GLOBAL EUROPE: AN OPEN DOOR POLICY FOR BIG BUSINESS LOBBYISTS AT DG TRADE

Corporate Europe Observatory, October 2008

In 2006, former Trade Commissioner Peter Mandelson launched Global Europe, a new framework for trade policy which clearly prioritises the interests of big business. This analysis by Corporate Europe Observatory shows how the European Commission has from the earliest stages of its design facilitated the unparalleled participation of industry in this strategy, particularly BusinessEurope, which represents the interests of large corporations. BusinessEurope continues to be given privileged access to DG Trade as Global Europe is implemented, including in the on-going negotiations on EU bilateral free trade agreements. And this month in Brussels, BusinessEurope will hold its “Going Global: the Way Forward” conference in the Charlemagne building, the headquarters of DG Trade. It is a telling example of the European business organisation’s close connections with the Commission. Several Commissioners and high-ranking Commission officials will be there to hear first-hand BusinessEurope’s assessment of how well Global Europe is being implemented.

What is the Global Europe strategy?

> *“What do we mean by external aspects of competitiveness? We mean ensuring that competitive European companies, supported by the right internal policies must be enabled to gain access to, and operate securely in world markets. That is our agenda.”*
>
> Speech by then Trade Commissioner Peter Mandelson,
> Churchill Lecture, Berlin, 18 September 2006.

Global Europe is a new framework for EU trade policy which covers several initiatives. Peter Mandelson has presented it as trade policy’s contribution to the EU’s so-called Lisbon agenda for growth and jobs. The external agenda of Global Europe is a very aggressive push to dismantle “barriers”, such as the social and environmental regulations that large EU corporations currently have to comply with when conquering new markets and accessing natural resources abroad. It plays on the fear that emerging countries like India, Brazil and China will prove more competitive than EU industry by imposing a trade policy which is entirely focused on helping business become “more competitive” and “more profitable”. It does not consider the impacts on the development of other countries – whose governments will find their choices are restricted when it comes to determining their own development model, protecting their environment and even providing assistance to their people (many of whom live in extreme poverty). It wants third countries to increase access to their markets, deregulating sectors such as services, investment, public procurement and competition policy, and enforcing tougher intellectual property rights (IPR) which will benefit EU-based trans-national companies: re-opening the ambitious business agenda which had proved too difficult to get through the WTO.

At the centre of the Global Europe strategy is a new generation of regional and bilateral free trade agreements (FTAs), abandoning the moratorium on FTAs introduced by the former Trade Commissioner Pascal Lamy in 1999. Other elements of Global Europe include Market Access Partnerships (MAP), designed to tackle barriers to EU exports; a policy to gain unlimited access to raw materials all over the world; as well as moves to redefine the EU’s trade relations with China and the US.

The other side of the coin is the EU-internal agenda, not generally considered to be the territory of trade policy. Here again the fear of so-called emerging economies and the threat they are said to pose to jobs and growth is used to push through measures within the EU, which could have wide-ranging effects. More deregulation and liberalisation.

Mandelson's agenda includes a review of the Single Market; further liberalisation to remove any restrictions preventing the expansion of corporations and measures to match other countries' requests for the opening of EU markets. This could potentially expose every sector to more competition. Global Europe reinforces what in Commission-speak is referred as "better regulation", which is the need to subject every new EU regulation – including environmental and social rules – to an impact assessment that looks at their effect on the international competitiveness of European business. This makes it more difficult to adopt environmental or social regulations, as large corporations will argue that they will hamper their international competitiveness.

Global Europe also proposes that the EU should first look at what other "main competitors", mostly the US, are doing, before introducing new regulations so as to create "regulatory convergence", "The greater the consistency in rules and practices with our main partners, the better for EU business"[1]. The Impact Assessment Report of Global Europe admits those policies will hurt the more vulnerable in the EU: "the process of market opening... brings about transformations which are disruptive for some."[2]

Joint drafting by big business and the Commission

It is not often that corporate lobby groups admit being so pleased with a piece of legislation. But in the case of Global Europe the input of big business (and not that of NGOs, smaller business or trade unions) was requested and incorporated from the very early stages.

