- Retailing and GATS, NAMA and Agriculture:
European Commerce fully supports the Commission's ambitious strategy for improved market access to services markets world-wide, and we count on the continued support of both the Commission and the European Parliament in the forthcoming – decisive – negotiating phase. (Statement by Eurocommerce, 2003)

The EU is home to many of the largest retail companies in the world. European chains such as Carrefour and Casino (France), Tesco (UK), Metro (Germany) and Royal Ahold (Netherlands) have increasingly gained market shares in Asia and Latin America. Their global expansion undermines the local retailing economy, and a rise in market shares creates dependencies of the suppliers, which includes small-scale farmers. In Thailand, for example, the expansion of Tesco led to a political outcry, since it involved major losses of the local retailing and wholesale economy. Despite stating otherwise in 2002, the Thai government announced in March 2005 that it wouldn't adapt its zoning policy regulation, which would have made it possible to control the establishment of large retail stores. This change of government policy is understood to have resulted from lobbying by French chains such as Carrefour and Casino. It is most likely that they used the GATS agreement as justification for their argument: The WTO lists zoning laws as "trade barriers" which should be eliminated through the GATS negotiations. The EU is requesting Thailand to open up its retails sector even further under GATS negotiations. The retailing companies have a strong lobby representation in Brussels. The European Retail Roundtable comprises only the largest retailers and channels their interests towards DG Trade. EuroCommerce, the employers' confederation, not only lobbies for liberalisation under the GATS agreement, but also pushes for the reduction of tariffs in NAMA and Agriculture, since the retail sector wishes to import its merchandise as cheaply as possible.

Stop the EU corporate trade agenda!

What are the results of the radical liberalisation agenda labelled by the WTO as a "development agenda"? Poverty, strenuous working conditions and a disastrous health situation combined with a global ecological crisis dominate the lives of a large part of humankind at the beginning of the 21st century. Free trade and free investment benefit the ones who are able to carry it out, this is to say privately-owned business and TNCs in the first place. Lobbying and direct business influence play an important role in the EU's trade agenda. Striving for more transparency in the lobbying process as well as stopping 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. However, it is even more important to question the broadly accepted dogma of market liberalisation – and to stop the EU's corporate trade agenda!

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Stop the EU's Corporate Trade Agenda!

A briefing by the Seattle-to-Brussels network

"Stop the EU's Corporate Trade Agenda!" – this is the slogan of a joint European campaign to expose the anti-development and anti-environment agenda of the EU in the WTO negotiations. The slogan addresses both the Transnational Corporations (TNCs) as the true beneficiaries of trade liberalisation but also the EU and its trade agenda, which has a strong bias towards corporates' interests.

The overall objective of the WTO - strongly supported by the EU - is to liberalise and deregulate markets worldwide. It aims to reduce and eventually eliminate many regulations that are vital for national economies, for livelihoods and the environment. Supporters of free trade profess "trickle-down" effects, whereby the immediate gains of corporates would eventually propagate to the rest of society. However, the last decades of economic development have proven this theory wrong – yet, the EU still persists in its support for TNCs.

In this setting, it is no surprise that corporate lobbyists are highly involved in trade policy making. In recent years, they have swarmed into Brussels to be at the heart of the EU's common trade policy making. Corporates have received a warm welcome: "I count on your support and input," was the message with which Leon Brittan, at that time Trade Commissioner, addressed the European services industry in 2001. Similarly, in first week of work, current EU Trade Commissioner Peter Mandelson attended a conference sponsored by corporate food giants whilst cancelling twice meetings with civil society representatives.

Corporate Brussels - The Corporates' Invasion into EU Trade Policy Making

Brussels, with its complex and often intransparent EU decision-making processes coupled with a lack of public debate is a haven for corporate lobbyists. The EU is home to more than half of the 100 world's largest TNCs with a strong interest in EU trade policy making. In Brussels, an estimated 15,000 lobbyists represent interests professionally. 70% of the lobbyists represent business, only 20% work for trade unions, environmental and social initiatives, 10% represent the interests of specific regions, cities and international organisations.

The dinosaur and intellectual vanguard among the European lobby groups is the European Roundtable of Industrialists (ERT). It comprises representatives of the 45 most influential TNCs in the EU. Whole paragraphs of the ERT's recommendations to the EU made their way into commission papers almost in the original wording. As a strategic centre, it does not make itself heard in day to day political issues. This is rather the role of the Union of Industrial and Employers Confederations of Europe (UNICE) who name themselves "the voice of business in Europe". UNICE employs some 1,200 staff who produce vast numbers of press releases and detailed position papers. In the services sector

Leon Brittan, then Trade Commissioner, took initiative for the founding of the European Services Forum (ESF), in order to fill the gap of the rather poor involvement of European TNCs in the GATS negotiations. Within the agriculture negotiations, the two major lobby groups representing business interests are COPA-COGECA and the Confederation of the Food and Drink Industries (CIAA).

