

A Better NAFTA

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 that came after it. It offers a model of trade facilitation that promotes largely unfettered capital mobility, economic and social policy deregulation, privatization and less government of broken promises for stronger working standards and shared prosperity.

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



THE NEEDS OF WORKERS MUST COME FIRST

Under NAFTA and its predecessor free trade deal between Canada and 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. In Mexico, more stringent labour standards and higher living standards have proven to be a false hope. 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 in trade talks. It can also establish a new system for regular monitoring and assessments of targeted outcomes, including job creation, enhanced labour and environmental 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 changes to what has been a failed experiment in managing cross border trade, cooperation and development.



A Better NAFTA

WHAT WE NEED

Unifor has several recommendations on how to reform NAFTA and how to approach upcoming trade negotiations that we urge Canada's negotiators to consider, including:

- Stronger **labour rights and work protections** that are adhered to by all NAFTA parties and that are fully enforceable;
- The **elimination of Chapter 11** and the extraordinary investor privileges that allow private investors to sue governments over lost profits;
- Bold **new rules for cross-border trade in auto** and auto parts
- The full **protection of Canada's supply management** system and its ability to provide a safe and stable food supply;
- Assurances that Canada's public services, such as **health and education**, are fully excluded from the deal;
- **The protection of foreign ownership rules** in telecommunications, the **preservation of Canada's culture exemption**, and ensuring that Canada's regulatory bodies are not restricted from establishing licensing conditions on foreign online broadcasters;
- An explicit **commitment to protect overhaul and maintenance (O&M) work** regulations in Canadian aerospace, including regulations that ensure Canadian licensed aircraft must be maintained by Canadian-certified persons located within Canada.
- Stronger, **enforceable environmental and sustainable development standards**, as well as full latitude to establish 'just transition' programs for workers affected by climate change;
- 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 government's 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.

For full details, read Unifor's submission to the federal government at unifor.org/NAFTA