



CETA

REGULATORY COOPERATION JEOPARDISES
OUR DEMOCRACY AND STANDARDS



EDITORIAL INFORMATION:

Published by:

Deutscher Gewerkschaftsbund, Henriette-Herz-Platz 2, 10178 Berlin, www.dgb.de,
Kammer für Arbeiter und Angestellte Wien, Prinz-Eugen-Straße 20–22, 1040 Wien,
www.akwien.at,

Österreichischer Gewerkschaftsbund, Johann-Böhm-Platz 1, 1020 Wien, www.oegb.at

Responsible:

Stefan Körzell, DGB Bundesvorstand

Elisabeth Beer, Éva Dessewffy, Oliver Prausmüller, AK Wien, Abteilung EU & Internationales

Angela Pfister, ÖGB-Referat für Volkswirtschaft

Graphics: Stephanie Guberner

Photos: Jakob Huber (licence CC BY-NC-SA 2.0, <https://creativecommons.org/licenses/by-ncsa/2.0/>), The Council of Canadians, Drawing by Wolfgang Hauer & Veronika Götz

Media owner:

Verlag des Österreichischen Gewerkschaftsbundes GmbH, 1020 Wien, Johann-Böhm-Platz 1,

Tel.: (01) 662 32 96-39744 Ext., Fax: (01) 662 32 96-39793 Ext.,

E-mail: zeitschriften@oegbverlag.at, Website: www.oegbverlag.at

ZVR no. 576439352 • DVR No. 0046655

Printed by: AK Wien, 1040 Wien, Prinz-Eugen-Straße 20–22

Printing and production location: Vienna

June 2016



“Stop TTIP & CETA! For fair world trade” – mass rally on 10 October 2015 in Berlin

CETA – REGULATORY COOPERATION JEOPARDISES DEMOCRACY AND STANDARDS

CETA, the Comprehensive Economic and Trade Agreement between the EU and Canada, is considered to be the forerunner of TTIP as it has already been negotiated and is to be ratified shortly. Normally trade agreements reduce customs duties and determine quotas. But here it is a question of so much more. Current and future **regulatory differences** between the EU and Canada that prove to be “**unnecessary and burdensome**” are to be dismantled. These non-tariff barriers to trade can apply to production standards, for example, product safety or approval procedures for products or service providers.

They are to be reduced in transatlantic regulatory cooperation, such as through the **mutual recognition** of current regulatory differences or through the **harmonisation** of future standards.

However there are major **differences between the regulatory cultures** of Canada and the EU, which is likely to make cooperation difficult. Well-known examples are the utilisation of **genetically modified organisms (GMO)** and **hormones** when fattening animals, and permits for energy extraction methods (**fracking**) in Canada.

A LACK OF DEMOCRACY – PARLIAMENTS IGNORED

Regulatory cooperation between the EU and Canada will take place within **transatlantic committees** (Regulatory Cooperation Forum und CETA Joint Committee). They **can take decisions that are binding under international law**. The European Commission and Canadian regulators will deliberate on bills without prior examination, debate and approval

by parliaments. Hence **preliminary decisions on acts of law** will be taken in the **transatlantic committees** and the role of parliaments **weakened** on both sides of the Atlantic.



"Graphic recording" at the alternative conference "Alternatives on Trade Policy" involving TTIP Stoppen Austria, ÖGB, PRO-GE, Vida, youinion, GPA-djp held in Vienna on 22 September 2015

But cooperation is not to be limited to new laws alone: existing regulatory differences are to be dismantled once CETA **comes into force**, because CETA is a "living agreement". This means that even after ratification of the agreement changes to its content (e.g. annexes, appendices, protocols and comments) are possible, which would mean a significant **development of the agreement** in the direction of further liberalisation. However, the European Parliament votes only once during ratification on the current status of the

agreement. It must only be informed of regulatory cooperation once the agreement comes into force. There is no more political or social debate. This is highly ominous from the point of view of democracy.

EARLY INVOLVEMENT OF LOBBYISTS

In contrast to the parliaments, lobbyists are to be involved as early as possible in the regulatory cooperation. It remains open to see which interests are to be involved and what influence lobbyists will be given. It is a known fact that the Commission's contacts with lobbyists are extremely imbalanced: **88 per cent** of their lobby contacts are **corporate lobbyists** and only **9 per cent** are from **civil society organisations**. Their early involvement could make the higher or at least equal weighting of public interests vis-à-vis corporate interests more difficult and increase pressure to deregulate.

Ways of involving lobbyists comprise the **duty to inform on new regulatory measures and obtaining impact assessments on trade**. The aim is to prevent a negative impact of planned legislative initiatives on transatlantic trade at an early stage. This means that companies in the EU and Canada will be able to influence planned legislation that runs counter to their trade and investment interests at a very early stage. Furthermore there is the risk that the legislative process will be drawn out by various circular commentary processes and the implementation of progressive regulations delayed or even prevented.

