



TRADE: time for a new vision

The Alternative Trade Mandate

Foreword

The Alternative Trade Mandate has been developed in extensive civil society consultations all over Europe. The members and supporters of the Alternative Trade Mandate Alliance do not necessarily agree with each and every detail in this paper, but support the general line of thinking. We also consider it a living document and an invitation for others to join the debate on the future of EU trade and investment policy.

The Alternative Trade Mandate Alliance is an alliance of development and farmers' groups, Fair Trade activists, trade unionists, migrant workers, environmentalists, women's, human rights, faith and consumer groups from all over Europe, developing an alternative vision of European trade policy that puts people and planet before big business.

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Trade: time for a new vision

There's no doubt – the world's corporate trade model is failing people, communities, and the environment.

Trade should be about exchange, with ecologically and culturally distinct regions equitably sharing their products, skills and creativity. But in recent decades, trade has become less about exchange of goods and more about eliminating social and environmental safeguards in pursuit of corporate profit. The proposed EU-US free trade agreement – the Transatlantic Trade and Investment Partnership – is a good example: while the elimination of trade barriers between Europe and the US is touted as a way out of the economic doldrums for these two blocs, in reality it is set to seriously erode social, environmental and labour rights.

This ever-quickening race to the bottom has destroyed lives, livelihoods and communities. Today, trade is used as a system of control by the powerful, and to promote the specific interests of the few.

The injustice of our international trade system has now hit home in the heart of Europe – for Europe's economic crisis is not just one of debt, but of corporate trade too. The elimination of capital controls and the liberalisation of financial services that allowed banks and the financial services sector to recklessly speculate – added to trade rules in the EU that allowed huge trade imbalances between members – have exacerbated Europe's debt crisis. The subsequent imposition of privatisation, the gutting of labour protection laws and swingeing social cuts (while the banks that fuelled the crisis are protected by trade laws) mirror the damaging impact of trade rules on millions of people elsewhere around the globe.

Our trading system also consistently breaches the limits to our planet's biosphere. The EU's ecological footprint – generated by its trading system and its levels of consumption – is one of the largest in the world. This has led to the dispossession of communities to land, water and other resources worldwide, while bringing our planet ever closer to catastrophic climate change.

A new vision for trade is not only possible but absolutely necessary. It must be based on a new set of principles, and respect the EU's international commitments and legal obligations to ensure coherence in its policies, be they on democracy, cooperation, public participation, human rights, social justice, gender equality or sustainability.

Transparency should be at the heart of such policies: in addition to a genuine and continuous participation process, the EU and its member states must assess the impacts of their actions and make the results public, so that citizens can make informed choices.

Convinced by this need, over 50 European organisations – representing farmers, trade unions, human rights advocates, environmentalists, fair trade networks and development workers – have come together to develop the Alternative Trade Mandate. This calls for an overhaul of the trade regime – one that leads to real workable alternatives, where trade works for everyone, and the environment.

Unlike current trade negotiations – held behind closed doors with privileged access for multinational corporations – consultations for this mandate have been participatory and transparent, and have highlighted 10 areas of trade in need of reform. This mandate discusses the 10 areas in detail, as well as the essential principle underlying these reforms: the need for democratic control over trade and investment policy making.

This document is open for comment because we believe only a trade mandate by and for people and our planet will work. Please read this document and contribute your thoughts.



ALTERNATIVE TRADE MANDATE

The Alternative Trade Mandate: core principles

Democratically controlled trade and investment policies lie at the heart of the Alternative Trade Mandate.

