



***ITUC – Asia Pacific Statement on  
Regional Comprehensive Economic Partnership (RCEP)  
“Correct the Path of Negotiations towards an Open, Inclusive and Rules-based  
Trading System to Work for ALL”***

23 October 2019

1. We, the ITUC - Asia Pacific (ITUC-AP), effectively representing over 60 million workers from 59 free, independent and democratic national trade union centres in 34 countries and territories of Asia and the Pacific including 7 ASEAN Member States as well as its free trade agreement partners<sup>1</sup>, have been working with our affiliates for a fair, rules-based trading system and democratic economic integration that respect a country’s sovereignty and ensure economic justice and inclusive and sustainable development.
2. The Regional Comprehensive Economic Partnership (RCEP) has been under negotiations since 2013 among the ASEAN Member States and its free trade agreement partners to create the world’s largest free trade economic bloc accounting one third of the global GDP. The RCEP would cover most economic aspects including trade in goods and services, investment, economic and technical cooperation, intellectual property, competition, dispute settlement and so on, which have wider and significant social impacts.
3. With noting the ‘Guiding Principles and Objectives for Negotiating the RCEP’ as well as subsequent commitments of the Heads of the negotiating countries towards ‘economic integration, equitable economic development and strengthening economic cooperation’ with ‘an open, inclusive, and rules-based trading system to make trade work for all’, we have been working with our affiliates to promote economic justice by supporting a fair trading system that would truly benefit the people rather than further corporate power.
4. We deplore deeply with continued failure of the countries to meet the commitments in the negotiations, shrouded with secrecy, as voices of working people are excluded without genuine social dialogue. Furthermore, we are dismayed by their race to a wrong conclusion, far removed from their ambition, that will be destroying people’s livelihoods, our communities, the environment and even a sound industrial base with inequality and social-economic vulnerability having further deteriorated.

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<sup>1</sup> The ITUC-AP has affiliates from Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore and Thailand in the ASEAN community as well as Japan, South Korea, India, Australia and New Zealand. The ITUC-AP has also established its working relationship with national centres in China, Laos and Vietnam.

5. Therefore, we, in our clear opposition to all the negotiations and its outcomes, put forth our demands to enable the participating countries to correct the path of the negotiations, guided by their commitments, to meet our shared ambition to ‘*foster an open, inclusive and rules-based trading system, and demonstrate to the world that it is possible to make trade work for all*’. Otherwise, the RCEP negotiating parties must abandon the negotiations and not sign on to the RCEP.

Democratic Process: Social Dialogue

6. We believe that an open, fair, inclusive and rules-based economic integration can be only achieved through the transparent and participatory negotiations that all stakeholders are consulted on. It is clearly a duty of sovereign states for their people from whom all powers, including legitimacy of the negotiations, come.

7. Thus, we firmly demand to stop the current negotiations immediately and to establish meaningful consultation mechanisms including social dialogue at all levels for enhancing transparency and inclusiveness in the negotiation as social partners and stakeholders can be part of.

8. We have been seriously concerned about potential impacts of the RCEP on working people and communities, including;

- Collapse of domestic demand with job destruction and informalisation as well as an opportunity loss of a sound and diverse industrial base with small and medium sized enterprises being ruined;
- Severe damage to the agricultural sector, accounting for 40% of employment in the negotiating countries,<sup>2</sup> and rural as well as indigenous communities breakdown;
- Shrinking fiscal space to deteriorate deficits in social protection, in particular, in health care where 9 ASEAN Member States spend only 0.6 per centage (health insurance and health assistance) of GDP;
- Increasing inequality across and within negotiating countries with monopolistic as well as monopsonic power of large corporates increasing further along global supply chains, to name a few.

9. Therefore, we strongly call on every negotiating government to conduct without delay a comprehensive impact assessment of the ASEAN+7 economic integration on their country in a very open and impartial manner, and then to discuss together with social partners and stakeholders about necessary mitigating and remedial measures against any adverse impact for those who would be affected, in particular for vulnerable working people likely in informal or precarious works, women, youth, indigenous people and peasants.

