



Embassy Mag

Canada-Honduras Free Trade Agreement: Another example of our country's poor record on trade and human rights

July 9, 2014

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Despite compelling testimony provided over the past year that emphasized the dire human rights situation in Honduras, the act to implement the Canada-Honduras Free Trade Agreement quietly passed its Third Reading in Senate on June 17, 2014, received Royal Assent and is now law. This is déjà vu for many Canadian civil society organizations engaged in Latin America. Once again, commercial interests have sadly trumped human rights concerns, just like they did three years ago with the Canada-Colombia Free Trade Agreement (CCOFTA).

The CCOFTA was implemented in the midst of continued human rights violations and an ongoing armed conflict that began five decades ago and that has claimed the lives of at least 220,000 Colombians, mostly civilians. Canada's record with the Colombian trade deal and the passing of the new Honduran agreement speak volumes about the Government of Canada's disinterest both in the specific human rights concerns and in the real potential that Canadian commercial activities will in fact exacerbate the crises in these countries.

In May, for a third consecutive year, the Canadian government failed in its legal obligation to monitor the human rights impacts of the CCOFTA. This year's report made only passing reference to the human rights situation in Colombia and said nothing about continuing assaults on lives and lands, particularly in areas coveted by third parties for their economic potential.

Instead, the report focused narrowly on tariff reductions and trade flows, ignoring links between investment and human rights. The government's conclusion: "It is not possible to establish a direct link between the CCOFTA and the human rights situation in Colombia."

All three reports to date have lacked independence, transparency and the inclusive participation of communities directly impacted by the CCOFTA.

It is with a similar lack of transparency over and engagement with human rights concerns that Parliament passed the new agreement with Honduras.

Since the 2009 military coup d'état in Honduras, citizens have experienced high levels of state repression, spiraling violence, the almost complete failure of all governmental institutions and rule of law, as well as skyrocketing poverty levels.



This troubling reality was brought to the attention of parliamentarians on numerous occasions. Pablo Heidrich of the North-South Institute told the Parliamentary Standing Committee on International Trade that levels of violence are actually increasing in Honduras with an average of 20 murders per day, compared with two murders per day in Canada, which has four times more population. Honduran human rights defender Bertha Oliva testified that although there is drug trafficking and generalized violence, “what we are talking about... is not linked to organized crime or drug trafficking. It really has to do with human rights violations generated by state authorities against political dissidents.”

Despite the complicity of post-coup governments in Honduras’ current crisis, the Canadian government has demonstrated unwavering political support. Prime Minister Harper was the first foreign Head of State to travel to Honduras in August 2011 after it was reinstated to the Organization of American States (OAS) when he announced the FTA.

The Canadian government, many MPs and Senators, and industry representatives have frequently asserted that the FTA will improve conditions for Hondurans. Unable to negate the troubling human rights situation in Honduras, they have repeated the false dichotomy that we can either “engage” with Honduras through a free trade agreement or “isolate” the country without one.

Yet during parliamentary hearings, MPs repeatedly heard that the principal beneficiaries of the FTA would be a select group of Canadian investors in the mining, textile and tourist sectors, and not the poor majority in Honduras. Ricardo Grinspun of York University stated, “[w]hat are required are policies to strengthen state initiatives in the social sector, including education, training, promotion of small enterprises, and protecting labour and social rights. Many of these aspects are not part of the FTA. The strengthening of investors' rights by disregarding other rights actually works in the opposite direction.”

Heidrich further testified to Parliament: “In general, the international [...] experience of using FTAs as leverage is not very successful, not even for countries that have a much bigger domestic market to offer access to, such as the U.S. or again the EU, or Japan.”

The CCOFTA’s grossly flawed human rights reporting mechanism obscures any official recognition of the displacement and loss of lives occurring in Colombia in order to benefit big business. A similar FTA with Honduras will again give corporations access to the strongest investor protection mechanism around – private international arbitration – while communities pay with their lives and lands.

In light of our experience with the CCOFTA and the repeated concerns expressed by our Honduran partners, we believe Canada should not have signed an FTA with Honduras and we still call upon the Canadian government to fulfill its human rights obligations.



Hondurans just marked the grim fifth anniversary of the coup on June 28th, reminding us that Canada's foreign policy, aid and trade strategy must be revised to put human rights first, not investor rights above all else.

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