



TRADE AND INVESTMENT AGREEMENTS AND THE THREAT TO PUBLIC SERVICES



The National Union of Public and General Employees (NUPGE) is a family of 11 Component and 3 affiliate unions. Taken together, we are one of the largest unions in Canada. Most of our 390,000 members work to deliver public services of every kind to the citizens of their home provinces. We also have a large and growing number of members who work for private businesses.

Larry Brown, President

Bert Blundon, Secretary-Treasurer

TRADE AGREEMENTS, PRIVATIZATION AND THE THREAT TO PUBLIC SERVICES

Canada is a signatory to a number of trade agreements; among them are:

- North American Free Trade Agreement (NAFTA) 1994, now the Canadian United States Mexico Trade Agreement (CUSMA) 2019
- Comprehensive Economic Trade Agreement (CETA) 2017 with the EU
- Trans-Pacific Partnership (CPTPP) 2018

We are told that trade agreements are intended to make it easier for countries to gain access to foreign markets and the goods and services of other countries.

But there's another side of the story – one we should all care about.

Let's consider what the country gives up by signing onto these trade deals:

- the power to legislate future restrictions or protections on goods (like water) and services (like health care).
- the unfettered right to create future public services.
- the right to reverse major privatizations without paying huge damages, even if the privatization was an obvious mistake.
- the power to regulate sectors and industries in the public's interest.



HOW CAN FOREIGN INVESTMENT TAKE CONTROL OF OUR PUBLIC GOODS AND SERVICES?

Trade deals include obligations, rules and commitments designed to open a country's economy to foreign investment.

Trade deals operate from a **negative-list** model. Essentially, every aspect of a country's economic activity is open to foreign investment, unless something is specifically excluded.

At the time of negotiations, countries must make a decision about what goods and/or services they want to protect from foreign investment and decide what will be open to investment.

If for some reason, a country neglects to exclude some goods or services, governments are prevented from asking for them to be protected after the fact. This is known as the "list it, or lose it" approach.

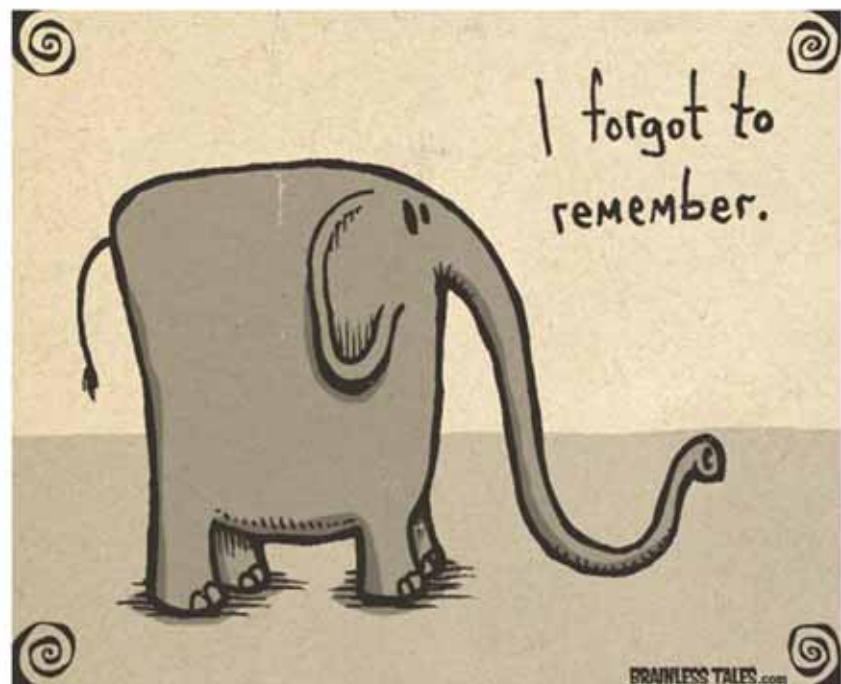
So, if a country wants to protect a natural resource (i.e. water), it would have to list it

during negotiations so it's excluded from the agreement. If it's not listed, it's open to for profit investment and privatization. The only change that is possible is if it benefits the investors.

