



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)

Brussels, 4 July 2011
BS/TJ/sw

Mr. Karel de Gucht
Commissioner for Trade
European Commission
BE-1049 Brussels
Belgium

Letter sent by e-mail: karel.de-gucht@ec.europa.eu

Dear Mr. de Gucht,

EU-Canada CETA: Sustainable Development Chapter

As you will know, a central demand of the ETUC in relation to EU external trade agreements is that they should contain a Sustainable Development Chapter including in particular provisions aimed at ensuring the ratification and full implementation by the parties of a number of ILO standards, including the Core Standards but not exclusively; a graduated settlement and enforcement mechanism leading to monetary assessments and *in fine* to the suspension of the agreement in case of non-compliance; and a monitoring mechanism including trade union representation.

We have in that context been following as closely as possible –given the scarcity of publicly available information- developments in the negotiations for a Comprehensive Economic and Trade Agreement with Canada.

One of the contentious issues has been the low number of ratifications by Canada of key ILO Conventions and we, together with our Canadian colleagues, have been pressing for improvements in that respect. We were therefore encouraged by the recent announcement that Canada would soon ratify conventions dealing with forced labour (C-29), tripartite consultation (C-144), and the promotion of a national health and safety system (C-187), as well as launch “technical reviews” setting the course for possible ratification of Conventions relating to labour inspection (C-81), collective bargaining (C-98), and minimum age for employment (C-138). Convention 98 is of course an essential element from our point of view.

We believe that pressures arising in the context of CETA negotiations have contributed to this welcome development, which comforts the stated EU position that strong labour standard obligations should be included in the agreement. It seems however that the other side of this coin -the inclusion of a strong dispute settlement mechanism to ensure implementation, notably monetary assessments- that we understand Canada has set as a concomitant offensive

interest is being resisted by the EU, discouraging Canada from moving towards the EU position.

We believe that strong provisions relating both to obligations and to dispute settlement taken together into the CETA would send a strong message, also in the context of negotiations with other countries, that both the EU and Canada are ready to take a lead towards meeting the concerns of workers worldwide that international trade agreements should help strengthen and not undermine their rights. We would therefore urge the Commission to adjust its negotiating position in this respect.

The ETUC has other concerns about the CETA apart from this issue –notably in regard to proposed investor-state provisions about which we have exchanged correspondence and to which we shall undoubtedly return. However, on this occasion, I would stress that movement by the EU as described above could only have a positive effect when the ETUC comes to evaluating the outcome of the negotiations.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'B. Ségol', with a long, sweeping underline that extends to the right.

Bernadette Ségol
General Secretary