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2019 IFPTE Issue Brief

116th Congress

**USMCA falls short as a trade framework for workers,
communities, and the environment**

IFPTE 2019 Legislative Request: Absent implementing legislation that will improve living standards for workers and protect legitimate national interests, IFPTE recommends that Congress require the administration to continue negotiations to agree on a United States-Mexico-Canada trade agreement (USMCA) framework that prioritizes citizens over that of multi-national corporations.

Overview

As a union representing workers in manufacturing sectors, the International Federation of Professional and Technical Engineers (IFPTE) recognizes that the USMCA does provide some incremental improvements compared to NAFTA. However, the USMCA falls well short in addressing the basic fact that the United States' market-fundamentalist, pro-corporate approach to trade and globalization under the NAFTA model has been a failure - socially politically and economically. Some provisions in the USMCA reduce harm, but harm reduction does not reverse the accumulated damage caused by NAFTA's distorted, corporate-driven power relationships that encouraged the wholesale movement of production and jobs out of our domestic economy. In short, IFPTE believes that work will continue to shift to low-wage countries and workers careers and economic security remain at risk under the USMCA agreement as it currently stands.

NAFTA trade model has promoted a race to the bottom

After two decades of lived experience, the shortcomings of the NAFTA neoliberal free trade approach to globalization are clear. That corporate-driven trade pact has only encouraged the displacement of production and jobs out of the United States and Canadian domestic economies to Mexico. It is clear that NAFTA, and other agreements modeled after it, have diminished the role of government, put business and investor interests first, and blurred our national identity by merging our economy into the global economy.

USMCA implementing legislation must fulfill three basic principles

IFPTE believes that our approach to globalization should be based on three basic principles. First, the purpose of an economy is to raise living standards and improve well-being for its citizens. Second, every country has legitimate national interests, and it is the appropriate role of public policy to pursue those national interests in ways that do not unfairly burden people in other countries. Lastly, a new trade policy should prioritize public interest, rather than allowing powerful private interests to guide trade policy.

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Instead of useless debates about “free trade” versus protectionism, or dangerous forays into nationalism and xenophobia, Congress should instead recognize this moment as an opportunity to rethink our approach to globalization. Congress should resist pressure from corporations whose narrow interest of any trade agreement is to maximize profits by any means necessary, and instead rethink our national growth strategies to finally prioritize the interests of workers and communities and put our stewardship of the planet on a sustainable footing.

Conclusion

Trade agreements write the rules for globalization. Those rules determine who gets the gains from trade. Our failed neoliberal NAFTA-style approach favors global investors at the expense of workers, communities and the environment. Voters, leading economists, and civil society are calling for a better balance between investor interests and public interests. We should manage globalization better, to redeem the promises of mutual gain, where living standards are raised, and prosperity is shared.

IFPTE is hopeful that through USMCA implementing legislation and if necessary, continued negotiations, Congress will take this incredible opportunity to be at the helm of a paradigm shift in trade policy following the three key principles outlined above.