

UK-Mexico trade negotiations

**Submission to the Department of
International Trade**

July 2021

Introduction

The TUC exists to make the working world a better place for everyone. We bring together more than 5.5 million working people who make up our 48 member unions.

The TUC welcomes the opportunity to respond to the Department of International Trade's consultation on the UK's trade negotiations with Mexico.¹

The TUC believes trade agreements must promote decent jobs and enforce protections for workers' and human rights, public services and democratic decision making. In order to achieve these goals it is crucial for trade unions to be involved in trade negotiations. The TUC regrets that trade unions were not consulted on the UK's continuity agreement with Mexico before it was finalised in December 2020. Consequently, the agreement contains inadequate means to address abuses of workers' rights, this is particularly concerning given Mexican trade unions report regular, serious abuses of workers occurring in Mexico.

The TUC believes the UK should use its leverage in trade negotiations to ensure respect for fundamental human and labour rights. The TUC does not believe the UK should sign a trade deal with Mexico whilst it is abusing core International Labour Organisation rights including those around freedom of association and collective bargaining, these are detailed further below.

The TUC and Mexican unions call on our governments to involve trade unions in the negotiation of any new trade agreement between the UK and Mexico to address these concerns.

In our response to the consultation, the TUC will respond to questions most appropriate for us to answer.

Response to consultation questions

1. Are you / your business / your organisation aware of the Trade Continuity Agreement that partially came into effect between the UK and Mexico in January this year?

Yes

2. Which of the following best describe the areas of the current UK-Mexico trading relationship that the UK government should consider changing or improving during future negotiations?

The TUC is concerned that the UK-Mexico continuity agreement TCA does not contain a mechanism to enforce labour standards commitments with no possibility for sanctions when violations of workers' rights occur. While it incorporates the EU-Mexico global agreement's commitment to cooperate in 'the promotion of human rights and democratic

¹ Department of International Trade (2021) 'Call for input - trade negotiations with Mexico', available online at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/986974/canada-mexico-consult-mexico-questions.pdf

principles' it contains no commitments to uphold International Labour Organisation (ILO) standards.²

This is particularly concerning as trade unions in Mexico report widespread abuse of workers' rights. This has been highlighted recently by two cases the US government is taking against companies in Mexico using the 'rapid response' mechanism in the US-Mexico-Canada trade deal. In May the US government requested the Mexican government investigate a General Motors factory in Mexico where independent trade unions have been undermined and union ballots have been destroyed.

In June, the US government requested the Mexican government investigate the automobile company Tridonex for abuses which include firing over 600 workers for supporting independent union activities; harassing workers who have tried to join an independent union or organise workers and workers denied the right to elect union leaders.

Other key recent cases of abuse include:

- Teksid, a subsidiary of Fiat Chrysler, currently refusing to negotiate with the union that won an independent election at the workplace;
- Goodyear's tyre plant in San Luis Potosí hiring a union-busting law firm and dismissing 57 workers who participated in a work stoppage to protest low wages and safety violations, some of whom also faced harassment and intimidation.³; and
- Reports of labour rights violations by Amazon through its use of subcontractors in Mexico.⁴

Key principles for any UK-Mexico agreement

The TUC calls on the government to engage with democratic trade unions affiliated to the International Trade Union Confederation to ensure any UK-Mexico trade agreement contains:

- provisions to effectively enforce ILO commitments. Trade unions must be able to trigger investigations when abuses of labour standards occur. There must be the possibility for sanctions to be imposed against companies as well as countries found to be abusing labour standards – as is now possible in the US-Mexico-Canada trade agreement;
- protections for the rights of migrant workers, refugees and asylum seekers– any agreement must allow migrant workers and asylum seekers to enforce their rights regardless of their immigration status;

² European Commission and Mexican government (2000), 'EU-Mexico Global Agreement', http://www.sice.oas.org/trade/mex_eu/english/Global_e.pdf

³ Reuters (2019) 'Goodyear plant conditions raise concerns about Mexican labour reforms', online at: <https://www.reuters.com/article/us-usa-trade-usmca-goodyear/goodyear-plant-conditions-raise-concerns-about-mexican-labor-reforms-u-s-lawmakers-idUSKCN1UP01C>

⁴ Reuters (2021) 'Insight: inside Amazon's shadow workforce in Mexico', online at: <https://www.reuters.com/article/mexico-amazoncom-workers/insight-inside-amazons-shadow-workforce-in-mexico-idUSL8N2MK4SS>

- protections for the right of governments to use public procurement and state-owned enterprises to support economic development, improve working conditions and pursue social and environmental objectives;
- protections for all public services by completely excluding all public services such as health, education and transport;
- protections for the right of governments to establish and maintain policies necessary to protect consumers and workers through data integrity, security and privacy measures, and prevent the misuse of data for any form of discrimination;
- protections for the right of governments to regulate the cross-border flow of data, require companies to have a local presence, access source code and algorithms and maintain privacy and consumer protections to protect public health and prevent discrimination;
- exclusions for all kinds of special courts for foreign investors such as Investor-State Dispute Settlement (ISDS), which allow foreign investors to sue governments for actions that threaten their profits;
- exclusions for extensions of patent protection or data exclusivity periods for pharmaceutical drugs;
- commitments for our governments to support environmental protections, implement the Paris Agreement and policies to support Just Transition; and
- expansion of cooperation to combat unfair trade practices including strong antidumping and countervailing duty provisions, and prevent circumvention and evasion of action taken.