The origins of Global Europe date back to the release in September 2005 by DG Trade of the "Issue Paper on Trade and Competitiveness"[3], an analytical paper setting the scene, where the Commission set out over some 50 pages its ideas for a revised EU trade policy. While the Commission only consulted NGOs and trade unions at a Civil Society Dialogue meeting on 8 March 2006, where business was also present[4], DG Trade held a special consultation meeting for business federations and several confidential meetings.[5]

1 Global Europe. Competing in the world. A Contribution to the EU's Jobs and Growth Strategy, European Union, External Trade, October 2006. http://ec.europa.eu/trade/issues/sectoral/competitiveness/global_europe_en.htm

2 Commission staff working document, Accompanying document to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions "Global Europe: Competing in the World" A Contribution to the EU's Growth and Jobs Strategy, Impact Assessment Report, Brussels 4 October 2006, SEC(2006) 1228.

3 Trade and Competitiveness Issue Paper, DG Trade, Brussels, 1 September 2005, EB (D) 2004.

4 The Civil Society Dialogue (CSD) is an initiative established by former Trade Commissioner Pascal Lamy to deal with the massive public opposition at the time of the WTO summit in Seattle in 1999. It brings together DG Trade and civil society (defined by the Commission as comprising NGOs, trade unions and business). The Civil Society Dialogue was mostly promoted as an exercise of transparency, but its scope is very limited.

5 The Impact Assessment Report of Global Europe prepared by the Commission lists consultations with stakeholders. It mentions the meeting within the civil society dialogue, the meeting on 18 January 2006 for business groups, the consultations with Member States in the 133 Committee and "consultations with UNICE between January and April 2006." Commission staff working document, Accompanying document to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions "Global Europe: Competing in the World" A Contribution to the EU's Growth and Jobs Strategy, Impact Assessment Report, Brussels 4 October 2006, SEC(2006) 1228.

As this analysis shows, DG Trade incorporated the reactions and demands of big business in the next draft of the paper, which was by that stage titled Global Europe[6]. This draft, dated 26 June 2006, was sent by DG Trade to BusinessEurope, the European employers' confederation (which changed its name from UNICE in January 2007). BusinessEurope was positive about the draft: "Overall business is pleased with the substantial improvements in DG Trade's reflection on this issue"[7]. DG Trade has confirmed to CEO[8] that they did not send that draft (or any other) to NGOs or trade unions. However, that same draft was leaked later in the summer and civil society groups campaigning on trade issues were able to compare it to the final version released in October 2006.

Parallel to this formal consultation process (which was already very biased in favour of big business), several of the big business lobby groups had separate correspondence[9] and meetings with Peter Mandelson and other top officials at DG Trade to discuss Global Europe. Among these groups, Business Europe had by far the most access to DG Trade officials.

The evidence gathered so far by CEO through the EU regulation to access information[10] shows that BusinessEurope had at least seven meetings on the Global Europe strategy with top officials at DG Trade between February 2005 and October 2006, including meetings with Commissioner Mandelson, [11]. Other meetings covered other issues – for instance hardly a month has passed in which BusinessEurope did not organise a meeting with Commission officials and WTO negotiators on the World Trade Organisation talks.[12]

At many of the meetings on Global Europe, UNICE/BusinessEurope acted as a hub for other corporate lobby groups. Regular attendees included the European Services Forum (ESF), a group comprising large service corporations set up by former Trade Commissioner Sir Leon Brittan, who is now a lobbyist for the London financial services industry; CEFIC, the European chemical association; German industry and ACEA, the car lobby. In one of those meetings, DG Trade Director-General David O'Sullivan stressed that there was an "open door policy for UNICE in DG Trade."[13]

Although BusinessEurope claims to be the voice of all business in Europe, big and small, they use their substantial political weight for lobbying for positions which favour big corporate players. The current President is Ernest-Antoine Seillière, former president of French MEDEF

6 Global Europe: Competing in the world, DRAFT 27/06/06 NOT TO BE QUOTED, DG Trade, Brussels, EB D (2006).

7 Letter from Adrian van den Hoven, Director for International Relations, BusinessEurope (then UNICE) to David O'Sullivan, Director General DG Trade, dated 7 August 2006. UNICE's initial written reaction to the Trade and Competitiveness Strategy raised by several UNICE members at the July 4th Meeting of the UNICE Trade and Competitiveness Task Force. Obtained through access to documents requests under the information disclosure regulation.

8 Emails dated 1, 2 and 4 September 2008 by Edouard Bourcieu from DG Trade.

9 Filed at CEO, obtained through access to documents requests under the information disclosure regulation.

10 CEO has sent numerous requests for access to documents to the Commission to find about the involvement of business groups in the making of Global Europe. Although the Commission has 15 working days to respond, we are still waiting for many requests sent in early February 2008. At the beginning of August the Commission informed us that they had completed identification of possible documents and were reviewing them to ensure they could release them, but as of early October little new had arrived.