Our mandate demands trade and investment policies that allow:

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- human rights, women's rights, labour rights, indigenous rights, and the protection of our environment to take priority over corporate and private interests.
- structural transformation, universal access to quality public services, social protection, higher labour and environmental standards, democracy and transparency.
- governments to regulate imports, exports and investments in pursuit of their own strategies for sustainable development.
- countries, regions and communities to regulate the production, distribution and consumption of their own goods and services.
- European trade policy to respect the right of countries and regions to develop – and give priority to – local and regional over global trade (for example, in the food sector).
- European governments and parliaments to hold their corporations to account for the social and environmental consequences of their operations in Europe and elsewhere.
- food sovereignty to be respected, allowing countries and communities to prioritise local and regional food systems.
- an industrial policy to be promoted, to favour a just transition towards a different development model.
- binding social and environmental regulations to be strengthened, and full transparency in global value chains.
- a fair distribution of income within global value chains, guaranteeing a stable and decent income for producers and workers, and affordable prices for consumers, particularly for necessities such as food and medicines.
- governments, parliaments and public authorities to have full rights to regulate financial markets and the financial services sector, in order to protect social rights and welfare, secure sustainability, safeguard democratic control, and ensure financial stability (including restricting capital flows).
- the exchange of, and free access to, knowledge – e.g. through open source systems, seed exchange initiatives or patent pools, and open licensing to promote innovation and access to medicines.
- for certain sectors, such as public goods such as water, health and education, or financial services, to be excluded from European trade and investment negotiations.
- common but differentiated responsibilities to be recognised for developing countries, and special and differential treatment to be ensured for the poorest ones.
- the precautionary principle (where responsibility is taken to protect the public from suspected, if not proven, harm), to be applied in all regulation and trade and investment rules.

The Alternative Trade Mandate's underlying principle: democratic control over trade and investment policy making

To develop fairer and more democratic societies, we not only need to change the EU's trade and investment policies as described in the next sections, we also need to change the way in which decisions about trade and investment are made: people need to claim democratic control over the EU's trade and investment policy processes.

Key problems

The secrecy of trade negotiations: EU trade negotiations with third countries take place behind closed doors. No negotiating position or text is released to the public in either country until after negotiations have been concluded – even though EU trade agreements affect Europeans as much as any publicly debated law.

Trade and investment policy is controlled by unelected officials: The EU's trade policy is dominated by the European Commission – a non-elected body. The Commission alone has the right to initiate trade policy, propose trade legislation and undertake trade negotiations. Neither citizens nor the European or national parliaments have this right. The role of the European Parliament is limited purely to the 'nuclear option' of either saying 'yes' or 'no' to a trade deal when negotiations have been concluded.

Mock consultations of citizens: It's rare that the European Commission grants civil society the chance to discuss the issues at hand. Even when it does, the discussions are very technical, have a pro-free trade bias and no formal status in terms of affecting policy.

Corporate lobby groups in the driving seat: By contrast, the European Commission allows corporate lobby groups access to sensitive information about on-going trade negotiations – information withheld from public interest groups.

The Commission also grants business undue influence over its trade-policy making – in hundreds of exclusive meetings behind closed doors. As a result, corporate fingerprints are all over the EU positions in trade negotiations, leading to results that are not in the interest of Europe's people.

De facto irreversibility of EU trade agreements: Trade and investment agreements severely limit the future democratic choices of a society because they 'lock in' policy options and grant corporations far-reaching powers to challenge new laws. Changing trade agreements is much more difficult than changing ordinary national legislation and can lead to costly compensation claims.

The Alternative Trade Mandate view: ending secrecy, corporate capture and EC dominance

We propose a totally new procedure for initiating, negotiating, finalising and reviewing trade agreements that ensures a much larger role for civil society and parliaments. This means significantly altering the European Commission's role in trade policy, preventing corporate capture, and getting rid of the excessive secrecy that characterises the process at the moment.

How do we do this?

Assuring transparency and openness: All negotiating positions and draft texts must be published promptly. The Commission, member states and parliaments must regularly and pro-actively provide online access to information about meetings and correspondence between officials, parliamentarians and lobbyists, in order to inform the public on who's attempting to influence trade negotiations, on whose behalf, with what means and agenda, and with what success.

Strengthening the role of parliaments: The starting point for our alternative is reducing the role of the European Commission, and strengthening that of parliaments. This needs to happen at all stages of the decision-making and negotiating process. If democracy is about political decisions being made by people and their elected representatives, trade and investment policies cannot remain with an unelected body.

