problems for conventional development strategies in particular, and 'progress' in general. Nation states depend upon a continual economic growth process. To most it would be ridiculous to suggest that development can occur without some form of economic growth. As witnessed in the past, nations which do not maintain growth rates of three to five percent or more are considered to be in a state of recession or even depression. Our society is so structured around the concept of economic growth that when it does not occur there are tremendous hardships, particularly for the lower classes. "All advanced societies and most, if not all third world societies, are organised to try to socially sustain economic growth, and that for a certain class of people, this must be maintained at all costs" (Clow, 1989: 15).

The problem is, apart from periodic recessions and depressions which have plagued the history of modern civilization, environmental degradation is now threatening not only our economic activity but our very existence. Hence there is a need to recognise that there are physical limits to the economic growth process. This leads to the creation of a perspective adopted not only by radical schools of thought but by many ecologists, environmentalists and social scientists, who advocate the need for societies to recognise that there are real limits to economic growth.

There have been several documents published which refer to this 'limits to growth' perspective. Among these are Daly's (1977) *Toward a Steady State Economy*, the Club of Rome's *The Limits to Growth* (Meadows, 1972), and the Ecologist's *Blueprint for Survival* (1972). These publications have lead to much controversy within the



academic arena, particularly relating to economics and development studies.

Although intended to reduce poverty, malnutrition, economic 'backwardness', and other symptoms of underdevelopment, development has caused considerable disruption in the natural functioning of the earth's biosphere. It is debatable as to how close we are to the complete destruction of the ecosystems which support our continued existence. However, there is no doubt that we are seriously damaging our environment. This lack of consensus is but one barrier to sustainable development. It is worth noting, however, that according to the *Blueprint for Survival*:

"we do not need to utterly destroy the ecosphere to bring catastrophe to ourselves, all we have to do is carry on as we are, clearing forests, reclaiming wetlands, and imposing sufficient quantities of pesticides, radioactive materials, plastics, sewage and industrial wastes upon our air, water, and land systems to make them inhospitable to the species on which their continued stability and integrity depend" (Editors of the *Ecologist*, 1972).

We are one such species that depends upon this stability and integrity. Because of this it is critical that we address the severity of environmental degradation and its implications for the survival of life on our planet.

There have been several attempts made to incorporate elements of the limits to growth perspective into various theoretical schools of thought. Conflict theorists and conventional or mainstream theorists have acknowledged the potential limits to development. Some have even accepted many of the components of this debate. There are also various environmental and ecological

perspectives which have also incorporated components of this debate.

Limits to growth has created many theoretical as well as pragmatic controversies. For example, if an advocate of modernisation theory recognises the danger involved in the continual extraction of finite resources or the continual over-exploitation of renewable resources, this could contradict many of the basic assumptions which support that school of thought. If this particular theorist cannot transcend that theoretical framework, which is a common problem, then potential solutions to problems associated with sustainable development become rather futile. This is the present status of many efforts attempting to tackle the notions of limits to growth and sustainable development.

Furthermore, the completion of environmental assessments, cost benefit analyses, and attempts to place values on intangible resources is virtually meaningless without the recognition of the finite nature of our biosphere and environment. This has contributed to the continuation of support for development projects that are environmentally, socially and economically unsustainable.

Perhaps a much more radical approach to the understanding of the objectives and purposes of economic activity, and a different attitude to understanding it, are required, as has been suggested by Redclift:

**"The commitment to stable-state resource allocation, and to a zero-growth position, in which use values are substituted for exchange values, precedes any systematic attempt to establish how these goals can be legitimized or brought nearer under capitalism.**

Sustainable development is the objective of many perspectives, such as this, but the role of the market in defining its various historical stages remains obscure" (Redclift, 1988: 635).

Conflict theorists, and Marxists in particular (for example, Clow, Benton, Schmidt) have also attempted to acknowledge the limits to growth debate within the historical materialist tradition of thought. Incorporating this component into their theoretical framework has also presented problems and much controversy. For traditional Marxism, the constant development and expansion of the means and forces of production has enabled societies to develop. Marxists have traditionally advocated that transferring control over the production process, via revolution, from the capitalist to the owners, will diminish alienating elements of capitalist development. But this does not necessarily provide solutions for sustainable development. Thus socialist economic thinking, based on a growing industrial society of greater affluence and control over nature, all in the hands of the working class, will not necessarily provide solutions to our current dilemma (Clow, 1990; Benton, 1989; Grundmann, 1991).

The limits to growth perspective for the most part entails an ecocentric approach to sustainable development. As an independent ecocentric perspective, limits to growth ridicules many of the conventional preconditions for development. "In this respect, at least, it represents a more radical break with orthodoxy than other ideological or paradigmatic positions" (Redclift, 1988: 637).

However, there are fundamental flaws which must be addressed at all levels of this perspective. Because it is an ecocentric approach to sustainable development one can not

immediately identify the social constraints for implementation. Many of its components are strictly descriptive and omit many of the social obstacles to sustainable development. For example, our current political economy and the forces behind it, are so heavily dependent upon our current methods of capital accumulation and profit maximisation, that those who benefit from it, namely members of the corporate and national élite will "resist sustainable development measures with the utmost vigour" (Clow, 1989: 6).

There must be attempts to redefine economic development and the socio-political context in which it operates. One required change is the incorporation of activities that were once labelled as unproductive such as domestic work, subsistence production, recycling, and the proper maintenance of the environment, into our definition of productivity. There is a vast amount of activities currently defined as 'non-productive' which do not lead to environmental devastation and hence promote a sustainable context for societal development.

Technology is often given a key role in achieving sustainable development. Yet it is often underevaluated in terms of its role in the development process. On the other hand, technology has been very detrimental to societal development. It has alienated workers from their occupations as well as from other people. In short, it has changed the relationship people have with their environments, both ecological and social. For example, many of these interpersonal interactions have been replaced by interactions with machines. It becomes clear that we can not rely on technology as a simple solution to the problems of environmental degradation. In fact, if

not properly mediated, technology could end up a 'loose cannon' in our fragile global ecosystem.

Another element which has been seriously neglected by the limits to growth perspective is population dynamics. Many critical theorists reject that overpopulation is at the root of many problems of development including environmental degradation. On the other hand, many mainstream theorists, perceive the causes of environmental degradation to be primarily due to overpopulation. Neither of these extremist views on the role of overpopulation in underdevelopment provide much insight into the link with environmental degradation. Just as it is naïve to think that population dynamics are peripheral to the problems of environmental degradation, so it is simplistic to assert that overpopulation is the principal cause. It is clear from previous discussions that there is a broad variety of relevant variables in the issues of development and environment, only one of which is population dynamics. The limits to growth perspective fails to address in any clear way the issue of population dynamics. This deficiency could be overcome easily because there is a recognition within limits to growth of the over-consumptionary obsession which 'progress' dictates.

It is important to view any proposition of the limits to growth perspective in its theoretical context. This is because, like many other perspectives, it has been adopted and adapted by ecocentric, radical and conventional perspectives in order to match their own theoretical assumptions. Perhaps the lesson to be learned from this discussion is that there are indeed limits to the type of economic

growth currently being pursued by the developed world and increasingly by the underdeveloped world.

Furthermore, although largely descriptive, and lacking concrete solutions for social change, the limits to growth perspective does represent an attempt to proceed beyond the orthodox growth-oriented solutions to sustainable development. It recognizes the need to alter our lifestyles in the developed world and considers capping our economic growth. These represent at least a small step in the right direction.

### Indigenous Perspectives

Although the limits to growth perspective comes out of the rise of the environmental movement centred primarily in the first world, it would be gravely unjust to propose that sustainable development is solely a first world notion. Sustainable development has, in fact, been the primary mode of development over the history of global human adaptation. These systems of sustainable development, which differ from the limits to growth perspective, are still being practised by many of the world's indigenous peoples. Even though much of these traditional cultures are being destroyed, many indigenous peoples possess and practice the understanding of sustainable development that has existed for hundreds or even thousands of years.

There are approximately two hundred million indigenous people on our planet. This constitutes about three percent of the total global population. These societies have unique cultures which distinguish them from most of the other societies of this planet. Culture in this context refers to "every aspect of life: know-how,

technical knowledge, customs of food and dress, religion, mentality, values, language, symbols, socio-political and economic behaviour, methods of making decisions and exercising power, methods of production, and economic relations and so on" (Verhelst, 1990: 17). The past two centuries have witnessed horrific rates of cultural extinction accompanied with the assimilation of even more cultures into other more dominant cultures. The high rates of cultural extinction and assimilation have emanated from destructive forces such as colonialism, military invasion, and what we can broadly label as development.

There are several characteristics which tend to distinguish indigenous peoples from the remaining five billion people on our planet. To begin, indigenous or tribal people, confine themselves by choice to specific regions of the Earth. Generally speaking, they are considered to be original inhabitants of their particular geographical location. They possess basic levels of technology in comparison to most civilisations, however this should not be viewed upon negatively. Most of these societies do have noticeable leaders but political decision-making is almost always highly decentralised and democratic. Decentralisation is also a common characteristic of the other social and economic structures which make up indigenous societies. It is also important to note that these cultures do not artificially separate their societal institutions. These inseparable structures not only provide the means for survival but also for the fulfilment of everyday needs and aspirations. For example, the absence of patriarchal and class dominated structures enable each

citizen to escape these highly alienating and destructive forces which are common in many modern societies.

Perhaps the most distinguishing feature of these societies is the absence of large surpluses created by production processes because large surpluses often lead to more waste. The production of food and other commodities is centred around meeting the needs of the entire community and not primarily for trade. Although limited trading relations do exist amongst groups living in close proximity to each other, self-reliance and self-determination is paramount. The features described here are of course not universally applicable to all indigenous societies. However, it is important to note that because of these societal arrangements, many of these civilizations were at one time relatively poverty free as well as absent from severe forms of social stratification.

Progress and modernisation has lead to immense level of environmental degradation, leading us to yet another attractive set of distinguishing features of indigenous societies. Many of these people possess ample information pertaining to the sustainable management of natural systems. These groups live and have lived in what we label as fragile ecosystems, such as rain forests and arctic regions for thousands of years without disrupting the functioning of their surrounding natural environment. At the other extreme, modern societies have dismantled in just a few centuries, what nature has taken million of years to create. "It is not a mistake as fatal as it is crass to see only the negative or backward aspects of indigenous traditions. Such traditions, long considered mere obstacles to development, might well constitute an ultimately



beneficial force of resistance to a foreign model of society whose effects are undesirable" (Verhelst, 1990: Forward).

Development projects often do not involve the active participation of the local communities, indigenous or not, hence are inappropriate and destructive towards the human and natural environments. There is a genuine need to involve these indigenous perspectives in the development processes, even though these perspectives usually contradict conventional development strategies. This genuine need evolves out of the fact that our planet is facing an ecological crisis, and potential solutions to this crisis can be derived from the many indigenous cultures which exist or have existed on our planet. Development theorists, national governments and private institutions must discontinue labelling these perspectives as being 'backwards' and make an effort to access the many beneficial attributions such as methods of sustainable resource management.

This poses problems for many exploitative cultures, although a common ground must be found. Many cultures often neglect to recognize our dependence upon the proper functioning of a complex global network of ecosystems. Indigenous peoples understand that humans are an intricate part of nature and recognize many limits imposed upon us because of this. They recognize that sacrifices must be made in our current trend towards global modernisation. In this respect indigenous perspectives and limits to growth perspectives are on common ground. If we are prepared to listen, indigenous people can provide alternative economic, social and political models for development.

**"Indigenous people do not believe they can return to some idyllic past of hunting and gathering, nor that they can remain isolated from the powerful political forces around them. They are opposed to development which threatens their survival and the environments that regulate temperature and rain on a global scale, and keep the planet suitable for human rehabilitation". (Burger, 1990: 75).**

**There is much we can learn from indigenous perspectives. We as social scientists, natural scientists and people, dependent upon a fragile planet must actively engage in research and development of indigenous knowledge. Although much of this knowledge is not recorded, it is still apparent within those cultures that exist in relative isolation. It also remains within the minds and customs of many people assimilated into more dominant cultures; usually within the informal sectors of a nation. The course of development must discontinue devaluing these people and their diverse approaches to sustainable development and attempt to incorporate it into the formal structure of development studies and strategies. Indigenous systems of health care, medicine, education and agriculture as well as the ways of understanding the world and the people in it have a tremendous amount of experience to offer.**

**However, these perspectives have been subjected to the relentless onslaught of the scientific world view characterised as being technocratic, mechanistic, materialistic, reductionist and deterministic (Redclift, 1989). An international non-governmental organisation conference held in September 1981 in Geneva, on "Indigenous people and the land", released a very general statement that suggests that "in the world of today there are two systems, two different irreconcilable ways of life, the Indian world—**

collective, communal, human, respectful of nature and wise-- and the Western world-- greedy, destructive, individualist and enemy of mother nature" (cited in Verheist, 1990). This is supported by Hanson (1985), who discusses the future paths of indigenous peoples' development in terms of "dual realities, dual strategies".

Many of the concepts which development theorists are attempting to reconcile, such as resource depletion, pollution, population dynamics, social equity, and sustainability, have been recognized and dealt with successfully by indigenous peoples. We must also recognise that many of these solutions may differ from the conventional understanding of sustainable development as it is defined by the industrialised and empowered first world. Nevertheless, it only makes sense to diminish this ignorance and bias we have towards 'traditional' societies; after all our survival may depend on it.

#### Sustainable Development Versus Sustainable Growth

Over the last few years, sustainable development has become 'the solution' to all the evils of development in the rhetoric of first world governments and transnational corporations. The recent trendiness of anything 'green' has left us with virtually every large company and government clamouring to jump on the band wagon of green consumerism and policy. However, most versions of sustainable development, such as the Brundtland Report (*Our Common Future*) envision sustainable development as a way to have our cake and eat it too. That is, industrialised economic growth can be maintained, and the environment doesn't have to be sacrificed in the process.

