

Labour, environment groups target EU trade talks

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With the third round of free trade talks between Canada and the European Union underway this week in Ottawa, a coalition of civil society, environmental and labour groups says Canada is in danger of being overmatched and overwhelmed by its powerful negotiating partner.

On Monday, representatives from the Trade Justice Network released a leaked version of the entire draft text of the Comprehensive Economic and Trade Agreement, using it to highlight their argument.

They say Canada has a much weaker negotiating position than the EU, and might lose regulation rights of multinational corporations since the proposed agreement goes well beyond the scope of previous deals such as the North American Free Trade Agreement or even the World Trade Organization.

"The EU is very much a demander in these negotiations," said Scott Sinclair, senior research fellow at the Canadian Centre for Policy Alternatives, at a news conference on Monday. "Whereas [this agreement] is a centre-piece of Canadian foreign policy...I think the Europeans could walk away at any moment without political repercussions and you can see that in their demands, which are unreasonable and extreme."

The group is concerned the deal could significantly impact Canadian practices, standards and regulations in various areas, while also affecting the delivery of public services.

Embassy reported on Feb. 24 that the European Commission is targeting the Ontario Green Energy Act, Canada Post and

provincial liquor boards in their trade talks.

The Europeans' aggressiveness came again to the foreground last month when an updated version of the intellectual property laws chapters was leaked. Copyrights experts called the EU's requests "a complete overhaul of our intellectual property system," while lawyers described the demands as going far beyond those of a regular free trade agreement.

A report released this week by the Canadian Centre for Policy Alternatives shows that the European Union is also asking for "concessions" for public works, such as waste, water, electricity, roads, ports and others. These, Mr. Sinclair—the author of the report—said, could reduce the capacity of sub-national governments to decide who provides or controls these services, and could restrict the governments' ability to regulate them.

As the biggest purchasers of goods and services, governments are seen as having the ability to use procurement as a tool for economic development by creating local jobs through new projects.

"What the Europeans are seeking is not so much open access to Canadian procurement at the sub-federal level, but unconditional access," Mr. Sinclair said, adding that an extensive agreement such as the CETA is unnecessary since trade between Canada and the EU is already very open.

Mr. Sinclair said the agreement goes beyond trade expansion as Canadians would understand it, and is the most significant bilateral trade negotiation since NAFTA.

"This treaty is concerned with limiting the role of governments to regulate multinationals investors," he said.

Initial talks between Canada and the European Commission—which negotiates international trade treaties on behalf of the EU—failed in 2005 because Canadian officials were reluctant to include matters of provincial jurisdiction in the deal, while the Europeans wanted a comprehensive one.

Negotiations restarted in May 2009 when—Mr. Sinclair put it—"Canada came back on bent knee and promised, among other things, provincial compliance." Provincial officials are now sitting at the same table as federal negotiators.

The EU's aggressiveness is also visible in its talks with India and Korea, said Stuart Trew, trade campaigner with the Council of Canadians.

"They are aggressively seeking market-opening agreements," Mr. Trew said. "It might even be that they want to set the terms of global trade in many ways."

Although Europe is mostly seen positively in terms of its social protection model, Mr. Sinclair said the EU is not trying to export that model through this treaty. In fact, he calls the Directorate General of Trade—the Commission's trade arm—"one of the most neo-liberal part of the European Commission."

"They are aggressively promoting the interests of their multinational traders and that's what this agreement is about," he said. "Europeans are quite conscious that most of the gains they want to make in this treaty fall within provincial jurisdictions. We hope that the provincial governments will not be stampeded into acceding to this diminishing of their democratic authority, because once these changes are made, they are—for all terms and purposes—permanent."

But Canada is not a passive player in these negotiations, since it is also making

demands for a broader European market access, said Jason Langrish, executive director of the Canada-Europe Roundtable for Business, representing the interests of both Canadian and European businesses.

Labour mobility, the elimination of tariffs on agriculture, manufacturing and auto parts, among others, and the prevention of non-trade barriers such as technical or environmental barriers, are on Canada's request list, Mr. Langrish said.

The free trade talks are about improving already-existing market access between the two parties and about diversifying opportunities for Canadian businesses, he said.

"[These organizations] got caught up in the zero-sum game mentality, where someone either loses or wins," Mr. Langrish said. "But this is not about who has to give up the most, this is about getting the net benefit. We are just trying to make it easier to make business."

The loss of sovereignty argument will not stick, he said, because even though Canada will make concessions to allow Europeans access to a 30-million-people market, the EU will open its doors to a 600-million-people market.

"So I am asking you, who gets the better deal?" Mr. Langrish asked. "This is a huge opportunity for Canada. We, by far, will be the biggest winner."

Meanwhile, the New Trade Justice Network wants to spark a national debate and bring to the public's attention some of the agreement's potential implications. The network has among its members the Canadian Auto Workers, the National Farms Union, the Canadian Union of Postal Workers, the Canadian Conference of the Arts and the Sierra Club of Canada.