Assuring meaningful civil society participation: In order to ensure a maximum level of inclusion and participation, national parliaments should organise meaningful civil society participation at the national level. Only national parliaments and the European Parliament should be able to take the initiative to launch the process leading to trade negotiations.

But *before* the process of initiating trade negotiations begins, extensive independent, transparent and inclusive 'needs tests' must be conducted with civil society organisations, including NGOs, trade unions and other representative bodies in EU member states.

Similarly, needs tests should take place in the partner country to find out whether a trade agreement would be in the public interest in the first place.

The parliaments will also regularly organise public consultations on the progress of the negotiations, and when a draft agreement has been reached between the Commission and the partner country.

Conclusion and revision of trade agreements: When a provisional agreement has been reached between the EU and the partner country, the agreement will be subject to an independently conducted Human Rights and Sustainability Impact Assessment (HRSIA). This will be published, allowing for another round of public consultation and democratic scrutiny. Both national parliaments and the European Parliament must have the right to propose amendments to the provisional text, which has to be renegotiated. The final agreement will have to be ratified by European and national parliaments.

Once the agreement has entered into force, a thorough assessment must take place at least every five years. At any time, European and national parliaments, as well as the partner country, can demand to negotiate revisions to the agreement.

Preventing corporate capture: Throughout the consultation and decision-making process, privileged access and 'policy capture' by industry lobby groups must be prevented. Consequently, consultations must ensure that a diverse range of interests and viewpoints are pro-actively reflected, including those that will be directly and indirectly affected by a trade agreement.

Alternative Trade Mandate: 10 key issues

Issue #1: Food, and how we produce it

Our globalised food system is failing our farmers, our health, and the environment. Moreover, mass food production has failed to eliminate hunger for millions of people. Liberalised trade and lack of market regulation have led to farmers worldwide selling at prices below the cost of production, making farm livelihoods unsustainable.

Key problems

The EU's export-orientated 'corporate food factory' is dominated by large corporations and the Common Agricultural Policy (CAP) – a policy driving overproduction in the EU and leading to dumping and the destruction of local and regional markets for farmers in developing countries. It also causes low and unstable prices for European farmers.

In Africa, the at-times willful neglect of small farmers by national and international policy means that many can no longer feed themselves. The liberalisation of trade and provisions in bilateral trade agreements to open up local markets to cheap European imports are set to make their situation worse.

Moreover, scarce natural resources in developing countries are being used for the export-oriented

production of 'luxury' goods such as soybeans and biofuels for Europe, while the worldwide expansion of the EU food system also has widespread and devastating environmental impacts.

The Alternative Trade Mandate view: a sustainable approach to food

The right to food cannot be secured for everyone using the existing model of 'industrial' agriculture, producing food for an unregulated global market. To stop the destruction of agricultural markets in the global south, and reduce EU dependence on (and depletion of) natural resources in these countries, the EU needs to set a long-term goal of becoming as self-sufficient as possible in food and feed.

How do we do this?

The EU has to drastically change its Common Agricultural Policy, and its trade and environmental policies.

The EU needs to:

- respect the right to food and 'food sovereignty', meaning people in Europe and the Global South have the right to define and control their own local food systems, choose what they eat, and make sure their community's food is healthy and accessible to everyone.
- move away from multilateral, bilateral and regional free trade rules that distort prices for farmers and lead to unequal access to natural resources, and not force trading partners to reduce tariffs and quotas, especially where designed to protect food security and farmers' livelihoods. Instead the EU should support safeguard measures which developing countries can take to protect local markets from cheap imports.
- become more self-sufficient in products that can be produced in Europe, especially protein and oil crops as alternatives for imports of (gmo-)soybeans, palm oil and biofuels (these commodities have particularly devastating impacts on small farmers and the environment in exporting countries).
- eliminate imports of biofuels to the EU, abandon its biofuels directive and replace it with other measures designed to reduce demand for fossil fuels in European transport.
- where the EU needs to import food products that cannot be produced in the EU (e.g. coffee and cocoa), it must ensure they are sustainably produced and that a fair price is paid to producers. It needs to increase the use of aid budgets to help exporting countries implement high environmental and social exports standards, ensuring local livelihoods and food security are not compromised.
- abandon European tariff escalation on processed tropical products – helping producers and companies in exporting developing countries to earn the added value for processing.

