

Media Release Indonesian Civil Society Group  
*23rd ASEAN RCEP Negotiation, Bangkok, Thailand, 20-24 July 2018*

## **RCEP Only Commence Corporation and Investor Agenda Not Peoples Economic Prosperity Agenda**

Bangkok, 23 July 2018 – Civil Society Coalition for Economic Justice is the coalition of Indonesian Civil society (CSOs) who give attention to the 23rd RCEP (Regional Comprehensive Economic Partnership) in Bangkok, Thailand. Some of the CSOs representatives go to Bangkok, Thailand are, **Indonesia for Global Justice (IGJ)**, **People's Coalition for Fisheries Justice (KIARA)**, **Women's Solidarity (SP)**, **Indonesian Peasant Union (SPI)**, **National Union Confederation (KSN)**, **GRAIN**, and **the Unity of Indonesian Traditional Fishers (KNTI)**.

Meanwhile, the CSOs representatives intervened in the meeting with the RCEP negotiators on 23 July 2018 were **Rachmi Hertanti** from **Indonesia for Global Justice (IGJ)**, **Dinda Nuur Annisaa Yura** from **Women's Solidarity**, and **Nibras** from **Peoples Coalition** from **Fisheries Justice (KIARA)**.

Some of the demands from civil society group is pointed out to the hot issues became the public concerns regards to the RCEP negotiation, such as public participation issue in free trade negotiation, food sovereignty issue, investment issue in relation to the ISDS mechanism and land grabbing caused by investment, gender issue, and sustainable development issue.

### **Investment Chapter Threats Peoples' Life and State Sovereignty**

Critics on investment chapter in RCEP leads to the exaggerate protection to the investor, and give a space for the investor to sue the State using ISDS (Investor-State Dispute Settlement) mechanism. Besides, the openness of foreign investor on the vital sector could be lead to the exploitation of natural resources in Indonesia. Thus, in this RCEP negotiation, the negotiators should not take the rules that harm peoples and state in relation to the investment chapter.

Executive Director of Indonesia for Global Justice (IGJ), Rachmi Hertanti stated that there are some red lines should be noticed by the negotiators related to the investment chapter on RCEP. "3 investment issues that became the red lines for negotiators are ISDS rules, performance requirements and export taxes in relating with unprocessed materials. Those kinds of things could not be submitted on RCEP. If negotiators insisted to submit those red lines rules, so RCEP should be rejected", Rachmi affirmed.

Rachmi explained that the mechanism of foreign investor sue the State or known as Investor-State Dispute Settlement (ISDS) will only contradictory with Constitution

and National Policy, and will increase the risk of the function of State control to protect national interest and become the deterioration to promote and protect human rights in Indonesia.

“We urge the Indonesian negotiators to stand in their commitment to review ISDS that put people’s protection than foreign investor rights. Indonesia has had experiences sued by foreign investors for 8 times using ISDS mechanism. And the Government of Indonesia has been realized that the ISDS will eliminate the state policy space and put aside the Constitution. Therefore, if RCEP insisted to submit the rules of investor protection and ISDS, then it will become the regression of progressive process has been done by the Government of Indonesia since 2012 in reviewing ISDS rules,” Rachmi explained.

Point performance requirements on investment chapter also become the important note from IGJ for RCEP negotiators. In which, this rule becomes important for the development strategy of the Indonesian national industry. IGJ urged the RCEP negotiators to give respect for developing country, especially Indonesia, to keep implemented the restriction policy on majority foreign ownership, the restriction of using foreign labour on some key position, apply local content requirements (such as the use of local natural resources and labour), and establish export restriction \s on raw materials in mineral commodities.

“These regulations are important instruments to ensure that the incoming investment will effectively contribute to the national development that aimed to increase competitiveness, value added of local industry and increasing local jobs in Indonesia”, Rachmi concluded.

## **Realizing an Equitable and Equal Trade**

Indonesian civil society also urged to realize an equitable and equal trade including for women based on cooperation and solidarity principal, in which the people’s needs and participation become the main spirit. During this time, the system of economy and trade has placed women experiencing layered discrimination and marginalization.

The Coordinator for National Program of Women Solidarity, Dinda Nuur Annisaa Yura stated that RCEP will sharpen the gap and injustice for women. One of them is on the wage gap aspect. “The wage gap between women and men in Asia is one of the highest in the world, with an average of 20%. In the other side, there is various wage gap in the RCEP countries, from 3% and up to 60 %”, Dinda stated.

“Investment chapter on RCEP will make the Government could not be united in applying provisions and legal action, including alternative action to rectify this gender gap,” she added.

Moreover, foreign investment has been also entered the water sector in Jakarta and impacted to the loss of people's basic right. "We should learn how water privatization in Jakarta caused the violation of people's right to water," Dinda affirmed.

Price of the water is expensive, with the quantity in which is sometimes and often small or even no water at all, and the water quality is bad. This then gives the layered problem for women who take the role in ensuring the water needs for their family. Besides, the bad water also influences the health of women's reproduction.

Dinda also expressed a deep concern for RCEP. She assumed that all free trade agreement has no commit to peoples, especially the most vulnerable groups including women, will only bring the country's condition like Indonesia, into the poverty, human rights violation, and the loss of people's sovereignty, especially women. "For most people, RCEP might only talk about cost and benefit, about selling and buying, about letter and number. But for most of the peoples, especially for women, it talks about life or death," she ended.

## **Foreign Investment Grab the Rights and Welfare of Small Fishers**

In fisheries sector and foreign investment in relation to the small fishers' welfare, Nibras Fadhillah from People's Coalition for Fisheries Justice (KIARA) expressed that in Indonesia, there are more than 8 billion small-scale fishers household who get the negative impact from RCEP. This is due to, RCEP will give more space for foreign investment in fisheries, coastal and marine resource that will increase the potential conflicts between big industrial fisheries company and small-scale fishers and coastal communities.

The openness of investment on fisheries and marine sector will also be impacted to the small-scale fishers' livelihood taken by foreign investors and private sector, that will cause many of small-scale fishers should change their jobs. This is because of, the foreign investor will only improve the potential of the deprivation on fishers' life, in terms of construction artificial islands (reclamations), construction of tourism industry, mining and other extractives activities in the coastal areas and small islands," Nibras explained.

RCEP will only create the worst life for small-scale fishers. Because the policy will be bind and aligned to the foreign investor and private sector to expand market liberalization. The groups of local small-scale fishers will face difficultness because in the end they will be forced to facing foreign company or private sector both in the domestic or export market. Moreover, the negotiation on rules of origin (ROO) in RCEP will do not give small-scale fishers gain a profit in international trade. On the contrary, it will open a space for foreign flag vessel to catch fishes in Indonesian water," Nibras affirmed.

Nibras also stated that RCEP will change the mechanism of food sovereignty into the commercialization. And exploit much more marine and fishery resources. Due to these reasons, we remind to all countries involved in RCEP, especially Indonesia, to make policies that will not bring a negative impact for small-scale producers, but more to strengthen the control of a better sustainable marine and fisheries resources. Also, prioritizing the sustainability of small-scale producers and protect food sovereignty in the country,” Nibras stated.

Contacts:

Rachmi Hertanti, Indonesia for Global Justice, +62817-4985-180

Dinda Nuur annisaa Yura, Women’s Solidarity, +62818-1872-2510

Nibras Fadhlillah, People’s Coalition for Fisheries Justice, +62822-2658-3640