11 Meetings were held on the 3rd of February, 11 February 2005; the 2nd of February, 24 April, 25 April, 4 July and 3 October 2006. "Global Europe. List of meetings between DG Trade and various organisations." Sent by DG Trade following a request under the information disclosure regulation.

12 See http://www.businesseurope.eu/content/default.asp?PageId=433

13 Report of meeting 2nd February 2006 between David O'Sullivan, DG Trade Director General and UNICE Foreign Relations committee (attended by 35 international relations directors from national members of UNICE plus some heads of sectoral organisations). Obtained through access to documents requests under the information disclosure regulation.

and heir to the Wendel empire, now an investment company. BusinessEurope has received €749,675 in funding from the Commission in 2007[14].

BusinessEurope Conference at DG Trade premises

The doors of DG Trade are indeed open to BusinessEurope. The corporate group is holding a conference on October 28th in the Charlemagne building in Brussels, the headquarters of DG Trade, to evaluate the first two years of Global Europe. Asked about their involvement, DG Trade denies any financial responsibility and says the event is BusinessEurope's: "The role of the European Commission is limited to suggesting to BusinessEurope names of Commission officials that could possibly intervene during the conference."[15] According to the programme for "Going Global: the way forward" speakers at the one-day event include Enterprise and Industry Commissioner Gunter Verheugen; Development Commissioner Louis Michel; Education Commissioner Jan Figel; Director General External Trade David O'Sullivan; Deputy Director General External Trade Karl-Friedrich Falkenberg; Director General Environment Jos Delbeke; Deputy Director General Enterprise and Industry Françoise Le Bail; and Deputy Director General Economic and Financial Affairs Marco Buti. Ex-Trade Commissioner Peter Mandelson will be substituted by new Trade Commissioner Catherine Ashton. The previous version of the programme included also Commission President José Manuel Barroso and Environment Commissioner Stavros Dimas.

With such a panel it is more than an understatement to say that the role of the Commission is limited to suggesting names of Commission officials. And despite denying any financing of the conference, the Commission is subsidising it through the use of the Charlemagne building. Renting such a space would cost thousands of euros, without even counting the political value of such a endorsement. In short, this event clearly reflects the links between BusinessEurope and the Commission on Global Europe, links that go beyond influence into joint policy-making.

Corporate fingerprints in Global Europe: Pure Free Trade Agreements

> *"This is not a plan for competitiveness but a plan for exporting inequality and poverty"*
>
> Celine Charveriat, head of Oxfam's Make Trade Fair campaign, 4 October 2006[16]

The very privileged access enjoyed by BusinessEurope and other corporate interests throughout the drafting of Global Europe has resulted in a framework for EU trade policy which puts aside all other concerns in favour of big EU business.

The 2005 Issues paper on Trade and Competitiveness, the analytical basis of Global Europe, aired the possibility of lifting the moratorium on new bilateral and regional free trade negotiations. That was the "Lamy doctrine", in place since 1999 and designed to convey strong political support for the WTO negotiations. The drive towards a bilateral trade agreement strategy was motivated by the lack of results achieved at the WTO. DG Trade Director General David O'Sullivan shared DG Trade's views in a meeting with many representatives of BusinessEurope [17], describing the WTO as being "institutionally stretched to outer limits in terms of what was

14 http://ec.europa.eu/grants/search/index_en.htm
15 Letter by Peter Klein, DG Trade, dated 26 August 2008.
16 Oxfam warns proposed new EU trade policy is 'development blind', Oxfam International, press release, 4 October 2006.
17 Report of meeting 2 February 2006 between David O'Sullivan, DG Trade Director General and UNICE Foreign Relations committee (attended by 35 international relations directors from national members of UNICE plus some head of sectoral organisations). Obtained through access to documents requests under the

possible, given the organisational set-up and the number of Members pushing for their quite heterogeneous interests". He graphically concluded that "the EU-US round days were over", in reference to the stronger positioning of developing countries which no longer swallow the deals offered by the powerful North. Adding pressure was the fact that the US and other "EU competitors" had launched a bilateral free trade agreement (FTA) frenzy. Large EU corporations were worried that their major competitors would benefit and this could have an impact on their market share. Big business had become very frustrated with the lack of results at the WTO.