- bring investment in food and farmland in non-EU countries – which has hugely damaging impacts on food production, livelihoods and the environment in those countries – under new, binding investment agreements with human rights obligations.
- support sustainable farming practices in Europe and the Global South that protect biodiversity, enhance the fertility of soils, reduce the use of fossil fuels and help prevent climate change.
- improve – not abolish – the current EU supply management system for dairy and sugar, and explore extending the principles of supply management to other basic products such as meat and grains.
- promote well-managed food (especially grain) reserves as a tool to reduce excessive volatility in agricultural commodity markets.
- strengthen environmental and animal welfare standards for European farmers and ensure that European agribusiness and retail cannot buy cheap products on the world market that have lower production standards.
- stop all legal initiatives endangering old seed varieties and strengthen policies against GMOs within European cultivation and imports.
- strengthen declaratory obligations for additives, nano-technological substances and GM feed used in egg, dairy and meat production.
- respect and reward family farmers, with cost-covering prices guaranteed, and internalise all environmental, social and animal welfare costs in the consumer price.

Issue #2: Jobs and labour rights – how we create and protect them

EU trade strategy aims to make it easier and cheaper for goods to be traded and for services to be competitively tendered and outsourced, with no ownership restrictions or curbs on capital movements. This allows transnational companies to quickly move production from one country to another in search of the most favourable conditions and to threaten unions and governments if they try to regulate their activities. In this way, current trade and investment rules put workers virtually everywhere in competition with each other, forcing governments to engage in a race to the bottom on labour rights and taxation policies in order attract investment.

Key problems

Countries attempting to maintain decent labour standards are threatened with mass redundancies, while workers in countries with lower standards ‘subsidise’ the production of cheap products through poverty wages, unsafe working conditions and subsequent hardship.

This policy only serves the interests of economic elites who want to offer cheaper products to consumers while pushing for stricter protection of medicine patents and investment, as well as more market access for their own enterprises. Additionally, liberalising trade exposes domestic companies, especially small and medium

enterprises (SMEs), to international competition which can result – particularly in the case of trade between unequally developed countries – in loss of market share and considerable jobs losses, and in general to unfair trading practices.

The Alternative Trade Mandate view: supporting the globalisation of decent work

The Alternative Trade Mandate aims to enable the creation of more decent jobs worldwide, and to promote a trade policy that serves labour rights.

How do we do this?

The EU needs to:

- assess in advance and carefully monitor the impacts of trade agreements on employment and social as well as environmental rights, allowing representatives of urban and rural sectors, trade unions and CSOs to monitor the implementation
- of the social dimension of trade agreements, and to negotiate implementing arrangements.
- establish binding provisions and labour dispute settlement mechanisms with strong trade sanctions (suspension of trade benefits) for corporations and signatory countries.

- enforce labour standards by means of investors' responsibility mechanisms, with the power to fine companies that transgress.
- reinforce customs' services so as to effectively track and seize goods made by child and forced labour.
- ensure internally and abroad the right to form and to join trade unions, promoting collective bargaining and wage formation at sectoral and intersectoral levels.
- promote the ratification and full implementation of all ILO conventions and the OECD guidelines for multinational enterprises.
- hold corporations accountable for the social and environmental consequences of their operations in Europe and elsewhere.
- guarantee the free movement of persons and the application of working and contractual conditions of the destination countries, if more favourable than those of origin.

Issue #3: Preserving policy space to realise human rights

Current EU trade policy aims to limit individual countries' policy space to regulate trade and protect local markets – regulations that are necessary to protect the livelihoods of vulnerable segments of society and realise economic, social and cultural rights.

