

Sophie Schram

Constructing Trade

The Negotiation of the Comprehensive Economic
and Trade Agreement (CETA) in Quebec



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Preface

When I started the research for this doctoral thesis in late 2013, the negotiation of the *Comprehensive Economic and Trade Agreement* between the EU and Canada was moving forward quickly. On both sides of the Atlantic, CETA was depicted as a prototype or a blueprint for a series of so-called new-generation trade agreements, which were more comprehensive in nature than previous agreements and included, for example, chapters on foreign direct investment protection, government procurement, regulatory standards and geographical indications on food labels. The EU had already concluded a similar agreement with South Korea and negotiations were underway, among others, with Singapore and the US.

When travelling to Canada and especially to Quebec for field research in late 2013, I found that international trade and economic integration were central political topics in Canada and in Quebec. In the EU, international trade was not among the most salient political topics then, at the time when I first travelled to Canada. Although there had been moments of strong political contestation and opposition to further trade liberalisation – especially in France – trade policy seldom reached a similar level of political relevance as it did in Canada and the Canadian provinces. In the 1980s, Canadian federal elections were fought over North American economic integration. Political parties in Quebec made trade and economic integration a key topic of their political programmes and closely connected them to their provincial development policies.

In the EU, trade policy was considered to a large extent an a-political topic, left mostly to the expertise of the bureaucrats of the European Commission. Even though the member states need to implement trade agreements in accordance with their respective internal procedures, national parliaments' involvement in the negotiation processes has mostly been fairly limited. This was to a large extent because of a general consensus on the benefits of free trade. Furthermore, governmental levels below the member states were rarely involved in trade discussions. In Canada, to the contrary, the different provinces and even the larger cities have firm positions on Canada's international trade relations, considering them to have profound implications on their local development. Even though the federal government has sole jurisdiction over Canada's international trade agreements, the provinces develop their own positions and try to influence

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federal policy-making my various means, about which I will say more in the course of this book.

By now, the picture in the EU and worldwide has become an entirely different one: international trade has moved center-stage of the political agendas in several European states and civil society involvement has increased. A trigger of the politicisation of trade in the European Union was the negotiation of the Transatlantic Trade and Investment Partnership (TTIP) with the US. Since mid-2014, civil society opposition to this agreement has been growing across European member states – including in Germany, where internal trade is a backbone of the (export-oriented) economy. At the same time, sub-federal actors in the EU have become more vocal. They actively monitor the impacts of international trade agreements on the economic development of their region and, sometimes, even threaten national governments to withdraw their support. On an international scale, especially with the election of US president Donald Trump, the long-standing consensus among Western political elites, that more openness to trade eventually leads to more wealth, has lost ground. The benefits and drawbacks of new trade deals are now more explicitly measured against the yardstick of expected impacts on the respective national economic spaces. For example, especially the US has recently instrumentalized tariffs to protect domestic industrial sectors or retaliate unilaterally against perceived unfair public policies. International trade has become one of the most salient topics of international relations by now, and an almost-forgotten vocabulary in trade comprising terms such as protectionism, national economic development, and unilateral retaliation has quickly re-gained ground in the international political discourse.

By looking at the Quebec and Canadian cases where political debates on trade and nationalism are closely inter-twined, I better understood recent developments in the EU and on the international scene. The analysis of the discourse on the *Comprehensive Economic and Trade Agreement* (CETA) and the historical discourses underpinning it helped me – and I trust the readers of this book – to find answers to why and how the long-standing consensus on the benefits of free trade slowly began to crumble in the EU as well.

This research would not have been possible without generous support.

I first wish to thank the *International Research Training Group Diversity* and the *Deutsche Forschungsgemeinschaft* for generous support -financial and intellectual- without which extended research stays in Canada and the EU would not have been imaginable. Apart from a generous scholarship, the Training Group's members – especially Ursula Lehmkuhl and Lutz

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I also thank the *Europäische Akademie* in Otzenhausen and the *Asko-Europa-Stiftung* for many conferencing and teaching opportunities. I thank the editors for generous financial and marketing support for this book. I hope that my contribution to their series *Denkart Europa* triggers a new perspective on the EU's international trade relations.

I am deeply indebted to my interview partners for their time and insights. My interviewees let me glimpse behind the (too often) closed doors of trade policy-making. Especially, I wish to thank Pierre-Marc Johnson, Quebec's chief negotiator, and Jean Charest, Prime minister in Quebec for most of the time when CETA was negotiated, for sharing their insights and establishing contact with several members of Quebec's government. At the same time, I am deeply grateful to the many researchers who helped me understand Quebec and Canadian politics, especially Frédéric Mérand at the Université de Montréal's Cérium, and Jörg Broschek and Patricia Goff at Wilfrid Laurier University.

Foremost, I thank my supervisor Prof. Joachim Schild for accepting to supervise, in a political science department, a topic so heavily inspired by cultural studies and sociology. In this vein, I thank him for bringing my floating ideas into a more organised form and shape, as well as for his high availability and professionalism.

This piece of research would not have been possible without the open doors and spirit at Jane Jenson's chair at the Université de Montréal. Her generosity and intellectual curiosity allowed me to learn and grow. She continues to be a true role model and thought leader for many young women including myself.

I give love and thanks to my family for 'being there', for their liberal thinking, for letting me grow up without boundaries and for providing the so-much needed home-base for someone moving their home so often. Especially, I am deeply grateful to my spouse Dominik Groß, my best friend, for his love.

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List of Abbreviations

AGP	Canada–United States Agreement on Government Procurement
ARRA	American Recovery and Reinvestment Act
CAD	Canadian Dollar
CAQ	Coalition Avenir Québec
CETA	Comprehensive Economic and Trade Agreement
CORIM	Conseil des Relations Internationales de Montréal
CUPE/ SCFP	Canadian Union of Public Employees/ Syndicat Canadien de la Fonction Publique
CUSFTA	Canada-US Free Trade Agreement
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GPA	Agreement on Government Procurement (WTO)
NAFTA	North American Free Trade Agreement
OECD	Organisation for Economic Co-operation and Development
PLQ	Parti Libéral du Québec
PQ	Parti Québécois
RQIC	Réseau Québécois d'Intégration Continentale
SFPQ	Syndicat de la Fonction Publique et Parapublique du Québec
WTO	World Trade Organization