European businesses were enthusiastic about the proposed move towards bilateral free trade agreements, but felt that the Issues paper was not strong enough about the sharp economic focus that those should have. "New negotiations should be clearly labelled as trade agreements and not be linked to parallel political cooperation accords" demanded BusinessEurope, "That will ensure that the EU approaches commercial negotiations with as strong a hand as possible."[18]

Most of the big business lobby groups conveyed their wish list for a new generation of free trade agreements (FTAs) in meetings with DG Trade officials and through position statements and letters. One common demand was to target the countries which would bring them more benefits, particularly the so-called emerging economies such as Brazil, India, South East Asia and China. As the European Services Forum (ESF) put it: "It therefore calls on the EU to allocate adequately its resources in its bilateral trade strategy with a particular focus on the countries/regions with the highest growth potential and commercial opportunities for European business ahead of more general political cooperation agreements."[19]

Small businesses not heard

Smaller businesses though had different interests. "Less than 10% of SMEs in Europe are active internationally, mostly in the internal market only."[20] said UEAPME, the voice of small and medium sized companies, crafts and trades. They called for EU trade policy to focus instead on commercial relations with bordering countries, as "their geographical proximity makes them more attractive and easier to reach as a partner for EU small businesses." According to them, Global Europe "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 Commission clearly listened carefully to the demands of large EU corporations and the final Global Europe Communication has a clear focus on FTAs. It establishes criteria to choose new FTA partners including market potential (economic size and growth), the level of protection against EU export interests (the less protection, the greater the benefits) and whether they are negotiating with EU main competitors.

The European Trade Union Confederation (ETUC), warned that the Global Europe strategy said "nothing about the price the EU would have to pay to achieve further market opening in third countries through these new FTAs, in particular in the sensitive sectors of services"[21], and called for a broader European-wide debate, expressing its "disagreement with the proposed general reorientation of European trade policy in favour of an extremely aggressive liberalisation agenda in developing countries".

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information disclosure regulation.

18 UNICE Strategy on an EU Approach to Free Trade Agreements, 7 December 2006.

19 ESF Position Paper on EU Free Trade Agreements, Brussels, 28 February 2007.

20 EC communication on "Global Europe" sadly lacks SME focus, UEPME press release, Brussels, 4 October 2006.

21 Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 7-8 December 2006 On the Communication "Global Europe: competing in the world. Last modification, 27 February 2007.

As ETUC points out, to obtain its negotiating goals with third countries, Europe will be forced to open up its markets in exchange and might arrange deals which are politically difficult to sell at home. For this reason the Commission enlisted the support of business. In a meeting between DG Trade and BusinessEurope David O'Sullivan "called on business to make itself heard in relation to the content of future FTAs, in particular with respect to ensuring that commercial interests were fully served and the cost to pay in terms of market access of any other objective."[22] Trade Unions and NGOs' concerns have gone unheard, apart from some rhetorical references to sustainable development in the final communication. Although only consulted superficially within the Civil Society Dialogue, several NGOs (FOEE, WWF and ActionAid) raised "questions on the sustainable development and the lack of development dimension of the paper." The Commission replied that "this paper did not aim to address specifically these issues. They were mentioned when there was a direct link with competitiveness."[23]

Ambitious Big Business Agenda

Big business interests have used the Global Europe strategy to push through their ambitions for liberalisation of investment, services, public procurement and the stronger enforcement of intellectual property rights. Issues which have proven difficult to negotiate at the WTO, are seen as having a better chance if the EU throws its weight behind a bilateral deal, or through trade diplomacy. Developing countries have every reason to resist, as such deals hamper their own developmental efforts and ruin local business. "It seems the wolf has taken off its sheep's clothing. This is an extremely aggressive agenda that pays little more than lip service to development. The EU plan to use free trade deals to force concessions on issues that developing countries have repeatedly rejected at the WTO will undermine multilateralism and increase poverty and inequality."[24], warned development NGO Oxfam International.

Enforcing tougher intellectual property rights will threaten access to medicines in many developing countries, will deny many subsistence farmers the right to own seeds and will impede domestic businesses from copying the technologies that could help their own development. Deregulating investment, which has been a key point for BusinessEurope, will deprive countries of the right to make sure foreign corporations bring something positive to their countries. According to the Financial Times, the Commission is already pursuing agreements on investment in their ongoing negotiations for FTAs with India and South Korea.