Key problems

States have an obligation under international law to respect, protect and fulfill human rights, including economic, social and cultural rights. Current EU trade agreements, however, contain obligations that make it more difficult or even impossible for other states to do this: excessive tariff reduction provisions in trade agreements can result in import surges of food products, drive local farmers out of the market and threaten their incomes and human right to be able to feed themselves.

Trade initiatives that focus on export-led development in the agricultural sector can fuel land grabs, forced evictions and threaten the rights of rural communities to food, housing and water. Intellectual property rights provisions can limit small farmers' access to seeds, or sick people's access to generic medicines at affordable prices, thereby threatening their human

rights to food and health. Provisions on services in trade agreements can force countries to privatise public services and threaten poor people's human rights to water, health and education, because they are unable to pay market prices for these services.

The Alternative Trade Mandate view: ensuring primacy of human rights over corporate interests

An Alternative Trade Mandate starts from the principle that human rights have primacy over commercial interests of corporations. EU Member States have an obligation to respect, protect and fulfill human rights not only domestically but also extra-territorially. Moreover Articles 3 and 21 of the Lisbon treaty oblige the EU to respect and promote human rights in their foreign policies, including in trade policies.

How do we do this?

The EU needs to:

- revise its trade policy to make it coherent with its own and with Member States' domestic and extra-territorial human rights obligations – the overarching principle must be the primacy of human rights.
- make sure that trade agreements never limit the policy space of other countries to take measures necessary for the realisation of human rights.
- systematically integrate human rights into its Sustainability Impact Assessments (SIA).

The new Human Rights and Sustainability Impact Assessments (HRSIA) must be conducted before the start of any negotiation by an independent institution, and with broad civil society participation. The HRSIA findings must be published and debated in the European Parliament, and provide the basis for the formulation of any trade negotiation mandate.

- Trade agreements and initiatives that are found to threaten human rights in Europe or in other countries must be terminated or fundamentally revised based on a public and parliamentary debate.

Issue #4: Money, and how we invest it

International investment treaties offer market access and high levels of protection for foreign investors, severely curtailing domestic policy space. They also prevent the restriction of capital flows in and out of a country – meaning governments can lose control of their own economies.

Key problems

International investment treaties offer unlimited market access to foreign investors, as well as many of the benefits usually reserved for domestic companies. This reduces policy space and has a negative impact on social welfare, environmental protection and economic development, as local industries find themselves competing with powerful transnational corporations.

Investment treaties have also led to an growing 'epidemic' of giant companies using clauses to sue countries if they feel those countries' policies

(e.g. in relation to labour rights or environmental protection) threaten their profits. This is hugely expensive for public treasuries, and is discouraging governments from introducing protective social or environmental measures.

The Alternative Trade Mandate view: investing in a fair future

Foreign investment needs to be used to build a fairer and more sustainable future for individuals, communities and our environment – not just to create profit for those with money to invest.

How do we do this?

Our governments need to:

- stop pretending unrestricted foreign direct investment (FDI) is a 'magic bullet' that automatically benefits host countries .
- terminate existing investment treaties of Member States that hinder host states' legal obligation to respect, protect and fulfill human rights and ensure sustainable development.
- retain the right to monitor investor behaviour and say 'no' to undesirable or unsuitable foreign investments – even after the investment has been made; e.g. if the investor has transgressed, or if national policy decisions made post-investment mean it is no longer in the public interest.
- maintain the right to enforce capital controls to stop foreign investors suddenly pulling their money out of an economy.
- stop tax dodging, set adequate rates of taxation and royalties, and make sure foreign investors pay at least the same amount of tax as national companies, publicly reporting on their tax behaviour on a country by country and project by project basis.
- be able to exercise the above rights without being threatened by investors in costly international courts, such as the International Center for the Settlement of Investment Disputes.

