

- The pace of technological change, which has forced Canadian firms to adopt new technologies to remain competitive, and has forced workers to acquire new skills. Technological change may also reduce the number of employees needed to produce more.
- Continued competition from highly developed, high income areas, including Japan and the European Union member states.
- The decline in transportation costs, combined with easier access to labour in developing countries, and improvements in telecommunications, which has provided opportunities for Canadian firms to locate production facilities abroad or to subcontract operations to foreign firms.
- The rise of new competitors, particularly the newly industrialized economies such as South Korea, Hong Kong and Taiwan.
- The movement of the newly industrialized economies out of labour-intensive products and into more skill-and capital-intensive products, and their replacement in labour-intensive production by such countries as Malaysia, Thailand, Indonesia and the PRC.

5. THE GREAT DEBATE: LOW WAGES AND SOCIAL DUMPING/COUNTERVAIL

5.1 Introduction

In Canada, labour unions, some political parties, and the public at large have articulated interest in the relative labour conditions in Canada's trading partners and their possible influences on the level and quality of domestic employment. The Canadian Federation of Labour (CFL) and the Canadian Labour Congress (CLC) are both concerned that low standards of labour rights or the lax enforcement of labour rights in foreign countries grant foreign producers an "unfair" commercial advantage. They also believe that low standards of labour rights are undesirable on moral grounds.³²

³² Canadian Labour Congress, "Submission by the Canadian Labour Congress on the North American Free Trade Agreement to the Sub-Committee on International Trade of the Standing Committee on External Affairs and International Trade," 26 January 1993.