

Global Europe – Getting rid of Europe’s social and environmental ‘privileges’

Workshop ‘Global Europe - Die neue EU-Handelspolitik als Gefahr für Menschen und Umwelt’
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Introductory remarks: the nature of ‘Global Europe’

As we heard a lot about the substance of the ‘Global Europe’ policy from the previous speakers, I would like to emphasise the ideological discourse and the rationale behind this strategy.

The basic rationale of ‘Global Europe’ is that Europe and Europeans have to make a choice: either they adapt to globalisation, or they die. To adapt, Europe must be more competitive in global markets, and to be more competitive, it must have greater access to foreign markets, for its supply and for its exports. But this is not enough, Europe must also reform its internal regulations which often ‘hinder’ or ‘put a burden’ on the smooth operations of its companies. The idea is that Europe is loosing ground in the world economy because it has too much ‘red tape’, too much bureaucracy and too many old-fashioned social and environmental ‘privileges’. Today, social and environmental regulations are considered by Global Europe’s supporters as a luxury, and, of course, such a luxury cannot be sustained if the EU wants to be competitive on global markets. If it wants to survive, it is now time for Europe to make compromises.

In the Commission corridors in Brussels, such a belief is called ‘Better Regulation’. We call it deregulation or corporate regulation. ‘Global Europe’ is clearly an ideological agenda. You might say: but this is not new! You are right: it is again the old simplistic equation:

More (free) trade = more economic growth = more welfare

There is this maxim which says “the best defence is attack”. Well, this is what the Global Europe strategy is about. It is a bellicose strategy, but an old-fashioned ‘dog-eat-dog’ strategy; a strategy of despair because the EU is afraid to retreat, but most importantly, it is a strategy based on fear: fear of globalisation, fear of China, fear to loose markets, fear of loosing our jobs.

But this agenda is leaving aside a big question: what if the EU was actually so powerful that it could drive economic globalisation? The EU is the biggest commercial bloc in the world. Yet it is behaving as if it had no grip on globalisation. It is acting as if deregulation in environmental and social domains were inevitable, a kind of natural law.

But we must not be blinded: as I said, the EU has the power and the teeth to stir up change, to give new directions to the world trade system.

A case example: liberalising natural resources

It is funny to observe how sometimes the discourse from European business and the one from civil society groups are alike, even if it is for two opposite reasons. The business lobby groups in Brussels keep saying to the Commission: let us get back to the hard-core trade work, stop overloading or 'polluting' the trade agenda with political or moral issues like development or SD. We, NGOs, are saying the same thing to the Commission: stop expanding the trade agenda to issues which are very far from trade, such as food policy & agriculture, IPR, natural resources, environmental regulations, public procurement... So we both want to put limits to the trade agenda, but what we want is to shrink the trade agenda and give more power to social & environmental policies and regulations. What business wants is the opposite: expand the trade agenda, and shrink social & environmental policies to 'flanking-measures' policies.

We have this battle over the issue of natural resources. European business is eager to have unlimited access to other countries' natural resources, because it needs them to fuel their unsustainable industries. As you know, the EU is a net importer of raw material, ranging from minerals to timber to energy resources.

Energy resources are a big battle. It is a geopolitical battle for 'who grabs the oil first and who grabs it at the cheapest price'. The biggest concern of the EU at the moment is 'energy security': securing access to energy resources, securing supply, securing cheap prices.

In the trade negotiations, this battle is a battle to eliminate 'non-tariff barriers' (NTBs). NTBs are actually everything, besides tariffs, which has or can have an impact on trade. These are export restrictions, customs requirements, quotas, import or export bans, etc. Business calls them 'non traditional' trade barriers, in its eyes, they encompass any kind of rule, standard or measure which is 'trade-distorting'. The discussions at the WTO, until now, have mainly focussed on tariffs reductions in goods and services. Because of disagreements in these negotiations, negotiations on NTBs have not made much 'progress'. Therefore, the objective of the EU is to use bilateral trade agreements to phase out all NTBs.

At the same time, it is also advocating for a WTO agreement to get rid of export duties and restrictions. In this case, the problems of liberalisation are very real. The main motivations that countries give for the use of export duties are threefold¹:

- Fiscal revenue
- Promotion of industries processing the respective raw materials, especially in cases where tariff escalation in (developed country) export markets exists
- Protection of the environment and natural resources, especially with regard to forestry and fishery products.

¹ OECD Trade Directorate, *Analysis of non-tariff measures: The case of export duties*, TD/TC(2002)54/Final, 31 January 2003, Paris, p.14

So the problem is that these legitimate policy measures will soon be labelled as illegal, under a WTO agreement or bilateral trade deals. It will also have a 'regulatory chill' effect on new policies.

What next: political strategies for European civil society

We cannot accept a 'dog-eats-dog' globalisation. A race for markets abroad, with the US or with China. We believe this is a race-to-the-bottom. Competition and deregulation have no long-term benefits, neither for us, nor for the Americans, nor for the Chinese. Let us not even talk of the Africans! Therefore, we must:

- Expose and oppose corporate-friendly reforms in Europe and in EU's partner countries;
- Criticize the abstraction and homelessness of the economy;
- Criticize the 'dog-eats-dog' globalisation; the race-to-the-bottom in standards.

But we must not only be defensive. We must not only oppose, we must also propose. We must promote cooperative forms of trade. We must support trade agreements seeking complementarities and mutually beneficial economic exchanges. Some progressive leaders in Latin America are experimenting such approaches today. We must look at them and get inspiration. We must look more towards the South. There is a lot of creativity in the South and, I believe, Europeans can learn a lot from these experiences.

There are concrete alternatives to free trade, which are working and increasingly popular. Think of Fair Trade or other alternative businesses for instance. We must support them.

What is really at stake now is not the European institutions but the political and ideological agendas of the people in power in the EU. Most of European governments today are right-wing. This is a fact. So if we want to re-empower the state, we must engage in elections and vote for the right candidates. We must change political majorities in Europe. To do that, we must show and explain what are the impacts of trade liberalisation on social rights, on environmental protection, on climate change and global warming. We must promote different concepts of 'competitiveness', which take stock of the failures of industrialism, consumerism, privatisation, deregulation and free trade. We have to explain to political leaders that we have nothing to lose in keeping our environmental standards high. At the contrary, we have everything to gain: this is where Europe is a world champion; this is where we are making a difference; this is what we should promote towards other countries. And we should not give in to social and environmental dumping.

Sustainability is not a riches' privilege. It is our only hope and our only future.

FoEE is there to help all civil society groups and movements around Europe have a better knowledge of EU trade policies and participate in joint campaigning activities.