

## **Globalization of the Economy and Women's Human Rights:** **The Implications for Labour Markets, Society and the State**

The National Council of Women of Canada (NCWC) is pleased to be invited to present this Brief to the Round Table on Globalization of the Economy: The Implications for Labour Markets, Society and the State, organized by the Canadian Workplace Research Network of the Labour Programme of Human Resources Development Canada.

### **The Organization Of Council Of Women**

Founded in 1893, NCWC is a non-partisan, non-profit organization of women representing a large number of citizens of diverse occupation, language, origin and culture, reflecting a cross section of public opinion. NCWC is currently composed of twenty local councils, five provincial councils, two study groups and twenty-seven nationally organized societies.

National Council policy is created by means of local council initiative. Policy additions and changes are proposed, circulated and voted upon by the general membership. Council members may speak only on existing policy when contacting government, the media and the public. In this way, our comments come from the united voice of the federated membership of the National Council of Women of Canada. By its Constitution, NCWC is committed to work for improvement in the status of women and their families, as well as working to better the general conditions of society.

NCWC enjoys consultative status (General) with the Economic and Social Council of the United Nations (ECOSOC). In addition, the National Council is a federated member of the International Council of Women (ICW), similarly a non-governmental organization holding consultative status (Category I) with ECOSOC. Founded in 1888, ICW is composed of National Councils in seventy-four countries, bringing together women of many races, creeds and cultural traditions. NCWC is also a member of ICW's Regional Council of the Americas.

### **General View of the Globalization of the Economy**

In November/1997, NCWC submitted a Brief on the Multilateral Agreement on Investment and in April/1998, a Brief to the House of Commons Standing Committee on Foreign Affairs and International Trade. Many of the comments in this Brief reflect the policy contained in the previous papers. NCWC also adopted policy on Globalization and the negotiation of multilateral trade and investment treaties (Policy 98.6 and 99.7). Members of NCWC were concerned then, and are still concerned that the several International Trade Agreements of recent years will severely and negatively affect Canadian social programmes and economic, political, cultural and constitutional sovereignty. Women and children in particular are likely to suffer if Gender Based Analysis (GBA) is not applied to the proposed changes in Institutional Mechanism necessary to achieve globalization and freer trade.

Members of NCWC are aware that by signing the Beijing Platform for Action (PfA) and again last year in the Beijing + 5 Outcomes Document, Canada undertook to ensure that GBA would be used by all government departments. Unfortunately, this does not seem to be the case yet. For example, at the E-Quality Assembly (10-12/May/2001), women's equity-seeking Non-Governmental Organizations (NGOs) learned that Treasury Board had initiated a re-organization of Canada's electronic "face" without installing GBA. Had this been done, government departments might have learned how best to meet the needs of women's NGOs. Using GBA should prove cost-effective by ensuring that tax income benefits women and men equally.

In 1988, at the time of the negotiations for the Canada-US Free Trade Agreement (FTA), NCWC adopted policy (E 88.17) stating that members neither approve nor disapprove of the [Free Trade] Agreement. While we accept that the world is changing with the globalization of world economies, we believe that some way must be found to ensure that these changes respect principles that advance the health and well-being of populations within national jurisdictions and protect the sovereignty of its citizens. Specifically, we support equitable distribution of resources; universal health care, education and social services; sustainable environmental standards; fair labour practices; and equality of all people before just laws.

It is worth noting here that over this past year, one of the topics chosen for study by NCWC members was entitled "Reassert the Power of the Federal Government", urging that the government act to protect citizens from the power being acquired by Transnational Companies.

## **1. Labour Markets**

Historically, multinational corporations such as the Hudson Bay Company have played an important role in the development of Canada. Nowadays, globalization has come to signify the replacement of multinationals by transnationals, where production and marketing are performed internationally. Many of these corporate entities have greater financial resources than some national governments. In Canada, these corporations are or have been subsidized by taxes through interest-free loans, tax forgiveness, and grants. These benefits are presented to Canadians as an investment of tax income in employment and better prosperity (the multiplier effect) in the future. However, in times of economic downturn and recession, the corporations have been free to cut workforces (downsizing) or to close down entirely with few negative results to themselves. It is the laid-off employees losing jobs (for which they in a sense paid ) who experience negative results, along with the other satellite industries' workers, laid off in a reverse of the multiplier effect.

Globalization has been accompanied by economic growth which has resulted in record profits for large private enterprises. These enterprises are not transparent in their decision-making processes, and not responsible or responsive to the ordinary citizen, but only to their shareholders. In the drive to maximize profits, they appear to dominate the terms of international agreements, as well as the social agendas of national governments.

Under treaties such as the World Trade Organization (WTO), the North American Free Trade Agreement (NAFTA), and the Free Trade Area of the Americas (FTAA), Canada has relinquished a degree of sovereignty in exchange for the rules of these Treaties. NCWC is concerned about the working conditions that result from these imposed rules and conditions, because they supersede those previous rules, which were arrived at more democratically, to ensure the health and safety of Canadian workers. While countries signing the Treaties are restricted to those considered to have a democratically elected government, the rules do not necessarily support Canadian democratic

principles of industrial health and safety. Working conditions resulting from Treaty rules can negatively affect social, health, cultural, environmental, and gender-based conditions of labour.

Internationally, Canadian business is forced to compete with corporations that may have a record of abuse of human rights in the use of child labour and sweat shops in Free Trade Zones and elsewhere. This need to compete with international cheap labour could lead to pressure on Canadian governments and their agencies to permit similar industrial practices in Canada. It is poor women in developing countries who are particularly vulnerable to these unacceptable employment practices.

