

We Need to Change the Rules on Trade

23 July 2018, Bangkok

I am here on behalf of the Community and Public Sector Union (CPSU) - we represent public service workers in Australia. We are members of the Australian Fair Trade Investment Network (AFTINET) and we are affiliated to global union Public Services International, which represents 20 million public sector workers around the world.

In the Asia Pacific region, trade unions are making it a priority to inform our members about the harmful impacts of free trade agreements. Yet, it is difficult for our union to give a comprehensive view on RCEP since the negotiations have been secretive, but what we've seen from leaks is of serious concern to our members with regards to public services and labour rights.

- We are concerned that RCEP will undermine the ability of governments to regulate and provide services in the public interest.
- We are also concerned that RCEP will have the impact of expanding and locking in the privatisation of public services.

The effect of the ratchet clause proposed in RCEP is to ensure that, over time, regulation of services is reduced. It also prevents governments from taking back control of service provision when private providers fail to deliver. The use of a negative list rather than a positive list for including services in RCEP is irresponsible and has the effect of locking in the liberalisation of future services that don't yet exist - this is particularly important for developing countries where many service industries have yet to develop. A positive list allows government to make deliberate decisions about which services are included.

But it is our view that NO public services should be included in RCEP. Public services should be clearly exempt, but the current public services exemption definition is wholly inadequate to protect essential services from privatisation - most countries in our region have public services that are in competition with private services - such as hospitals and schools. Under RCEP, none of these services would be protected from privatisation and governments would not have the ability to regulate these services.

Granting 'full market access' and 'national treatment' to transnational service providers means that governments cannot specify any levels of local ownership, and there can be no regulation of number of services, location of services, employment and training of local people. Governments must maintain the right to regulate to ensure equitable access to quality public services, local employment and industry development. So we recommend that the RCEP negotiators adopt a broad, common sense definition of public services - that is, those services provided by government - and that all public services be excluded from RCEP and all trade agreements.

It is a core responsibility of governments to provide services to their people, and these services should not be open to the market. But even when services are provided by the private sector, governments must maintain the ability to regulate them in order to ensure equitable access, and in some cases to stop unscrupulous behaviour of providers and ensure quality.

We are concerned that RCEP won't contain any enforceable labour provisions, and so abrogates all responsibility under the International Labour Organisation to protect and uphold labour rights. We are also concerned that RCEP abrogates our responsibility to uphold human rights, particularly in relation to public services. The acknowledged human right to water has been eroded by previous free trade agreement where decisions have specifically put the rights of corporations ahead of the rights of people for access to water.

Finally, we oppose the inclusion of ISDS in any trade agreements. Australia has already been sued under ISDS provisions, and so we should not sign up to any trade agreement that contains ISDS or impose that on other parties. ISDS is a waste of public money, undermines the ability for sovereign governments to regulate in the national interest, and undermines the authority of our legal system.

In summary, at a minimum:

- The Australian government should support a definition of public services which clearly excludes all public services, and specifically exclude public services from any offers in the negotiations;
- The Australian government should oppose any proposals which would reduce the ability of governments to regulate services
- The Australian government should support a positive list structure for services rather than a negative list

But ultimately, we don't believe RCEP will bring any benefits to the Australian community or the communities in the Asia Pacific region. We don't believe that the Australian public will be supportive of the provisions and intent of the agreement, and due to the lack of public consultation, we don't believe the Australian government has a mandate to sign up to it.

Right now in Australia, inequality is at a 70 year high. Corporate profits are at a record high, while workers' wages are at a record low. We strongly oppose our government signing on to an agreement which will only exacerbate inequality in Australia, and in our region. The current trade agenda is aimed at further entrenching corporate power at the expense of workers and our communities - we need to change the rules on trade.

Instead of an agenda that delivers corporate profits for a few, we need fair trade that delivers benefits for all workers and communities in our region.

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Submission to the RCEP Stakeholder Consultation held in Bangkok on 23 July 2018