

## **19. RESOLUTION ON PROGRESSIVE TRADE POLICIES OF THE 21<sup>ST</sup> CENTURY**

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Despite a wide range of criticism from the general public as well as labour unions, politicians, activists and economists CETA, the Comprehensive Economic and Trade Agreement was signed on October 30<sup>th</sup> this year. For too long, global trade policies have been working in the interest of powerful and influential multinationals at the cost of our welfare state and environment. While the official line is that it will create jobs and increase economic growth, we see an ongoing rise in global inequality.

Treaties like CETA and TTIP, the Transatlantic Trade and Investment Partnership, will make it almost impossible to transform our economic system in a progressive direction as it will reinforce the presence of the market in all spheres of society.

We demand a new generation of global trade agreements where we promote a new and fair global trade agenda. This is why we also need a reform of the WTO (World Trade Organization).

Trade policies of the 21<sup>st</sup> century should be at the interest of our welfare state and in favor of the protection of the environment -as stated in the Lisbon Treaty- not to those corporate and particular interests. Its goals should be more balanced: we should include global agreements on the fight against tax evasion, de reinforcement of regulations for the financial sector and the enhancement of social and environmental standards.

YES voices strong opposition to the following key elements:

First, Investors will be able to sue states. The so-called Investor-State-Dispute-Settlement (ISDS) - even in its new disguise as the EU's "Investment Court System" (ICS) model- will grant foreign investors the right to sue European states if they believe that laws or measures of the EU or any member state have damaged their investments and reduced their expected profit. This will affect laws and measures enacted in the interest of the common good, such as environmental and consumer protection. For example, the energy company Vattenfall used such a court to demand financial compensations against the closing down of nuclear power plants, a democratic decision made by the German government. The evolution towards more clean energy was at the disadvantage of their investments, according to the company. So measures that could benefit the security and the quality of life for millions of people are made subordinate to the interests of one particular company.

To be clear, this will further reduce the primacy of politics. Pushing back regulation that interferes with profits and corporate interests, while influencing future progressive social and ecological legislation.

It will also harm small businesses not be able to benefit from such mechanisms as they are very costly, even if most of European jobs are found in small and medium enterprises.

Second, they are a risk to workers' rights and jobs. These trade agreements are imposing a social "race to the bottom" where there is a tendency to less security and more flexibility at the cost of labour conditions and the environment. This "race to the bottom", triggered by TTIP and CETA is especially troubling because the USA still refuses to recognise basic rights for employees, as it has only ratified two out of the eight ILO core labour standards. This is a major threat to European workers. A study published by Tufts University (USA) found that 600,000 jobs could be lost due to TTIP.

Third, it is a threat to food quality standards and consumer protection. Through the alignment of regulations, for which TTIP aims, European standards are endangered, as the US standards are often substantially weaker. Also, the US side wants the EU to accept its approach to risk assessment, which would allow every product to be sold until the state was able to prove it to be harmful. So far, in Europe companies must prove the harmlessness of their products before bringing them on the market.

Fourth, Liberalisation and privatisation will become one-way streets. CETA and TTIP will make it more difficult – and probably even impossible – to return public utilities, hospitals, water distribution or waste collection to the public sector once they have been privatised.

Fifth, CETA and TTIP will further increase inequalities. The rich will profit most from CETA and TTIP. Big businesses will gain even more advantages over small and medium enterprises and citizens. The EU's economic crisis is likely to deepen further, as the most competitive member states are expected to pocket most of the potential GDP increase. Countries on the EU's periphery, that are already highly dependent on foreign capital, risk losing out on quality jobs and sustainable investments. On a global scale, inequality between developed and developing countries will increase even further.

Sixth, European countries would be falling under pressure to allow high-risk technologies such as fracking or GM technology. As part of TTIP and/or CETA, companies could be allowed to take governments to arbitrators if they regulate or ban high-risk technologies.

Seventh, last but not least, we can no longer ignore the disastrous impact of neoliberal trade policies on the environment. There is a huge hypocrisy in declaring the urgency of tackling climate change on the one hand, and agreeing to trade deals that will raise gas emissions. Trade agreements should be evaluated according to their impact on the environment as well as on social rights, before they are implemented.

We are alarmed that these negotiations are being kept from the public and even from MEP's. The influence by major corporations and lobbyists has been discussed above, as it is visible in the possible outcomes of these treaties. It is clear we need more transparency, public discussion and a broader consultation. By opening up the discussion on these important treaties to the general public we should also involve social movements and trade unions instead of leaving it to the multinationals and international banks to discuss it for us.

The resistance from the left in Europe towards trade deals such as CETA or TTIP has nothing to do with the protectionism of Trump. We are not against global trade, but we do fight against the undermining of the rule of law and the attacks against the hard fought social and environmental progress we made. The globalization of trade policies should again work in favor of everyone, not only for particular interests. The discussion is not to be pro or contra free trade, nobody is waiting for countries that literally build walls round their economy. The resistance is about democracy, about the interests of civil society that need to prevail and deserves protection of our governments. We fundamentally oppose ourselves to the idea our rule of law would be sold out to business lawyers and unfair court systems such as ICS.

Therefore we, Young European Socialists, stand strong against these worrying elements of the current global trade agenda and the current CETA and TTIP deals. We fight for another Europe, which responds to the challenges young people and society as a whole face daily. Young European Socialists are decidedly in favour of a social Europe, which is economically and fiscally fair, and enables everyone to grow and live in a healthy environment. We therefore urge our political family not to become accomplices to disastrous cementing of neoliberal agenda.

Far beyond that, we need to build a common vision for trade policies that strengthen worker's rights, reduce inequality and preserve our environment. Trade policies should not be aiming at raising big businesses' profits. On the contrary, it should aim at raising social and environmental standards on a global level, tackling climate change and promoting human rights at work.

**Minority statement:** DSU, SONK, SDY Finland and SSU do not agree with the views expressed in the resolution. Our organizations adhere to be strong supporters of continued free trade and the adoption of new trade agreements