If a government wants to retain its control over certain goods and services in the future, these items also need to be spelled out clearly. If they are clearly outlined, a country is permitted to adopt new or impose further restrictions on them and retain public control of them.

How can that work with new public services not even on the radar when the deal is signed?

If a government wanted to enhance health care by creating a national pharmacare plan, but it wasn't listed during negotiations, foreign investors could argue their rights are being infringed upon if they aren't able to participate in that sector.



DEVIL IS IN THE DETAILS

Proponents suggest that the listing goods and services at the point of negotiations allow governments to protect its public interests. Yet, trade deals are full of complex language that is inconsistent, lacking clear definitions and confusing.

Problem #1: inconsistency

In the 3 major trade agreements most recently signed (CETA, CPTPP, CUSMA), there are major inconsistencies that affect a country's ability to govern over its economy. For example:

- In CETA, there's protection of the "collection, purification and distribution of water." Yet that language does not appear in the other 2 deals.
- In all 3 agreements, "Aboriginal Affairs" is listed in Annex II, but the language differs in each one, calling into question the credibility of any real protection.

Problem #2: lack of definitions

The lack of specific definitions leaves a lot of room for different interpretations. For example, there is no definition of what is considered a "public purpose" or

what belongs in the public realm. This lack of definition could have direct impact on our social services since different levels of government have different positions.



"If you want me to read between the lines you'll need to make the font bigger."

For example: Laboratory services have been a part of the health care system for decades. A debate arose in 2019 about whether these services should be considered a part of

public health care services. When a new government was elected, it put a stop to

the creation of a central lab that would be governed provincially in the public sector.

Because lab services were not specifically mentioned in CUSMA - only health care services - it's possible for foreign investors to argue that lab services are not protected, especially if they are privatized in whole or in part.

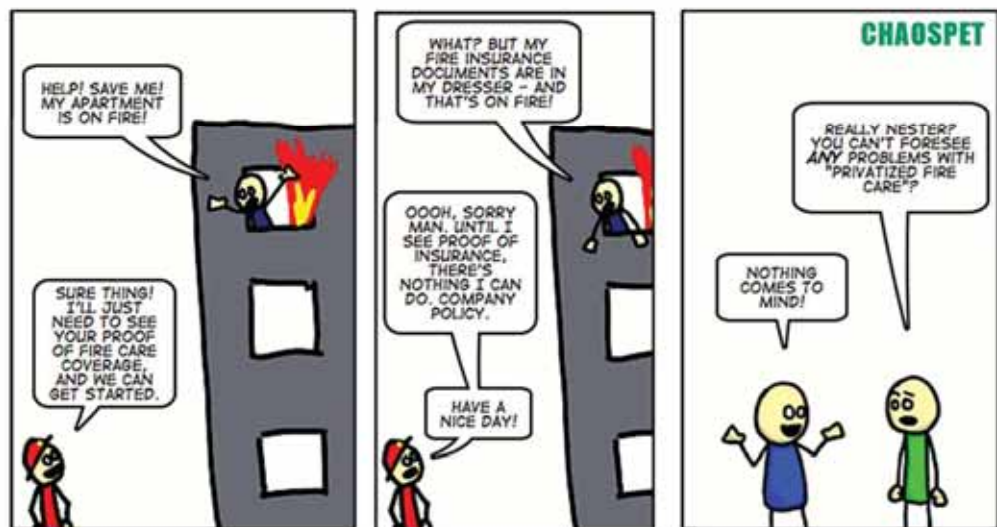
The same can be said for our social services. Without a definition, we are at risk of having different services carved out to be sold off out of the public system.

Problem #3: confusing language

Current trade agreements contain ambiguous or unclear language about what qualifies as a social service. While health care and health services may be listed for protection or expansion, each and every ancillary service that we associate as being part of our system are not. Are they protected? It's unclear.

This could have major implications for services such as ambulance services, respiratory therapists, social workers, cleaning services, or administrative services. If one government chooses to allow these services to be privatized, it is unclear whether a future government could reverse the decision.

