

Global Europe: The Corporate Agenda of the EU in the WTO – and in new bilateral agreements!

The WTO Doha Round of world trade talks was initiated in 2001; for good reasons its successful conclusion remains questionable. In view of the lack of trade policy successes and increasing discontent in the ranks of the EU business lobby, the European Commission in 2006 unveiled its 'Global Europe' trade policy strategy. Under this strategy, the EU pushes its free trade policy not only at the multilateral WTO level, but increasingly at the bilateral level as well. Recently a new Free Trade Agreement (FTA) with South Korea has been signed; however, it has not been ratified by the EU Parliament yet. In addition, FTA negotiations are being conducted with India and many other developing countries. They threaten to produce negative consequences for the environment, development and decent work both in the North and in the South!

The Global Europe Strategy: Aggressive Market Opening at any Cost

The Global Europe strategy pursues **aggressive "WTO-Plus" objectives**, which are very dangerous from an economic, development and environmental perspective. "WTO-Plus" means stipulations which go beyond the level already written into the WTO. They include:

- a) a greater reduction of so-called non-tariff trade barriers, i.e., all conceivable trade barriers other than customs duties
- b) the securing of unhampered access to energy and raw materials
- c) increased protection for so-called "intellectual property rights" of corporations (patents, etc., to secure monopoly profits)
- d) the accelerated opening of service markets
- e) the implementation of an unhampered right to set up subsidiaries (liberalisation of investment regimes in outside states)
- f) the opening of public procurement markets for EU exporters, and
- g) the introduction of competition policy in outside countries, where this can serve to support market access for European corporations.

In 2007 the so-called "**market access strategy**", under which the Commission together with EU member countries and trade associations forms so-called "market access teams" in outside countries to identify and fight non-tariff trade barriers, was revised. These are in effect economic-policy "espionage and intervention forces" with the participation of the private sector.

Global Europe includes special efforts in the area of **access to raw materials**. The primary objective here is the complete abolition of export duties and other export restrictions which trading

partners use to raise state revenues and secure their own raw materials supplies. According to the Commission this practice undermines the competitiveness of the EU. For example, the EU currently imports half of its energy resources and this could increase to 70% by 2030. In the case of oil that figure could even top 90% and for gas 80%.

The **expansion of intellectual property rights** is to be carried out by means of tough new rules in bilateral free trade agreements, and a new international Anti-Counterfeiting Trade Agreement (ACTA). Among the problems this raises is that the access of poor sections of the population to seed or medicine will become even more difficult. Traditional knowledge in agriculture and the distribution of generic medicine could be criminalised – an EU practice which contravenes food sovereignty and the basic provision of medical care.

The **focus of the EU strategy** is primarily on the dynamically developing world regions and emerging markets, particularly the "challenger countries" India and especially **China**. The EU's Partnership and Cooperation Agreement with China has been in negotiation for revision since 2007. The main emphasis has clearly been on trade policy issues. With its great market potential, its high growth rates, and its economic-policy restrictions (criticised by the EU as "protectionism"), China plays a key role for European corporations. In addition to tariff reduction, the corporations represented by the EU Commission are primarily pressing for the protection of intellectual property rights, access to the public procurement system and access to raw materials in China. Human rights and labour rights standards, as well as ecological and social impacts, are disregarded.

Negotiations with **India** about a free trade agreement have been ongoing since 2007; here too, Europe's major demands are tariff reduction, the implementation of intellectual property rights and market access in public procurement. Moreover, ne-

gotiations are proceeding around the liberalisation of financial and other services.

The free trade agreement with **South Korea** was signed in October 2009, but must still be ratified (see box). Other negotiations in the context of the Global Europe policy are also being conducted with **ASEAN** countries and **Central American** countries. Negotiations with the Andean Community ran into difficulties when Bolivia and Ecuador balked at submitting to the EU's aggressive free trade agenda. The EU therefore continued negotiations only with Colombia and Peru and announced the successful conclusion of the talks in March 2010. This completely contradicts the previously proclaimed approach of support for the regional integration of the **Andean Community**.

The bilateral processes previously initiated with the **Gulf States, the Mediterranean, Russia, the Mercosur, and other countries** are being continued, or will be. In addition, the EU is trying to turn the so-called Economic Partnership Agreements (EPAs) negotiated with the **Africa-Caribbean-Pacific countries** into far-reaching free trade and investment treaties.

Expanded **WTO-rules** as well as new bilateral and regional **"WTO-plus" agreements** contain considerable risks for development and environmental policy, as well as negative consequences for jobs, decent work and social safeguards both in the north and in the south. By securing more market access and greater property rights for European corporations, the new generation of EU Free Trade Agreements threatens the basic living conditions of many people in partner countries, since they can often not subsist in the face of competition from EU corporations. In terms of economic policy the negotiating parties of the south face yet further **loss of policy space**. Moreover, the "Global Europe" strategy also represents a failed policy option within Europe. It is explicitly designed as an "external" extension of the European "Lisbon strategy". It will increase the pressure of globalisation and deregulation on European jobs as well as on social and environmental regulations. **Within Europe** too, it will produce **new winners and losers**. All this is reason enough for emancipative forces from various societal sectors – trade unions, development and environmental organisations, women's organisations, critics of globalisation, small farmers and other groups – to join with their counterparts in developing countries to oppose the "Global Europe" strategy!

The EU-Korea Free Trade Agreement

The free trade agreement between the EU and South Korea was signed on October 15, 2009. The Commission describes this new agreement as the most important agreement ever arrived at between the EU and an outside country. On the European side, there is hope for €19 billion in increased exports; the Koreans plan to sell an additional €12 billion worth of goods in Europe. All customs and most so-called non-tariff barriers, i.e. such measures as import limitations or the non-recognition of foreign product standards, are to be disestablished by the agreement. EU Trade Commissioner Catherine Ashton – since appointed to the EU's "foreign minister" position – thinks such impulses are necessary, especially in a crisis. What she doesn't mention: The agreement is also extremely controversial, even in business circles. Particularly the European Automobile Manufacturers' Association (ACEA) is demanding that the EU amend the treaty. The elimination of tariffs and the termination of a number of stipulations for car imports into the EU, will, the industry fears, lead to massive losses in view of the strong South Korean auto industry. Some member states have also requested amendments. Among other things, the EU responded with the insertion of a "bilateral safeguard clause", which would permit tariffs to be reintroduced temporarily if a wave of Korean imports were to cause harm to the European industry. Nevertheless, the agreement clearly shows that preferential treatment for Europe's export trade and industries cannot be had without detriment to other European sectors. In addition to the effects on the economy of partner countries, the free trade agreements thus also have an internal effect which is not to be underestimated.

The agreement between the EU and South Korea is to be ratified at the beginning of next year. In the EU, the new competence rules of the Lisbon Treaty now already apply for this ratification. That means that the European Parliament (EP), which previously had no say in trade policy, could reject the treaty. In view of the conservative majority in the EP, however, such a rejection seems highly improbable. The EU-Korea FTA is of great strategic importance for the European Commission. It would be the first important free trade and investment agreement concluded in the context of the "Global Europe" strategy.

Links

www.weed-online.org

www.eed.de/welthandel

War on Want (2009): Trading away our Jobs. www.waronwant.org

WIDE: Publications on gender and EU trade policy: www.wide-network.org

Seattle to Brussels Network: www.s2bnetwork.org

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