Liberalisation of the services sector was high on the agenda not just for BusinessEurope, but also for the European Services Forum (ESF), which includes the largest EU service corporations such as Deutsche Bank, Goldman Sachs, British Telecom and Telefónica. The ESF has managed to make worldwide liberalisation of services a priority in the Global Europe Strategy, despite it being overlooked in the 2005 Issues Paper on Trade and Competitiveness. ESF told DG Trade at a meeting in January 2006, that it did "not welcome the content of the paper because the service sector has not been included at a sufficient level."[25] They hammered home

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22 Email dated 4 October 2006 from Thomas Morgen Christensen of DG Trade to Edouard Bourcieu, DG Trade, reporting on the meeting held on 3 October 2006 between David O'Sullivan, DG Trade Director General and UNICE International Relations Committee. Obtained through access to documents requests under the information disclosure regulation.

23 http://trade.ec.europa.eu/doclib/docs/2006/march/tradoc_127897.pdf

24 Oxfam warns proposed new EU trade policy is 'development blind', Oxfam International, press release, 4 October 2006.

25 TRADE H3-ENTR.A.2 D(2006), REPORT "EXTERNAL ASPECTS OF COMPETITIVENESS": CONSULTATION OF EU BUSINESS FEDERATIONS – 18 January 2006. ESF argues that services represent 77% of GDP and 77% of employment in the EU. The ESF repeated so much the 77% figure that a report by one official at DG Trade to other colleagues reporting on a meeting held with ESF sums it up with

that message in meetings and in letters and the message got through. Both the draft (June 2006) and final (October 2006) versions of the Global Europe communication stress the importance of the service industry in the EU economy and the need to open up markets. Available information on the current negotiations with ASEAN, India, South Korea, Central America or the Andean Community of Nations (CAN) as well as Economic Partnership Agreements (EPAs) with former colonies of Africa, Caribbean and Pacific show that the Commission is arm-twisting countries to get them to open their service sectors.

Large EU corporations have also been lobbying for an EU trade policy that helps them secure unlimited access to raw materials worldwide. They are worried about the increasing consumption of raw materials by industry in China, India and Brazil and other so-called emerging economies. The Commission is currently preparing a comprehensive strategy to help EU multinationals by ring-fencing and limiting as much as possible the exceptional conditions in which countries can impose measures restricting exports of raw materials. According to Peter Mandelson, provisions to ban restrictions on access to raw materials have been introduced in free trade agreements with Chile and Mexico and the Commission is currently trying to include them in on-going negotiations with India and South Korea. Mandelson added that countries should not impose restrictions on trade in raw materials, not even to tackle problems such as the strengthening of infant industry, ensuring government revenue from commodity exports, or restricting trade in environmentally sensitive goods like timber. The Commission is also targeting African and other developing countries to accept their policy regarding raw materials.

Corporate grip reaches the implementation of Global Europe

Research by CEO has found that the privileged access and undue influence of BusinessEurope and other large corporate interests is still continuing through the implementation phase of Global Europe. There is evidence for instance of how DG Trade shares its insights on the ongoing free trade agreement negotiations with BusinessEurope, while refusing to give similar insights to other groups or citizens. Some examples are given here – but other documents requested by CEO on the bi-lateral free trade agreements have not yet been released by the Commission, making it possible that more examples will be revealed.

For example, BusinessEurope met with the Director General of DG Trade David O'Sullivan and DG Industry Commissioner Verheugen to discuss bilateral relations with China and Russia in July 2007. In their short report of the meeting[26] BusinessEurope noted that DG Trade Director General David O'Sullivan had highlighted "the importance of strengthening dialogue with BusinessEurope to exchange views on negotiations with India, Korea and ASEAN as well as negotiations with China on the new partnership agreements." Further meetings on FTAs and EPAs took place in October 2007[27] and January 2008[28].

"as usual.... 70% of GDP blah blah". Email by Jean-Jacques Viala dated 3 February 2006 reporting on the meeting held on 2 February 2006 between David O'Sullivan and UNICE's foreign relations committee. Obtained through access to documents requests under the information disclosure regulation.

26 http://www.businesseurope.eu/content/default.asp?PageId=433

27 On 3 October 2007, David O'Sullivan held a meeting with the International Relations Committee of BusinessEurope "for an update on main trade activities". The meeting was also attended by ESF (European Services Forum) and covered Economic Partnership Agreements (EPAs) and Free Trade Agreements (FTAs) among other subjects. O'Sullivan said to the business audience "Lets look at FTAs to get issues of concern to you". Report sent by Madeleine Tuininga to several DG Trade staff on 5 October 2007, "Meeting Mr O'Sullivan with Business Europe, 3/10".Obtained through access to documents requests under the information disclosure regulation.