The critical issue is the possibility of continuing economic growth in spite of the ecological damage we have created through economic growth and its acknowledged feedback onto economic activity. Brundtland's concept of 'sustainable development' assumes reckless exploitation of renewable resources and dirty technology are responsible for the disruption of the global environment, and that environmental measures are necessary but economic growth can be sustained indefinitely with proper management of renewable resources and pollution control (WCED, 1987:1). Under this type of approach, environmental protection is seen only as a measure necessary to ensure continued global economic growth, which is the desired goal. Thus, the only environmental controls are those required for sustaining economic growth. In this way mainstream economic development interests have co-opted the language of environmental protection to further the interests of those who benefit from sustained growth, the corporate elite. Thus in mainstream development discourse, sustainable development has been co-opted to mean sustainable growth. Along with the Brundtland Commission Report, the World Commission on Environment and Development, and numerous Canadian government mandates including the Cooperation Agreement on Sustainable Economic Development are all approaches that fit into this category of sustainable growth approaches (Chambers, 1986; CIDA, 1987; CIDA, 1991; Clow, 1991; Government of Canada, 1991; Hall, 1990; Shiva, 1991; Stark, 1990; WCED, 1987; Sachs, 1992).

Although 'sustainable growth' is the most fitting term for this type of approach, it is in fact an oxymoron. This is because

sustained economic growth can not, by its very nature, be environmentally sustainable. This is because all productive economic activity, including economic growth, depends on the biosphere. Human work transforms 'resources' that come from direct solar energy, the materials and energy of the earth's crust or from 'renewable' materials, which are the energy and life processes of the biosphere. The biosphere not only provides 'renewable resources', but also absorbs and processes our wastes. However, as the level of economic activity increases, so does the demand on the biosphere to provide 'renewable' resources and to absorb and process biodegradable and toxic waste. At a given point, economic activity can not increase without undermining the ability of the biosphere to produce 'renewable resources' or to absorb and process waste products (Clow, 1991: 3).

In this respect it is impossible to sustain economic growth and preserve the environment. These limits to growth necessarily impinge on the fantasy of sustainable growth approaches. Furthermore, sustainable growth strategies do not work because they plays right into several key contradictions of development and the global political economic system, as shall be seen in the following chapter.

### **Summary**

In ideological terms, NAFTA can be seen to play a major role in furthering the neo-liberal agenda through its focus on the market as the driving force in development. NAFTA also has strong ties with the GATT, with many political implications involved. This raises

some interesting issues relating to NAFTA as part of a North American, or even global approach to development.

Many of these issues raised by the ideological and theoretical discussions of NAFTA remain. This leaves us in a position of questioning our current path of development, both theoretically and practically. These issues are further explored in terms of contradictions of development and the political economy in the next chapter.

Sustainable development represents many different perspectives, each with continuing internal debates. Limits to growth, indigenous, and sustainable growth approaches, such as *Our Common Future* are some of the main perspectives. Limits to growth offers a clear message that economic growth can not be continued without grave results on ecosystems and the environment. However, it is clearly a first-world approach to sustainable development, as contrasted by indigenous approaches to sustainable development. Clearly, there is much to learn from the indigenous peoples of the world about sustainable development. On the other hand, sustainable growth approaches were shown to be fundamentally flawed because sustained economic growth can not be environmentally sustainable. Nevertheless, these sustainable growth approaches, as seen in *Our Common Future*, have co-opted the language, the structures and policy relating to sustainable development.

This poses theoretical and practical problems for sustainable development. These must clearly be addressed in order to create a meaningful definition of sustainable development that encompasses the meaningful elements from these differing perspectives.

However, in addition, there are numerous issues associated with the international political economy that also have bearing on creating a workable definition of sustainable development. It is necessary to work through these issues before turning to an alternative conceptualisation of sustainable development. The discussion of these issues will be done in terms of contradictions of development and the global political economy in the next chapter.

### **CHAPTER THREE**

#### **CONTRADICTIONS OF DEVELOPMENT AND THE GLOBAL POLITICAL ECONOMY**

Neither NAFTA nor sustainable development exist in a void. As discussed in the previous chapter, both fit into broader theoretical, ideological and political arenas. Sustainable development and NAFTA also have broad implications in terms of 'development' and development policy. Both are to be implemented in the global political economy in the name of 'development'. However, as was suggested in the previous chapter, there are definitional and operational problems associated with 'development'. It is therefore necessary to examine and evaluate the current functioning of development and the global political economy. This will provide a better context for evaluating NAFTA as well as insights necessary for the creation of the alternative conceptualisation of sustainable development.

There is little doubt that global 'development' as an enterprise and national or global strategy is in crisis. The planet's survival is in jeopardy because of environmental destruction. Social and economic polarisation are increasing, with more billionaires and more poverty-based deaths every year. Global recessions are becoming more frequent, more serious, and are lasting longer. Political strife and civil wars are problems world wide. 'Natural' disasters are becoming more frequent and more serious. The problematique surrounding these inter-related crises is very complex and there are many ways of exploring the core issues and dynamics. I have chosen to express them in terms of contradictions;



that is, the ways in which our development strategies contribute to the spiral of over and under development and to the destruction of the environment. These contradictions are inter-related and mutually reinforcing. To a certain degree their boundaries are arbitrarily drawn for the sake of simplicity and clarity. I do not think, however, that this undermines their ability to contribute to building an understanding of development and the global economy.

I have focussed on the following six contradictory strategies of development: economic growth; industrialisation and technology; econocentrism; the marginalisation of women, subsistence production and the informal sector; the crunch on resources and the environment; and power, the state and the international political economy. In each of these sections I will discuss the ways in which each of these strategies of development are contradictory, and contributes to the spiral of over and under development and the destruction of the environment.

### 1. Economic Growth

According to conventional wisdom, economic growth is supposed to be the engine of development with distribution of the gains an issue only after an 'adequate' level of economic growth is achieved. There are two key problems with this 'back burner' approach to distributional questions. Firstly, this 'adequate' level is never defined, and therefore never reached. Secondly, this has resulted in an economic polarisation of society. This is because economic growth is often achieved through the marginalisation of those who receive a smaller portion of these resources, namely the third world, rural dwellers, indigenous groups, working classes,

women, and children. Thus it is the economically and socially disadvantaged who disproportionally support and maintain the efforts which create economic growth. Yet the distribution of the benefits accrued does not reach these people. It is therefore impossible to conclude that economic growth in itself is 'development'. Indeed, the economic growth process marginalises these groups to a point of unreasonable hardship, and increases their inaccessibility to the benefits of economic growth. For these reasons the role of economic growth in development must be seriously questioned.

Seen on an international scale, it can be seen that in a similar manner, the very measures which are dictated as required for development in the third world are precisely those which are maintaining and increasing the Third World's underdevelopment. This can be seen, for example by examining the effects of World Bank and International Monetary Fund (IMF) loans and Structural Adjustment Programmes (SAPs) as well as other forms of international control and power, such as the GATT and transnational corporations (TNCs).

According to Marchak (1991: 201):

"The terms of IMF and World Bank loan create a Catch-22 situation. On the one hand, the recipient is obliged to remove all restrictions to the 'free market'; on the other hand, because it must open its borders to foreign investment and imports it is unable to develop independent momentum as an industrial country. ... In this respect, the power of the IMF and the ideological leadership of the Trilateralists and the right-wing think-tanks around the world combine to impose a particular view not only of how the global economy should function but of social and cultural priorities."

These foreign debts and the conditionalities required in the form of structural adjustment programmes (SAPs) have kept third world countries dependent on the first world both for continued loans and for direct foreign investment, mostly by TNCs. This leaves most third world countries so indebted to the IMF and the World Bank that their current repayment schedule requires them to pay more for servicing the loans than they receive. This dependency is structurally reinforced in the arena of trade by the GATT, which primarily represents the interests of the first world. This dependency leaves many third world countries politically or economically unable to develop (Bertoud in Sachs, 1992; Caldicott, 1992; De Janvry, 1981; Marcnak, 1991; Mies, 1986; Redclift, 1987; Shiva, 1989, 1991).

The contradictions of growth-oriented development can easily be seen from examining the complexities of food provision in developing countries within the global market system. This is important to examine because this contradictory strategy is being played out at regional, national and international levels of development. According to De Janvry (1981: 158-174), there are several main trade-offs involved in the availability of cheap food in developing countries. I will briefly discuss three of these.

The first is food self-sufficiency versus comparative advantage. In order to become competitive, developing countries supposedly must produce an adequate amount of commodity surplus so as to have a competitive advantage on the world market. In doing so, there is a necessary sacrifice to food self-sufficiency. This is because there usually is a shift in the production of food products

used for local consumption to the production of non-food commodities. Furthermore, because there is a premium on hard currencies, the currency gained from the export of these products is often diverted to debt servicing instead of being redirected into food provision, thus decreasing the availability of cheap food.

Following this strategy, many farmers who previously produced food for local communities start producing cash crops such as coffee or sugar. These are exported on the world market, and compete with other third world countries' exports thus driving the prices down. The little hard currency generated from this process is then used for debt servicing first, and maybe eventually for importing food stuffs which are eventually supposed to feed the communities that had been locally supplied with food. This imported food is very expensive and local farmers have very little money because the prices were driven down on their cash crops. Furthermore, there is not enough diversity of affordable food to maintain a healthy diet. Farmers and their families then end up poor and malnourished and eventually can't afford to keep their land. They sell it to a transnational corporation and either move to the city to look for scarce menial work, end up working as exploited seasonal workers for the transnational corporation on what had been their land, or simply starve to death. This is scenario number one on the road to development.

The second trade-off is the use of land-saving versus labour-saving technological change in the development of the forces of production. In order to reduce production costs and to produce economies of scale there is an increase in the use of technology that

reduces labour costs. However, this also causes a decrease in the productivity of the land due to the environmental degradation associated with this technology. This in turn, requires the use of further technological inputs. This costly mechanization process can only be afforded by the countries' élites or by TNCs. This mechanisation and subsequent increases in production serve to reinforce and increase the polarisation of wealth and power within that region, and thus makes the supply of cheap food to the poor more scarce.

This strategy requires that the farmer use expensive technology and chemicals in order to increase productivity to avoid the scenario of the first trade-off. Most small farmers do not have the money for these inputs, or the large tracts of land required for economies of scale that make the investment worthwhile and so do not avoid the first scenario. On the other hand, those with lots of money and land can afford these inputs and so benefit by avoiding scenario number one. However, scenario number two is that this increased productivity strips the soil of nutrients, leaving it unusable without further chemical inputs. This costs more money. The tractors break down and parts must be imported. This costs more money. The high producing varieties of the crops are highly susceptible to pests, drought and disease, thus requiring pesticides and irrigation systems. This costs more money. The bottom line in scenario two is that it is only the farmers with the most money that benefit from using this process and that make the most profits. Usually this is foreign agrobusinesses, TNCs or the countries' élite. Everyone else falls into scenario number one.

The third trade-off is the exploitation of cheap labour as a source of cheap food. Unable to compete with the large-scale capitalist production of food crops, peasant farmers are forced to abandon subsistence production for wage labour for large-scale producers. Because of the large supply of available labour, wages are kept down. This in turn keeps production costs down because of the cheap labour provided by peasants who are paid barely enough to buy the food they need to survive.

The ex-farmers in scenario number one who managed not to starve now work for a large company. Because there are so many of them, the companies don't have to pay them very much. The ex-farmers are relatively desperate because they don't want to starve and so will work for very little. The companies in turn don't pay very much for labour costs, keep their production costs down and therefore make more profit. These products are exported to the first world, which benefits from low prices. The ex-farmers, however, make barely enough to feed their families even though it is their labour that makes the profits for the companies and keeps food prices low in the first world. If these ex-farmers don't make enough money, or don't comply with the terms of the company, they and/or their families simply starve.

These scenarios are operating systematically in most parts of the third world. The trade-offs in the provision of cheap food that they represent are clear contradictions in terms of the ability for growth-oriented strategies of development to provide basic food provision. This has led to a situation where affordable food is not available to those that need it the most. These contradictions

reveal some of the faulty assumptions that are at the core of development strategies led by economic growth.

## **2. Industrialisation and Technology**

Industrialisation and technology are seen by conventional economic theory as the most efficient avenues to economic growth. However, these strategies increase production levels for those who can afford the capital goods at the expense of those who can't afford them, and at the expense of the balance between the environment and people, many of whose socio-cultural arrangements have been viable for hundreds of years. Technology has replaced ancient knowledge systems with technical quick-fixes which often, as seen in the Green Revolution, cause more problems than they solve (Shiva, 1991; Redclift, 1987; Conway & Barbier, 1990; Katzman, 1987; Taussig, 1981; Ornstein & Ehrlich, 1989).

The understanding of technology in the first world has been transformed in recent decades. It is no longer viewed as a means, but as a reified, self-perpetuating cycle; an end in itself. Because of this we now seek technological miracles for technological disasters, which themselves were previously viewed as technological miracles. We are so lost in our technologisation that we fail to see that it is human systems and values that are at the root of the problems, and not technology per se. Thus, our reliance on the ultimate techno-fix is serving to increase our blindness to the roots of the problems (Ullrich in Sachs, 1992; Ellul, 1964; Leiss, 1990).

It is a fallacy that technology is neutral. Technology is neither designed nor employed in a vacuum. Rather, it is the product

of empowered human systems. Because of this, technology reflects the biases and values of the system in which it was designed to operate. It is not surprising, then, that technology created in the capitalist, growth-oriented and empowered elite serves best at benefitting those groups who most benefit from those systems. Nor is it surprising that the biases and contradictions of that empowered system are transmitted and reinforced through the use of this technology.

Industrialised production is considered the most efficient strategy for economic growth, which is the main goal of development. Industrialised production has a very specific set of requirements in order to be efficient, for example, urbanisation, sectoralisation, large tracts of land, large amounts of capital and technology, and a cheap labour force. These requirements are, however, very costly not only monetarily, but also socio-culturally and environmentally.

In terms of agricultural production, large tracts of land are necessary in order to create an economy of scale that will produce enough surplus to pay for the technological and chemical inputs that become necessary, as well as maintaining a profit margin. This necessarily means that the land ownership is concentrated to a relatively few owners. This forces many non-land owners, many of who may have previously owned small tracts of land for family farms, to work as cheap wage labour for these industrialised agrobusinesses. Not only does this create a concentration of land, but also of profits, which have a tendency not to trickle down to



former land owners. This cycle of technologisation reinforces and increases the polarisation of wealth and power.

The basis for this environmental destructiveness of agrobusiness is intensive and extensive monocropping, which is the practice of planting single crops or raising one species of animal in one large area of land. This requires large scale destruction of natural habitats, including artificial fertilization and irrigation, and chemical attacks on 'weeds' and 'pests'. These monocultures drain nutrients from the soil and imported high-intensity fertilizers poison much of the supporting micro-ecosystem (bacteria, worms, small animals etc.) in the soil, while stimulating the growth of the crop as well as the 'weeds'.

