BUILDING RESILIENT SUPPLY CHAINS THROUGH CANADIAN FREE TRADE AGREEMENTS

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Research Problem

There are concerns that the rapid and alarming growth in the number of disruptions might continue to affect the operations of companies in global supply chains (GSCs), potentially leading to increased losses in the absence of efficient systems that reduce complexity for policymakers (Moudio et al., 2022). In this regard, reforming the content of Free Trade Agreements (FTAs) should be considered a pivotal measure for enhancing resilience in GSCs (Ciuriak et al., 2020).

However, despite a significant number of FTAs currently being active globally, with the World Trade Organization reporting 361 trade agreements in force as of January 1, 2024, it remains unclear how FTAs contribute to supply chain resilience (SCR).

Research Question

How can Canadian Free Trade Agreements help improve supply chain resilience?

Relevant Literature

It is crucial to note that not all trade agreements offer the predictability and security necessary for the operation of GVCs, emphasizing the need for attention to their coverage and stability (Azmeh, 2019).

Tokas (2021) affirmed that the "depth" of the clauses in FTAs plays a crucial role in supporting the proper operation of global supply chains.

Suryawanshi and Dutta (2022), after reviewing 3,672 articles to assess quantitative models for SCR, affirmed that research in this area is in a nascent stage.

Ruta (2017) concluded that further research is required to support the effective operations of GSCs in the context of FTAs and integrate them into formal models.

Theoretical Framework

- **Systems Theory:** Supply chains are conceptualized as interacting, interdependent, and complex adaptive groups of companies (Azadegan & Jayaram, 2018).
- **Intertwined supply network (ISN):** It represents the entirety of interconnected supply chains that ensure the supply of goods and services to society and markets (Ivanov and Dolgui, 2020).
- **Institutional Theory:** It involves the rules, norms, and procedures that establish themselves as authoritative guidelines for social behavior (Scott, 2005).

The principles supported by these three theories offer a robust framework for comprehending the dynamics within global supply chains on one hand, and for evaluating the contents of trade agreements established by government institutions on the other.

Intended Methodology

multiple-case study methodology: It facilitates cross-case analysis, comparison and enhance research findings (Darke et al., 1998).

To triangulate the findings, data will be collected from three distinct sources: documents, focus group discussions, and interviews.

Contributions

Addressing a critical gap: understanding how Canadian Free Trade Agreements can effectively enhance SCR.

Establishing a framework that conceptualizes the essential clauses, and rules to be considered in Canadian FTAs, benefiting both businesses and society.

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