

CUPE GENERAL TRADE UNION

FACT SHEET: Airlines Building connected communities

In a huge country like ours, staying connected is essential for families, friends and businesses. Canadians have a right to air service that is reliable, safe and affordable – and CUPE members are a vital part of that service, ensuring safety in the skies. Government involvement in the airline industry serves important national interests.

But the World Trade Organization (WTO) sees Canada's airline services as a missed opportunity for global competition, and wants government out of the way. To cash in, the WTO is using the General Agreement on Trade in Services (GATS) to open up Canada's airline industry to foreign corporations. That's in line with the Canadian government's negotiating position, which is to open every public service to corporate ownership and control.

Wide-ranging articles of the GATS assure foreign carriers "national treatment" and restrict "barriers to trade", "domestic regulation" and "monopoly rights". By treating the airline industry as an object of unrestricted trade, they will also make worse the already unstable working and safety conditions in Canadian skies by pushing for lower wages and "least cost" safety regulations.

A small number of global carriers will soon dominate the airline industry, most operating from countries with little capacity to set safety standards – and even less ability to enforce them. As with the global shipping industry, their operations will be based where their operating costs – wages, taxes, regulatory compliance – are least.

The WTO's plan for our airlines includes:

- **Corporate standards** – The WTO will be used to challenge safety standards with an eye to what will make the most money – not what are the healthiest, best and safest practices. Airlines don't hesitate to save money and guarantee shareholder profits by sacrificing jobs and safety.
- **Minimum regulations** – Public safety will be put at risk as foreign-owned airlines conform to the lowest, 'least trade restrictive' regulations. These standards will be applied across the board, no matter what an individual country does or wants. Anything seen as restricting trade and profits will be challenged, using the WTO's powerful and secretive dispute resolution process.
- **Exploited labour** – As foreigners gain control of our airlines, Canadians will lose jobs. Labour costs will be pushed down as cheap foreign labour is recruited to work on our aircraft. It's already happened in maritime services as ships with the lowest safety standards (flying so-called 'flags of convenience') are crewed by workers desperate to escape poverty.
- **Moving work offshore** – Data entry, billing information, reservations and other record work will be transferred to countries where wages are lower.

Safe airlines providing Canadian jobs are a right!