

## Analysis of the Benefits of Taiwan-US Advocated Labor and Environmental Issues

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After completing the five major issues in the previous stage of the US-Taiwan Initiative on 21st Century Trade, the next stage will prioritize negotiations between Taiwan and the United States on the remaining seven issues. Among these, labor, environment, and agriculture will be given priority. Labor and environmental issues, in particular, hold significant positive implications for Taiwan's future integration into the global supply chain; therefore, this article will focus on the two aspects and analyze the potential contents of the Taiwan-US agreement by using the United States-Mexico-Canada Agreement (USMCA) as a template and their benefits for Taiwan.

In terms of labor provisions, the labor chapter of the USMCA emphasizes the contracting parties' core responsibilities in upholding labor protections and complying with the four fundamental labor rights recognized by the International Labor Organization (ILO): the right to form unions and engage in collective bargaining, the elimination of forced labor, the abolition of child labor, and the elimination of workplace discrimination. With this foundation, the negotiation of a labor-specific chapter between Taiwan and the United States will encourage Taiwan to strengthen its safeguards for labor rights. This can contribute to the enhancement of labor rights in Taiwan, especially as Taiwan concurrently applies for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which also includes a labor chapter with rigorous standards for labor-related requirements. Therefore, the negotiation of a labor-specific chapter between Taiwan and the United States can serve as evidence of Taiwan's commitment to safeguarding labor rights and be beneficial for the assessment of Taiwan's CPTPP application.

On the other hand, given the trend of incorporating labor-specific chapters into trade agreements, the negotiation of a labor-specific chapter between Taiwan and the United States would be advantageous for deepening

cooperation between Taiwan's industries and multinational corporations from other countries. Many multinational corporations, such as Apple, Amazon, Nike, and Adidas, include labor rights protection as part of their supply chain operational standards. If the Taiwan-US agreement includes labor provisions, it would send a positive signal globally, indicating Taiwan's commitment to prioritizing labor rights protection. This could facilitate Taiwan's continued integration into the global supply chain.

Regarding the environmental chapter, the key feature of the USMCA's environmental-specific chapter is the incorporation of obligations from multilateral environmental agreements into the core provisions of the agreement. It grants stronger enforcement mechanisms for relevant environmental protection obligations. It also places emphasis on environmental impact assessments, public participation rights in environmental matters, corporate social responsibility, strengthened voluntary mechanisms for environmental performance, recognition of the importance of environmental goods and services, and enhanced environmental cooperation.

In this context, the negotiation of an environmental-specific chapter between Taiwan and the United States would first and foremost strengthen Taiwan's voluntary environmental performance mechanisms and promote policy reforms, such as greenhouse gas control and the promotion of renewable energy use. This would improve Taiwan's international environmental ratings and drive the trade of green goods and services. Secondly, it would encourage businesses to prioritize green supply chains, aligning with the green procurement strategies of international giants like Nike and Apple, and preparing for potential carbon tariff challenges. Thirdly, by enhancing environmental protection and sustainable development practices, the agreement can ensure that economic activities do not excessively harm the environment while also safeguarding biodiversity. Lastly, signing this agreement would help Taiwan align with international standards and become a benchmark for signing environmental agreements with other countries, following the recent international trend of including environmental-specific chapters in green economy agreements and FTAs/RTAs.

Given the increasing global emphasis on labor rights and environmental protection, the US-Taiwan Initiative on 21st Century Trade has also incorporated corresponding chapters. In general, the signing of the labor and

environmental chapters within the US-Taiwan Initiative on 21st Century Trade will align Taiwan's industries more closely with the current trends and requirements for labor and environmental standards in the business world. It will also promote the elevation of Taiwan's relevant regulations to the level of advanced nations in these areas. This holds significant importance for Taiwan's future signing of trade agreements, participation in regional economic organizations, and integration into the international supply chain.

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