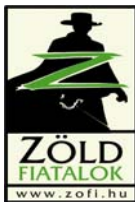




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EUROPEAN NGO STATEMENT TO THE EU INFORMAL TRADE COUNCIL

24 April 2005

EU Governments and the European Commission have been leading promoters of trade liberalisation. Faced with growing evidence of the social, economic and environmental costs of these policies, and under pressure from public opinion, the rhetoric has begun to change. However, while the rhetoric has shifted, the practice has substantially remained unchanged.

EU governments and the European Commission must change those trade policies that hurt poor communities, damage the environment, result in increased gender inequalities and undermine the respect of human, social, cultural, ecological rights of people both in the South and in the North. Consequently, the undersigned NGOs are demanding that EU Governments and the European Commission take into account the points elucidated within this statement.

ON THE EU TRADE MANDATE

Currently the European Commission negotiates trade policies on the basis of a mandate provided by the European Council of Ministers in the run-up to the 3rd WTO Ministerial conference in Seattle back in 1999. Since then, two Ministerial Conferences have collapsed, in Seattle (1999) and in Cancun (2003), and a new round of trade negotiations was launched in Doha (2001). Nevertheless the mandate of the EU has remained unchanged. It is highly questionable to continue to use a mandate, which was developed without the 10 new member countries. The pertinence of the mandate is therefore highly questionable, especially if considering that the ten newly acquired European Member States did not participate in the forging of the current mandate.

EU Trade Ministers must change the current trade mandate of the EU Trade Commissioner in order to:

- **Ensure people's food sovereignty**
- **Protect livelihoods and the environment**
- **Provide access to essential services**
- **Stop unjust Economic Partnership Agreements (EPAs)**
- **Regulate corporate activities**
- **End trade conditions imposed by the World Bank and IMF**
- **Assess the impacts of trade**
- **Curb excessive corporate influence**
- **Enhance transparency and democracy**

Specifically, we demand:

PEOPLE'S FOOD SOVEREIGNTY

More than 70% of the world's poorest people live in rural areas and depend on agriculture for part or all of their income. For many, local markets are far more important than international ones and therefore it is essential for them to be able to sell their products locally. However, agricultural trade policies undertaken via the WTO, regional trade agreements, the World Bank and IMF are opening these local markets to cheap imported products. This has disastrous effects on family farmers both in the South and the in North. Current agricultural trade negotiations within the WTO continue to favour agri-business, supermarkets, and traders at the expense of sustainable family farmers, landless people, food workers, consumers and the environment. Existing, as well as most of the proposed rules threaten the right to food and the right to food production for local consumption, thus threatening the food sovereignty of all countries.

In 1994, the EU and USA imposed rules within the WTO effectively legalising dumping activities (that is, the selling of products below production-costs). Current proposals to address the problem of dumping are proving meaningless, since the system of domestic support classification offers the possibility to legally categorize the new system of supporting agricultural export-production at prices below production-costs via direct payments. Unless further measures are sought, such as the ending of all forms of export competition, including export subsidies, dumping will continue.

DEMAND 1

In order for the EU to gain social and environmental legitimacy internationally (meaning fair farm prices, sustainable production, supply management, priority to local/regional markets) the EU must (a) change its agricultural policy, (b) defend a ban on any form of subsidy used to export under the production costs at the international level (including the present use of the green box), (c) defend the right for all countries to protect themselves from excessively cheap agricultural import, and (d) defend the right of all countries or unions to support agriculture when not being exported below production costs.

70% of European citizens do not want to eat GMOs (Genetically Modified Organisms). Such products take away consumer choice, make farmers dependent on a few large companies and undermine food security in developing countries. Increasingly studies show that GMOs do inflict serious damage to wildlife and biodiversity. To force GMO products into global markets, a US-led coalition has filed a legal dispute in the WTO accusing the European Union of blocking trade by restricting GMOs imports. A decision is expected to be taken in summer 2005 and, if the US is successful in its pursuit, not only will the EU be forced to accept Genetically Modified food and farming, but so will also the rest of the world.