These practices are also responsible for soil compaction, steady wind and water erosion, the reduction of the soil's ability to produce without larger and larger inputs of chemical agents, the gradual creation of more chemical-resistant 'pests' and 'weeds', greater exposure of farm families to chemicals, the destruction of species diversity, foods laced with residues, and greater off-farm environmental damage from chemical run-off. This kind of agriculture steadily reduces the productive capacity of the soil, with decreasing crop yields. We will simply not be able to keep farming in this way for long because it destroys the material basis of farming. In the end, 'victory' over the limitations of the biosphere is achieved at the cost of lowering the long term agricultural productive capacity. This clearly makes these practices unsustainable (Clow, 1991).

Urbanisation is also associated with industrialisation. There are many reasons for this. One reason is that rural areas no longer provide the basic needs for survival for many people due to the industrial transformation of rural areas. Increased taxes is often used as a strategy for the state to increase available capital that is required for industrialisation. Services, such as education and health care, also tend to be concentrated in urban centres. These put pressures on rural people, to obtain wage labour at jobs which are usually concentrated in urban centres. These factors contribute to urban pollution, unemployment, poor living conditions, and overcrowding as urban centres are increasingly unable to meet the needs of people.

The increase of wage labour due to industrialisation tends to create a class stratification that separates those who own businesses and those who work for them. These classes are differentiated in terms of status, wealth and degree of job control and opportunities. Furthermore, this stratification has less to do with competence and competition, than with power, money and status. The industrialisation process tends to increase the divisions between these classes by failing to provide adequate social services and by perpetuating a system that requires a cheap labour force that necessarily marginalises the people who are forced to participate in this exploitation.

There is a certain paradox associated with industrialised development. In order to achieve prosperity one must increase economic growth and profits through industrial production. However, this requires large amounts of capital and expensive

technology, which is precisely what was lacking in the first place. The obvious conclusion to this paradox is that one must already be developed in order to develop. This Catch-22 situation is at the root of the spiral of under and over development.

However, even for 'developed' countries industrialisation is an expensive venture requiring continuous inputs of capital. This has contributed to the situation where national deficits are spiralling out of control in order for countries to stay developed. The ensuing cut-backs to spending in 'low priority' areas, such as social services and employee benefits, undermines the lower class' ability to function productively in a way that benefits the state, thus costing the state even more to maintain their survival (Redclift, 1987; Taussig, 1981; De Janvry, 1981; Conway & Barbier, 1990; Shiva, 1991; Mies, 1986; Ullrich in Sachs, 1992).

Given these contradictions of technology and industrialisation it is clear that their roles in development need to be re-examined, and that development strategies driven primarily by technology and industrial production should be similarly questioned.

### 3. Econocentric Approaches to Development

Egocentric refers to an individual that focuses on his or herself to the exclusion of others. Econocentric refers to the over-emphasis of the economic knowledge system to the marginalisation of other systems, variables and interests. The current development strategy is decidedly econocentric. Economics is of primary importance in development, and even when other issues are discussed, the discourse, the knowledge and value systems, as well as the analytic processes are dominated by economics. This is

structurally reinforced by the governmental and business organisation of the institutions involved in development discourse, and by the power distribution within (and withheld by) these institutions.

An empowered econocentric approach to development has necessarily been at the expense of the environment, socio-cultural concerns, women, grassroots approaches, and other knowledge systems. Because these aspects are important to development, it is clear that an econocentric approach to development is necessarily deficient. This does not mean the abandonment of economics, just the recognition that economics is but one component of knowledge and development; a component which is currently empowered and biased (Shiva, 1989, 1991; Mies, 1986; Esteva in Sachs, 1992; Bodely, 1988, 1990; Burger, 1990).

#### 4. The Marginalisation of Women, Subsistence Production and the Informal Sector

Following the tradition of first-world colonialism, there has been an ongoing imposition of the first-world conceptualisation of the political economy, along with its assumptions and contradictions, onto more marginalised groups, including the third world. This is directly related to the imperialist biases inherent in an econocentric vision of development. There have been numerous effects of this, which will be revealed through examination of the marginalisation of women, subsistence production and the informal economy.

One group of effects is a set of ideological changes that has occurred because of this imposition. These ideological changes can

be seen in numerous contexts, but one of the most significant is a change in the relationship between humans and the environment. People were at one time required to be intimately touch and knowledgeable about the natural world around them. This was a necessity for survival. This set of basic knowledge has been replaced by an understanding of survival skills for profit-driven market-based systems. People have lost touch with the diversity of nature and our intimate dependence upon it for survival and well-being (Ornstein & Ehrlich, 1989; Esteva in Sachs, 1992).

There have been changes in the relationship between people, the land, the environment and production. There has been a shift from use-value and subsistence production, to exchange value, commodity surplus production and wage labour. Through this process, peoples' perception of their surrounding environment changed from being the provider of life's necessities which is to be nurtured, to a set of natural resources to be exploited. This distorted view of modernity has been encouraged heavily in the third world (Taussig, 1980; Shiva, 1989; Redclift, 1987; Sahlins, 1972; Bodely, 1988, 1990; Burger, 1990).

The changes in production wrought by first world intervention and conventional notions of development have been devastating to rural life and culture in both the first and third worlds. The effects of this process have been widespread. One such example is the sectoralisation of production, and specifically of agricultural production, which has marginalised at best, and destroyed at worst, the complexities and value of rural life, including its community-

based social and cultural structures (De Janvry, 1981; Taussig, 1980).

It can be seen that the effects of what have been labelled 'economic changes', such as sectoralisation, market exchange, commodity surplus production, economies of scale, to name a few, can not be evaluated solely on an economic basis. Economic measures can not adequately evaluate the worth of agricultural production in context of the holistic socio-cultural benefits of rural community life. This is because the value determined by shadow pricing is based solely on economic values which do not take into account socio-cultural value of a given practice.

The imposition of market-based and profit-oriented capitalism that has characterised the interaction between the first and third worlds has posed numerous contradictions in terms of development. One such contradiction is the marginalisation of the informal sector. The definition of the informal sector is both variable and vague, often best described as 'what's not in the formal sector'. Typically, this includes cottage industries, street vendors, subsistence producers, craft production, petty producers and traders, and any other economic activity that can not readily be measured. This definitional 'fuzziness' and the variation within it, reinforces the justification for its marginalisation. That is, the informal sector is inadequately defined, and because of this it is not dealt with adequately. However, the usual reason for not examining the informal sector is precisely because it is not well defined.

Furthermore, the econocentric measures and analyses specifically designed for the formal sector are understandably

problematic when applied to the informal sector. This is precisely because the informal sector is inadequately defined and is clearly 'that which is not part of the formal sector'. The 'immeasurability' of the informal sector using these formal sector econometrics is also used as a justification for the marginalisation of the informal sector. Thus, the econocentric mechanisms of analysis and conceptual framing of the issues of development through the dominant paradigm serve to reinforce and increase the marginalisation of the informal sector (Redclift, 1987; Shiva, 1989, Berthoud in Sachs, 1992).

In addition, subsistence technology appears to be 'backward' in comparison to the 'wonders' of 'modern' technology, which is the main pillar of 'progress'. The key to surplus production and progress is to cut labour costs, which necessarily affects those being used as cheap labour. One result of this is that former subsistence producers constitute the hidden non-waged base for extended reproduction of capital. Thus, even though the formal sector is dependent on the support of those working in the informal sector to supplement wages it also marginalises it, constraining its ability to provide this support (Mies, 1986; Shiva, 1989; Illich in Sachs, 1992; Sbert in Sachs, 1992).

In addition, there is a value judgement associated with the formal/informal sector dichotomy in that things associated with the formal sector are considered valuable (technology, growth, industrial production) and are therefore emphasized. Conversely, the informal sector and its associates are de-emphasized or marginalised. Also associated with the dichotomy of the formal

/informal sectors is that of poverty and wealth. Poverty is associated with the informal sector both because the poor work in the informal sector and because the informal sector is 'poor' work. This association reinforces the value judgement and the marginalisation of the informal sector.

To further complicate matters, there is a gendered division of labour associated with the formal and informal sectors. The formal sector which is capital intensive, technologically more advanced, and has better incomes is mainly the domain of men, whereas the bulk of the labour power in the informal sector is female (Mies, 1986).

In many more traditional societies, women are responsible for the provision of a large proportion of basic needs provision. Traditional women's work is productive, reproductive and often involves sustainability. Women are not only responsible for biological reproduction, but also of social reproduction through the care and education of children. But this work is considered as non-work in our surplus-production-oriented world view. Thus the appropriation of surplus, necessarily associated with the formal sector, is intrinsically interwoven with the establishment of patriarchal control over women as the main producers and sustainers of life (Mies, 1986).

The informal sector also includes sustainable activities such as collecting firewood, food preparation, working in a garden plot for food, the clothing and housing of people. Most of these tasks that address basic needs are the responsibility of women. Because of this, women are most involved in the maintenance of the



environment and of the resources that they depend on heavily for survival. This is especially the case in rural settings. These activities are not adequately evaluated by focussing on the formal sector. These activities, which operate primarily within the informal sector, form the bulk of that which is directly affected by the ideological and socio-cultural changes associated with the adoption of the econocentric values inherent in our political economy (Redclift, 1987; Mies, 1986; Shiva, 1989).

The adoption of this modernisation conceptualisation of the political economy intensifies these contradictions and dichotomies which pit the exploitation of natural resources, the formal sector, and men against subsistence production, the informal sector and women, in the cruel game of underdevelopment and poverty. This can be seen from the following all-too-typical scenario: In an attempt to overcome the dilemma of poverty men enter the formal sector which, through the exploitation of natural resources, causes environmental degradation. This in turn increases the burden on women's work in the informal sector by making scarce these natural resources on which women depend heavily for basic needs maintenance. This often forces women to adopt environmentally unsustainable practices in order to survive. In this way, families faced with poverty are in a Catch-22 situation of the intertwined dichotomies of the formal/informal sector, environmental degradation/sustainability, and of a gendered division of labour (Mies, 1986; Shiva, 1989; Redclift, 1987).

Thus it can be seen that there is a marginalisation of the informal sector. This is partially caused, and reinforced by the

imposition on the third world of a modernisation conceptualisation of political economy. This has caused numerous impacts and contradictions in terms of development. This is due to the fact that this conceptualisation of the political economy ignores the complexities which are intertwined with the so-called informal sector, including environmental sustainability, gender issues, socio-cultural support structures and basic needs provision.

##### 5. The Crunch on Resources and the Environment

Through the process of industrialised development the environment has been transformed from an integral context of human existence into 'natural resources', which are to be exploited in order to achieve prosperity. 'Natural resources' have no value of their own, but are considered elements subject to the forces of supply and demand. This reductionist view denies that natural resources have an intrinsic value and are part of ecological systems that can incur permanent systemic changes.

It has become clear over the past decade that there has been an over exploitation of natural resources causing serious environmental degradation. This has posed some serious questions as to the limits of growth and production. According to Clow (1991: 4), the feedback effects of environmental degradation onto the economy are becoming increasingly marked:

**"The large and expanding 'ecological demand' of the economy is taking us in a tightening spiral towards ecological exhaustion. We are destroying the biosphere at a rate such that it can not regenerate itself nor destroy the toxic substances that we have deposited into it and furthermore we are impairing the biosphere's capabilities to do so."**

Thus there is a decrease in the availability of resources on which we increasingly depend as the scale of our economic activities increases (Clow, 1991: 2).

Thus there is a contradiction in sustaining economic development and environmental degradation because the 'progression' of capitalism is to be in the direction of increased economic productivity. However, this process is degrading the environment in ways that is decreasing productivity.

One problem is that there is an assumption that resources are divisible and can be owned. There is no acknowledgement that resources are related to each other in the natural environment, as part of environmental systems. Thus, market mechanisms fail to allocate environmental goods and services effectively precisely because environmental systems are not divisible, frequently do not reach equilibrium positions and incur changes which are not reversible. In other words, the properties of ecological systems run counter to the atomistic-mechanical world view of modernisation economics. Economics is not adapted to consider total changes. Similarly economic theory had difficulty in recognizing that both ecological and social systems evolve over time, in ways which change both of them. (Redclift, 1987: 40-1).

This is exacerbated by the use of econocentric methods of analysis which do not differentiate between sustainable and unsustainable production, then compounds the error by ignoring processes such as recycling and energy conversion which do not lead to the production of goods or marketable services.

Furthermore, most of the problems associated with the environment and development can not be adequately dealt with by politicians because the problems are long term with slow changes, and politicians have little incentive to tackle or even to identify and analyse long-term trends. Even if elected officials could perceive those trends, they are unlikely to be able to influence such 'slow events' before the next election (Ornstein & Ehrlich, 1989: 151).

Thus, the political economy is faced with the contradiction of continued growth and resource exploitation versus environmental degradation and the limits to growth which we are rapidly approaching. Furthermore, these contradictions are not addressed by sustainable growth approaches because they do not adequately address the fundamental issues of industrialisation, growth, and the interdependence of ecological systems which are integrally related to the problems of environmental degradation (Sachs, 1992; Caldicott, 1992; Redclift, 1987; Shiva, 1991).

#### 6. Power, the State and the International Political Economy

Power is often ignored in political-economic analyses. It is assumed that 'a level playing field' is all that is required, even though the economic and political power of the players is grossly distorted. 'Equal opportunity' covers up the fact that most players are losers, and the losers are those with the least amount of economic and political power.

A further assumption is that there is relatively equal access to, and equal terms of trade on international markets. This has proven to not be the case, primarily due to the fact that the international markets are not neutral politically or economically.

They are heavily influenced by power and profit, most of which is concentrated in the first world. One example of these market distortions is the existence of structural surpluses in the first world caused by the prevalence of agrobusiness, protectionism, tariff escalation and value adding. These have clear detrimental effects on the terms of trade and the access to world markets of other countries. Because of this it is necessary that power be evaluated as an essential variable at all levels of analysis.

In recent decades the international political economy has become increasingly important and powerful. There has been pressure placed on states to make national borders transparent to TNCs and foreign investment. This erosion of state power undermines the viability of smaller domestic companies that can't compete with large and powerful TNCs thus crippling the country's ability to have productive domestic companies. This erosion of state power also undermines countries' domestic productive capacity as well as the state's ability to pursue national domestic interests. This makes it questionable as a primary approach to international development.

