



## **Joint Statement on the EU-Japan Free Trade Agreement (JEFTA) EPSU and PSI Japan Council (PSI-JC)**

EPSU, representing Europe's public service unions and PSI Japan Council, representing PSI affiliates in Japan are concerned about the lack of information and secrecy of the negotiations on a Free Trade Agreement between the EU and Japan. This leaves nearly 600 million people in the dark. We call upon the EU and Japan to publish the draft texts of JEFTA. This will allow people in the EU and Japan to discuss the consequences of this agreement for workers, families and communities.

1. The EU-Japan Free Trade Agreement (JEFTA) negotiations were launched on 25 March 2013. The ETUC (European Trade Union Confederation) and RENGO (Japanese Trade Union Confederation) adopted in 2015 a joint position on JEFTA in which they called for greater transparency and set out a number of demands in relation to the negotiations in relation to workers' rights, public services and investment. ETUC and RENGO also called for consultation mechanisms involving social partners and proactive disclosure of documents.
2. These demands are still outstanding. There are growing doubts about the capacity of the EU and Japan - as major world powers – to conclude an agreement that shapes globalisation to the benefit of citizens and workers. It has been 4 years and 18 negotiation rounds since the start; yet it remains unclear how our concerns are addressed.
3. Public services unions are very concerned that JEFTA will include many of the controversial elements that were in the EU-Canada (CETA) agreement, including investor-state dispute settlement, further liberalisation of public services, and extensive regulatory cooperation. We are respectful of food sovereignty and sustainable agriculture.
4. On labour standards, while all EU member states have ratified the eight Fundamental Conventions, Japan has not yet unratified Convention C105 - *Abolition of Forced Labour Convention* and C111 - *Discrimination Convention*. The sustainable development chapter of JEFTA must address this shortcoming and it should also go beyond the 'core' Conventions to include the ILO decent work agenda. This agenda that promotes quality work, social protection and equal pay, is relevant for all workers, including in the public sector.
5. Any agreement should not include an Investor-to-State Dispute Settlement (ISDS) mechanism. ISDS, or the EC proposal for the Investor Court System (ICS), are problematic because they give business more rights than citizens outside of the national courts. They can constrain much needed regulations that protect workers' rights, public services, welfare and the environment. We believe that domestic and foreign investors should be treated equally and that fundamental social rights must take precedence over economic ones.
6. We have noted with interest the latest communication of the European Commission on Harnessing Globalisation. This discussion is ongoing and could lead to adaptation of the EU's way to approach trade. It reflects the broad concerns to make trade and trade agreements fair and ensure that they contribute to achieving the Sustainable

Development Goals. Therefore, any agreement should reflect the outcome of this debate. The European and Japanese public service unions want to see the strengthening of workers and human rights to be a solid part of such a trade agenda. The EU and Japan can take leading roles in addressing tax avoidance by supporting public country by country report and closing tax havens.

7. We demand a clear exclusion from the scope of the agreement of public services. We do not support the negative listing of liberalisation commitments. Negative listing puts pressure on governments, especially local governments, to liberalise services as it is linked to ratchet and standstill mechanisms that make it difficult to reverse liberalisation. Both the EU and Japan face a demographic challenge. The need for universal, quality care will increase. JEFTA should exclude all health and care services, not only publicly-funded services, in order to maintain policy space to address people's needs and shape this sector accordingly in the future.
8. JEFTA must not oblige local public authorities to open up their procurement markets or undermine the right to 'in-house' provision of public services. Any provisions on public procurement should foster high labour and environmental standards and sustainable development, including through the use of mandatory social clauses. The EU and Japanese Government should support the ratification and implementation of ILO Convention 94 concerning labour clauses in public contracts, including at the local level.
9. JEFTA should not include an extensive regulatory cooperation chapter. The EU and Japan have negotiated separate agreements on regulatory cooperation (2002 mutual recognition agreement, 2008 agreement on cooperation and mutual administrative assistance in customs matters, 2015 regulatory cooperation joint document) that are more appropriate instruments than a trade agreement. Regulations reflect the outcome of democratic debate and processes in which trade unions, civil society and many others participate. These processes must be safeguarded from arbitrary decisions based on narrow economic interests. The EU proposal on regulatory cooperation has a very broad scope and challenges "any" regulation. We are opposed to this.
10. On data protection, the European Commission Sustainability Impact Assessment claims that, "Concerning human rights, the analysis shows that there should be no detrimental impact on the right to privacy from increased cross-border data flows or services trade." We find this difficult to believe, given the aggressive demands for increased data flows. We recall that data should not be seen as a commodity and that the highest level of protection is needed to safeguard human dignity and privacy. This should be clearly reflected in the text.

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