

The Trade and Labour Linkage: The Canadian Perspective

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Trade and Labour

Why link trade and labour?

- Controversies:
 - A distortion of trade relations?
 - Disguised protectionism?
 - Cultural imperialism?
- Responses:
 - Labour rights and standards are intrinsic to economic development, not add-ons
 - Protectionism relates to levels not principles
 - Focus on universally recognized, core rights

Canada's Approach

- Ambitious agenda of multilateral, regional and bilateral trade initiatives – regarded as complementary, mutually reinforcing.
 - Long-standing focus is to develop strong international trade relationships in the Americas through bilateral and regional FTAs.
- Labour (and environmental) provisions negotiated in the context of Canada's FTAs.
- Legally free-standing side-agreements, but intrinsic part of package.
- However, we are open to new ideas and always take into account recent trends in the trade-labour linkage.

Objectives of Canada's LCAs

- Support Canada's international development strategy – advance economic growth, promote good governance and the rule of law
- Build on Canada's commitment to fundamental human rights – especially the global consensus behind ILO *Declaration on Fundamental Principles and Rights at Work*
- Build public support for more open trade through non-protectionist initiatives that integrate fundamental labour and human rights within the international system
- Ensure that trade/investment flows between FTA partners are not distorted by the lack of protection of fundamental rights or lack of effective enforcement of labour laws

Key Elements in Canada's LCAs

- Mutual commitment to reflect fundamental principles in labour laws
- Mutual obligation to effectively enforce labour laws.
- Implementation based on consultation and cooperation.
- Dispute settlement through transparent and independent third-party assistance.
- Ongoing cooperative relationship and technical cooperation to assist in capacity to meet obligations.

Current Labour Cooperation Agreements

- North American Agreement on Labour Cooperation (Canada-U.S.-Mexico) (1994)
- Canada-Chile (1997)
- Canada-Costa Rica (2002)

Current and Future Negotiations

- Negotiations currently underway with:
 - Singapore
 - South Korea
 - CA-4 (Guatemala, El Salvador, Honduras and Nicaragua)
- Next in line in Americas:
 - Dominican Republic
 - Andean Community
 - CARICOM
- Capacity-building programs will likely be at the core of the implementation of agreements in the Americas. However, these agreements will need to continue providing for independent and transparent review mechanisms in order to ensure their effectiveness and credibility.

Some Challenges

- Increased domestic pressure to match the level of commitments found in labour chapters negotiated by the US
- Balancing concerns of domestic interests and international partners
 - Domestic pressure to include stronger enforcement
 - Partners' desire to emphasize cooperation
 - These concerns can be complementary, i.e. substantial increase in cooperation resources may allow better enforcement

The Trade and Labour Linkage: Greater Coordination

- In April of 2007 a group of like-minded countries on Trade and Labour met for the first time in Canada (Chile, New Zealand, Canada, US, European Union)
- We seek to expand this group and increase coordination