

A report:

Rengo's requests regarding bilateral trade/investment agreements:
Japan-Korea Investment Agreement and
Japan-Singapore Free Trade Agreement

International Department
RENGO

Background

1. Rengo has been requesting the Government and relevant international organizations: to ensure that the global economy aims at improving the living standards of all the people of the world; to establish a free, fair and transparent multilateral trade framework centering on the WTO; and to include social clauses, including basic workers' rights in its agreements.
2. Japan is, as well as Korea, the only OECD country which does not have any bilateral or regional economic agreements. The Government of Japan has recently started negotiating bilateral free trade/investment agreements: the Japan-Korea Investment Agreement and the Japan-Singapore FTA.

Rengo's requests

3. Rengo's executives met high-ranking officers of the Ministry of Health, Labour and Welfare (MHLW), Ministry of Foreign Affairs (MOFA) and Ministry of Economy, Trade and Industry (METI) separately in the week of 19 February 2001 and introduced its proposals/requests relevant to the Agreements (see the attached).
4. Rengo requested that the Government should proceed with negotiations in an open and transparent manner and consult RENGO in order to reflect workers' views in the Agreements. It also emphasised that the economic globalization facilitated by the Agreements must contribute to improving the living standards of the countries concerned, creating jobs, protecting the environment and, in particular, establishing basic workers' rights and internationally recognized labour standards.
5. In a more concrete sense, Rengo insisted that the Agreements should include: a) the respect of core labour standards, b) the respect of local industrial relations legislation and practices, c) the respect of local occupational safety and health standards, d) disclosure of necessary company information, e) environmental protection, f) the establishment of a tripartite panel in cases of violations of a provision of the Agreement.
6. In addition, in the case of the Japan-Singapore FTA, RENGO insisted that migrant workers should be limited to those with professional skills. Rengo asked the Singaporean NTUC to communicate the same message to the Singaporean government and Mr. Lim Boon Heng, G-S of the SNTUC, replied that it had a different opinion on migrant workers due to its relatively small workforce. However, both national centres

agreed on other points and he promised to forward Rengo's requests to the Singaporean government.

7. The Japanese government has reportedly proposed to include a phrase "the Governments shall respond to an industrial dispute in a sincere manner" into the J-K Investment Agreement, which was criticized as forcing the government to intervene in industrial disputes and consequently weaken the local trade union movement. As discussed with the Korean national centers, namely FKTU and KCTU, in December 2000 in Tokyo, Rengo strongly requested the Government not to include such a phrase in the Agreement.

The government response on disclosure

8. The three ministries were consistent to say, "It would be difficult to disclose even part of the content of the negotiation while the negotiation is going on. However, we try our best to consult with Rengo on relevant issues."

The government response on core labour standards (CLS)

9. In response to Rengo's request concerning the inclusion of CLS into the Agreement, the Director of International Division of MHLW replied as regards the J-K Investment Agreement that the Ministry would agree on any clause that it had already agreed in the negotiation of the Multilateral Agreement on Investment (MAI). That means that it would agree that the Agreement include clauses on core labour standards and the environment. However, the Deputy Director General of the Trade Policy Bureau of METI stated: "We recognize CLS as internationally-recognized standards that all the countries should respect, but it would not appropriate to bind the other party to an agreement to respect those in a bilateral agreement."

Response on "the sincerity clause"

10. As regards "the sincerity clause" proposed to be incorporated into the J-K Investment Agreement, the Deputy Director General of the Trade Policy Bureau of METI made a categorical statement: "We have not the slightest intention of including such a phrase."

Japan-Korea Investment Agreement

Addressed to:

- Mr. Yohei KONO, Minister of Foreign Affairs (dated 21 February, 2001)
- Mr. Takeo HIRANUMA, Minister of the Economy, Trades and Industries (dated 22 February, 2001)
- Mr. Chikara SAKAGUCHI, Minister of Health, Labour and Welfare (dated 19 February, 2001)

Signed by Etsuya WASHIO, President, RENGO-JTUC

Rengo has been requesting the Government and relevant international organizations: to ensure that the global economy aims at improving the living standards of all the people of the world; to establish a free, fair and transparent multilateral trade framework centering on the WTO; and to include social clauses, including basic workers' rights in its agreements.

