

FIXING NAFTA: A GENERATIONAL OPPORTUNITY

Implemented nearly a quarter century ago, the North American Free Trade Agreement (NAFTA) set a dangerous benchmark for trade deals in Canada - a model that promotes unfettered capital mobility, economic and social policy deregulation, privatization and less government regulation. It grants privileged rights to private investors and corporations, while leaving workers with a legacy of broken promises of stronger working standards and shared prosperity.

Unifor has been an outspoken critic of NAFTA – along with many other labour unions, citizen groups and NGOs throughout the continent. For years, the union has demanded that governments undertake a fundamental rethink and renegotiation of NAFTA to reset its priorities and rebalance its outcomes; to reflect the needs of people and communities. The benefits of trade should be shared equally. For the first time in a generation, we have a chance to do just that.

WHAT NEEDS TO CHANGE IN NAFTA

THE NEEDS OF WORKERS MUST COME FIRST: Under NAFTA and its predecessor free trade deal with the U.S., domestic investment and private sector employment growth have slowed. Hundreds of thousands of manufacturing jobs have been cut. Growth in hourly wages has barely kept up with inflation. For Mexicans, the promise of stronger labour standards and higher living standards has proven to be a false hope. In fact, more Mexicans live in poverty today than before NAFTA. Through this lens, NAFTA has been a failure, and must be fixed.

A NEW APPROACH TO TRADE IS NEEDED: For too long, trade agreements have been negotiated with limited public involvement and outside of public scrutiny. This has to change. NAFTA's renegotiation can set a new standard for consultation, collaboration and inclusivity. It can also establish a new system for regular monitoring and assessments of targeted outcomes, including job creation, enhanced labour standards and balanced trade.

REBUILDING A NAFTA THAT WORKS FOR WORKERS: NAFTA is a rulebook, and it can be rewritten. It can send different signals about the expectations of corporations and investors. It can reprioritize and rebalance its objectives. It's time to stop this failed experiment in cross-border cooperation and development.

UNIFOR RECOMMENDATIONS FOR REFORMING NAFTA:

- Stronger labour rules, and demonstrated adherence to those rules;
- The elimination of NAFTA Chapter 11, and the extraordinary investor privileges that allows private investors to sue governments over lost profits;
- Bold new rules for cross-border trade in auto and auto parts, including stricter rules of origin, higher labour and wage standards, a greater balance in trade and investment and a fair share of the benefits for workers in each country;

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- The full protection of Canada's supply management system and its ability to provide a safe and stable food supply;
- Assurances that public services such as health and education are fully excluded from the deal;
- The rejection of any demand that restricts the strengthening of foreign ownership rules in telecommunications, and that restricts the right of Canada's regulatory bodies to impose licensing conditions on foreign online broadcasters;
- The elimination of "energy proportionality" - the NAFTA clause requiring Canada to continue oil and gas exports to the U.S., even in the event of a shortage;
- A new continental standard on the use of domestic purchasing policies, reflecting governments ability to direct public procurement to domestic suppliers in fair and equitable way;
- Ongoing consultation with labour and other civil society, and a commitment to independently evaluate the costs and benefits of the new deal before and after ratification.