

## **The Statement of the ITUC – Asia Pacific on the RCEP**

**RCEP fails to have People, Decent Work and Sustainable Development for building forward better after COVID-19**

**17 November 2020**

**The ITUC - Asia Pacific (ITUC-AP)**<sup>1</sup>, effectively represents over 60 million workers from 59 free, independent and democratic national trade union centres in 34 countries and territories of Asia and the Pacific, has been campaigning for a fair trading system and democratic economic integration that respect each country's sovereignty and ensure economic justice for inclusive and sustainable development.

The 10 ASEAN Member States and its 5 key partner countries – Australia, China, Japan, South Korea and New Zealand – signed a trade pact, 'the Regional Comprehensive Economic Partnership (RCEP)', at the 37<sup>th</sup> ASEAN Summit on Sunday, 15 November 2020 in the midst of the unprecedented COVID-19 global pandemic. The RCEP will cover most economic aspects including trade in goods and services, investment, economic and technical cooperation, intellectual property, e-commerce, competition, government procurement, dispute settlement, and so on, which have wider and significant economic, social and even health impacts. The ITUCAP continuously expressed disapproval of the agreement due to its negative impacts on workers' livelihoods, our communities and the environment.

The ITUC-AP strongly denounces the RCEP that does not meet our standard of just and fair trade rules. The RCEP would jeopardise the potential for a sound industrial base for most countries, aggravate inequality and social-economic vulnerability, and lower income for workers and farmers. Furthermore, after 8 years of a series of undemocratic and closed negotiations, it fails to meet even its principle and objective to create 'an open, inclusive and rules-based trading system to make trade work for all'.

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<sup>1</sup> The ITUC - Asia Pacific (ITUC-AP) including 7 States of the ASEAN Community (Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore and Thailand) as well as its key partner countries (Japan, South Korea, India, Australia, New Zealand and India). The ITUC-AP has also established its working relationship with national centres in China, Laos and Vietnam.

The signatory governments have failed to accommodate our long-standing demand to establish meaningful consultation mechanisms including **Social Dialogue** at all levels for ensuring transparency and inclusiveness of the agreement. There has been also no comprehensive impact assessment of the deal and no consideration of necessary mitigation and remedial measures for workers and farmers against adverse impacts. It is clear that **people are completely missing in the agreement.**

The ITUC-AP demanded an enforceable and effective labour chapter with a robust monitoring mechanism in the RCEP but the agreement has no provision on **Labour Rights**. According to **the ITUC Global Rights Index 2020**, 10 out of 14 signatory countries<sup>2</sup> have 'No guarantee of rights (Rating 5)' or with 'Systematic violations of rights (Rating 4)'. Having considered continued and rampant violations of labour rights in the RCEP participating countries, the ITUC-AP deeply deplores the potentially negative impacts of the pact on the labour market. In particular, we warn that our countries would be at risk of further regression in respecting rights of vulnerable workers in informal and precarious employment, and a continued downward pressure on wages and deterioration of working conditions. **It is clear that there is no labour in the agreement.**

As of today, there were 21 typhoons that hit the Philippines in 2020 and the 21<sup>st</sup> typhoon, 'Vamco' has claimed 67 people's lives and has affected millions of people just last week. Millions of people in the RCEP participating countries were displaced from their home and community by natural disasters in 2019<sup>3</sup> only. The Asia and the Pacific region is the most affected region in the globe by natural events. Therefore, the ITUC-AP demanded inclusion of clear environmental sustainability provisions in the RCEP to ensure environmental sustainability and resilience. However, the agreement fails to have **Environmental Standards**. **It is clear that the RCEP does not care our planet.**

The pandemic started a global economic and social crisis which has yet to be contained with growing uncertainties. In the midst of the unprecedented health crisis, the Asian Pacific countries should be prioritizing protecting lives and income, and investing in recovery and in reconstruction with resilience. However, instead of creating rules for building forward better after the crisis, the agreement helps corporate power to grow and deficits of global governance to widen. The agreement, without any revision in the light of the pandemic, simply follows the previous international trade governance to cause, exacerbate and perpetuate imbalances, asymmetries and injustice. The deal would further escalate the division of labour in global supply chains, privatisation of essential services, and the dominance of corporations on our governments.

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<sup>2</sup> Cambodia, China, Indonesia, Korea, Laos, the Philippines, Thailand are categorised as a country with 'No guarantee of rights', and Malaysia, Myanmar and Vietnam are categorised as a country with 'Systematic violations of rights'. Brunei was not included in the survey.

<sup>3</sup> According to the Global Internal Displacement Database, 9,543,900 people were displaced due to natural disasters only in 2019 in the 13 RCEP signatory countries. Brunei and Singapore were excluded.

Moreover, the RCEP would weaken public services to address COVID-19 and possible future pandemics, and would further restrict the governments' ability to regulate in the interest of own people in order to promote quality public services with universal coverage. The RCEP is clearly not supportive of our efforts to build back better after COVID-19 towards a sustainable, inclusive, and resilient world. Indeed, **this agreement is clearly against our prosperity in future.**

The RCEP fails to have people, labour and our planet that should be at the centre of building a prosperous future with sustainability, more inclusiveness and resilience. Therefore, the ITUC-AP calls on all democratically elected legislatures in the participating countries to not ratify it.

The ITUC-AP will continue its campaign for an open, inclusive and rules-based trading system for all including blocking ratification of the agreement together with our affiliates from the signatory countries.