DEMAND 2

European governments must place the well-being of their citizens, consumers, and the environment before the interests of the biotechnology industry and those of the US. Based on the wishes of its citizens, the EU must stop approving new genetically modified products and must maintain national bans whilst developing legislation for GM free zones in order to guarantee the right of European Governments and the rest of the world to remain GMO-free. The EU must clearly reject any decision resulting from the current WTO dispute that would lead to introduction of GM food into European markets.

PROTECTION OF LIVELIHOODS AND THE ENVIRONMENT

The non-agricultural market access (NAMA) negotiations in the WTO could have serious repercussions on employment, the environment and for sustainable development. Moreover, Annex B of the July package ignores the concerns and interests of many developing countries. Consequently, the negotiating package ought to be rejected as a basis for negotiations.

Critically, under NAMA, many industrialised countries, including the EU, are aggressively pursuing negotiating tactics specifically designed to lever open developing country markets. As a result, a large number of developing countries face the prospect of de-industrialisation with severe impacts on the level and the quality of employments and the loss of significant quantities of government customs revenue most needed to finance many essential services. NAMA would result in a further lock-in of many developing countries to their existing commodity dependence, whilst also discouraging diversification.

Furthermore, in NAMA, all natural resources are effectively on the table for either partial or complete liberalisation, with a particular focus at the moment on fish and fish products, gems and minerals. Thus NAMA, could impact significantly on countries natural resources and on policies designed to protect the environment. Worryingly, an extensive range of environmental standards both in Europe and elsewhere are also being challenged under the current NAMA negotiations.

DEMAND 3

The EU must stop pushing non-agricultural (NAMA) market access negotiations and agree on a full, independent review of the potential developmental, social, gender and environmental impacts of NAMA. Also, the EU must not trade off any of its environmental, health or social standards. The EU must ensure that governments' policy space can be protected, including through the use of tariffs and non-tariff barriers genuinely intended to promote sustainable economies.

ACCESS TO ESSENTIAL SERVICES FOR ALL

The General Agreement on Trade in Services (GATS) is a WTO agreement that increases the ability of big business to supply services such as health, transport and education. In particular the EU is now proposing that water delivery be included as part of the agreement.

However, one billion people around the world lack access to clean drinking water. The United Nations has set targets to halve this number by 2015, though under the WTO's General Agreement on Trade in Services (GATS) negotiations, the EU has submitted requests to 72 countries to open up their water markets. This threatens to undermine UN targets by giving more power to big water companies, whilst reducing government control over them. To quote Suez Lyonnais, the world's largest water company, water represents a "product which normally would be free, and our job is to sell it". Clearly, the EU's request will lead to an irreversible commodification of the access to an essential good such as water.

The current Doha work program of global trade negotiations was to be geared towards the 'development' priorities of the Global South. Yet, enormous pressure is now being exerted on developing countries to open up their key service-markets to foreign-based and for-profit corporations in industrialized countries. The EU continues to demand from developing countries commitments in key sectors such as finance, energy, environment, water, tourism, postal and transport services. Yet, these just happen to be among the services sectors on which the European for-profit corporations are seeking to expand their global market reach. There is no evidence to suggest that opening up the services sectors to these foreign-based services corporations will enhance the development goals and priorities of developing countries.

Additionally, the GATS initially heralded for its flexibility, claiming that countries could elect whether to place services on the negotiations table or not, has proven essentially false. Indeed, in order to increase the pressure, the European Commission, among others, has advocated in favour of the establishment of benchmarks for the GATS negotiations.

DEMAND 4

A comprehensive assessment has to be conducted on the developmental, environmental, social, and gender impacts of the liberalization of services before proceeding with the current round of GATS negotiations. Essential services, such as water, energy, education and health, whose access is important for human development and women's empowerment, must also be excluded from the negotiations.

STOP ECONOMIC PARTNERSHIP AGREEMENTS AND OTHER REGIONAL TRADE AGREEMENTS

The future development of African, Caribbean and Pacific (ACP) countries risks being seriously undermined by the inequitable bilateral Economic Partnership Agreements (EPAs) currently under negotiation between the EU and ACP countries.

The EU's proposals for EPAs include trade liberalisation demands that go far beyond anything currently discussed within the WTO, hence leading to deep and dramatic market opening by ACP countries within a very short time-period, possibly within 10 to 15 years. In addition, the EU is pushing for trade negotiations in areas that ACP countries have long opposed in the WTO (eg.: the Singapore issues). This is undercutting ACP countries' negotiating positions at the WTO and will deepen poverty in ACP countries.