The state is seen as the main locus of development because of its access to credit and capital necessary for industrialised development. Significant increases in production, specifically of commodity production for export on to the world market, are necessary in order to generate capital which is crucial for debt payments and for the acquisition of capital goods. It is also increasingly required for the importing of food because of the substitution of commodity production for food production, and

because of the decrease in production due to environmental degradation caused by the invasive agricultural procedures required for this increase in production. It should also be noted that agricultural production by TNCs does not necessarily feed people. Ideally, however, the capital generated by the export of commodities is to cover the expenses incurred in importing food products as well as to pay off the deficit.

However, it is rare that this scenario turns out as planned, the main reasons for which stem from the fact that this vision of development contains several faulty premises and assumptions. One reason this reinvestment into rural sectors, environmental protection and basic needs provision doesn't occur is that these economies are cash hungry. Thus the goal of "make money make the most money" leads towards the never ending cycle of "investment-production-profit-and-reinvestment" (Clow, 1991: 8). With the complications and contradictions of trading on the world market profits are quickly gobbled up through debt servicing and 'necessary' reinvestment in order that the country come out on top in the next round. This results in placing necessary investment into environmental protection and basic needs provision on the back burner. This results in increasing the burden on those whose survival depend most heavily on these resources. This further increases the depletion of resources, and thus perpetuates the cycle (Barlow & Campbell, 1991; CIDA, 1991; Clow, 1991; Daly & Cobb, 1989; Gill & Law, 1988; Jenkins, 1992; Lummis in Sachs, 1992; Marchak, 1990; World Bank, 1991; WCED, 1987).

Furthermore, there is an assumption that the state has the capacity and desire to protect citizens and small businesses from negative market forces. However, the ability of the state to do this is necessarily limited by TNCs, SAPs, and foreign investment which require the alteration of the functioning of the state in order that they can operate effectively. Dependency on foreign investment and TNCs directly undermines the state's responsibility for the protection of vulnerable citizens and businesses from the negative dominating effects of the international market.

Even though the political economy may be becoming increasingly international, the underlying power structures and assumptions on which it lies has not changed under the New International Division of Labour, nor have the fundamental control centres for power and capital changed significantly. As De Janvry (1981: 181) explains, "the bipolar (articulated-disarticulated) accumulation process is being transformed ... but at the same time, its internal logic is being preserved". In fact, recent changes in the global economy serve to reinforce and intensify the contradictory dynamics of the political economy in terms of development. Thus the dynamics of power, the state and the international political economy do not operate in a manner that is beneficial for development (De Janvry, 1981; Jenkins, 1992; Marchak, 1991; Mies, 1986; Nandy in Sachs, 1992).

### **Summary**

The problematique that emerges from these contradictions reveals several disastrous problems of a global nature. The first of these is a spiral of over-development and the necessarily

accompanying spiral of underdevelopment. The second is an increase of environmental degradation to the extent that we are jeopardising our collective survival. The third result is an exponential extinction of both species and cultures which are becoming increasingly more vulnerable to these effects of these strategies. The bottom line is that we, along with all of the living inhabitants of the planet, are in serious trouble because of the contradictions inherent in the current strategies of development.

Furthermore, it can be seen that these contradictions are not addressed, but are intensified by mainstream development or sustainable growth approaches. It is clear, then, that an alternative conceptualisation of sustainable development is needed in order to address these contradictions as well as issues raised in earlier chapters. The proposal of such an alternative will be discussed in the following chapter.



## **CHAPTER FOUR**

### **AN ALTERNATIVE CONCEPTUALISATION OF SUSTAINABLE DEVELOPMENT**

The contradictions associated with our current strategies of development were discussed in the previous chapter. It can also be seen that mainstream approaches to development and sustainable growth approaches play right into these contradictions. Because of this an alternative conceptualisation of sustainable development is needed in order to address these contradictions. Addressing these contradictions is necessary in order that our development strategies have the potential to achieve global survival and well-being without being jeopardised by the spiral of over and under development and by environmental destruction. The definition and discussion of the alternative conceptualisation of sustainable development will provide clarification for implementing an effective programmes of sustainable development. This is necessary in order to provide a basis for comparison and evaluation of NAFTA.

There have been several development theorists that have been working with alternative conceptualisations of sustainable development. However, because these alternative perspectives are fairly new in terms of development theory, they can not be considered as unified into a single coherent alternative theory of sustainable development. I have therefore chosen to propose this alternative conceptualisation of sustainable development which will be discussed in this chapter. Many of the ideas and approaches of other sustainable development theorists have been incorporated into this approach.

I have organised my discussion of this proposal around eight focal points or issues. These issues are related to the contradictions of development as discussed above. The eight issues are holism versus reductionism; whether to abandon an econocentric approach to development; whether it is necessary to abandon the pursuit of growing prosperity as the goal of development; whether continued economic growth is possible; whether the pursuit of industrialisation and high technology are worthwhile developmental goals; how to sustain diversity in the face of the crunch on resources and the environment; the need for universal basic needs provision; the issues of gender equity; and the questions of power, the state and of various actors in the international economy.

As discussed earlier, the section on each of the issues does not include a set of prescriptions for the implementation of such a strategy. In our technically-oriented society, this may be considered a limitation, or a failing of such an approach. However, I would argue that a diverse range of practical applications or solutions to the problems of sustainable development are possible, and in fact, necessary because of the diverse range of natural environments, as well as the variety of socio-cultural and political-economic arrangements. It would therefore be counter-productive or even undesirable to suggest particular strategies of sustainable development unless it was placed in a specific regional context, with the necessary political, socio-cultural, economic and environmental information available. Even though practical applications are not discussed, it becomes clear, however, that any formulation of sustainable development would be required to

address these core issues in order to avoid the detrimental effects of the contradictions of development. It is for this reason that my discussion remains at the general level of analysis. I will now address each of the issues separately in the order in which they are listed.

### 1. Holism Versus Reductionism

It is often perceived that a definition of 'development' be presented before discussing how it to make it sustainable. This, however, is impossible. The terms are conceptually inter-dependent. Development implies change, and change which produces 'improvement'. Some notions of development may not lead to what is regarded by everyone as improvement, and some notions of improvement may not be sustainable no matter how great the consensus on them. It may not be possible to alter what has been regarded as 'development' to make it 'sustainable development'. Rather we must look at a single holistic process that entails both development, as improvement, and sustainability.

The need to consider human desires for 'improvement' together with the ecological stability of the Earth arises from their intimate interdependence. Human economic activity requires the ecosystem as source of resources and natural waste 'recycling'. In turn economic activity effects the ecosystem's capacity to support further economic activity in the future. It is therefore inappropriate to reduce natural systems to 'independant' elements of consideration, because of their interdependent relationship with other. Damaging one element of the system can irreversibly affect

the entire system. Furthermore, reducing a system to its elements marginalises the value and integrity inherent in the system itself.

Even an understanding of the economy is jeopardised in terms of reductionism through the sectoralisation of the economy.

Sectoralisation forces us to examine one sector at a time and marginalises our ability to perceive trends that cross these sectoral boundaries. That is, many trends that are important to the economy are invisible to sectoral analyses because they cross several sectors.

It is similarly inappropriate to reduce socio-cultural systems to economic variables. In doing so there is a risk of marginalising the value and integrity of that cultural system. It is necessary that a more holistic perspective be taken in order to understand and appreciate the value and interconnectedness of the elements that make up the system (Bodely, 1988, 1990; Burger, 1990; Glaeser, 1988; Sachs, 1992; Shiva, 1989; Schumacher, 1974; Verhelst, 1990).

## **2. Abandon Econocentrism**

Economic knowledge is but one of many types of knowledge. In terms of sustainable development, socio-cultural and environmental variables must be addressed in addition to economic variables. Sustaining socio-cultural systems is important to any notion of sustainable development, and it is inseparable from economic considerations.

There are clear problems associated with an approach to development that is centred around economic concepts and analyses. Specifically, the econocentric goal of profit accumulation and

reinvestment fails to provide necessary inputs into systems that are not perceived of as primarily economic.

As discussed earlier, focussing primarily on economic variables of the environment is inappropriate because of the interrelated nature of environmental systems which are non-divisible and incur permanent changes. Also, the use of econocentric methods of analysis does not adequately address issues relating to environmental sustainability because they treat sustainable and unsustainable production alike and ignore sustainable but 'non-productive' processes (Clow, 1991; Redclift, 1987; Shiva, 1989).

It can be seen that the effects of what have been labelled 'economic changes', such as sectoralisation, market exchange, commodity surplus production, economies of scale, are not exclusively economic processes, but have negative effects on the holistic socio-cultural benefits of society. This includes affecting the relationship between people, the land, the environment and production. The changes in production have been devastating to rural life and culture. This is one of the ways that an econocentric approach to development marginalises subsistence production and the informal sector (De Janvry, 1981; Taussig, 1980; Sahlins, 1972; Shiva, 1989).

Furthermore, the econocentric mechanisms of analysis and conceptual framing of the issues of development through the dominant paradigm serve to reinforce and increase the divisions between the formal and informal sectors and between women and men (Redclift, 1987; Shiva, 1989; Mies, 1986). Thus the continuation of an econocentric approach to development is the

continuation of the marginalisation of socio-cultural, environmental, and gender aspects of development.

Because of the intertwined nature of the economy, of the environment, of gender, and of socio-cultural factors, as discussed above, it becomes clear that these issues must be dealt with as integral components of sustainable development. Therefore, an econocentric approach to development is fundamentally inconsistent with a viable approach to sustainable development because it does not holistically recognise the value of socio-cultural, environmental, gendered and social justice aspects of development.

### 3. Abandon Prosperity

Despite the rhetoric of economics textbooks, human needs are not infinite; human wants, perhaps, but not needs. Therefore, a plateau-oriented approach, and not an exponential approach to growth is most appropriate to meet these finite needs. Sahlins (1972) argues that human satisfaction can be achieved at a somewhat lower standard of living. Thus, economic growth is necessary and desirable only until a finite standard of living has been reached by the majority of the population. At this stage the developmental focus would be solely on resource redistribution, environmental protection, and socio-cultural issues. This allows for adequate and integral consideration of all the issues associated with sustainable development (Illich in Sachs, 1992; Latouche in Sachs, 1992; Sahlins, 1972; Schumacher, 1974; Trainer, 1989).

This approach implies that for some regions economic growth may still be beneficial in order to attain this standard of living, and for other regions no economic growth should occur, only the focus on

the other goals of sustainable development as described above. An additional implication of this is that just as some regions are underdeveloped, others are similarly overdeveloped. These issues are both of great importance and must be addressed simultaneously as they are integrally linked. Resulting from this is that different approaches to sustainable development will necessarily be required for different regions, depending on their position on the continuum of over/under-development. A further implication of a plateau-oriented approach to economic growth is the elimination of the rationale for focussing primarily on wealth accumulation and industrial production.

#### 4. Economic Growth, Industrialisation and Technology

The rejection of an approach to development based primarily on economic growth is necessary because infinite or exponential economic growth lies conceptually at the root of many of the problems associated with an econocentric approach to development. Economic growth should not be given precedence over issues associated with the environment, basic needs provision, resource redistribution, cultural preservation, or gender. It is not acceptable for attention to be given to these interests 'once adequate growth has occurred'. As discussed above, an economic growth driven approach only serves to marginalise these interests (Clow, 1991; Schumacher, 1974; Trainer, 1989).

It should also be noted that because industrialisation is one of the primary means to economic growth, and because economic growth is but one of many issues that comprise sustainable development, industrialisation should not be considered as a primary

means to development. This is not to say that there should not be industrialisation, but that because industrialised growth is detrimental to many goals of sustainable development it therefore should not be the driving force for achieving these goals. In addition, the cycle of our technologisation which is at the expense of the environment, of marginalised groups, and of our ability to create alternative solutions clearly must be broken (De Janvry, 1981; Mies, 1986; Redclift, 1987; Shiva, 1991).

#### 5. Systemic Diversity and the Crunch on Resources and the Environment

Systemic diversity refers to a diversity of systems, not just of elements. For example, genetic systemic diversity refers to a variety of genetic species in their natural or ecological systems, not just in a seed bank. The importance of biological, ecological, socio-cultural and ideological systemic diversity must be recognised and protected in all aspects of development.

This is essential because it follows directly from the emphasis placed on a broad and diverse conceptualisation of sustainable development. This is also consistent with a holistic approach because these elements do not exist in reductionistic independence from their natural systems. At a human level, then, it is inappropriate to allow that certain groups of people be protected independent from the socio-cultural, ideological and environmental systems in which they are integrally linked.

Following from this respect for diversity of systems is the necessity for the recognition of the validity of indigenous cultures and ideologies. This respect comes in recognition of the fact that



for thousands of years human beings have had effective systems of sustainable development. These few remaining systems are being marginalised and destroyed by our current ideology of development. These indigenous cultures and ideologies should be respected in order for there to be an appropriate global approach to sustainable development.

It is not difficult to see how a reductionistic approach to natural ecosystems contributes to the exploitation and destruction of these natural systems through the econocentric value of natural resources for feeding capitalist industrial production. This must be addressed through the recognition and protection of systemic diversity in terms of ecosystems and the environment (Burger, 1990; Bodely, 1988, 1990; Conway & Barbier, 1990; Redclift, 1987; Shiva, 1991, and in Sachs, 1992; Verhelst, 1990).

#### 6. Universal Basic Needs Provision

The provision of basic needs including food, housing, education, health care, and personal and cultural integrity for everyone must be a primary goal of development. Individuals must be provided with jobs that sufficiently contribute to the provision of basic needs for themselves, their partners and their dependents. In addition, sufficient employment must be consistent with the furthering of the individual's personal and cultural integrity. Personal integrity refers to a person's ability to have a reasonable degree of control over life choices that affect basic needs provision for that individual as well as her/his partners and dependents. Cultural integrity refers to an individual's ability to pursue and participate in activities associated with basic needs provision in a context that

is consistent with the goals and needs of the cultural group with which the individual identifies.

Thus universal basic needs provision involves employment, access to life choices, self-determination, community, and culture. It is not just a matter of food aid and housing projects. One implication of this definition is that economic growth is not to take precedence over universal basic needs provision, to be made a priority once adequate economic growth levels have been attained. Rather that economic growth should be occur within the context of the goals of universal basic needs provision. This is necessary to avoid the 'back burner syndrome' that has been inflicted on the lives and well-being of millions of people due to the primacy that has been given to economic growth (Barlow & Campbell, 1991; Burger, 1990; Daly & Cobb, 1989; Mies, 1986; Shiva, 1989).

