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Canada-European Union Trade Negotiations

9. Labour Mobility

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Canada–European Union Trade Negotiations:
9. Labour Mobility
(In Brief)

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CANADA–EUROPEAN UNION TRADE NEGOTIATIONS:

9. LABOUR MOBILITY

1 INTRODUCTION

While negotiations for a Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union (EU) cover more than 20 subject areas, there are nine of particular interest to Canadians and their EU counterparts. These nine topics are the most sensitive or difficult negotiating issues, or the source of the greatest estimated impacts should CETA negotiations be successful, or the areas in of the more controversial elements. This paper discusses labour mobility.¹

2 NEGOTIATION ISSUES

Canada has included provisions on the temporary movement of workers in most of its trade agreements since the North American Free Trade Agreement (NAFTA) was implemented. While some of these agreements reiterate both parties' commitments under the World Trade Organization's General Agreement on Trade in Services (GATS), some go beyond Canada's GATS commitments. NAFTA's Chapter 16 (Temporary Entry for Business Persons) is a model for these commitments and is the most comprehensive chapter on labour mobility in any of Canada's free trade agreements to date. However, Canada's trade negotiators have indicated they would like the CETA's labour mobility provisions to go beyond those in the NAFTA.

Chapter 16 allows certain types of business persons and professionals to work temporarily in other NAFTA countries without requiring specific employment authorization. For example, business persons engaged in certain activities (such as research and design, marketing, sales, distribution and certain business services) may work temporarily in the US or Mexico provided the business activity is international in scope and the business person is not seeking to enter the local labour market. Chapter 16 also allows temporary entry for traders and investors, intra-company transferees and 63 types of professional workers.²

The CETA negotiations are not the first time that Canada and the EU have attempted to reduce barriers to the free flow of workers between the two economies. During negotiations for the Canada–EU Trade and Investment Enhancement Agreement (TIEA), two of the agenda items related specifically to labour mobility: mutual recognition of professional qualifications and temporary entry of business persons. While the TIEA negotiations were suspended and no agreement was reached, the two sides remain interested in making progress on these, and other, labour mobility issues.

In testimony before the House of Commons Standing Committee on International Trade, Canada's trade negotiators specifically identified easing temporary entry requirements for business people and professionals, as well as facilitating mutual recognition of qualifications, as two of Canada's priorities in the CETA negotiations.³ Visa issues are not expected to be addressed in this agreement.

One challenge facing CETA negotiators regarding labour mobility is provincial/territorial jurisdiction over the regulation of professional and trade occupations in Canada. Furthermore, many of these regulations have been delegated to provincial/territorial regulatory bodies. As mentioned in the Canada-EU joint study, *Assessing the Costs and Benefits of a Closer EU-Canada Economic Partnership*,⁴ there are more than 440 occupational regulatory bodies in Canada, covering more than 100 different occupations. In some occupations, there are significant and well-documented impediments to inter-provincial and -territorial labour mobility, largely the result of differences in provincial/territorial licensing requirements and recognition of qualifications.

The EU has identified the regulation of professional and trade occupations in Canada as a priority in CETA negotiations. From the EU perspective, little progress can be made in gaining recognition for European credentials in Canada without the cooperation and support of the provinces/territories. The provinces/territories are actively participating in negotiations on issues that come under joint federal-provincial/territorial or exclusively provincial/territorial jurisdiction, including labour mobility issues. The CETA negotiations are the first time that provincial/territorial governments have been directly involved in international free trade discussions.

NOTES

1. Other subjects covered in this series are market access in agriculture, non-agricultural market access, trade in services, investment protection, government procurement, technical barriers to trade and regulatory cooperation, intellectual property protection and dispute settlement.
2. Canada, United States, and Mexico, “[Chapter Sixteen Temporary Entry for Business Persons](#),” North American Free Trade Agreement, January 1994.
3. House of Commons, Standing Committee on International Trade, *Evidence*, 3rd Session, 40th Parliament, 15 June 2010.
4. Government of Canada and the European Commission, [Assessing the Costs and Benefits of a Closer EU-Canada Economic Partnership: A Joint Study by the European Commission and the Government of Canada](#), Ottawa and Brussels, 2008.