The Government has recently started negotiating bilateral free trade and/or investment agreements, one of which is the Japan-Korea Investment Agreement. As agreed between the heads of Japanese and Korean Governments in March 1999, it is now at the final stage for conclusion.

Rengo insists that the Agreement should contribute to improving the living standards of the two countries, creating jobs, protecting the environment and, in particular, establishing basic workers' rights and internationally recognized labour standards.

Rengo strongly requests your Ministry to reflect our following opinions in the Agreement:

1. (1) The Japanese and Korean Governments should disclose the contents of the negotiations, particularly on labour, the environment, consumer protection and other issues that are of interest to working people.
(2) The Japanese and Korean Governments should have prior consultation with the national trade union centres, namely RENGO, FKTU and KCTU respectively.
2. The objectives of the Agreement should include improving living standards, creating jobs and protecting the environment of the two countries.
3. The Agreement should include the following clauses:
 - (1) The establishment of basic workers' rights and labour standards: The Governments should respect internationally recognized labour standards, in particular ILO Conventions Nos. 87, 98, 29, 105, 100, 111, 138 and 182.
 - (2) Employment: The Governments should require an investor to respect national law and practice of the country where it operates concerning dismissal requirements, industrial relations such as labour-management consultation, and human resource development.
 - (3) Occupational safety and health: The Governments should require an investor to

respect occupational safety and health standards of the country where it operates and also of its home country.

- (4) Disclosure: The Governments should require an investor to disclose company activities and structures, the financial and operating results of the company and other information that may have an impact on the community.
 - (5) Environment: The Governments should require an investor to take due account of the need to protect the environment and thus to respect relevant national legislations of the country where it operates.
 - (6) Settlement of violations: The Governments should establish a panel composed of representatives of public interests, workers and employers for the purpose of settling a case violating a provision of the Agreement.
4. A phrase such as “the Governments shall respond to an industrial dispute in a sincere manner” forces the governments to intervene in industrial relations, which may result in undermining fair settlement of industrial disputes and sound industrial relations. Such phrases should not be included in the Agreement.
 5. The Government should request the Korean Government to disclose the information on the negotiation to and improve the cooperation with the Korean national trade union centers.

Japan-Singapore Free Trade Agreement

Addressed to:

Mr. Yohei KONO, Minister of Foreign Affairs (dated 21 February, 2001)

Mr. Takeo HIRANUMA, Minister of Economic, Trades and Industries (dated 22 February, 2001)

Mr. Chikara SAKAGUCHI, Minister of Health, Labour and Welfare (dated 19 February, 2001)

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The Government has recently started negotiating bilateral free trade and/or investment agreements. The first formal negotiation was held in late January, based on the agreement between the Heads of the two states that the FTA should be concluded by the end of the year 2001.

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Rengo strongly requests your Ministry to reflect our following opinions in the Agreement:

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also of its home country.

- (4) Disclosure: The Governments should require an investor to disclose company activities and structures, the financial and operating results of the company and other information that may have an impact on the community.
- (5) Environment: The Governments should require an investor to take due account of the need to protect the environment and thus to respect relevant national legislations of the country where it operates.
- (6) Consumer interests: The Governments should require an investor, for the purpose of protecting consumer interests, to assume the responsibility for productivity liability, to provide fair contracts, to respect consumer privacy and to provide protection for personal data.
- (7) Migrant workers: The Governments should limit migrant workers to those with professional skills and should not accept migrant workers who are not qualified according to the national legal framework of the country concerned.
- (8) Protection and remedy measures: The Governments should consult the WTO in order to take protection/remedy measures, such as anti-dumping and safeguards, against unfair trade practices (e.g. dumping) and rapid increase of imported products which may cause serious injury to domestic market.
- (9) Settlement of disputes: The Governments should establish a panel composed of representatives of public interests, workers and employers for the purpose of settling a case violating a provision of the Agreement.

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