DEMAND 5

The EU must drop its demand for reciprocal trade liberalisation, exclude the Singapore issues and urgently honour its commitment to provide ACP countries with viable non-reciprocal alternatives to EPAs, in parallel to EPA negotiations in 2005.

REGULATE CORPORATE ACTIVITIES

The EU pushes the development of investment rules in bilateral trade deals that would give enhanced rights to corporations at the expense of people and the environment. Such investment rules would limit the space for governments and societies to regulate their economies and strengthen the rights of foreign corporations. A clear example of far reaching negative political, social and environmental impacts of investment agreements is NAFTA, the free trade accord between the US, Canada and Mexico. Numerous corporate suits have been used to challenge or reverse democratic decisions to protect public health and the environment.

Powerful and influential Transnational Companies (TNCS) in today's global economy are not being held accountable for the negative impacts of their operations. Governments and their elected representatives (eg.: MEPs), must ensure that TNCS can be held accountable to the communities they affect through legally binding rules of accountability and liability. At the UN World Summit on Sustainable Development, governments agreed to "actively promote corporate responsibility and accountability, based on the Rio principles, including through the full development and effective implementation of intergovernmental agreements and measures..."

DEMAND 6

The EU must give up its current push for more investment protection agreements in bilateral trade deals and promote legally binding rules for corporate accountability.

END TRADE CONDITIONS IMPOSED BY THE IMF AND WORLD BANK

The World Bank and IMF impose risky and unproven economic reforms on poor countries by attaching conditions to debt relief and aid. Countries are pressured to cut public spending, to open their markets to foreign trade and investment, to cut state subsidies and to privatise state-owned enterprises, including public services. Many poor countries also require an IMF seal of approval in order to receive aid from other countries, giving the IMF immense influence ‘behind the scenes’.

EU governments, who are major shareholders in the World Bank and IMF, say that they oppose the use of conditions and support ‘country-owned’ development strategies. However, the World Bank and IMF continue to exercise huge influence, shaping countries’ strategies through policy advice that is often biased in favour of free trade, and ‘signing-off’ the final document. Imposing trade conditions on countries in return for giving aid is unfair, undemocratic and ineffective. Poor countries should be in control of their own economic development.

DEMAND 7

EU Governments should use their influence to stop the World Bank and IMF imposing trade conditions on poor countries.

ASSESS THE IMPACTS OF TRADE

The European Commission’s Directorate General for External Trade (DG Trade) spends 10% of its budget on Sustainability Impact Assessments. Such assessments prove necessary for investigating the potential negative impacts of trade rules on environmental sustainability, development, democracy, the lives of women and indigenous people and for rectifying existing agreements. However, so far these studies have been limited in analytical scope and the results have had effectively no impact on the EU’s trade policy-making. The current methodology has show a clear bias towards liberalization and the inability to provide a comprehensive assessment of the combined economic, social and environmental impacts – till now treated in clinical isolation – has most probably resulted in an underestimation of the truthful impacts of the negotiations. Moreover, SIAs have failed to become an integral part of EU policy making, despite their objective of informing negotiators.

DEMAND 8

The EU must ensure the revision of the methodology for SIAs in order to widen its analytical scope and remove its pro-liberalisation bias. The EU must also ensure that SIAs are carried out prior and during any negotiations taking place and that their findings are fully acknowledged and integrated within the negotiating mandate. Trade Ministers should be regularly briefed on the results of SIAs in order to promote the overall coherence of the EU’s policy for sustainable development.

CURB EXCESSIVE CORPORATE LOBBYING POWER

Some 15,000 lobbyists are active in Brussels, of whom a majority represents corporate interests. With regards to EU trade policy the dominance of corporate lobbyists is even more prominent. At the moment, there are no binding transparency and ethics rules for lobbying at the EU institutions. This leads to a political and democratic deficit of EU trade policy.

In the recent past, DG Trade has granted privileged access and undue influence to corporate lobby groups, including the European Services Forum (ESF) and the Transatlantic Business Dialogue (TABD). This needs to be curbed.

