

CANADIAN Employment Law Today

Canada - EU Free Trade Agreement: Cheese, meat, with a side of labour market integration

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On Oct. 18, 2013, Canada and the European Union (EU) announced that after nine rounds of negotiations spanning four years, an agreement in principle has been reached on a comprehensive trade agreement.

The *Canada-EU: Comprehensive Economic and Trade Agreement (CETA)* will significantly increase trade and investment ties between the two partners, and is expected to create jobs and opportunities for Canadians. A summary of the agreement was tabled in the House of Commons on Oct. 29, with Prime Minister Stephen Harper calling it the biggest deal ever concluded in Canada.

CETA will provide Canada with preferential market access to the EU's more than 500 million consumers. It will open new markets to Canadian exporters throughout the EU and generate substantial benefits for Canadians. CETA is broad in scope and addresses trade in goods and services, labour mobility, employment standards, government procurement, intellectual property, the environment, and sustainable development. The agreement marks the first time Canada has included in a free trade agreement substantive provisions on labour.

Following the announcement, much has been written about how CETA will affect Canadian cheese producers, European wine prices in Canada, and who will reap the greatest benefit of the agreement. Little has been said about CETA's labour provisions and their impact on Canadian businesses and workers. The reason may be that CETA is still an agreement in principle only — there are few specifics available to the public and no projected date for their release. Nevertheless, it is important for businesses operating in Canada to know of CETA's existence and to proactively stay informed of its developments. At this juncture we know the following features about the agreement:

Affirmation of employment standards

Under CETA, Canada and the EU have committed to ensuring their respective laws and policies:

- Provide protection for certain fundamental workplace principles including freedom of association, the abolition of child labour, the elimination of forced or compulsory labour, and the elimination of discrimination in the workplace.
- Respect the International Labour Organization's 1998 Declaration on Fundamental Principles and Rights at Work.
- Are not diluted to facilitate trade or encourage investment.

CETA also establishes civil society advisory groups through which the public can raise concerns about labour issues related to these provisions.

Effect on labour mobility

CETA allows for the temporary entry of certain business investors, service providers, and employees into Canada and the EU, respectively, without the requirement for a visa or work permit. This includes intra-corporate transferees (for the lesser of three years or the length of the contract), investors and business visitors for investment purposes, contract service suppliers and independent professionals with contracts of 12 months or less, and short-term business visitors including after-sales and after-lease services (for a maximum of 90 days within any six-month period).

CETA is also the first of Canada's free trade agreements to include substantive and binding provisions on licensing and qualifications, as well as the mutual recognition of professional qualifications. The agreement provides a detailed framework within which regulators or professional organizations may negotiate mutual recognition agreements, which will significantly enhance the provision of cross-border professional services. As of now, architects and engineers are the only groups close to such an agreement.

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