- ensure that foreign investors and their subsidiaries bear legal liability, including in their home states, for any complicity in human rights violations, environmental destruction, or for tax avoidance and tax evasion, including harmful transfer-pricing practices.
- make it easier to take legal action against transnational corporations in cases of corporate misconduct and human rights violations (and enable communities to do this too), both through national courts in the host and home countries, and at the international level.
- provide citizens with access to information about proposed investment projects to guarantee free, prior and informed consent for all stakeholders.

The international community needs to:

- enforce existing international legal frameworks dealing with social, labour, economic and human rights, and environmental concerns, and ensure that all investment benefits social, environmental and human rights goals by placing binding obligations on international investors.
- agree a series of sanctions for those companies failing to meet their and obligations with respect to various human rights and environmental protections.
- establish an international criminal court for crimes committed by transnational companies.

Issue #5: Banks and speculators, and how the financial industry behaves

The financial services sector – which channels finance for trade, foreign direct investment and society as a whole – has routed many profits to itself. As a wealthy and influential sector, it successfully persuaded governments that it should be deregulated, and that trade and investment agreements should restrict what regulations and controls, even in the future, can be imposed on it – with disastrous results.

Key problems

A powerful combination of scant regulation and trade agreements that unlocked the door to a global market (thanks to financial sector lobbying) meant banks, investment houses and speculators had a field day during the first years of the new century. They took full advantage with a high-risk, casino approach that eventually rocked the global economic system. Weak financial reforms and the continuous use of pre-crisis trade rules still cause untold damage for poor and vulnerable citizens in Europe and worldwide.

The Alternative Trade Mandate view: a banking and financial services revolution

The financial sector needs to be transformed from a risky, unstable sector that makes societies pay, to a strictly regulated sector that provides basic financial services to all and has to contribute to the development of fair and sustainable societies. Trade and investment in financial services, and the rules and agreements covering them, should reinforce that aim, and through cooperation this should be enforced on all cross-border financial services' activities.

How do we do this?

The EU needs to:

- make financial stability a public good so that all national, EU and international policies dealing with banking and financial services have inclusion, sustainability and stability, rather than profitability, as an over-arching goal and priority.
- screen all financial products to check they have positive social, economic and/or environmental benefits, and that they are simple and easy to understand. Non-conforming, highly complex and risky financial products need to be weeded out and banned.
- introduce measures to curb risk-taking, speculating, profiteering and the excessive 'bonus culture'. This should include financial transaction taxes that fund sustainable and pro-poor activities.
- ensure that financial services providers, including banks, hedge funds and insurance companies, don't become 'too big to fail' — or too big to regulate and supervise.
- abolish tax havens and stop banks and investors operating in or through tax havens. International cooperation and information-sharing mechanisms should be established to prevent and detect tax avoidance and tax evasion, capital flight and 'black money' sitting secretly in banks abroad.
- ensure that all rule-making covering the financial sector, from the international level down, is transparent and firmly under democratic control, and not captured by either pro-business trade and investment negotiators, or by bodies where regulators are influenced by financial sector lobbyists.
- terminate existing trade agreements aimed at liberalising financial services – it should be perfectly acceptable for governments to choose between banks and financial service providers depending on the quality of their products and services, and whether or not they are 'home grown'.
- promote international collaboration on financial services, for example by creating a new forum to regulate and supervise all activities, trade and investment by the financial sector and financial investors, which would have a tribunal to adjudicate in cases of malpractice.

Issue #6: Raw materials and how we share them

To live their lives comfortably, people need resources for their livelihoods and other needs – be it water for crops, forests for food and shelter, or scarce minerals for our computers. But the EU's dependence on importing raw materials for processing in the EU are ramping up competition for these materials, dispossessing vulnerable people in poor countries of their resources, and damaging the environment.

Key problems

One third of the EU's raw materials are imported, meaning Europe is more dependent on imports than any other region in the world. Without these raw materials, Europe's automotive, chemical and construction industries could not exist. And this import dependency is likely to spiral, as policies on biofuels and bio-economies kick in – for example, the EU's target of 10% of all transport fuel coming from renewable sources by 2020 is encouraging land-grabs in developing countries.