Teamwork – Mandelson, DG Trade and their corporate lobbyists

With such five-star treatment your industries naturally have – I hope I am right in saying – excellent relations with the Commission, and […] it does have the merit of encouraging you to present well-defined positions on trade issues, in the knowledge that a united stand will increase your leverage […]. (Speech by Pascal Lamy, former Trade Commissioner at the General Assembly of the agribusiness lobby CIAA)

The cooperation between corporations and Peter Mandelson, the EU Commissioner for External Trade and officials of the Directorate General for Trade (DG Trade) runs very smoothly. EU Trade officials are known for personally contacting business representatives and their lobbyists on a regular basis and have close personal ties with them. Correspondence between DG Trade officials and ESF lobbyists has been profuse: During the drafting of the EU requests in the services sector, DG Trade officials often rung up and sent e-mails to ESF lobbyists: "Without ESF input the exercise risks becoming a purely intellectual one." (E-mail by the EU-Commission to the ESF). The EU Commission have a history in setting up their own lobby groups. The prominent example for such a practice is the ESF (see above). Similarly and more recently, DG Trade set up a High Level Working Group on Textiles, an advisory board composed of 3 Commissioners, 5 Member State representatives and 2 MEPs, 16 business representatives and only 2 trade unionists. However, corporate lobbyists don't wait for DG Trade's set-ups, they take initiatives of their own. In March 2005, for example, a whole corporate delegation from the manufacturing sector from the US and the EU flew to Geneva in order to pressure WTO delegations to agree on substantial tariff reductions in the NAMA negotiations.

Corporates contra livelihoods and the environment: The impacts of the EU's Corporate Trade Agenda

- Water and GATS

One of the main objectives of the EU in the new round of [GATS] negotiations is to achieve real and meaningful market access for European service providers for their exports of environmental services. Therefore, we very much appreciate your input in order to sufficiently focus our negotiating efforts in the area of environmental services. (E-mail by DG Trade to four European Water Companies, 2002)

The impacts of water privatisation through European Water TNCs have been disastrous. In many regions of the world, people protest against rising water prices, poor quality standards and even cut-offs. A further liberalisation of the water sector under GATS would undermine these struggles for a functioning public water system. Environmental services as mentioned here as priority sectors for liberalisation include the water sector – be it waste water treatment or drinking water distribution. In its requests the EU asks for market access to water sewage and consultancy firms and for national treatment in bidding procedures. The EU claims that it does not request any privatisation of the public water sector. Nevertheless, opening up markets in waste water treatment will let the water companies in – the privatisation of waste water, for this is sure, leaves the door open for European water companies to subsequently take over the drinking water system, too. The two largest European water companies, Suez and Veolia (formerly Vivendi) are members of ESF. DG Trade is in close contact with the European water companies as testified in various E-mails where the DG Trade asked for advice while drafting the GATS-requests.

- Chemicals and NAMA

"During the last round of negotiations, representatives of the chemical industry were commended by officials for providing a coherent, global chemical industry approach to a wide array of issues. The chemical industry must seize the opportunity to play a similar role in the next WTO round of negotiations." (CEFIC 2001, p.2)

What does that mean in practice? The EU is currently debating the proposed EU-wide legislation which would require the submission of safety data for chemicals in order to enable coherent regulation of chemicals (known as REACH - the registration and authorisation of chemicals). Chemical corporations and their trade associations on both sides of the Atlantic are running an intensive campaign against REACH. European chemical corporations were successful in joining forces with the American chemical industry which, in turn, lobbied the US administration to get involved. Arguments included points on costs, loss of jobs, competitiveness, but also the proposal that REACH would place too many obstacles against free trade which could be fought under the WTO's NAMA agreements. Those claims have made a difference and certainly the proposed REACH regulation has been weakened significantly in a number of areas including chemical imports.

Moreover, a planned NAMA sectoral initiative could ban chemical tariffs altogether within the next 15 years, increasing the TNCs' profits in one of the most internationally inter-linked industrial sectors. However, the profit for chemical industries in small developing countries is questionable. The example of Ivory Coast suggests that trade liberalisation could seriously hinder some countries from building up their own chemical industry. Here, in the 1980s, the chemical industry broke down completely as the result of a liberalised trade policy in an IMF structural adjustment programme and is only now being reinstalled, again with the largest share of profits going to foreign corporations.