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Session 1

Introduction – The Trade and Labor Nexus

Submitted by: Canada



**Capacity Building for Negotiating Labor
Provisions in FTAs Workshop
Medan, Indonesia
28-29 June 2013**

Labour

**APEC Workshop on Trade and Labour Negotiations
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Introduction – the Trade and Labor Nexus

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Why link trade and labour?

Controversies

- A distortion of trade relations?
- Disguised protectionism?
- Cultural imperialism?

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Why link trade and labour?

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

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Canada's Approach

- Ambitious agenda of multilateral, regional and bilateral trade initiatives – regarded as complementary, mutually reinforcing.
- Labour (and environmental) provisions negotiated in the context of Canada's FTAs since 1994.
- Legally free-standing side-agreements, but intrinsic part of package. Also open to negotiate FTA labour chapters.

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Objectives of Canada's LCAs

- Support more open trade through non-protectionist initiatives that integrate fundamental labour and human rights within the international system
- Build on Canada's commitment to fundamental labour and human rights – especially the global consensus behind ILO *Declaration on Fundamental Principles and Rights at Work*
- Support Canada's international development strategy – advance economic growth, promote good governance and the rule of law

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Mainstreaming of Labour Provisions in FTAs

- The number of trade agreements with labour provisions that have been notified to the WTO rose from zero in 1990 to 47 in 2011.
- Only 4 per cent of all trade agreements that entered into force between 1995 and 1999 included labour provisions. This figure rose to about one third of all trade agreements that came into force between 2005 and 2011.
- Over 120 economies are currently covered by at least one such trade agreement, and more than 50 economies are covered by at least two.
- By October 2011, a total of 15 trade agreements including labour provisions had been concluded between developing economies.
- While the majority of labour provisions are of a strictly promotional nature, over the past decade those with a conditional dimension have grown more rapidly than those focusing on promotional elements.

(source: "Fundamental principles and rights at work: From commitment to action", ILO, 2012)

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THANK YOU