28 On 30 January 2008 Deputy Director General at DG Trade Karl Falkenberg met with BusinessEurope for a "well attended 1h30 discussion" in which "KFF [Karl Falkenberg] provided a full overview of EU's bilaterals

Information not disclosed

DG Trade refused to disclose full details of a meeting between Peter Mandelson and Business-Europe in January 2008[29] because "it could be prejudicial to our ongoing negotiations on the DDA [Doha Development Agenda at the WTO], Korea, India and ASEAN and therefore undermine the protection of the public interest as regards international relations."[30]. From the limited information disclosed, it is clear that BusinessEurope were consulted on the on-going negotiations. The Commission's Secretary General Catherine Day backed DG Trade's refusal to grant CEO access to the full minutes, without justifying the discriminatory treatment between corporate groups and other citizens[31]. The case is now under investigation by the Ombudsman.

In fact a number of DG Trade access to document requests have been refused or responded to with documents where the text has been blacked out. BusinessEurope however is clearly given privileged access, allowing them to closely monitor and influence the development of ongoing negotiations. Civil society groups meanwhile are excluded and have less opportunity to prevent the inclusion in the agreements of negative provisions for people and the environment.[32]

A strategy for Market Access

BusinessEurope has also been given access and opportunities to influence the implementation of the new Market Access strategy[33], which establishes a partnership between the Commission, Member States and business to dismantle "barriers" encountered by corporations exporting to third markets. It facilitates the continuous input of business into decisions over priorities[34]. "Barriers" include restrictions on trade in raw materials, environmental and social regulations, inadequate protection for intellectual property rights and restrictive government procurement rules.

BusinessEurope acknowledged the Commission and Peter Mandelson's helpful approach. "The European Commission has been very efficient in putting into place the right channels...individual barriers to trade and investment were raised at the highest level during official visits of third countries"[35]. BusinessEurope's Philippe de Buck added that "When the revised strategy was

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(FTAs...[the rest is blacked out]. Report by Madeleine Tuininga to several DG Trade staff sent 1 February 2008, "Business Europe – report meeting Karl Falkenberg, 30 /1/08". Obtained through access to documents requests under the information disclosure regulation.

29 On 29 January 2008 Peter Mandelson met with 4 top people from BusinessEurope, including President Ernest-Antoine Seillière and Secretary General Philippe de Buck. The meeting was not disclosed by DG Trade, but there was a reference to it in the BusinessEurope website.

30 Letter from David O'Sullivan dated 11 March 2008.

31 Letter from Catherine Day dated 22 May 2008.

32 CEO has for instance asked DG Trade about the provisions related to water services in the different free trade agreements under negotiation and the response has been "we are not in a position to provide specific indications on negotiating objectives and issues currently under discussion."

33 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Global Europe: A Stronger Partnership to Deliver Market Access for European Exporters, Brussels, 18 April 2007.

34 This input is institutionalised in third countries via Market Access Teams (made of Commission and national governments delegations plus business) and in Brussels via the Market Access Advisory Committee. Corporations can now participate in the monthly meetings of the Market Access Advisory Committee, described by BusinessEurope's Philippe de Buck as "very useful and instrumental" (quoted in: Market Access Seminar: "The Market Access Partnership – What do you expect and How Can You Contribute?" Plenary session. The Market Access Partnership – One Year of Implementation", Brussels, 4 June 2008, Address by Philippe de Buck, BusinessEurope Secretary General). At this committee, they decide main priorities and discuss strategies for dismantling barriers.

35 Market Access Seminar: "The Market Access Partnership – What do you expect and How Can You Contribute?" Plenary session. The Market Access Partnership – One Year of Implementation", Brussels, 4 June 2008, Address by Philippe de Buck, BusinessEurope Secretary General.

launched, I asked Commissioner Mandelson to act more often as the EU Ambassador for Market Access around the world. I think he was pleased with his new title. At least he took his "new duty" very seriously."

Ongoing FTAs

- Negotiations with India; South Korea and ASEAN countries launched in 2007;
- Negotiations with Central America (CA) and the Andean Community of Nations (CAN), launched in 2006;
- Continuation of negotiation with Mercosur, started in 2000, but currently stalled;
- Continuation of negotiations with the Gulf Cooperation Council, relaunched in 2002;
- In 2002 the EU launched negotiations for Economic Partnership Agreements (EPAs) with the African Caribbean and Pacific (ACP) group of countries to substitute the Cotonou Agreement[36].