DEMAND 9

We call upon the EU Member States to support the 'European Transparency Initiative', launched in March 2005 by European Commissioner Siim Kallas, in particular the objective to address the current lack of mandatory regulation on registration and reporting of lobby activities directed at EU institutions. Such rules must be shaped in a way that optimally enables democratic scrutiny of corporate influence over EU policy-making.

Furthermore privileged relationships to big business should be ended to ensure that EU policies serve the interests of the general public, not the narrow commercial agendas of large corporations.

ENHANCE DEMOCRACY AND TRANSPARENCY

EU trade policy-making, including the internal processes of the 133 Committee, is opaque, nontransparent and deeply undemocratic. Sustainable development should become the central objective of all sectors and policies. As a first powerful step, towards ensuring EU trade policy making reflects this aim, would require the enhancement of the transparency and the accountability of the process. Greater coherence of decisions must be ensured by the departments dealing with sustainable development both at Commission and member states' level. In addition, the internal processes in the committee 133 must be made more transparent and accountable.

Greater parliamentary involvement is crucial, but cannot be limited to ex-post-assent to a done deal after a lengthy round of trade negotiations. European Industry has preferential access to influence and develop EU trade policy positions, whilst all other stakeholders representing those interests such as labour, environment, health etc. do not benefit from similar integration into the policy making process as big business does.

DEMAND 10

The EU must promote enhanced transparency and democratic participation and accountability in EU trade policy-making by all stakeholders concerned. Member States should undertake the review of the provisions for transparency and accountability at national level, to fully consult with other government departments at home, consult with national parliaments and civil society groups. Such consultations should proceed on the premise that trade policy is a means of enhancing other policy goals. In view of the critical role of trade policy for sustainable development, other working groups on the environment and development should be formally consulted in the course of trade negotiations and proceedings of the Committee 133 be made fully transparent.

Signatories:

(Development, environment, fair trade, peace, religious, research and women's rights organisations as well as social movements from more than 30 European countries)

1. Action Solidarité Tiers Monde (ASTM), Luxembourg
2. Alternativa3, Spain
3. Africa-Europe Faith and Justice Network – AEFJN
4. Asztmás és Allergiás Betegek Országos Szövetsége/Federation of Hungarian Associations for Asthmatic & Allergic Patients, Hungary
5. Attac Austria
6. Attac Denmark
7. Attac France WTO Commission
8. Attac Germany, WTO working group
9. Attac Hungary
10. Attac Luxembourg
11. Attac Poland
12. Attac Spain
13. Attac Switzerland
14. Both ENDS, the Netherlands
15. Bündnis für eine Welt/Alliance for One World, Austria
16. Campaign for the Reform of the World Bank – CRBM, Italy
17. Center for Environmental Public Advocacy, Slovakia
18. Christian Aid, UK
19. Coordination Paysanne Européenne – CPE

20. Corporate Europe Observatory, the Netherlands
21. Coalition of the Flemish North South Movement in Belgium – 11.11.11, Belgium
22. Dachverband entwicklungspolitischer Organisationen in Kärnten/Network of Development Groups in Carinthia, Austria
23. Estonian Green Movement, Estonia
24. Fauna Egyesület, Hungary
25. Friends of the Earth Europe (with members in 31 European countries)
26. Greenpeace
27. Intermediate Technology Development Group – ITDG, UK
28. KEPA, Finland
29. Környezeti Nevelési Hálózat Országos Egyesület/National Network of Environmental Education, Hungary
30. Miljöförbundet Jordens Vänner, Sweden
31. Levegő Munkacsoport/Clean Air Action Group, Hungary
32. Network of European Worldshops
33. New Economics Foundation, UK
34. The Gaia Foundation, UK
35. Roba dell'Altro Mondo Fair Trade, Italy
36. SZIKE Environmental and Health Association, Hungary
37. Védegylet/ Protect the Future, Hungary
38. Vegetarian Economy & Green Agriculture, UK
39. War on Want, UK
40. WEED, Germany
41. Women in Development Europe – WIDE
42. Zöld Fiatalok, Hungary
43. Zöldgömb Sport Klub/Green Globe Sport Club, Hungary