Once foreign investors or service providers become established in what was previously part of the public sector, efforts to bring return it to be publicly delivered would result in claims for major compensation of lost revenue. This factor greatly reduces the democratic control that both current and future governments will have over public and social services, and the ability to keep them public.



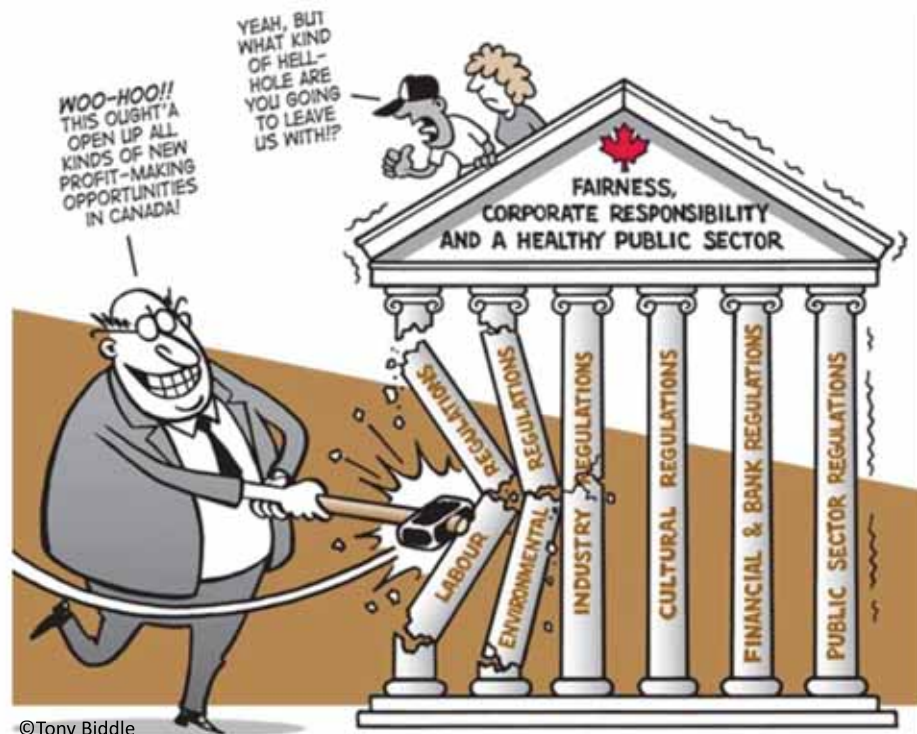
HOW DO WE PROTECT PUBLIC GOODS AND SERVICES FROM PRIVATIZATION?

Trade agreements have the ability to lock in privatization in a way that cannot be easily reversed.

These deals have an impact on today, but also decades from now.

While Canada is already a party to several trade agreements that create the conditions for privatization of goods and services, these deals aren't the only way we're at risk.

Building a stronger, valued system of public services is key to ensuring our goods and services are available when we need them. We can work to protect and enhance public goods and services and keep them under democratic government and administration.



WHAT CAN YOU DO TO MAKE A DIFFERENCE?

- Support public goods and services and public service workers.
- Speak out against privatization – at work and in your community.
- Share information about the implications of privatization on our public services.
- Lobby elected officials about the impact on public services and goods by trade deals.

Family

fam·i·ly /'fam(ə)lē/ /'fæm(ə)li/

1. the basic unit in society
2. people not related by blood but who share deep and meaningful bonds
3. descendants of a common ancestor
4. a group of people united by certain convictions or a common affiliation

Family. It's what we are.

The National Union of Public and General Employees is the

British Columbia Government and Service Employees' Union (BCGEU)

Canadian Union of Brewery and General Workers (CUBGW local 325)

Health Sciences Association of Alberta (HSAA)

Health Sciences Association of British Columbia (HSABC)

Manitoba Government and General Employees' Union (MGEU)

New Brunswick Union of Public and Private Employees (NBU)

Newfoundland and Labrador Association of Public and Private Employees (NAPE)

Nova Scotia Government and General Employees Union (NSGEU)

Ontario Public Service Employees Union (OPSEU)

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