

A New Chapter For Labor in NAFTA

A New Way to Think About Labor in North America



NAFTA COULD BE USED TO UP-SKILL REGIONAL WORKERS: That would reinforce the current North American workforce advantage.

Sharelines

- North America's global competitive advantage depends on maintaining strong workforce talent.
- North American manufacturing and supply chains are concerned about labor market shortfalls.
- In the US two million jobs could go unfilled over the next decade owing to the growing skills gap.

No, not a new chapter in a trade agreement. A new chapter in the way we think about [labor in North America](#).

We Could Have a Deep Bench

North America has a combined population of 500 million who live in the world's most economically dynamic region. As the global labor force is on pace to reach 3.5 billion by the year 2030, how do we help North American workers get ahead and stay ahead in the global economy?

[THE CHINA SYNDROME](#)

North America's global competitive advantage depends in large measure on maintaining a strong foundation of workforce talent. But employers with North American manufacturing and supply chains are concerned about labor market shortfalls, particularly for frontline jobs in advanced manufacturing and logistics. It's a concern in Canada, in Mexico — and, in the United States where more than two million jobs could go unfilled over the next decade owing to the growing [skills gap](#).

Expanding our collective base of workers with post-secondary technical education and training in North America would accelerate productivity, help address the growing gap between the skills workers have and the skills companies need, and expand access in all three countries to well-paying jobs. That's an agenda all three countries could agree is worth pursuing. It's an approach that addresses worker anxiety and unemployment in a meaningful way — in deeds, not words on the page of a trade agreement.

Why Approach Workforce Development as a Region?

Because it's a business imperative. Achieving reliable consistency across skills training and testing in North America would assure employers that workers graduating from different programs have nonetheless achieved the same level of competence on a core set of skills, helping to ensure quality output and higher productivity throughout their North American operations.

The benefits to North American workers is that it opens the door to carrying their skills and certifications across companies, technology platforms, and industries. This has nothing to do necessarily with workers moving across borders. Thinking even nationally, portability of credentials is one important piece of the mobility puzzle, allowing workers to move to where jobs are created (though there are certainly other social factors that currently inhibit worker mobility within the United States).

The hard work of expanding training and credentials in communities across North America is being undertaken at local levels by academic institutions, employers, and job centers who develop curricula together to address local economic needs. But leaders in all three countries can support this work and elevate it to a regional priority, helping to create a North American network of leading certifying bodies and organizations in academia, together with the region's leading employers.

Regional discussions could yield solutions for how to bring training and curricula into better alignment with regional labor market needs. The fundamental goal isn't to create a NAFTA set of credentials. That would take time and there isn't an evidence base for its necessity. What's more important is for workers to learn to perform well, and for employers to have strong but common ways to test for the essential competencies in particular occupations. With more recognizable skills, workers gain confidence and are incentivized to pursue occupations in demand. For their part, employers recognizing the value will reward those skills in the labor market.

A NAFTA Workforce Agenda

It's possible for the United States, Canada, and Mexico to use the framework of NAFTA to engage in region-wide efforts to "up-skill" workers, thereby reinforcing the current North American workforce advantage. We can begin by setting some shared goals. Here's some proposed language:

"Our workers are the foundation of our regional economic competitiveness. To promote greater opportunities for workers in North America, the NAFTA partners agree to:

Advance a framework of competencies for frontline work in North American manufacturing and logistics applicable across major North American industries, enabling workers to seek higher-paying job opportunities and maximize their potential.

Enhance the integrity and productivity of the supply chain by sharing best practices for training and testing so workers achieve essential skills and employers know what skill level an applicant brings to the job.

Inspire young North American workers by improving the “brand” of technical career education and making it easier for students to get on pathways today to acquire competencies for jobs of tomorrow.

Expand the delivery system for credentials throughout North America by strengthening regional ties among career technical training and certification bodies, leveraging our collective experiences and know-how to the benefit of each nation’s workers.

Encourage North American employers to invest in these training programs, to champion student completion, and to incorporate competency-based hiring practices in recruitment and placement.”

Tangible Benefits for Employers and Workers Alike

Leading advanced manufacturing and logistics employers in North America are keeping a competitive edge in the fast-changing global marketplace by deploying technology and information systems to improve their products, manufacturing, and distribution processes.

By focusing on better preparing youth for employment in growing sectors of the economy, we can address long-term labor market shortfalls in North America, improve lifetime earning potential, and contribute significantly to national and regional productivity.

Supporting new workers to launch their technical careers with a strong foundation of skills is the key to building a talent pipeline in all three countries, which is a tangible, productive, and broadly beneficial approach to the topic of labor in the context of NAFTA negotiations.

[Andrea Durkin](#) is an adjunct fellow with the Center for Strategic and International Studies and a non-resident senior fellow at the Chicago Council on Global Affairs.