

Submission to the Government of Canada's Americas Partnership for Economic Prosperity (APEP) Consultations

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THE CANADIAN CENTRE for Policy Alternatives (CCPA) is a public interest research institute dedicated to advancing economic, social, and environmental justice in Canada and internationally. Since 1999, the CCPA's Trade and Investment Research Project (TIRP) has pooled academic and civil society expertise to understand the impacts of trade and investment treaties on public policy, democracy, socioeconomic outcomes, and climate change.

As researchers with TIRP, we are pleased to provide some initial feedback on Canada's participation in the U.S.-directed Americas Partnership for Economic Prosperity (APEP). Our comments will focus on the potential implications of APEP for worker rights and gender equality efforts in the participating countries.

Importantly, as APEP will likely include many of the same binding commitments found in current trade and investment treaties, *we expect the government to perform a gender-based analysis plus (GBA+)* of the initiative. We also hope that Canada will support the expansion of promising new labour protections and enforcement



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mechanisms found in the Canada-U.S.-Mexico Agreement (CUSMA) to willing partners in the hemisphere.

What is APEP?

The Americas Partnership for Economic Partnership appears to be a broad trade, social, and environmental cooperation effort that currently involves Canada, the United States, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama, Peru, and Uruguay. The U.S. is courting other Central and Latin American nations, such as Brazil and Argentina, to join the talks.

On paper, APEP presents Canada with an opportunity to rebalance foreign policy and economic relations in the hemisphere. However, it is also clearly a geopolitical play by the Biden administration for hegemonic influence in a region that is naturally turning to other sources, notably China, to meet its trade and development objectives. It is important for Canada to carefully evaluate the costs and benefits of participation in this U.S.-led and U.S.-designed project.

We are pleased to see that the government believes that APEP should help “combat climate change and promote democracy, gender equality, and human rights,” and that it should “reinforce Canada’s commitment to a progressive trade agenda,” be consistent with Canada’s Feminist International Assistance Policy, and reduce inequalities. Despite these and other sweeping ambitions in January’s *joint declaration* launching APEP, we have few details on the agreements, institutions, or financial arrangements that may come out of the negotiations.

That said, from the priorities in the four negotiating “pillars”—regional competitiveness, resilience, shared prosperity, and inclusive, sustainable investment—we know that APEP will share many features with current free trade agreements. The “pillar” format is also borrowed from the U.S.-initiated Indo-Pacific Economic Framework for Prosperity (IPEF), a trade agreement in every sense except for tariff reduction and perhaps state-to-state dispute settlement.

These trade agreement features in APEP and IPEF may include chapters or provisions on customs and trade facilitation, good regulatory practice, non-tariff barriers, small and medium-sized enterprises, labour, environment, anti-corruption, gender and trade, and investment facilitation. Given this broad overlap with other Canadian trade treaties, it is only natural that the government should perform a detailed GBA+ of APEP.

Improvements to gender and trade provisions

We would welcome the inclusion of a gender chapter in the APEP to encourage more attention to the multiple ways in which trade and economic cooperation have dif-

ferential impacts on men and women. At the same time, we encourage some creative thinking to address ways in which this agreement could benefit women other than simply women entrepreneurs or businesswomen.

For example, how can the gender chapter encourage attention to the care economy? What are some best practices in member states around care provision?

These questions demonstrate how gender issues intersect with all four APEP pillars. We therefore support the mainstreaming of gender provisions across the entire agreement and not just in a gender chapter.

If a committee is established to promote cooperation among signatory countries around gender and trade, we encourage the inclusion of civil society actors, including feminist organizations, on the committee, rather than having membership limited to government representatives.

We support a gender audit of the position of women and gender-diverse people within the supply chains that connect our economies in the hemisphere. Such an audit should evaluate wages and working conditions in these firms and how the forms of economic cooperation promoted by APEP may intensify or alleviate existing labour abuses.

APEP member states should collaborate to ensure adoption and enforcement of ILO conventions 189 on domestic work and 190 on violence and harassment in the workplace.

Improvements to labour provisions

Canada has made some progress toward fixing the ways in which trade agreements exacerbate inequalities, at least with respect to labour and gender rights. The facility-specific rapid response labour mechanism (RRLM) in the renegotiated NAFTA (the USMCA or CUSMA), for example, has achieved real gains for Mexican workers in U.S. branch plants, mainly in the auto sector.

For APEP to become a new model for worker-centred trade in the hemisphere, it must, at a minimum, include strong labour standards based on the core International Labor Organization (ILO) conventions and their accompanying jurisprudence. But Canada, the U.S. and Mexico should make every effort to think through how enforcement mechanisms like the RRLM could play a role in lifting labour rights, wages and working conditions across the hemisphere, drawing upon the experience to date with the CUSMA.

For example, to improve on the CUSMA model, APEP could:

- Ensure that improved labour standards are required in *all* member states, not just in poorer countries.
- Expand the application of the RRLM to more sectors, including agriculture.

- Include the rights of migrant workers as a priority for protection.
- Ensure that any RRLM applies to a wide range of prohibited activities, specifically gender violence and harassment, child labour laws, health and safety violations and other minimum standards of work.
- Provide funding to organizations representing women workers and to other civil society organizations to ensure that workers, particularly marginalized workers like women, Indigenous Peoples, gender-diverse people, and others, are aware of their rights.

APEP as hemispheric reset on investment promotion

Sustainable investment in the hemisphere, especially for the just climate transition that is needed to lower emissions and eliminate poverty, is impeded by a network of investment treaties that exert extortionate pressure on countries to do the bidding of oil, gas, and mining firms and private service providers. These include Canada's Foreign Investment Protection Agreements with Barbados and Uruguay, and strong investment protection chapters in Canada's free trade deals with Chile, Colombia, Costa Rica, Panama, Peru, and, through the CPTPP, Mexico.

Canada removed the investor-state dispute settlement process in NAFTA to make sure governments have the right to set positive social and environmental agendas without fear of being hit with multi-billion-dollar ISDS lawsuits against reasonable, non-discriminatory policies. Canada should use the APEP negotiations as an opportunity to neutralize ISDS in its trade relations with all participating countries. The achievement of human rights, rights of women and gender-diverse people, Indigenous rights, labour rights, environmental rights and democratic values would be strengthened by this outcome.

Concluding remarks

The APEP raises questions and concerns, but it also offers potential opportunities for the countries involved, including Canada. We need to be clear-eyed about what the project is, what its limits might be, and what Canada's room to negotiate looks like. Currently, we do not have any of this information.

What are the United States' objectives in the APEP? What is Canada's place in this vision for hemispheric cooperation? In order to make this a credible initiative among skeptical democratic states in the Americas, it needs to be clear how the interests of countries other than the United States are really addressed and how they can play a leading role in designing the priorities and objectives of the initiative.

It would help, in this regard, for Canada to promote democratic standards of accountability, transparency and inclusion in the APEP negotiation process. We encourage the government to publish Canadian APEP proposals for public comment before tabling them, as well as other countries' proposals and any draft composite texts at the close of each APEP negotiating round.

If APEP is to be about cooperation to improve lives and enhance democracy across the region, surely there is no need for secrecy in the negotiations, which is conducive only to back-door bargaining for decreasing market share gains for limited corporate interests.

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