EXTREME EXPANSION OF THE SCOPE OF REGULATORY COOPERATION

As already mentioned, essentially **all planned and existing regulations** of the EU or its member states that are related to trade in goods or services are the subject of regulatory cooperation. That means that almost **every legal act** (decrees, guidelines, acts, etc.) will be affected, including those intended to protect workers, consumers and the environment. Regulatory cooperation also affects areas within the jurisdiction of member states. However, they are not directly involved in this cooperation – only the EU itself.

HIGH LEVELS OF PROTECTION ARE NOT GUARANTEED

A review of existing regulations under the "living agreement" will inevitably lead to the question whether the current, relatively high standard in areas such as workers' rights, environmental and consumer protection can be maintained or even extended. The wording of CETA emphasises the aspiration to ensure the highest possible standards. However, weak, vague and ambiguous phrases were used, in complete contrast to corporate interests. In this situation it is questionable that the precautionary principle as a core element of European regulatory policy doesn't even appear in the chapter on regulatory cooperation. The **precautionary principle** allows preventive measures to protect man, animals and the environment (such as the prohibition of products and methods of production) even if conclusive scientific certainty on the extent of the risks is lacking. In the EU we apply it in many areas such as worker, environmental, consumer and health protection (e.g. in genetic engineering, food safety and hazardous chemicals).

It is feared that the current level of protection could be lowered indirectly through recognition of the lower standard of the partner countries or a future higher level could be blocked. The lower costs involved in complying with a weaker standard could be an advantage when competing directly with products with higher standards and which are consequently more expensive.

OUR CRITICISMS IN SUMMARY

- » The assessment of which democratically constituted existing and future laws and provisions are unnecessary and burdensome must not be made on the basis of purely trade considerations or for reasons of cost. Democratically adopted regulations may not be modified by transatlantic committees **after CETA has come into force** and the future development of regulations may not be limited. **Parliaments** must be involved at all levels of regulatory cooperation. They – and not transatlantic committees – must have the final say.

We reject the establishment of transatlantic committees where all regulations can be examined.

- » **Impact assessments** of new regulatory initiatives may not be limited to trade obstacles. The social cost of changes to or abolition of regulations must be established and considered.
- » The **scope of application** of the chapter on regulatory cooperation is too wide. It must be defined exactly and limited. All regulations regarding **sensitive interests requiring protection** must be **excluded**: for example the areas of health, safety, consumers (in particular data protection), labour standards and the environment; certain **sectors** (e.g. chemicals, pharmaceutical products, foodstuffs) and **issues** (e.g. genetically modified organisms (GMO), hormones, antibiotics or veterinary matters).
- » It is not enough to aim for a **high level of protection**. We must ensure that current levels of protection are not lowered and improved levels of protection will be developed in the future. The **precautionary principle** in accordance with EU legislation must be expressly laid down in the wording of the agreement in the chapter on regulatory cooperation. The involvement of **lobbies** in the regulatory process must be revealed. Trade unions and civil society organisations must be involved and be given verifiable influence on the results.

CETA IS TTIP THROUGH THE BACK DOOR – OUR DEMANDS

Closer trade relations are to be welcomed, but not at the cost of workers. Important concerns were ignored. As it stands, CETA must not be ratified. We want fair trade!

NO PRIVILEGED RIGHTS FOR CORPORATIONS

We continue to reject the introduction of investors' special rights to sue states (ISDS/ICS). The elements of reform that were only introduced to the CETA agreement as a result of public pressure are not sufficient because investors' special rights still take precedence over the public interest.

PUBLIC SERVICES BELONG TO ALL AND HAVE NO PLACE IN A TRADE AGREEMENT

We demand the full and unambiguous exclusion of public services such as water, energy, transport, social insurance, healthcare, municipal services, education, social services and culture from all provisions of the CETA agreement. The positive list approach must be applied to all other services.

ENFORCEABLE ILO CORE LABOUR STANDARDS

Core labour standards and more far-reaching labour standards of the ILO must be incorporated as mandatory provisions in trade agreements. Violations must be penalised.

HIGH SOCIAL, HEALTH AND ENVIRONMENTAL STANDARDS

It is to be feared that mutual recognition or the harmonisation of important prohibitions or regulations to protect health, workers or food safety will be relaxed or even repealed. There are no apparent exemptions for sensitive areas. The precautionary principle that represents the European model must be incorporated explicitly.



“CETA is TTIP through the back door!”

WWW.OEGB.AT/FREIHANDEL

WWW.WIEN.ARBEITERKAMMER.AT/TTIP

WWW.DGB.DE