Before the moratorium on new FTAs was put in place in 1999, the EU had concluded (or was negotiating) a number of bilateral and regional deals in which political motivations played a large role. Agreements with EFTA countries; agreements with Euromed; Association agreements (including FTAs) with Chile and Mexico; agreement with South Africa, a custom union with Turkey.

Impacts within the EU: other voices unheard

As previously mentioned, Global Europe also deals with domestic EU policy on the basis that EU internal policies affect the external competitiveness of EU business and should therefore be adjusted accordingly. The big business goal here was clear – throughout the drafting process they called for a deregulation agenda within the EU.

In fact, the Seattle to Brussels network, a coalition of groups campaigning for trade justice has warned that "the home front" is where the "true threat he [Peter Mandelson] poses becomes clear... anyone concerned with agricultural sustainability, workers' rights, climate change or the European social model itself stands in the way of the Mandelson vision."[37] The domestic agenda breaks down into three blocks – further liberalisation of the EU's Internal Market; "better regulation" (checking existing and new regulations to test their effect on competitiveness); and regulatory convergence (mostly with the US) to bring new regulations in line with those of competitors.

The European Trade Union, ETUC, spoke out against regulatory convergence: "A fortiori, standards must not be established in consultation with businesses outside the Union. The aim of achieving regulatory convergence with the United States at all costs would not take forward European prosperity"[38]. Trade unions' concerns clashed with corporate wishes. In early 2006, BusinessEurope's President Seillière sent a letter to Peter Mandelson demanding: "...forward planning for regulatory frameworks in new areas (eg nanotechnology, biotechnology) to be formulated concurrently with those of our major trading partners"[39]. "There is certainly a case

36 The Cotonou Agreement already committed the parties to negotiate a separate set of individual bilateral treaties between the EU and the ACP countries.

37 The new 'Global Europe' strategy of the EU: serving corporations worldwide an at home. A wake-up call to civil society and trade unions in Europe and elsewhere, Seattle to Brussels Network, November 2006.

38 Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 7-8 December 2006 On the Communication "Global Europe: competing in the world." Last modification, 27 February 2007.

39 Letter by Ernest-Antoine Seillière, BusinessEurope President, to Peter Mandelson, dated 9 February 2008, with Annex: UNICE Response to questions on Trade and Competitiveness. Obtained through access to

for rethinking our internal policies to relate them more effectively to what happens 'outside' and to better serve our offensive economic interests"[40], agreed Mandelson. BusinessEurope insisted that it "would like DG trade to play a more active role in future internal regulation making to ensure that it will encourage regulatory convergence and assess the impact of new regulations on the global competitiveness of European services and industries."[41] BusinessEurope highlighted the "overly burdensome REACH legislation" and the unilateral climate policy of the EU as two areas that could benefit from regulatory convergence with the US.[42] Needless to say, the REACH legislation and Europe's climate policy would never have happened, had the EU applied US standards.

The inclusion of domestic policies was a victory for the large corporations. BusinessEurope expressed its satisfaction to David O'Sullivan, writing: "The stronger focus on the coherence of internal and external policies and the much clearer policy on bilateral trade negotiation with an economic focus are fundamental improvements which, if implemented, could contribute tremendously to the competitiveness of the EU economy."[43] However, it meant that the critical voices of civil society groups, of trade unions, of smaller business, went unheeded.

Small and medium size businesses fear the impacts of a further opening of markets. UEAPME (representing SMEs in Europe) protested: "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"[44] SMEs will not be the only ones hurt by Global Europe in the EU. The Seattle to Brussels Network denounced the measures: "What is to be expected is more competition, more flexibilisation, more deregulation. Good bye European model, here is naked globalisation for all"[45]. The Global Europe strategy foresees that there will be "victims", but proposed yet more deregulation and liberalisation and the establishment of a European Globalisation Adjustment Fund as the solution. It also calls for more flexible labour markets and active labour policies (a euphemism for minimal job security and limited unemployment benefits) combined with lifelong learning to substitute the social security nets which exist in most EU countries.

No wonder trade unions are increasingly critical of Global Europe. As ETUC puts it, "The Communication sees rules and standards as nothing more than obstacles to trade or "red tape"... European regulations and standards must not be governed solely by the imperative of competitiveness if this concept is limited to maximising the share of the global market held by multinationals operating in Europe "[46]

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documents requests under the information disclosure regulation.

