

## 1. INTRODUCTION

It is widely recognized that national economies are becoming more interdependent and integrated. With this development, the distinction between domestic and international policies is becoming increasingly blurred. In all likelihood, the post-Uruguay Round international trade policy agenda will be extremely complex and broad in scope. What has traditionally been considered "trade policy," such as issues associated with tariffs, industrial policy, voluntary export restraints, government procurement and trade remedy law, will constitute only a part of the post-Round agenda. The Uruguay Round's agenda broke from the past by considering such issues as trade in services, trade-related investment measures, and trade-related intellectual property rights. In the future, if the current high level of political interest continues, multilateral negotiations will encompass trade-environment linkages, trade-competition linkages and trade-labour issues. The fundamental reason for the broadening of the trade policy mandate is the global move toward more market-oriented economies, and the growing realization that domestic policies may affect trade.

This paper is concerned with the trade and foreign direct investment dimension of globalization and its implications for Canadian labour policies, principally in the manufacturing sector. In particular, it briefly considers what pressure globalization may bring to bear on labour market adjustment, and how labour rights are addressed in the North American Agreement on Labour Co-operation between the Canada, the U.S. and Mexico. The paper then considers if there is a need to address labour and trade issues in a broader international context, and how a multilateral dialogue or negotiation might begin to approach the issue.

## 2. GLOBALIZATION<sup>4</sup>

### 2.1 What is Globalization

"Globalization" was first referred to by Theodore Levitt as the emergence of global markets for standardized consumer products with global firms producing for these markets.<sup>5</sup> The term has now taken on a broader meaning and refers to

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<sup>4</sup> The information and analysis presented in Sections 2 and 3 may be familiar to a number of readers, hence these readers may wish to proceed directly to the section 4.

<sup>5</sup> Theodore Levitt, "The Globalization of Markets", Harvard Business Review, May-June 1983.