Alberta Federation of Labour

BACKGROUNDER

TPP erodes labour rights

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AFL Analysis of the Trans-Pacific Partnership

The TPP seriously erodes and imperils the rights of working Canadians:

Chapter 12 allows foreign corporations of member countries to bring in their own employees with no restrictions on number of requirements for visas, work permits, labour certification or similar, driving down wages, displacing Canadian workers, and distorting local labour markets in Canada.

- There are four classes of employee that can be brought in: business visitors (those who work for companies that are headquartered elsewhere), intercorporate transfers (usually for training or professional development), investors (those seeking to establish business or investments here) and "professional and technicians" - consisting of the Canadian government's classifications O, A and B, meaning all professional, technical and skilled trades jobs - excluding only unskilled manual labour and "intermediate" jobs.

Chapter 19 covers labour rights, and contains virtually no meaningful guarantees on minimum labour or employment laws besides that they must exist. Furthermore, this Chapter commits the member parties to work together into the future to harmonize and cooperate on labour laws, meaning Canadian workers will see a race to the bottom, eroding their own rights to the levels of jurisdictions with minimal labour protections and where right-to-work is increasingly the norm.

The TPP represents transfer of power from our democratically-elected governments and the citizenry into the hands of wealthy, multinational, often foreign corporations and executives:

Chapter 9 cedes tremendous power to corporations, eroding the role and ability of governments to regulate and monitor foreign investment in Canada. It reduces the ability of Investment Canada to regulate foreign investment in Canada by increasing thresholds for review up to $1 billion, including takeovers (like that we saw with China and CNOOC in 2012). It requires that all foreign companies be treated exactly the same as Canadian ones, further undermining the ability of governments to protect Canadian interests.

- It also allows companies to sue member governments for any regulation which might impact their profits (for example, requiring preventative health warnings on tobacco products), through secret, closed-door dispute settlement procedures, amounting to a subversion of basic justice. Along with chapters on state-owned-enterprises, these investor protections also imperil Canadian companies like Canada Post.

Chapter 15 is an interference with government procurement rules and procedures. Meaning that Canadian governments cannot make decisions on their own contracting for goods, services or construction in any way

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that might appear to favour a local company and must treat all companies, even those with significant foreign involvement or interest, equally.

By lengthening and expanding patent protections and other corporate entitlements to pharmaceutical companies, the TPP risks the health of hardworking Canadians by driving up drug costs and restricting generics, reducing accessibility to innovative and life-saving drugs and reducing the ability of member governments to regulate and formulate their own drug policies that are in the best interests of their citizens.

Overall, the agreement seeks to undermine the rights of citizens and their abilities to make decisions about their own interests and wellbeing through their democratically-elected governments.

More background:

- Canada has not released an economic impact study of the TPP, but a pro-TPP study in the U.S. estimated only a 0.13 per cent increase to U.S. GDP by 2025 from the TPP. The positive impact on Canadian GDP growth could reasonably be expected to be even more negligible.
- Canada already has free trade deals in place with four of the larger TPP countries (Peru, Chile, U.S. and Mexico) and tariffs on trade with the others are already low. TPP countries with which Canada does not already have an FTA make up only 3 per cent of its total exports and 5% of its imports. Canada has a trade deficit with these countries of $5 to $8 billion annually.
- 80 per cent of Canadian exports to these countries are raw or semi-processed goods (e.g. beef, coal, lumber) while 80 per cent of imports are high value-added goods (e.g. autos, machinery, computer and electrical components).
- In other words, this type of free trade deal does nothing to diversify our economy, grow Canadian productivity or GDP or create good, stable, long-term jobs for Canadians.

TPP countries are:

- Brunei
- Chile
- New Zealand
- Singapore
- Australia
- Canada
- Japan
- Malaysia
- Mexico
- Peru
- United States
- Vietnam