40 Peter Mandelson's response to letter by Ernest-Antoine Seillière, dated 15 March 2006.

41 Letter by Adrian van den Hoven, Director for International Relations, BusinesEurope (then UNICE) to David O'Sullivan, Director General DG Trade, dated 7 August 2006. UNICE's initial written reaction to the Trade and Competitiveness Strategy raised by several UNICE members at the July 4th Meeting of the UNICE Trade and Competitiveness Task Force. Obtained through access to documents requests under the information disclosure regulation.

42 Delivering on Trade and Competitiveness, Ernest-Antoine Seillière, President of UNICE, Speech at the 13 November Global Competition Conference, 13 November 2006.

43 Letter by Adrian van den Hoven, Director for International Relations, BusinessEurope (then UNICE) to David O'Sullivan, Director General DG Trade, dated 7 August 2006. UNICE's initial written reaction to the Trade and Competitiveness Strategy raised by several UNICE members at the July 4th Meeting of the UNICE Trade and Competitiveness Task Force. Obtained through access to documents requests under the information disclosure regulation.

44 EC communication on "Global Europe" sadly lacks SME focus, UEPME press release, Brussels, 4 October 2006.

45 The new 'Global Europe' strategy of the EU: serving corporations worldwide an at home. A wake-up call to civil society and trade unions in Europe and elsewhere, Seattle to Brussels Network, November 2006.

46 Resolution adopted by the ETUC Executive Committee in their meeting held in Brussels on 7-8 December 2006, On the Communication "Global Europe: competing in the world" Last modification, 27 February 2007.

This is the very problem of Global Europe. It seeks to benefit large corporations operating in world markets, ignoring the implications. To a large extent this is due to Peter Mandelson, who has become known during his tenure for taking corporate influence over trade policy to yet deeper levels than his predecessors. Mandelson, who recently resigned as Trade Commissioner to become Business Secretary in the UK, has been the driving force behind Global Europe. As he told the UK press: "I produced and got adopted a global Europe trading strategy to reduce protectionist measures that had been mounting over the past four or five years"[47]. Global Europe worsens an already unsustainable trade policy which encourages the use of a huge share of world resources to feed large European corporations while fuelling poverty, inequality and environmental destruction. Now that a new Commissioner takes over, she should break with Mandelson's disastrous heritage and make a u-turn on EU trade policy. The Commission has a political responsibility to break free from the undue influence of big business interests and develop an alternative trade policy which prioritises global justice and sustainability over corporate interests. As a first step, she should refuse to host the upcoming BusinessEurope conference in the Charlemagne building and cancel the mass participation of Commissioners.

Global Europe Process (non-exhaustive)

Global Europe Communication

- Trade and Competitiveness Issues Paper, DG Trade, 1 September 2005[48]
- Consultation process mainly with business and Member States
- Draft "Global Europe: competing in the world", DG Trade, 27 June 2006[49]
- Communication "Global Europe: competing in the world", DG Trade, 4 October 2006[50]
- Endorsed by the Council 13 November 2006
- Endorsed by the European Parliament 22 May 2007

Market Access Strategy

- Market Access Symposium 19 September 2005, start of consultation process
- Consultation[51] between 10 November 2006 and 19 January 2007
- Communication "Global Europe: A Stronger Partnership to Deliver Market Access for European Exporters", 18 April 2007[52]
- Approved by the Council in June 2007 and by the European Parliament in February 2008

Access to raw materials (joint exercise by DG Enterprise and DG Trade)

- Consultation held between 24 January and 24 March 2008[53]
- Communication expected for November 2008

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47 Peter Mandelson: 'Financial crisis risks new wave of economic nationalism', by Mark Kleinman, *Daily Telegraph*, 4 October 2008.

48 Trade and Competitiveness Issue Paper, DG Trade, Brussels, 1 September 2005, EB (D) 2004.

49 "Global Europe: Competing in the world", DRAFT 27/06/06 NOT TO BE QUOTED, DG Trade, Brussels, EB D (2006).

50 Global Europe. Competing in the world. A Contribution to the EU's Jobs and Growth Strategy, European Union, External Trade, October 2006.

51 http://ec.europa.eu/trade/issues/sectoral/mk_access/cs101106_en.htm

52 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Global Europe: A Stronger Partnership to Deliver Market Access for European Exporters, Brussels, 18 April 2007.

53 http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=1249