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EU Trade Policy goes Asia, or bananas?

EU's new agenda by Commissioner Mandelson

This is the approach of a strategic planning paper launched by Commissioner Mandelson on 4 October and which might already become EU policy by the beginning of next year. According to the logic in the paper, we have to do away with cumbersome social and environmental regulations in the EU which add to production costs or cost money to the European transnational companies producing in Asia or elsewhere to enable to sell their products on European markets. In turn, the EU will demand that China and other Asian countries do the same and give goods and services 'made in the EU' unimpeded access to their markets.

The search for the multilateral regulation of global trade relations had so far been the basis of EU trade policy. The EU was one of the staunchest supporters of the Doha Development Round of trade talks in the WTO. While people all over the world are concerned that these talks have dragged on for five years without any meaningful outcome, especially for the poorest people, and are even "temporarily suspended" since July, the EU is now signalling that it believes it can do better without common rules.

The development NGO Oxfam reacted immediately, denouncing the EU's new agenda, which "will pose a serious threat to poor countries' development if implemented" and "calls into question the EU's stated commitment to the World Trade Organisation negotiations"[see Oxfam press release].

The network of European NGOs working on trade issue (Seattle to Brussels Network) is also strongly critical that that under the promise to increase European trade chances "millions of poor farmers and workers both in Europe and in the global South will lose their livelihoods". [see press release by Seattle to Brussels Network]

Understandably, the European Trade Union Confederation is alarmed by the looming policy change of the European Commission: "This openly mercenary approach is at odds with the pro-multilateral and pro-sustainable development strategy defined in the 2004 Communication on 'The Social Dimension of Globalisation, extending the benefits to all'." [see ETUC statement]

Interestingly, also the association of small and medium enterprises (SME) in the EU (UEAPME) has difficulty supporting a strategy, which is drafted so blatantly in the almost exclusive interest of big European transnational companies, and which "fails to mention, let alone address, the impact on European small and medium-sized businesses, especially as far as non-internationally active SMEs are concerned. ... The effects of external trade are more often a challenge than an opportunity for small businesses, for instance when multinational retail chains enter a national market or when European crafts face unfair competition from third countries". [see UEAPME statement]

The European Parliament is preparing a report on the Commission's new external trade strategy. A first hearing of Commissioner Mandelson on 10 October made clear that none of the political groups is happy

with the new strategy, promising that it will be the focus of discussions in the upcoming months. The Green/EFA Group in the European Parliament is preparing its position in defence of the centrality of the multilateral trading system and European social and environmental standards.

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