10. We reaffirm that social dialogue is a pivotal democratic institution to ensure the path of the RCEP negotiations towards the ambitious target, and social dialogue can fulfil its role only if fundamental workers’ rights with freedom of association, the right to collectively bargain, prohibition of child as well as forced labour and no discrimination are observed.

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<sup>2</sup> Cambodia (30%), China (27%), India (44%), Indonesia (31%), Lao PDR (68%), Malaysia (11%), Myanmar (50%), Philippines (25%), Thailand (31%) and Vietnam (40%)

### Labour Rights

11. Furthermore, we believe that ever-increasing uncertainties in the global economy, sleepwalking to another crisis, are not rooted in a lack of economic integration but deficits in the rules of law including respect of human and fundamental workers' rights while informality and precarity in employment have been prevailing with continued downward pressure on wages and deterioration of working conditions.

12. We, therefore, urge the negotiating governments to ratify and fully implement ILO Fundamental Conventions as well as other Conventions, such as on labour inspection, OHS, tripartite consultation, employment policy and social protection, to reinforce an enabling environment for a trade system to benefit all.

13. We deem it necessary, in order to ensure ratification and full implementation of the ILO Conventions at the national level, that the RCEP should incorporate an enforceable and effective labour chapter with a robust monitoring mechanism being included.

### Policy Space of Sovereign States and Responsible Investment

14. We acknowledge the decision to exclude the Investor-State Dispute Settlement (ISDS) mechanism from the RCEP negotiations. The ISDS provisions must be completely and permanently removed from the RCEP. This must be observed to ensure policy space of sovereign states to serve and protect their people by introducing and implementing necessary legislation or standards, for example, in relation to labour rights, public services, social welfare, environment and so on.

15. In this regard, we demand with emphasis clear exclusion of public services from the RCEP to wipe out any possibility of irreversible privatisation of public services to affect people's livelihoods, social cohesion as well as economic resilience of the negotiating countries with social, environmental and health standards being jeopardised. Further, we require the participating countries not to undermine at all governments' authority to devise their own institutions and policies, including public procurement policies in favour of domestic producers, to meet any social and environmental need or demand for their people

16. We stress the need of a provision in the RCEP to make investors accountable and responsible. The provision should be in line with existing international instruments including, but not exclusively, the OECD Guidelines for Multinational Enterprise and the UN Guiding Principles on Business and Human Rights.

17. Furthermore, we strongly assert that RCEP must not include provisions on e-commerce which restricts the rights of governments to regulate technology companies in areas such as privacy, consumer protection, and cross-border data transfers. Governments must have the ability to require a company to have a local presence in their country, ensure the company pays tax in the country where it makes profit, and access source codes to check for compliance with local laws and standards.

### Environment

18. We demand to include clear environmental sustainability provisions in the RCEP including an effective and efficient framework to improve environmental quality among the participating countries, including an impact assessment, a monitoring mechanism and accountability measures such as sanctions and penalties, to ensure sustainable economic development with resilience while people's and communities' well-being can be bettered.

19. The provision should also promote a 'just transition' of the workforce towards environmentally sustainable economies and societies for all with sustainable consumption and production by facilitating creation of decent and low-emission green jobs as well as healthy communities.

### Global Commitments

20. All the participating countries are committed to the major global commitments including the SDGs and the Paris Agreement on climate change. Therefore, to ensure sustainability of their economic prosperity, the RCEP should be well aligned with them, in particular, for decent work, greater equality, climate justice with a just transition, to name a few.

21. We reiterate that the current negotiations of the RCEP are heading for a clear failure by the objectives and the commitments that the negotiating countries made. Therefore, we call on the RCEP parties to stop the negotiations and not to sign on to any outcome. Instead, they must listen to our demands, the voices of workers in Asia and the Pacific, towards what they seek to accomplish ***an open, inclusive and rules-based trade to work for all.***

22. We, the ITUC-AP representing the main force of economic and social development, reaffirm our commitment to continued struggles for a renewed social contract and restored multilateralism for the negotiations of the RCEP.

End.