## 7. Gender

Following the Gender and Development perspective (GAD), the continuation of élitism is clearly linked to the continuation of patriarchy. In order to achieve social justice for women and men, it is therefore necessary that both patriarchy and élitism be addressed.

As discussed previously, the gendered division of labour is associated with the formal and informal sectors. Traditionally, women's work is productive and reproductive. Women are not only responsible for biological reproduction, but also of social reproduction through the care and education of children. This work is marginalised by an econocentric world view. In addition, women's work in the informal sector often includes responsibility for basic

needs provision and environmental sustainability. Women are most involved in the maintenance of the environment and of the resources that they depend on heavily for survival, especially in rural settings. These activities form the bulk of that which is directly marginalised by the adoption of econocentric approach to development (Mies, 1986; Redclift, 1987; Shiva, 1989, 1991).

Therefore, patriarchy and élitism must be addressed in terms of women's productive and reproductive roles in society, in a way that addresses both practical and strategic gender needs. This must be done as an integral process of sustainable development in order to achieve a society whose gender roles are not grounded in patriarchy and class polarisation (Mies, 1986; Redclift, 1987; Shiva, 1989, 1991).

#### 8. Power, the State and the International Political Economy

National environmental, socio-cultural, gender, and basic needs goals will be virtually impossible to achieve unless the state has the ability to address domestic concerns that relate to these needs with relatively little international interference. International organisations and treaties must not impede a state's ability to achieve these goals. Differentials in power and class must be identified and addressed as important variables in the operation of national and international relations. Furthermore, TNCs must be held accountable for their operations in terms of the continuation of domestic strategies for these needs in the country of operation. This is necessary because of the contradictions associated with the state and international political economy (Barlow & Campbell, 1991; Berthoud in Sachs, 1992; Clow, 1991;

Daly & Cobb, 1989; Gill & Law, 1988; Goodman & Ledec, 1986; Marchak, 1991).

### Summary

The discussion around these eight issues reveals a set of problematiques that must be addressed in some form in any application of the alternative conceptualisation of sustainable development. In fact, for any programme or regime of development these dynamics must be addressed in order that this developmental system is not plagued by the contradictions of development and the political economy as identified earlier. This is also necessary in order to avoid the spiral of over and under development and environmental degradation.

These eight issues can also be applied to evaluate the potential effects of development strategies, regimes and policies. This is important because development decisions have the potential to contribute either to the furthering or the dissolution of the contradictions of development. It is important that these policies are examined within this type of framework because often, in using sectoral analyses for example, the holistic qualities of the problematique surrounding the proposed policy are not seen. Furthermore, the process of creating and implementing development policies often marginalises environmental, gendered, and socio-cultural interests. It is precisely this type of analysis that is needed in examining NAFTA, especially because of its trilateral application and of the range of its provisions. This is the subject of discussion in the next chapter.

## **CHAPTER FIVE**

### **NAFTA VERSUS THE ALTERNATIVE CONCEPTUALISATION OF SUSTAINABLE DEVELOPMENT**

NAFTA presents significant changes in the operation of the Canadian, American and Mexican economies and societies. These changes have been the subject of much debate as to the potential contribution of NAFTA to Canadian, American, Mexican, North American, and global development. In previous chapters I have discussed some of the framework around NAFTA, sustainable development, and the contradictions of development and the global political economy. The alternative conceptualisation of sustainable development was proposed as a context to address this problematique and also as a definition or clarification of the parameters for paths of sustainable development. It was also proposed as a critical perspective on the conventional thinking underlying the rationale of NAFTA. In this Chapter I will assess some of the potential effects of NAFTA in relation to whether it advances or inhibits the implementation of the alternative conceptualisation of sustainable development.

This chapter is organised in sections that reflect those of the alternative conceptualisation of development. This allows for the examination of the issues and provisions of NAFTA in ways that reveal its inner workings. This is necessary in order evaluate the potential of NAFTA's contribution to global development in terms of the alternative conceptualisation of sustainable development.

#### **1. Holism Versus Reductionism**

NAFTA's focus is exclusively on 'economic' goals, indeed on the promotion of corporate profit. All other concerns are relegated to virtual obscurity or ignored wholly. This can be clearly shown in NAFTA's treatment of culture and agriculture.

The current 'exemption' on culture under NAFTA comes directly from the incorporation of FTA Article 2005. However, FTA Article 2005 deals with culture essentially as a business sector, similar in kind to the service or manufacturing sectors, for example. This article is supposed to allow for the protection of "cultural industries" in ways that would not normally be acceptable under the terms of NAFTA. However, if the US feels that they have been hurt by such protection, then they may retaliate with "measures of equivalent commercial effect". The bottom line of this is that if commercial retaliation is allowed, then fundamentally, cultural industries are not exempted from NAFTA.

More fundamentally, Canadian culture can not be reduced to economic factors such as cultural industries because Canadian culture has far more breadth and depth than could ever be expressed in economic terms. This reduction of culture to economics serves to marginalise the cultural integrity and diversity that makes us uniquely Canadian. This type of provision only protects business interests in culturally-related fields and not the artists themselves. This is a clear example how the holistic appreciation for culture is marginalised through the reductionistic terms of NAFTA (CCPA, 1992; Kuehn, 1993; Warnock, 1988).

In terms of agriculture, the provisions of NAFTA focus only on agricultural commodities without acknowledgement of the fact that

for family and local farmers agricultural production is not just a job or a means of production. In fact, it is a way of life with many socio-cultural and historical factors that are integrally linked to this production process. By focussing only on the economic aspects of farming NAFTA seeks to replace an entire socio-cultural and historical system with a system of agricultural production that is based on market and profit interests. These interests are blind to the socio-cultural and historical costs of the destruction of these farming systems, and leave Canadian farming at the mercy of American agrobusiness and of TNCs.

## 2. Econocentrism

NAFTA is a political-economic agreement for the creation of a North American trading bloc. As such, its focus is economic in nature. This section will provide an examination of examples of NAFTA's econocentrism as well as some of their implications. The discussion will be in the following three sub-sections: Three Countries; Three NAFTAs; The Destruction of Supply Management; and Socio-cultural and Environmental Programmes.

### Three Countries; Three NAFTAs

NAFTA is a single trade agreement that will allow large corporations to move between three nations in order to find the most profitable conditions. However, Canada, the US, and Mexico have different histories, levels of economic power, and different socio-cultural organisations. This necessarily affects the impact of NAFTA on each country differentially.

Canada, as compared to the US, has a large land mass, a relatively small population, and a harsh climate. Canada is also

heavily reliant on its natural resources and on foreign investment. Because of this, the Canadian economy is vulnerable to international volatile economic fluctuations. Canada also has far more regional disparities than most industrialised countries. The problems associated with these structural aspects of the Canadian economy will only be accentuated under NAFTA (Griffen Cohen in Sinclair, 1992: 16).

By contrast, privatisation, deregulation, and tax breaks for the rich have all contributed to a strong US corporate élite. This has led to a widening gap between the rich and the poor. Meanwhile, social services are being cut because of the increasing squeeze on global competitiveness (Benn, in Sinclair, 1992: 38).

México is currently underdeveloped, environmentally-strained, hugely indebted, and is suffering from socio-cultural and agricultural destruction. Official statistics show that 40 million Mexicans live in poverty. Most of these people have no regular income, unemployment insurance or access to social programmes. More than half the population lacks access to health care, education, and adequate nutrition. NAFTA is perceived as a positive direction for development by many because the increase in foreign investment is to increase México's access to hard currency and capital goods. However, the recent programme of austerity, deregulation and restructuring, while providing greater integration with the US and benefits to TNCs, has also increased unemployment, lowered wages, and increased the climate of anti-labour in México (Alvarez & Mendoza in Sinclair, 1992: 27-31).



Because Canada, the US and México have different historical, socio-cultural and political-economic circumstances a single NAFTA affects each country differently. Furthermore, NAFTA's econocentrism marginalises or fails to address these differences because they are not solely based on economic factors. One result of this is that those factors which are associated with these historical and socio-cultural differences will be increasingly marginalised both by NAFTA's econocentrism and through the process of harmonisation (Alvarez & Mendoza in Sinclair, 1992: 34-37).

Another issue that NAFTA fails to address is the relative power differentials between the three countries. This becomes clear when one examines who benefits from NAFTA and who doesn't. NAFTA is an econocentric policy that is designed to benefit the élite, big business and the US with the majority of each country's citizens losing, especially Canadians and Mexicans. Not only is this a matter of an uneven playing field, but also that the game is rigged so that the same teams always win (Alvarez & Mendoza in Sinclair, 1992; Jenkins, 1992; Marchak, 1991).

#### The Destruction of Supply Management

It has been argued by many economists and politicians that supply management of agricultural commodities does not distort trade and that it is a legitimate management and marketing system for the production and sale of agricultural goods (CCPA, 1992: 55). For this reason, dairy, poultry and eggs are supposedly exempt under NAFTA and may continue with current supply management schemes. However, the text of NAFTA clearly states that this supply management can only maintained for agricultural commodities that

are currently under supply management as long as it is not over-ruled by GATT. However, under GATT, it is generally known that supply management is to be ended. In addition, NAFTA clearly states that there is to be no introduction of any new "quantitative restriction or any other measure having equivalent effect on any agricultural goods". This prevents Canada from implementing supply management for any other agricultural good. The outcome of this is that between NAFTA and GATT there is to be no supply management of agricultural commodities. There are numerous consequences of this.

One consequence stems from the fact that Canadian farmers are currently at great disadvantage as compared to American farmers. These disadvantages are based mainly on the smaller area that Canada has devoted to crop and farm land, on the harsher climate, and on the relatively small use of irrigation. These disadvantages are likely to increase because of the decrease in subsidisation that has been offered, in part, by supply management. Under NAFTA Canada would be forced to compete more with the US, and with virtually no government backing this will result in the virtual destruction of the Canadian farming system as we know it (CCPA, 1992: 57). Furthermore, there can be no effective support programmes in place because under NAFTA these would likely be seen as barriers to trade. This will result in the virtual destruction of the Canadian farming system as we know it (CCPA, 1992; Ritchie in Cavanagh et al., 1992).

In order for Canadian agriculture to survive the conditions of the post-NAFTA era, many changes will be required. Because

Canadian farmers will have to compete with American farmers without supply management, there will be a push towards a system of agriculture that is more competitive at a national level. This will likely mean the concentration of agricultural production to regions and producers that can produce large quantities of agricultural goods at the lowest cost. This will tend to favour large agrobusinesses and to limit production to a few regions in Canada. This will necessarily lead the marginalisation of family farming and rural life, which is already on the verge of extinction.

As Canada is forced to compete more and more with the US without the support of Canadian government systems there will necessarily be an increase in Canadian dependence on the US for more and more. One reason for this is that National treatment will negatively affect Canadian industries because it will inhibit Canada's ability to develop indigenous industry. This is because the power differential between Canadian and American industry is such that the Canadian market will be dominated by American industry. Furthermore, the required supports for new and often fragile businesses will be prohibited under NAFTA because they likely will be perceived as trade barriers. This makes Canadian business and industry even more vulnerable to the powerful influence of American industry (CCPA, 1992: 66).

#### Socio-Cultural and Environmental Programmes

It is usually argued that social programmes will not be affected by NAFTA because NAFTA is only concerned with trade related provisions. The neo-liberal ideology of NAFTA is clearly econocentric. But, even though NAFTA purports only to affect trade,

- the broad-reaching economic-based provisions of NAFTA will necessarily affect the environment in which social and environmental protection programmes must operate. Specifically, the profit-driven and competitive environment required by and extended through NAFTA is actively destroying the environment required for effective operation of social and environmental protection programmes. This is because the objectives and the operation of effective social and environmental protection programmes are fundamentally and qualitatively different than those of trade policies.

The econocentric misappreciation of culture in NAFTA is a clear example of one of the ways that econocentric ideologies and policies marginalise matters that are not primarily economic. This econocentric marginalisation is also fuelled through the pressures of harmonisation that are inherent throughout the provisions of NAFTA. The US has a profit-driven, privatised health system that is the product of the dominance of these econocentric pressures. Econocentrism is the empowered ideological context in Canada, the US and in México, and this is reinforced and increased under NAFTA. It is therefore unlikely that the forces of harmonisation are going to operate in the direction of non-profit and universally accessible system of social programmes, or towards a system where environmental protection is the primary consideration. Rather, it is more likely that the harmonisation of social and environmental protection programmes will occur in ways that are consistent with the empowered programme of profit, privatisation, and competition

(Brooks, 1989; CCPA, 1992; Daly & Cobb, 1989; Lane in Cameron, 1988).

### **3. Economic Growth, Industrialisation and Technology**

NAFTA is clearly a growth- oriented policy from its heavy emphasis on investment, industrialisation, trade-barriers, competition, and exploitation of natural resources.

"It [NAFTA] strengthens and expands that accord [the FTA] to provide an even firmer foundation for trade and investment. It provides a framework of rules within which private-sector entrepreneurs can expand their market and investment activities. It is tailored for the demanding conditions of a large, open economy and will make the three economies more capable of taking on broader competition on a global basis" (External Affairs and International Trade Canada, 1993: 1).

"[C]onsumers have benefited from increased specialization and choice. Spurred on by improvements in communications and transportation technology, and the resulting advances in business organization and finance, the natural barriers to international trade have diminished significantly" (External Affairs and International Trade Canada, 1993: 1).

The push for increased competitiveness will necessarily lead to an increase in the use of technological and chemical inputs in order to push production levels. This can be seen clearly in terms of agriculture, where agrobusiness has replaced smaller farms. In order to increase production and crop yields there has been an increase in technological and chemical inputs. The increased pressures on Canadian businesses by American businesses will lead to a corresponding increase in industrialised and technological production practices.

This increase in the use of technology will have devastating effects on the environment, as was discussed in earlier chapters.

Furthermore, technology has become a tool for the strategy of downsizing. One result of this has been the creation of a more 'flexible' workforce which works only on a casual or part-time basis (Nadeau in Sinclair, 1992).

In addition, production in areas associated with industrial production and technology are to be expanded under NAFTA. This can be seen from the following description of market opportunities for industrial machinery and technology:

"This market is expected to grow steadily over the next five years as Mexican manufacturers strive to improve productivity to compete successfully in domestic and international markets. Demand for machine tools, ... and similar production equipment and technology is expected to exceed \$6 billion by 1994, with imports supplying most of the total demand. The success of the Canadian industrial trade fair organized in January 1990 in Monterrey, has given an indication of what the NAFTA may offer to Canadian exporters in this sector" (External Affairs and International Trade Canada, 1993: 38).

