

#### 4.4 The North American Agreement on Labour Co-operation

The overall objective of the North American Agreement on Labour Co-operation (NAALC)<sup>29</sup> is to give effect to the labour related commitments expressed in the Preamble of the NAFTA: to "improve working conditions and living standards in their respective territories", and to "protect, enhance and enforce basic workers' rights".<sup>30</sup> An important dimension of the NAALC is that it increases cooperation and will promote greater understanding among the three countries on a range of labour issues. The objectives of the agreement are to: improve working conditions and living standards in each country; encourage cooperation to promote innovation and rising levels of productivity and quality; promote publication and exchange of information to enhance mutual understanding of each country's laws; oversee cooperative labour-related activities; promote compliance and the effective enforcement by each country of its labour laws; foster transparency in the administration of labour law; and to promote a number of key labour principles.

The labour principles that Canada, Mexico and the U.S are to promote, subject to each country's specific domestic laws, are set out in an annex to the agreement. The NAALC does not establish common minimum standards. The following are the guiding principles:

1. Freedom of association and protection of the right to organize.
2. The right to bargain collectively.
3. The right to strike.
4. Prohibition of forced labour.
5. Labour protection for children and young persons.
6. Minimum employment standards.
7. Elimination of employment discrimination.
8. Equal pay for women and men.

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<sup>29</sup> The Agreement came into effect on the same day as the NAFTA, 1 January 1994.

<sup>30</sup> Preamble to the North American Free Trade Agreement.