In Canada, a new pattern has developed of employment through short-term contract in the interests of profitability. However, when the employer provides no benefits, contract employees cannot form unions, have to pay for their own supplemental health insurance and save for their retirement. Significantly, NCWC is currently finishing Part 1 of a project called, "The Economics of Later Life: Securing Our Future". This project is assisted by Status of Women Canada and Human Resources Development Canada which demonstrates that HRDC acknowledges the possibility of a long-term income security problem for women. NCWC members are concerned that women currently in or entering the paid workforce will not have sufficient savings to ensure an old age standard of living above the poverty line. NCWC policy has consistently encouraged the Canadian government to work for de facto equality in the workplace in Canada<sup>1</sup>. NCWC policy also encourages the Canadian government to work internationally for fair labour practices, and labour codes that strengthen the role of labour to fight against unfair and unethical labour practices.

## **2. Society: social dimensions of hemispheric integration**

NCWC understands that mainstreaming of matters pertaining to women now means that special consideration be given to the particular circumstances and constraints of women's lives. In addition to working in the paid labour force, women continue to carry out the vast majority of domestic and family tasks which include pregnancy and birth, care for children and the elderly. These are the unpaid, uncounted contributions to the GDP of a nation state but they are still not acknowledged in any way by government in spite of Canada's commitment (Beijing PfA) to publish auxiliary accounts annually showing the value to the Canadian economy of this work. Cuts in social services are especially damaging to the standard of living of women who make this contribution whether economic conditions are good or bad. The cuts are likely to add to the feminization of poverty. As we have noted in our Briefs to the federal government of 1999 and 2000, our policy is quite specific on the need for gender based analysis in the development and maintenance of policy and regulations.

Globalization provides a view of the world in which the interests of the powerful are defined as necessity, while the demands of the poor appear as greed which undermines economic success. Agreements such as the North American Free Trade Agreement (NAFTA) and the Free Trade Area of the Americas (FTAA) are presented as mechanisms whereby increasing prosperity will automatically result from the effect of the activities of these corporations. Under international hemispheric trade treaties, Canada has relinquished a degree of sovereignty in exchange for extra-territorial control designed to protect businesses and investors from arbitrary and confiscatory actions by national governments. Chapter 11 of NAFTA is the most offensive manifestation of this loss of sovereignty. Under its rules, a corporation may seek court action to overrule a government where that government has acted nationally to protect the environment (for instance, Ethyl Corporation and MMT).

NCWC members have a long history of urging action to clean up and protect the environment and so were shocked by this case. To mothers and grandmothers, concerned about having a clean world in which to raise their children, it seems outrageous that this known harmful additive is forced on Canadians by a private transnational company. Using taxes to pay the legal costs of both parties when the Canadian government had attempted to protect its citizens, simply added to the insult. Events such as this make the price unacceptably high for prosperity promised but not yet delivered by free trade and globalization. It is the children, the future's adults who will pay the long-term costs of this enforced pollution. It is more cost-effective to ensure children are raised in a healthy environment than to pay for the long-term costs of poor health resulting from pollutants that adversely affect the learning ability of children. Business interests need healthy, well-educated potential employees.

Canadians hold dear such as health care, labour conditions, protection of the environment, and sustainable development. Under the treaties, these national government programmes are considered unfair subsidies and are not approved under treaty regulations. Health care is unlikely to remain in the public sector; more private health companies will be able to enter Canada to negate universal access, and to lower the labour standards in such areas as staff training programmes, benefits, job stability, safety standards - all of which lead to lack of employee motivation and poor care for patients. Members of NCWC are adamant that health care and social programmes should not be on the bargaining table. These programmes have been an equalizing factor for women and show the benefits in the high level of general good health enjoyed by older Canadian women today.

Responsibility for some social programmes are being shifted from one level of government to another, without considering citizen input. These shifts can include budget cutting, or can be presented as putting the job into the hands of those closest to the problem. To many members of Council, these changes threaten the maintenance of the Social Programmes they value, and appear to be just one more application of the principles that underpin Globalization. To members working at the local level, it seems extremely short-sighted to under-fund education and social assistance because it is the children who pay the highest price for these reductions in service. Children suffer in other ways. The Canadian government has acknowledged that 250,000 children live at or below the poverty line in Canada, describing it as Child Poverty. Children are poor because their parents are poor.

In preparation for invasion by private companies, Canada's social programmes have been suffering from cuts in government spending, and from deregulation. Canadians are intolerant of such measures. They object. The disruptive result is anger and demonstrations such as those seen recently in Québec City and Ottawa. Sovereignty has been replaced by a process of reducing Canada to the level of policy and strategy of a country in Central and South America, such as Mexico and others poorer still. In Latin America, little consideration is given to the social or environmental consequences of business practices where low income jobs in unhealthy sweatshops are common.

In closing, the National Council of Women of Canada, which has over 100 years of experience in arriving at a workable consensus, thanks HRDC for this opportunity. Our members expect that this intensive and potentially creative dialogue will continue until a balance is found between the expectations and needs of Canadian citizens and the priorities of transnational corporations.

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<sup>1</sup> Fair practices include NCWC Policy 73.1; Affirmative Action Plans for Employment Opportunities 76.5; The Human Rights Act and Affirmative Action 79.1; Equal Pay for Work of Equal Value 79.2; Upward Mobility EM 86.10; Equality in the Workplace RE 88.15