Thus by increasing the push on economic growth and competitiveness NAFTA supports the increase of industrialisation and technology in order to achieve these goals. Because of this NAFTA does not address, but rather fuels the spiral of technologisation and industrialised economic growth (Daly & Cobb, 1989; Jenkins, 1992; Marchak, 1991).

#### 4. Systemic Diversity and the Crunch on Resources and the Environment

The seriousness of the destruction of natural systems and the environment has been discussed in earlier chapters, both in terms of the destruction of 'natural resources' and the environment as well as of systemic diversity. NAFTA, as will be seen, has effects on

both of these. The discussion of these effects will be divided into the following two sub-sections: NAFTA and the Environment and Resources; and NAFTA and Systemic Diversity.

#### NAFTA and the Environment and Resources

One of the key reasons for the focus by critics on environmental destruction associated with free trade has been the denial that trade issues are necessarily linked to the environment. John Crosbie stated that environmental matters were not to be included in the FTA because "the Free Trade Agreement is a commercial accord between the world's two largest trading partners. It is not an environmental agreement". This clearly undermines our ability to address the environmental issues that are clearly in jeopardy because of NAFTA (Makuch in Sinclair, 1992: 66-7).

The maquiladoras provide a good example environmental consequences of free trade with the US. After almost thirty years of free trade, the border zones of México are environmental disaster zones. This will only increase under NAFTA as more businesses relocate in this region placing more pressure on already strained ecosystems. In addition, any attempt to address environmental concerns would be in direct opposition to the liberalisation strategy of the exploitation by foreign investors of Mexico's cheap labour force and lax environmental regulations. México is too poor a country to be able to force environmental protection issues.

One example of the lack of environmental enforcement is that many local people store water in drums that were used for toxic chemicals at maquiladora plants. Canada's relatively high

environmental standards can't compete with Mexico's adequate but unenforced environmental standards (CCPA, 1992: 6). The push is for the harmonisation of existing environmental standards and limiting their impact as barriers to trade, not to the raising of standards (CCPA, 1992: 6). Although NAFTA states that the terms of international environmental agreements will prevail given a situation where an environmental measure is challenged because it restricts trade, this is inadequate for several reasons. Firstly, this may mean the lowering of an environmental standard in preference of trade interests. This is likely because international agreements are often the 'lowest common denominator' in terms of environmental standards that governments can agree on. Secondly, there is a very limited number of international agreements on the environment to invoke should a given standard be challenged. Given this weak context of environmental standards, it should be recalled that the US government actively blocked new international environment agreements at the Rio summit (CCPA, 1992; Shrybman in Cavanagh et al., 1992).

In terms of energy, continental sharing has different consequences for Canada as compared to the US, which is a major petroleum importer. This integration will mean that Canada will face earlier depletion of non-renewable petroleum reserves because of our NAFTA-imposed obligation to sell oil and gas to the US. This will force the replacement of these relatively low-cost resources with more expensive offshore and frontier resources. NAFTA allows for government subsidisation of petroleum exploration and development but denies any measures that would ensure that



taxpaying Canadians would have primary access to any discoveries of hydrocarbons (CCPA, 1992, 19). This means that NAFTA allows for the US to suck Canada dry of petroleum reserves and then have Canadian and Mexican taxpayers pay for the exploration and development of new resources and then have an 'equal' share of the bounty, without paying a cent. Interestingly, in Articles 316 and 605 on proportional sharing, México, but not Canada, is exempted from proportional sharing of non-renewable energy resources.

Water is another resource that will have drastic consequences for Canada. Under NAFTA all types of fresh water are considered goods, including bottled water, potable water, and ordinary water of all kinds, because they were not exempted from the NAFTA tariff schedule. It is conceivable that water could have been allowed government restrictions in the same manner as raw logs and unprocessed fish. Federal, provincial and municipal governments will be bound by NAFTA in that water as an exported good will be subject to national treatment and export controls, including the proportionality clause. It appears that a provincial government could block the removal of water from a particular source for environmental reasons. However, if water is to be removed from a particular source, then there would be no provisions for that water to be reserved for Canadian use, or for the discontinuation of the removal of water from that source (CCPA, 1992: 27-35; 110-115).

Farming accounts for 85% of water use in California, where most farming occurs in a naturally desert-like climate. Outrageous plans for billion dollar aquifers to pipe water thousands of kilometres to the US have been underway. Canada has been an

obvious potential supplier, given that Canada already diverts more water than any other country globally. Furthermore, the maquiladoras have been limited in productive capacity due to water shortage, and under NAFTA it is not unreasonable that Canadian water would be diverted to México via the US (Holm & Gutstein, in Sinclair, 1992: 78-83).

The proportionality clause that requires Canada to provide the US and México with natural resources during shortages undermines programmes for the conservation of natural resources because they could be perceived as barriers to trade or non-compliance with NAFTA. Given the urgency of the US need for Canadian water, this has great significance for Canadians in terms of a natural resource (CCPA, 1992: 110-1).

The forces of harmonisation and the text in NAFTA on risk benefit analyses contribute to the erosion of standards for the protection of the environment. It is now necessary to evaluate the economic consequences of a standard even if health risks are of concern. This was of specific concern with the FTA-imposed harmonisation of our pesticide standard. The 'balancing' of health and economic concerns led to the lowering of the Canadian standard which was based only on health concerns (CCPA, 1992: 110-1).

There are numerous examples of environmental measures being blocked as non-tariff trade barriers. One example occurred just after the implementation of the FTA, when Canada challenged the United States' Environmental Protection Agency's announcement that it was going to phase out the production, import, and use of asbestos over seven years following the Toxic Substances Control Act. The

Canadian government challenged this on the basis that the regulation would create an unnecessary obstacle to trade. The Canadian interest in this is based on the desire to protect the Québec asbestos industry (Makuch in Sinclair, 1992: 68). Thus it becomes clear that trade, business and political interests do not reflect the interests of the environment.

The bottom line is that the ideology of liberalisation on which NAFTA depends requires that transnational corporations and other large corporations exploit natural resources and low costs of labour in order to maximise profits. In order for a country to take advantage of the foreign investment this is supported through favourable tax policies and non-tariff barriers. Furthermore, the support of agrobusiness by the provisions in NAFTA has serious environmental implications through the concentration of land use, and increased use of chemical and technological inputs. These factors necessarily create a climate in which environmental protection is marginalised (Makuch in Sinclair, 1992: 73; CCPA, 1992: 55-61).

#### NAFTA and Systemic Diversity

Systemic diversity of plants and animals is in jeopardy because of large damming and water diversion projects through the flooding of large tracts of land. In addition, the exportation of micro-organisms to other environments as well as changes to the salinity can have drastic results in aquatic ecosystems (Sinclair, 1992).

The main threat to systemic bio-diversity under NAFTA comes through the protection of patents for intellectual property. The

interests of biotechnology are reflected in NAFTA's allowances for patent rights for plants, animals, genetic materials, and life forms derived from the human body. The precedent for this comes from the GATT in the form of Trade Related Intellectual Property Rights (TRIPS). NAFTA article 1709:3 states:

**"A Party may [bold added] also exclude from patentability: (a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; (b) plants and animals other than microorganisms; and (c) essentially biological processes for the production of plants or animals, other than non-biological and microbiological process for such production."**

However, article 1702 allows that parties may still "implement in domestic law more protection of intellectual property rights" (CCPA, 1992: 38-9). This means that the provisions of article 1709 that may be excluded from patentability, may also be superseded by the provisions of article 1702 that allows for more strict protection of intellectual property rights. Given the pressure and stature of the Intellectual Property Committee (IPC), which represents US business interests, this is more serious than something that may have to be considered, especially given the enormous implications of these measures.

One assumption of the patenting process as seen through TRIPs is that the protection of monopolistic control over innovations results in an increase in innovations. The issue of accessibility to power, capital, and technology available to large transnational corporations as contrasted with smaller, and perhaps more innovative, companies is not addressed. Perhaps the logic of giving virtually sole research and development rights to agendas of power

and profit needs to be questioned in terms of its effectiveness and appropriateness in meeting the needs of society.

More fundamentally, the ideological assumption of patenting or privatising life underlies the whole concept of TRIPs. The ethical issues that are integrally involved are not addressed. Should life forms be owned for profit? Given that human and other animals' genes and tissue are being used for the 'creation' of other life forms and products, to what extent should we value and protect life? TRIPs are contrary to, and undermine systemic diversity in that there is no recognition of the interconnectedness of all life or of its intrinsic value which merits protection.

#### 5. Universal Basic Needs Provision

Universal basic needs provision, as was seen in earlier chapters, entails a broad range of issues. These issues are greatly affected by NAFTA. As will be discussed in this section, the dynamics required universal basic needs provision are undermined and threatened by the dynamics of profit and market-driven provisions of NAFTA. Also the ethical issue of whether profits should be made from the provision of food, housing, health care and other basic needs services is not addressed. The effects of NAFTA on universal basic needs provision will be discussed in the following three sub-sections: NAFTA and Food; NAFTA and Health; and NAFTA and Jobs.

##### NAFTA and Food

The international grain industry is basically controlled by five transnational corporations. However, the primary concern of international business interests is not for individual local farmers.

Under NAFTA, these farmers will have to be more competitive with these transnational corporations and with US farmers. Currently, Canadian wheat farmers make six cents on a \$1.39 loaf of bread. Wayne Easter, from the National Farmers Union, asks, "How much lower is low enough?" (Easter in Sinclair, 1992: 93). This is exacerbated because under free trade, any restrictions that may be in place to protect food production, food quality, the family farm, the environment, or rural life in general, could be viewed as a trade barrier (Pugh in Sinclair, 1992: 90).

According to Pugh (in Sinclair, 1992: 93-5), in 1987 almost one third of Canada's food industry was foreign owned, and in 1990 only 18 food distribution companies controlled the entire Canadian market. The average sales revenue increased 26% in 1990 for these companies, and their five year average return on capital was 17%. Furthermore, the main food processors and manufacturers including McCain, Kraft, General Foods, Coca-Cola, Nestlé, HJ Heinz, Campbell Soup Company, and Pepsi-Cola Canada, together had an average rise in sales revenue of 6% in 1990 and an five year average return on capital of 17%. This was during a time of severe recession with the Canadian farm debt standing at more than \$23 billion. It is clear from this that the interests of corporate capital accumulation do not benefit Canadian farmers and that the profits accumulated by these companies during this period of hard times for Canadians were not passed on in terms of benefits for most Canadians (Pugh in Sinclair, 1992; Warnock, 1988, and in Cameron, 1988).

Under NAFTA this trend of foreign and transnational domination of our food provision will increase. This goes against a

Canadian system of food provision that is accessible to the majority of Canadians. In addition, the ideology of the market demands that capital look for cheap labour, raw materials, energy, even though this undermines a strong primary sector which is important for a strong economy. Driving prices lower devastates rural life and all the people that depend on it.

Health and Welfare Canada and Consumer and Corporate Affairs has had to advise the Infant Feeding Action Coalition that the Canadian government can't pass legislation to comply with the World Health Organisation's code protecting breast milk and breast feeding from the aggressive corporate advertising in infant formula because the WHO code is superseded by the free trade agreement because it is perceived to be a restriction of private rights under the FTA (Barlow in Sinclair, 1992: 182). This is a clear example of the ways that corporate rights are taking precedence over the interests of Canadian people.

The support of agrobusiness by NAFTA has serious implications for the Canadians' ability to have access to locally produced and cheap food. The increased competition and the centralisation of food production in Canada will probably mean that fewer Canadians will be able to get locally produced food. In addition, because of the increased amounts of American food in Canadian markets and because of Canada's relatively disadvantaged status in this competitive relationship it is probable that in order to obtain cheap food Canadians will have to rely more and more on imported food products. Relatively inexpensive and locally-produced food is likely to become a thing of the past for most Canadians, and our

dependency on US and México for our basic food needs is likely to increase (CCPA, 1992; Pugh in Sinclair, 1992; Sinclair, 1992; Warnock, 1988).

### NAFTA and Health

Medicare is currently not protected from corporate and economic pressures, which will only increase under NAFTA. The argument often given is that social programmes are too costly for the federal government, given the federal deficit. However, the logic of social programmes paying the debt to support corporate interests, when it is those interests that are largely responsible for the deficit must be questioned. Furthermore, cuts in transfer payments to provinces account for 46% of federal spending cuts, even though they only account for 20% of federal programme spending (Gainor in Sinclair, 1992). Clearly, Medicare is currently not protected from corporate and economic pressure, which will only be increased under NAFTA.

In 1984, the Trudeau government passed the Canada Health Act that outlawed extra billing and user fees. The mechanism for federal payment to the provinces, the Established Programs Financing, or EPF, was used as a mechanism to enforce this. Since 1988, the Tories have cut the EPF formula three times. Increases in the EPF are frozen for until 1995, and then the formula will increase at the GDP growth rate, minus 3 percentage points. The Canadian Health Coalition has campaigned against this, arguing that under this system, federal funding will end for most provinces within a decade, leaving the Health Act completely vulnerable to extra billing and user fees.



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NAFTA jeopardises Canada's ability to control sanitary and phytosanitary measures, which include pesticide residues and food additives. This is because NAFTA prevents these measures from becoming trade barriers. If Canada wants to promote strict standards on the use of a particular pesticide, for example, it may do so, but only to the extent that it is not considered a trade barrier. This is an example where the elimination of perceived trade barriers takes precedence over the health of Canadians (CCPA, 1992: 5).

NAFTA provides a weakening in the levels of risk assessment for health and safety. Previously, Canada did not require a cost-benefit analysis in cases where there was a risk to human health. In addition, risk assessments must now:

"take into account the following economic factors, where relevant: (a) loss of production or sales that may result from such pest or disease; (b) costs of control or eradication of the pest or disease in its territory; and (c) the relative cost-effectiveness of alternative approaches to limiting risks."

This clearly undermines the primacy of health concerns with respect to imported goods. Furthermore, NAFTA states:

"Where a Party conducting a risk assessment determines that available relevant scientific evidence or other information is insufficient to complete the assessment, it may adopt a provisional sanitary or phytosanitary measure on the basis of available relevant information."

This means that NAFTA will force Canada to accept agricultural imports even though they have not been proven safe (CCPA, 1992: 58-61). It is clear that under NAFTA, the standards for health and safety will be diminished and also that health concerns do not take precedence over economic concerns.

