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EUROPEAN COMMISSION
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[Letter sent by e-mail]

Dear Commissioner,

We are sending you this letter in light of the consultation for industry stakeholders in the framework of the EU-Indonesia negotiations for a Comprehensive Economic Partnership Agreement (CEPA). Since a proper consultation for civil society organisations has not yet taken place, we would like to use this moment to provide you with our initial input to the negotiations on behalf of the European trade unions.

Although we welcome the opportunity for a trade and investment agreement between the EU and Indonesia, we would like to stress that such an agreement should only be concluded if there are no future negative consequences foreseen for both signatory parties. In order for trade unions to assess progress of these negotiations we call on the Commission to formally consult and report to the ETUC and the trade union organisations in Indonesia.

To avoid these potential negative consequences for both countries, the trade unions would request to foresee guarantees in the text of the EU-Indonesia CEPA on the following specific dimensions:

1. The scope of the labour provisions in the EU-Indonesia Free Trade Agreement:

We would like to see included clear references on commitments for the respect of existing international labour legislation and national legislation in EU and Indonesia. We cannot accept any lowering of ILO standards or the regression in domestic legislation due to this agreement.

The agreement should include clear references to the following international instruments of the ILO:

- The 8 Fundamental Conventions of the ILO, (C29, C87, C98, C100, C105, C11, C138 and C182)
- The Decent Work Agenda of the ILO (ILO declaration of 1998)
- The ILO Declaration on Social Justice for a Fair Globalization (2008)
- The ILO Governance Conventions (C122, C81, C129 and C144).

The trade agreement should positively influence the concept of wages, meaning setting directions for the progress from the minimum wage concept towards a concept of “living wage”, which is a right for every worker, as stated in the founding documents of the ILO 1948. Ratification of some key conventions by the Indonesian government before the CEPA is concluded should be a pre-requisite for the ratification of the agreement. We specifically point to the above mentioned conventions C122 and C129 that are not ratified yet.

Furthermore, there is a strong need for a well-functioning labour inspection to ensure compliance with the conventions increases.

2. The enforcement of labour legislation

Enforcement should be supported by measures that provide economic consequences as a last resort if dialogue and diplomatic pressure fail. Such incentive based labour provisions are for example used in the ILO Better Work Programme or in the EU GSP+ Scheme where there is an incentive for the country that ratifies and effectively implements a set of 27 conventions on labour, environment protection, human rights and good governance.

We, constituencies of the ILO, are convinced that an institutionalised role of the ILO in the monitoring dimension of the EU-Indonesia Agreement is needed. The ILO Committee of Experts on the Application of Conventions and Recommendations can play certainly a constructive role in the production of data on the Core Labour standards and at the same time it could be used in the resolution of conflicts related to the labour provisions.

3. Monitoring of the TSD provisions

We welcome the fact that European Commission puts civil society at the core of monitoring the Trade and Sustainability chapter. We also acknowledge the efforts of the European Economic and Social Committee to manage the secretariat of EU Domestic Advisory Groups (DAGs). Nevertheless, we would like to emphasise – based on experiences in both Korea, Peru and Colombia – that these so-called ‘Domestic Advisory Groups’ cannot function properly if there is no funding foreseen for the functioning of the DAGs in third countries . In particular, DAGs in third countries lack the necessary infrastructure (i.e. a secretariat that can organise the meetings, conference rooms). Therefore, we advocate for a crystal-clear understanding (preferably as part of the TSD chapter) on where the (financial) responsibilities of both the European and Indonesian DAGs will lie. In any event, these dialogue mechanisms need to be completed by an effective sanction mechanism, in order to give the sustainability chapter teeth. Moreover, we ask the Commission to enable civil society to be able to monitor the whole agreement and not only the TSD Chapter¹.

4. Rights and responsibility of the private sector

Since business actors will benefit a lot from this agreement, we think it is necessary that they commit the international instruments of Corporate Social Responsibility, like the UNGPs, OECD guidelines on Multinational corporations and the ILO Tripartite Declaration on Multinational Enterprises and social policy.

The private actors have also the responsibility to report on their due diligence actions as the UNGPs and OECD Guidelines ask for, making use of reliable reporting formats like the Global Reporting Initiative. The private actor’s responsibility is not only limited to the consequences of their current actions, but also for the future consequences. Multinational companies are not only responsible for what is happening under their control, but also for violations within their entire supply chain.

¹ As it is the case with the EU Proposal for Institutional, General and Final Provisions in TTIP http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154802.pdf: Article X.7: Domestic Advisory Groups 1. Each Party shall convene a new or consult an existing domestic advisory group with the task of advising on issues relating to this Agreement, including as part of the procedures set out in chapters XX [Trade and Sustainable Development, ...]. Such group may submit views or recommendations on the implementation of this Agreement, including on its own initiative.

Indonesia has a strong Textile Industry which is also linked to companies in the EU. The situation in the apparel industry in Indonesia is still very precarious. Violations of basic workers' rights, low wages, long working hours, bad and unhealthy working conditions, exclusion of trade union rights and collective bargaining are still common practice. The trade unions in the textile industry are currently trying to negotiate with international brands and national companies on special protocols for three elementary rights: Freedom of Association, decent wages and permanent contracts. It is very much necessary that the CEPA contributes to an enabling environment for the negotiation of these protocols.

5. Labour Clauses and sustainability

Sustainable development is broader than the labour part. Other aspects of sustainable development must be integrated in the EU-Indonesia CEPA as well. The agreement must f.i. emphasize the achievement of the Sustainable Development Goals and refer to the UN Charter (1945) and the Universal Declaration on Human Rights (1948). Like in the EU-Korea agreement it should also include references to the Agenda 21 and the Johannesburg plan of Action, the UN FCCC and the Paris Climate Agreement.

We hope that our proposals and issues can count on your support during the negotiation of the EU-Indonesia Comprehensive Economic Partnership Agreement and that civil society in both the European Union and Indonesia are consulted in a structural way during the negotiations.

Sincerely yours,



Liina Carr
ETUC Confederal Secretary