

CEC Bulletin

(August, 2007)

Update on Labour Issues in the Americas

Canada to Pursue Closer Ties to Latin American and the Caribbean

The Government of Prime Minister Stephen Harper has undertaken to re-align Canada's foreign policy in order to place a much greater emphasis on economic, political and social ties with the nations of Latin America and the Caribbean. This realignment comes at a time when, according to *The Economist*, trade with Latin America represents 15 per cent of Canada's total trade outside the United States. A key element of this realignment will therefore be the negotiation of free trade agreements.

During a recent tour of several Latin American and Caribbean countries, Prime Minister Harper announced a series of trade liberalization initiatives including the launch of trilateral free trade negotiations with Peru and Colombia, and free trade negotiations with CARICOM (the organization representing 14 nations of the Caribbean). While these new trade liberalization initiatives could provide important opportunities for Canadian businesses, there are significant obstacles to signing a free trade agreement with Colombia. As a possible harbinger, labour groups in both Canada and Colombia reacted negatively to the Prime Minister's announcement, citing the ongoing human rights and labour violations in Colombia as a justification for opposing a free trade agreement between the two countries.

Canadian Labour Congress Opposes Trade Negotiations with Colombia

The Canadian Labour Congress ("CLC") and its Colombian counterpart, the *Central Unitaria de Trabajadores de Colombia*, issued a joint statement rejecting free trade negotiations with Colombia as "an extreme free-market trade and investment model which guarantees the rights of investors over the human, social, economic, cultural, and labour rights of its citizens." The CLC's position is that no trade negotiations should be initiated until the Colombian government improves its labour and human rights record, including cutting ties with paramilitary organizations, providing protection for unions and trade unionists, and bringing labour laws into conformity with standards established by the International Labour Organization. The CLC points to Colombia's poor record of human rights abuses and labour rights violations, including allegations that 2,245 union leaders and activists were assassinated between 1991 and 2006.

The US Experience Negotiating Free Trade with Colombia

The United States' recent experience demonstrates the difficulties of concluding a free trade agreement with Colombia. Between 2004 and 2006, President Bush negotiated a free trade agreement with Colombia on fast track authority. The agreement was signed in November 2006. However, the Democrat-controlled Congress has stalled the agreement primarily over concerns related to labour and human rights. Republicans support the agreement, claiming that it is an important step in supporting Colombia's efforts to foster a market economy and promote the War on Drugs.

Notably, labour and human rights have been a critical issue in many of the recently-signed US trade agreements, including the US-Peru and US-Panama agreements. These agreements were originally rejected by the Democrats because of their absence of protections for labour and human rights. However, the recent addition of labour chapters to these the agreements were crucial in winning the support of Democrats in Congress.

Harper Rejects Criticism of Negotiations with Colombia

Prime Minister Harper has rejected the view that trade negotiations with Colombia demonstrate a condonation of violence or somehow signal that his government is prepared to put economic interests ahead of labour and human rights. He insisted that Canada would be in a stronger position to champion human rights by seeking closer economic and political ties with Colombia. In addition, President Uribe of Colombia has made assurances that any trade agreement with Canada will contain labour provisions.

Since experience has shown that imposing economic sanctions is not an effective way to improve a country's human rights record, entering into a trade agreement with Colombia may be a constructive and effective way for Canada to assist in improving labour and human rights in Colombia. In addition, a free trade agreement may provide Canada with the opportunity to influence the direction of Colombian labour and human rights law through technical cooperation and capacity building programs.

The Growing Importance of the IACML for Canada

Canada's renewed focus on Latin America and the Caribbean is reflected not only in the trade liberalization initiatives recently announced by Prime Minister Harper, but also in Canada's continuing strong support for the Inter-American Conference of Ministers of Labour ("IACML"). Over the past decade, Canada has played a leading role in the IACML, the process within the Organization of American States ("OAS") that is responsible for hemispheric labour issues. Canada has committed significant resources to technical cooperation projects conducted under the auspices of the IACML, and is largely responsible for the establishment and funding of the Inter-American Network of Labour Administration (known by its Spanish acronym "RIAL"). The RIAL oversees

technical cooperation in labour administration, and is a mechanism for exchanging information and best practices in labour administration.

The Second Technical Preparatory Meeting of the XV IACML recently took place in Port of Spain, Trinidad from July 10 to 13, 2007. John Craig represented the CEC at this meeting and at a related workshop on the labour dimension of free trade agreements and regional integration. The Second Technical Preparatory Meeting resulted in the approval of the "Draft Declaration of Port of Spain, 2007: Making Decent Work Central to Social and Economic Development" and the "Draft Plan of Action of Port of Spain, 2007". These two draft documents are attached for your review. If you have any comments or concerns, please provide these to John Craig at jcraig@heenan.ca.

The XV IACML will be formally launched at a meeting in Port of Spain, Trinidad, from September 11 to 13, 2007. Brian Burkett will represent the CEC at this important event. The federal Minister of Labour, the Honourable Jean-Pierre Blackburn, is expected to be in attendance. He may use the opportunity to announce significant Canadian support for technical cooperation projects to be carried out throughout the Americas during the period 2007 to 2009. Notably, the Canadian government has already committed funding to both the CEC and the CLC to ensure representation of Canadian employers and workers in all future activities of the IACML.

The CEC will continue to monitor developments in Latin America and the Caribbean and will provide updates on the trade-labour issue as well as all IACML activities.

* * *

The Canadian Employers Council (CEC) prepares and distributes the CEC Bulletin for its members' individual use only. This message is composed in MS Outlook and contains hyperlinks that require an HTML-enabled email program. For inquiries or comments, please contact Steve Bedard of TELUS, Chair of the CEC, at steve.bedard@telus.com or Brian Burkett of Heenan Blaikie, Counsel to the CEC, at bburkett@heenan.ca.