The main funding for the Canadian health system has been from the federal government in the form of transfer payments. Under the FTA and NAFTA transfer payments will be diminished until their abolition by the year 2000. This places the funding burden for health care on the provinces, which are already under-funded and over-burdened. Provincial funding of health care represents different degrees of financial burden because of the regional economic inequalities between the provinces. The result of this is that there will be increased pressures on all provinces, but especially the economically disadvantaged provinces, to alter the health system towards a more profit-oriented system through extra billing and privatisation. In addition, because of the push for econocentric restructuring under NAFTA, it is very likely that many aspects of the Canadian health system will be seen as barriers to trade which should be eliminated. These factors clearly undermine the maintenance of a federal health system that includes the five principles of the Canada Health Act: universality, equal access, comprehensiveness, portability, and non-profit administration (CCPA, 1992; Darcy in Sinclair, 1992; Gainor in Sinclair, 1992).

The long-term effects on health and health standards from free trade can already be seen in the maquiladoras of México, where the conditions are abysmal. Health and safety inspections are virtually absent. One example of this is that in Matamoros, there are more than one hundred plants but there is not even one inspector from the ministry of labour in the city. The closest inspector is two hundred miles away. This exemplifies the lack of interest and enforcement of health and safety standards in the maquiladoras. In

addition, the poverty that is associated with the lives of people working in the maquiladoras contributes to this situation. In order to meet their basic survival needs for themselves and their families, workers are often forced to subject themselves to conditions that are dangerous to their health (Arenal in Cavanagh et al., 1992; Jenkins, 1992; Saxberg, 1993; Sinclair, 1992). It is clear then, that our Canadian health system and universal health care is in jeopardy under NAFTA.

#### NAFTA and Jobs

We have already seen what free trade does for workers in México through the maquiladoras. Exploitation through low wages, virtually no benefits, low safety standards, and environmentally dangerous conditions are typical in the maquiladoras. Hourly wages in the auto industry are estimated at 98 cents in the maquiladoras, including benefits, as compared to \$2.32 in México, \$14.31 in the US and \$14.72 in Canada. The maquiladoras undermine domestic businesses that compete with companies in the maquiladoras. For example, during the same period that 90,000 jobs were created in the auto industry in the maquiladoras, an estimated 100,000 jobs were lost in the domestic Mexican auto and auto parts industry (Cavanagh et al., 1992; Jenkins, 1992; Saxberg, 1993; Sinclair, 1992).

One only has to look the plant closings and levels of unemployment since the FTA to see how capital flight has affected the US and especially Canada, as companies move south to take advantage of the cuts in production costs provided by lower standards. In the Twin Plant News, an American trade magazine, an

ad reads, "This isn't a border, it's an edge". Almost a half a million jobs have gone from the US to the maquiladoras. According to the US Bureau of Labour Statistics, the US has lost 9.7 million jobs due to plant closings and lay-offs between 1983-1988.

Canadian unemployment has risen from 7.5% in 1989 to 10.3% by the end of 1991. However, this does not include those who gave up looking for jobs or the underemployed. If those figures are included, the unemployment rate rises to approximately 16% (Griffen Cohen in Sinclair, 1992: 64).

Manufacturing was to be one of the major beneficiaries of the FTA in Canada, rising an expected 10%. But, since the FTA, manufacturing production is down 14%. In addition, 65% of the job losses in Ontario between 1989 and 1991 are due to plant closure and capital flight, as compared to 22% during the 1982 recession. This indicates that not only has there been a loss of jobs, but also an undermining of productive capacity (Daly & Cobb, 1989; Gaventa in Cavanagh et al., 1992; Griffen Cohen in Sinclair, 1992; Marchak, 1991; Warnock, 1988).

Canada has a large amount of foreign investment, especially by US companies. At the beginning of the FTA talks 50% of manufacturing, 45% of petroleum and natural gas, 40% of mining and smelting, and 26% of all other industries were owned or controlled by foreign firms. The primary rationale was in order to avoid tariffs on imports. With tariffs removed due to free trade, the rationale for staying in Canada is similarly removed, resulting in capital flight. The argument that specialised branch plants would remain in Canada has not happened (Griffen Cohen in Sinclair, 1992: 18).

Canada is highly dependent on the export of natural resources and materials that do not require large amounts labour or processing. The rights of Canada to require that natural resources be processed locally will be restricted under NAFTA, allowing the best-paying jobs and value added processes to go out of the area or out of Canada. This will leave Canada more dependent on the US, thus reinforcing the structural economic imbalances between the countries (Brooks, 1989; CCPA, 1992; Griffen Griffen Cohen in Sinclair, 1992; Jenkins, 1992; Marchak, 1991; Warnock, 1988; Wilkinson in Cameron, 1986).

According to Doug Henwood (cited in Sinclair, 1992: 44), "Canada will supply natural resources; México cheap labor; and the US will enjoy the fruits of both. But only the more fortunate citizens of the US will enjoy these fruits. Behind all the hype for the globalised post-industrial economy lies this reality: high-wage production jobs disappear; an affluent minority of managers, designers, lawyers, marketing specialists, propagandists, and financiers plan and administer the global economy; and an increasingly immiserated mass of janitors, nannies, manicurists, and clerks serve them".

## **6. Gender**

NAFTA perpetuates the marginalisation of women because it maintains the structures of patriarchy and élitism which are the bases of sexism in our society. This undermines efforts to address practical and strategic gender needs. Furthermore, because women are generally marginalised in our society, the increased economic

and social pressures of NAFTA will impact harder on women (Cohen in Cameron, 1986).

These impacts are particularly evident in the treatment of women in the maquiladoras of México. Young women make up the majority of maquiladora workers. Women are seen ideal workers because they highly 'motivated' to work at unskilled jobs. They are also desirable because they "work with more dexterity, adapt easier to repetitive work and are more punctual" (Bourque in Sinclair, 1992: 155). As discussed earlier, the working conditions and hours are abysmal. Burnout, sexual harassment and rape are common working conditions in the plants. Pregnant women are routinely fired with no compensation or forced to continue working unprotected with toxic chemicals. Furthermore, labour organisation is extremely difficult and is punished severely. Women's 'motivation' to work in these conditions often stems from the necessity of feeding themselves and their families (Bourque in Sinclair, 1992; Nadeau in Sinclair, 1992; Saxberg, 1993).

The argument is often raised that women's employment in the maquiladoras provides opportunities for improving their situation. This is analogous to arguing for the continuation of the slavery of Blacks because it provides them with job skills. This argument ignores that capital is taking advantage of patriarchy by exploiting women to increase profits, and that the feminisation of the labour force plays an important role. Consistent with this is that women are generally absent from higher status positions and high-tech production processes. According to Kopinak (in Grinspun & Cameron,

1993: 147), this reinforces "the stereotype that women do not have the aptitude for technologically sophisticated work."

These conditions for women are not expected to improve under NAFTA. The pressures to increase competitiveness and profits will, in fact, increase the marginalisation of women. This is not only the case in México, but in the US and Canada as well.

In Canada women continue to be paid less than men and work at jobs that require less skill and offer less status and money. In order to be more competitive and to increase profits, a large proportion companies are laying off employees and pressuring them to accept rollbacks with the threat of closure or relocation to México. This is especially the case in the garment industry where 90% of the workers are women. Many factory workers are not unionized, work at minimum wage, and receive minimal benefits. According to Nadeau (in Sinclair, 1992: 159-60), there is a strategy of increasing layers of subcontracting is being employed as a way of reducing costs. In British Columbia underground sweatshops have been opening with at least 3,000 workers doing piecework in the lower mainland. This is without minimum wage or benefits.

In addition to large numbers of layoffs, organisations are being restructured to have a small core of full-time workers and a large periphery of part-time workers. The restructuring of clerical employment and the privatisation of the public sector have differentially affected women. Because women are already marginalised in the workforce it is primarily their jobs that are being systematically cut through the pressures of restructuring, downsizing and relocation. These decreases in employment and



wages result in more women living below the poverty line. The increase in the feminisation of poverty also has drastic implications for children. Women are more likely than men to be the primary caretakers of children, and single mothers are particularly affected.

NAFTA will increase these pressures on women's employment through increased competition, restructuring, and capital flight. NAFTA also undermines women's ability to address these problems. Un- and underemployed women will be more disempowered and poor, even though the overall increase in prices and the GST increase the burden faced by women. Furthermore, NAFTA will result in an increase of the destruction of safety nets for women. Cutbacks in social spending, welfare and unemployment insurance all contribute to the feminisation of poverty in Canada (Nadeau in Sinclair, 1992).

It is clear, then, that NAFTA does not address the problems of sexism. NAFTA does not address patriarchy and elitism, nor does it address strategic or practical gender needs. Rather, by increasing the pressures of competition, corporate restructuring and downsizing, and capital flight, NAFTA will increase women's marginalisation in the workforce and in society in general.

## 7. ... The State and the International Political Economy

The evaluation of NAFTA with respect to the issues associated with the state and the international political economy will be divided into two sub-sections. The first is an examination of NAFTA in terms of sovereignty and national interests, and the second is a discussion of the role of transnational corporations under NAFTA.

### Sovereignty and National Interests

NAFTA is an agreement about freeing business from state control, and reducing the ability of populations to put constraints on business. The increasing invisibility of national borders under NAFTA will inhibit the ability of the national state to pursue national interests. As the Canadian Centre for Policy Alternatives argues:

"The real significance of the FTA/NAFTA agenda is that it supersedes our ability as a nation to determine our own destiny. If, for example, we believe that a sustainable agricultural sector is an essential component of our vision of future development- we must accept that FTA/NAFTA restricts our ability to design national programs and policies. Or, we believe that national programs are necessary to ensure the equality and accessibility of our citizens to health and welfare programs, we must accept that FTA/NAFTA restricts our ability to deliver programmes which best meet our needs. If we, as Canadians, were to try to protect our rich natural resources and access to energy in an environmentally or economically sustainable manner- we must accept that FTA/NAFTA guarantees other countries equal rights to our resources" (CCPA, 1992: preface).

An example of this is the elimination of supply management for agricultural commodities which has clear implications for Canada's ability to control agricultural production within its own borders. The concentration and centralisation of Canadian food production will likely increase the current regional inequalities in terms of access to jobs and to relatively inexpensive and locally-produced food. It is clear in this case that international and business interests have taken precedence over Canada's interests in pursuing our own distinct system of agriculture and food production (CCPA, 1992; Daly & Cobb, 1989; Pugh in Sinclair, 1992; Marchak, 1991).

Canada has always been very dependent on exports and foreign trade. This trend has increased over the last twenty years to where exports account for about 30% of the national income. A full three-quarters of this trade is with the US. This has made our economy vulnerable to external forces and increased our dependence on the US. This dependence, like that of México, has aggravated the internal national structural imbalances, and afforded a lesser degree of control over the country's economic problems (Griffen Cohen in Sinclair, 1992: 19).

NAFTA will also make Canada more vulnerable to dumping of US and Mexican agricultural goods while also undermining Canada's ability to prevent or stop it. The US has clearly taken advantage of this situation through their Export Enhancement Program (EEP). The EEP has been used to subsidise American agricultural goods for export and has resulted in depressed international market prices which have severely hurt Canadian farmers over the past several years. This has not been addressed by Canadian politicians nor is it directly prohibited under NAFTA (CCPA, 1992: 58-60).

In terms of health and safety the regulations of NAFTA state that the onus is on Canada to prove any suspicions that US or Mexican imported products may be detrimental or risky in terms of human health. Given that a "provisional sanitary or phytosanitary measure on the basis of available relevant information" is acceptable in cases where the "available relevant scientific evidence or other information is insufficient to complete the assessment", this onus to prove a product's risk will undermine

Canada's ability to protect human health concerns in the face of market forces (CCPA, 1992).

Many of the provisions of NAFTA are directly related to similar provisions under debate at the Uruguay Round of the GATT. Canada's acceptance of these provisions in NAFTA provides a strong supportive precedent of the similar provisions in GATT. By accepting NAFTA, Canada will undermine its ability to raise concerns or to oppose these provisions at the GATT (CCPA, 1992: 67; Marchak, 1991).

NAFTA broadens the coverage of the FTA considerably in the service sector, especially in telecommunications and land transportation. By increasing the liberalisation and deregulation achieved under the FTA, NAFTA will virtually open Canada to the transborder operations of TNCs in telecommunications without government regulation. This deregulation will undermine the cheap basic service that has been available to Canadians through cross subsidisation. This will occur because of the decrease in profits available for cross subsidisation due to increased competition with TNCs and because cross subsidisation may be seen as a trade barrier (CCPA, 1992; Jenkins, 1992).

Land transportation (trucking, rail, and bus services) are covered by NAFTA even though they were excluded from the FTA. Although airline services are generally excluded, aircraft maintenance services are not exempted. This means that NAFTA would prevent Canada from imposing Canadian content requirements in land transportation. That is, we could not require that Canadian imports or exports be transported on Canadian transportation

systems. This undermines the current subsidisation of Canadian transportation systems that protects services from US competition. This is critical in terms of supporting the Canadian grain industry, which has been supported through the subsidisation of Canadian rail transport. We would therefore lose our ability to use regulation to stop increased export and import shipments using the US transportation infrastructure (CCPA, 1992: 3-4; 75-79). The harmonisation of the transportation and telecommunication systems will therefore lead to a decrease in Canada's ability to maintain the integrity of domestic transportation and telecommunication systems.

NAFTA makes huge steps in the deregulation of financial services. One of the main results of this internationalisation of financial services is that political accountability to the electorate may now be placed second to political accountability to foreign creditors and to the logic of these international market systems. This is because under NAFTA, national treatment must be given to financial corporations in terms of the "establishment, acquisition, expansion, management, conduct, operation and sale of investments." Canadian financial institutions will now be forced to compete with American and Mexican companies for the right to operate towards Canadian financial objectives. This clearly undermines Canada's ability to work for financial strategies that are appropriate for Canadians' well-being and security. This loss of financial control is compounded by the fact that under NAFTA financial institutions that are based in Canada will have the right to transfer and process information outside of Canada. Not only is this significant in terms

of job loss, but also for national security. Maintenance of Canadian sovereignty is clearly at risk if financial and other types of information can freely flow across borders (CCPA, 1992: 80-2).

