

# Trade the TPP

## Imagining a fair trade future



## Unifor Core Concerns with the Trans-Pacific Partnership

In its 2014 convention paper entitled “Imagining a Fair Trade Future,” Unifor identified the trade of goods and services between nations as “an important activity for nearly all societies.” Trade, as an economic activity, can support human development and enhance our collective standard of living – so long as it’s mutually beneficial between parties. However, there is a clear distinction between the role of trade and that of trade treaties (such as the Trans-Pacific Partnership).

Trade and investment treaties negotiated in the past 30 years have extended favourable and (in some cases extraordinary) rights to private investors and multi-national corporations, while in turn limiting the decision-making powers of governments. The TPP, and the NAFTA like it, establish rules that promote traditional free-market economic and political disciplines, such as the privatization of public goods and services and de-regulation, which may help preserve profits but also hurt the public. These rules are further guarded by extra-judicial tribunals, available only to private investors, to seek remedy or damages whenever investment rights are at risk.

It’s difficult to understand how rules limiting a government’s ability to regulate in the public interest actually help to facilitate trade. They don’t. Yet, such are the rules of “free-trade” treaties. Worst of all, the real-world impact of these treaties are presumed to be positive and rarely (if ever) studied in a comprehensive way. Rarely is the rise in global income inequality, gender inequality, growth of precarious and unstable employment, and severe environmental consequences factored into the analysis. Worryingly, the rationale for pursuing *more* “free-trade” deals is based on the self-fulfilling prophecy of its benefits.

If Canadians value trade then we must demand better than what “free trade” treaties have delivered.

### **Assessing the TPP through a “Fair Trade” lens**

Unifor’s convention paper on trade also identifies 12 core “fair trade” principles – guiding standards for the negotiation of any trade and investment agreement. The TPP (as proposed) does not live up to these trade standards.

### **Fairness, Transparency and Inclusiveness**

The TPP was negotiated by governments in secret, and with limited public consultation. Most information on the content of trade talks came from leaked versions of the negotiating text and unnamed sources in media reports. Recent federal trade committee hearings have revealed that various business and industry groups were kept abreast of talks (some helped inform Canada’s negotiating position) – while others among Canadian civil society such as labour unions, environmental organizations and First Nations Councils were denied access.

### **Mutual Benefit**

The premise of fair and equal trade is that the outcomes will yield mutual benefit. This logic of mutually beneficial outcomes has given way to the notion that free trade deals, such as the TPP, inevitably yield economic “winners and losers.” Therefore, a significant negative impact on Canada’s auto or dairy industry (as is anticipated under the TPP) is

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**Unifor is urging federal Members of Parliament not to ratify the Trans-Pacific Partnership agreement. Canada’s approach to global trade and investment must serve to enhance our collective economic and social development, and must be guided by progressive, fair trade principles.**

justified as long as it is offset by trade gains for other goods. This is a false logic. Trade agreements must support fair and balanced economic outcomes, for all Canadians.

## Protection of Public Services

Governments have an obligation to provide services that are essential to the needs of citizens. As these needs change, governments must have the policy flexibility to adjust and enhance these services – in the best interests of the public. The TPP, like other trade deals, preserves government’s ability to deliver most existing services, but establishes mechanisms that limit government involvement (and lock-in more privatization) in future.

## Promotion of Industrial and Social Development

The TPP contains provisions that reform intellectual property rules that some claim will stymie innovation in Canada. More worrisome is that new IP rules would lengthen patent terms for brand name pharmaceuticals, delaying the development of generic drug substitutes, driving up their costs. This not only threatens to affect the price of drugs in Canada, but groups such as *Médecins sans Frontières* say this will make it harder to treat diseases in developing countries.

## No Special Investor Rights

Like NAFTA, the TPP includes special and extrajudicial protections for private investors – providing them the right to sue governments (outside of national courts and through private tribunals) in the event that policies, laws or regulations are deemed to negatively affect profits (even if they are intended to protect the public interest). Canada is already the most sued nation under this Investor-State Dispute Settlement (ISDS) system, and more lawsuits are likely under the TPP.

## Enhancing Worker Rights

The TPP pays lip-service to the rights of workers. For instance, unlike the rules guarding investor rights (whereby individual investors can challenge government policy through a private tribunal), the TPP makes it far more difficult for workers’ rights to be upheld. In fact, complaints over poor labour standards can only be filed by governments – not labour unions or worker advocates. Often, the added challenge of convincing federal officials on the merits of a complaint means these complaints will never see the light of day. Additionally, TPP labour mobility rules allow corporations to transfer unlimited numbers of foreign workers into Canada, without any requirements to employ Canadian workers first.

## Environmental Sustainability and Indigenous Peoples Rights

The TPP’s Environment chapter is considered both “weak” and “unenforceable” by legal critics. Coverage for environmental protections is limited to national governments (not provincial governments, which share responsibility for environmental policy with Canada’s federal government) and states are afforded much discretion in how they deal with an environmental issue. Further, extraordinary rights granted to private investors, including protections against “discriminatory” treatment, threaten to undermine indigenous land rights, according to a United Nations special rapporteur.

## Cultural Sovereignty and National Self-Determination

Any attempt to limit public control over national development, economic planning, procurement, public ownership and the promotion of its cultural and identity is an affront to autonomy. In various ways, the TPP aims to impose strict market disciplines on the role of governments, from limiting control over how the purchase of goods and services to resisting stronger controls over foreign ownership.



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