The North American Trade Commission and Secretariat will be in charge of facilitating the enforcement and implementation of NAFTA. These bodies serve to arbitrate disputes but are not to be elected. Relevant scientific, environmental or other consultation can be requested from outside organisations. However, unless requested, there is to be no input or accessibility to these bodies by outside organisations or interest groups. This results in an organisation with a great deal of power which is virtually free of public accountability or monitoring. This is unacceptable in most other areas of Canadian government, such as the court system for example, and represents a decisive and significant change in the governmental operation with respect to the public. This is severely contrasted by the strong mechanisms that are put in place to enforce corporate rights (CCPA, 1992: 129-30).

Another forum in which Canadian power has been eroded through NAFTA is through a relative decrease in power to the provinces. The federal government now has more responsibility to international forces through NAFTA than it does to the provinces. This is because the provinces are to be held accountable for the provisions of NAFTA, and the federal government is required to force the provinces into compliance, even if the matter is considered to be exclusively within provincial jurisdiction. Thus national treatment for US or Mexican companies must be given even over preference from within the province. NAFTA clearly undermines each province's

ability to pursue a development strategy that is consistent with the goals, resources and circumstances that are specific to each province. Similarly, NAFTA undermines Canada's ability to pursue a development strategy that is consistent with purely Canadian concerns and circumstances (Barlow in Cavanagh et al., 1992; Brooks, 1989; CLC in Cameron, 1986; CCPA, 1992; Campbell in Cavanagh et al., 1992; Jenkins, 1992).

### **Transnational Corporations**

TNCs are one of the clear winners under NAFTA. The regime of liberalisation and deregulation is clearly consistent with the interests of TNCs, as is the transparency of national borders and the lack of national accountability. NAFTA also supports an ideology of economic growth and competition that facilitates the entry and operation of TNCs into more and more regions and sectors.

"The FTA rests on the belief in the power of the market to sort out all of the economic problems of any country. It rests on the idea that there is one method by which growth and development can be achieved. And it is based on a very old, almost archaic notion of how economies work. This notion is that when all players approach the market on an equal basis, no one will be able to develop a monopoly and thereby control prices. In this ideal world, everyone will be better off with free trade because each country will be able to concentrate its resources and labour on producing things it is relatively efficient at producing, and will be able to import things that it can't produce efficiently. No country will have to worry about anyone unfairly hogging the market. The problem with this idea is that we are no longer dealing with trade between nations, but with the ability of large corporations (monopolies) to move easily between nations and to pick and choose the most advantageous conditions for themselves. These advantageous conditions depend on the historical position of countries, their geographical advantages, and their level of desperation to secure investment from large firms. When capital is free to move and labour is relatively fixed,

the possibility for a happy-ever-after-ending vanishes" (Griffen México in Sinclair, 1992: 16).

A critical factor in this scenario is the power differential between the three countries and especially relative to these large corporations. As has been discussed in other sections, NAFTA exacerbates these power differentials within and between countries and TNCs.

Under NAFTA, TNCs will have a right to national treatment without domestic presence. If the benefits of NAFTA to the Canadian, American and Mexican peoples are to be attained through the operation of TNCs and other international trade, then it seems contradictory for these operations to be able to evade local obligations by not requiring domestic presence (Brooks, 1989; Cavanagh et al., 1992; CCPA, 1992; Daly & Cobb, 1989; Jenkins, 1992; Marchak, 1991).

### Summary

This chapter has provided an examination of NAFTA in terms of the eight defining principles of the alternative conceptualisation of sustainable development. In doing so, the following conclusions can be drawn. NAFTA's marginalisation of a holistic perspective of sustainable development can be seen through its treatment of culture and agriculture. NAFTA clearly supports and furthers the predominance of an econocentric approach to development. This contributes to the marginalisation of the socio-cultural, historical and political-economic differences between Canada, México, and the United States. NAFTA's econocentrism is instrumental in destroying Canada's system of supply management and subsidisation. This



econocentric approach is also destroying the context required for effective social and environmental protection programmes. Furthermore, NAFTA maintains the developmental focus on economic growth, and thus fuels the cycle of technologisation and industrialisation. In this way NAFTA plays a important role in furthering the neo-liberal agenda with its continuation of the FTA and its links with the GATT. In terms of the environment, NAFTA places natural systems in jeopardy through the over-exploitation of natural resources and the failure to recognise and protect systemic diversity. By examining the effects of NAFTA on food, health, and jobs it can be seen that NAFTA undermines even the most conservative definition of universal basic needs provision. In addition, even though the effects of NAFTA will be harder on women, NAFTA does not address the dual problems of patriarchy and élitism that are associated with sexism in our society. Finally, and perhaps most seriously, NAFTA undermines Canada's ability to address issues that are in the interest of Canadians and of Canada as a sovereign country. One of the main avenues for this process is through the increase of mobility provided to TNCs and capital in general. Thus, in examining NAFTA in these terms it becomes clear that NAFTA does not diffuse or address the contradictions of development and the political economy, but rather fuels them. In this way NAFTA clearly undermines the core principles of the alternative conceptualisation of sustainable development.

## **CHAPTER SIX**

### **CONCLUSION**

NAFTA was introduced in order to make a North American trading bloc that would be more competitive in the new international division of labour. It is in response to the increased competition on the global market and the tough economic context. NAFTA is a market-based response with the goal of increased profit and prosperity. Sustainable development is also a response to current difficulties in the global system. The response, however, is ecologically or environmentally based. The different approaches, both in the name of 'development', must be evaluated. As discussed in chapter one, these evaluations require a holistic approach in order to appreciate the broad range of issues associated both with NAFTA and sustainable development. An appreciation for the complexity of these interconnections is crucial to an understanding of the global, interdisciplinary and cross-sectoral nature of 'development' as seen through both NAFTA and sustainable development. A holistic approach is also essential in order to include a vision or understanding of where development should take us as co-inhabitants of the planet. It is with respect to this, that sustainable development and NAFTA need to be evaluated.

Because neither NAFTA nor sustainable development exist in a theoretical or ideological void, an exploration of the theoretical and ideological framework for NAFTA and sustainable development is required. This was the subject of discussion in chapter two. As an extension of the FTA, NAFTA was shown to further the neo-liberal agenda through its developmental focus on market forces and its

strong links with the GATT. This demonstrates some of the broader implications of NAFTA. Limits to growth and indigenous perspectives of sustainable development were discussed, demonstrating that there is not a single definition or understanding of sustainable development. This was also discussed in terms of the distinctions between sustainable growth, specifically the Brundtland Report (*Our Common Future*), and sustainable development. Sustainable growth approaches are typified by their focus on economic growth and environmental protection is only done in such a way as to maintain or increase it. Thus in mainstream development discourse, sustainable development has been co-opted to mean sustainable growth, and the language of environmental protection has been co-opted to further the interests of those who benefit from sustained growth, the corporate élite. Sustainable growth is an oxymoron because sustained economic growth can not be environmentally sustainable. Furthermore, sustainable growth approaches were shown to play into several of the contradictions of development and the political economy.

Because both NAFTA and sustainable development are international in nature, an analysis of either would be virtually meaningless without adequate consideration of the global political economy. Chapter three provided a discussion of six contradictions of development and the political economy. This demonstrated some of the ways that current development programmes contribute to the spiral of over and under development and to environmental destruction. The six contradictions were seen to be rooted in the core concepts of development, their tacit assumptions, and the

inherent values. This makes them difficult to address and change. Economic growth, industrialisation and technology are the main pillars of econocentric approaches to development. The quasi-religious pursuance of econocentrism has been a defining characteristic of development over the last few centuries. This contradictory strategy has resulted in the marginalisation of women, subsistence production and the informal sector, as well as the destruction of ecological systems and the environment. Furthermore, the relations between power, the state and the international political economy were shown to be contradictory in terms of development. These contradictions are the basis for the current crisis in development, and are exacerbated by mainstream development and sustainable growth programmes. The proposal of the alternative conceptualisation of sustainable development is in response to these contradictions as well as the seriousness of their consequences, namely the spiral of under and over development and environmental destruction.

In chapter four, the alternative conceptualisation of sustainable development proposed a set of parameters for the implementation of viable programmes of sustainable development. These parameters outlined some of the dynamics which must be addressed by any application of sustainable development in order that the developmental system avoid playing into the contradictions of development and the political economy, and also minimise the spiral of over and under development and environmental destruction as discussed in chapter three. The eight propositions of the alternative conceptualisation of sustainable development were

loosely organised around the contradictions of development. Reductionism must be balanced by holism in order to recognise and protect the intrinsic value of the system. Similarly, econocentrism must be avoided in order not to marginalise other modes of development that are less empowered. This requires a re-evaluation of economic growth, industrialisation and technology. Prosperity was shown to be a value-laden concept that maintains and furthers the spiral of over and under development. For this reason the developmental focus on prosperity and human wants should be abandoned for the universal provision of basic needs. These basic needs include food, housing, education, health care, personal and cultural integrity, and access to life choices. Gender equality in terms of both patriarchy and élitism must also be addressed as a central goal of sustainable development. Respect and protection for biological, ecological, socio-cultural and ideological systemic diversity was shown to be necessary for achieving an effective adaptation of human socio-cultures to ecological and environmental systems. In order to achieve these goals of sustainable development, power must be addressed as a key variable, and the role of the state in relation to the international political economy must be resolved.

Clearly these are not easy answers. They require fundamental re-evaluation of many of our most basic cultural and developmental values. Nevertheless, if this is the task with which we are faced in order for human beings to exist with other species on this planet, we had better ensure that every aspect of our current development programmes is consistent with achieving these goals. NAFTA is no

exception. As one of the more prominent and broad-reaching policies in North America in recent years, NAFTA must also be evaluated in terms of the parameters proposed by the alternative conceptualisation of sustainable development. This was subject of the discussion for chapter five.

The basic structure of the alternative conceptualisation of sustainable development was maintained in the evaluation of NAFTA for the sake of clarity. In this discussion it was shown that NAFTA's treatment of culture and agriculture are clear examples of the ways that the reductionism, inherent in NAFTA, marginalises a holistic approach to sustainable development and places Canadian culture and agriculture at risk. NAFTA's econocentrism was then discussed in terms of its contribution to the marginalisation of the socio-cultural, historical and political-economic differences between Canada, México, and the United States. NAFTA's econocentrism also contributes to the destruction of Canada's programmes of subsidisation and supply management and of the context required for the implementation of effective social and environmental protection programmes. NAFTA was also shown to contribute to the furthering of the cycles of technologisation and industrialisation through its over-emphasis on economic growth. This furthers the neo-liberal agenda through NAFTA's links to the FTA and the GATT. NAFTA was also shown to lead to the destruction of the environment through the over-exploitation of natural systems, and the failure to recognise and protect systemic diversity. Universal basic needs provision is undermined by NAFTA, as revealed in discussion relating to food, health and jobs. Even

while NAFTA increases the burden on women, gender needs are not addressed by NAFTA in terms of patriarchy and élitism. NAFTA was shown to play into the contradiction of development with respect to the state and the international political economy. This was examined in terms of sovereignty and national interests, as well as TNCs. In this way, NAFTA was shown to undermine Canada's ability to address issues that are in the interest of Canadians and of Canada. Through these analyses, NAFTA was shown to repeatedly play into, and fuel the contradictions of development and the political economy. Furthermore, NAFTA increases the spiral of over and underdevelopment and the destruction of the environment and natural systems. For these reasons NAFTA is in clear opposition with the core principles of the alternative conceptualisation of sustainable development.

#### Where do we go from here?

In terms of opposition, the differing socio-cultural and political-economic circumstances of Canada, the US and México have created difficulties in uniting groups from the three countries against the empowered NAFTA front. Not only do these opposition groups have diverse points of departure based on their circumstances and values, but many groups opposing NAFTA tend to already be somewhat marginalised within their respective countries.

Many opposition groups base their critiques of NAFTA on socio-economic factors, such as the Action Canada Network, or on the basis of employment, such as the Canadian Labour Congress. In the US, there is also labour-based opposition, but there are also several Washington-based groups that address environmental, human and

labour rights, such as MODTLE, which is the Mobilization on Development, Trade and Labor Education. In México as well, labour and union groups are fighting NAFTA, but there is also opposition from popular groups. In 1991 Mexican Action Network on Free Trade, (la Red Mexicana) was formed as an attempt to unify unions, campesino and women's organisations, NGOs, environmental and community groups, academics and other social groups. There have been several bi- and trilateral oppositions stemming from common concerns and perspectives. For example, CONAMUP is linking women from all three countries against NAFTA, and Solinet and Peacenet are two computer networks accessible by modem that have discussions on NAFTA (Kuehn in Sinclair, 1992: 176; Nadeau in Sinclair, 1992: 152).

In order to make the required changes, Barlow and Campbell (1991) argue that a "Take Back the Nation" strategy is necessary in both educational and political forums. They identify five steps for the restoration of responsible government in Canada. These are Name the Issues; Take community control; Join the Movement; Develop the Platform; and Challenge the Parties. Barlow further argues that seeking a clear mandate for abrogation from the FTA is crucial towards finding the road back to being responsible for our own destiny as Canadians (Barlow in Sinclair, 1992).

Both Clarke and Sorenson (in Sinclair, 1992) argue that creating alternatives for development must play an important part in addressing the issues at stake. This process must occur not only in Canada, but for the US and México as well. This requires a



platform of solidarity, and not of competition (Valin & Sinclair, in Sinclair, 1992).

Bishop Remi DeRoo writes:

"We have reached a time of reckoning, a moment of truth. If Canada is to maintain its identity, all those who care about our common future need to get involved. Authentic hope can read the data of despair, see through it, and rediscover the bedrock values that energize people for renewed conquests. Believe there is nothing beyond the power of determined people who truly love Canada and are dedicated to the survival of our country as a creative force in the global community of nations" (Remi DeRoo, cited in Barlow & Campbell, 1991: 220).

Our existence on this planet is dependent on the diversity inherent in the complex but fragile relationships between human socio-cultures and the environment. If we do not maintain this diversity, and incorporate it into the development process then it is unlikely that we will solve the majority of the problems which threaten our existence. To continue the dynamics of our current programme of development with its inherent contradictions is to continue the global destruction of ecological and socio-cultural systems. NAFTA does exactly that, and also undermines our ability to address it. To avoid this we need to make some fundamental changes that are deeply rooted in our socio-cultural structures, language, behaviour patterns and value systems. This requires a more holistic understanding of our natural and socio-cultural environments, as is proposed by the alternative conceptualisation of sustainable development above. This is necessary in order that we can address the problems of ecological destruction and the related spiral of over and underdevelopment. Only by doing this can we hope

**to encourage and develop a global balance that is conducive for global survival and well-being.**

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