This push to import more raw materials is displacing millions of people, affecting the environment all over the world, and contributing to human rights violations. People living in areas where raw materials are extracted or produced often don't benefit, and instead bear the negative impacts. Meanwhile, the mostly multi-national companies extracting these materials avoid paying taxes and royalties.

The Raw Materials Initiative of the EU addresses higher efficiency in the use of raw materials instead of setting absolute and binding aims to reduce consumption, while the EU's new 'bioeconomies' industrial strategy can only make matters worse. It aims to use biomass, instead of fossil fuels, to provide both the energy and raw materials for all European manufacturing.

The plan relies on existing and still-to-be-invented biotechnologies to transform plant material into almost any product you can imagine, including bioplastics and new drugs.

This need to secure a constant supply of raw materials drives the EU towards an ever more aggressive strategy to achieve 'free' and unregulated trade. The EU has, for example, negotiated long and hard (but so far unsuccessfully) for general bans on export taxes to be put in place by the WTO, to try and stop countries restricting their exports of raw materials.

The Alternative Trade Mandate view: respecting resources

To move towards an equitable and sustainable use of resources, the EU must set clear targets to reduce its levels of resource consumption, particularly of land, mineral and energy resources, water and biomass. A new and alternative trade and investment strategy should reduce EU imports and consumption of both raw materials and manufactured products, especially those that have not been produced under fair and sustainable conditions.

How do we do this?

The EU needs to:

- ensure that raw materials imported and used in the EU do not contribute to human rights violations or conflicts in countries of origin. The obligation for a Human Rights Sustainable Impact Assessment would be a first step to this.
- ensure that victims of human rights violations caused by activities of European governments or

companies have access to a European justice system and compensation.

- stop pushing for rules that prevent other countries restricting exports of their raw materials. Developing countries must retain the right to regulate their exports, including by using import and export taxes and public procurement policies. The EU has to respect the decision of governments in the Global South to use natural resources for their own needs.

- stop using differential tariffs to discourage imports of processed goods, while encouraging raw materials and thereby protecting European manufacturing.
- negotiate bilateral voluntary partnership agreements with trading partners, in conjunction with affected communities and other stakeholders, to improve production standards, develop processing in exporting countries and foster South-South trade.
- use these bilateral agreements to ensure all companies and investors involved in extracting raw materials are legally accountable for their actions at home and in host countries.
- ensure EU companies and investors respect the principles of tax justice and do not engage in transfer pricing, tax avoidance or tax evasion.
- reverse plans to become a bio-economy – dependent on imported biomass – which would dramatically increase the EU’s use of land and biomass without properly addressing overconsumption issues. Instead, the EU should ‘eco-restructure’ its industrial system, reconnecting production to the social and natural environment so that it prioritises the reduction of total material consumption and use of recycled resources, minimises waste production, increases resource use efficiency and reduces fuel use.
- regulate the power and size of transnationals operating in the raw materials sector through the implementation of national and EU-level anti-trust laws, as well as through coordination with other governments, in order to split up the giant corporations that dominate mining, energy and agricultural commodity markets.

Developing country governments need to ensure:

- their parliaments and local government play a central role in decision-making and monitoring when it comes approving licenses, regulation, and monitoring the allocation of revenues and their impact on sustainable development.
- any agreements entered into maintain the independence and integrity of government entities in charge of approving and monitoring extraction agreements.
- the effective participation of civil society – especially of local communities – in the decision-making process throughout the entire value chain, from decisions on granting licenses to the allocation of revenues.

Issue #7: Climate change and how we equitably share the burden

International trade and investment agreements are a driving force behind the growth of energy-intensive industrial sectors and the expansion of intensive agriculture – carbon-hungry activities that fuel ever-greater carbon emissions thanks to their reliance on fossil fuels. This activity, and the equally carbon-hungry road and air transport network required to ship industrial and agricultural goods around the world, contribute to the relentless destruction of climate-regulating forests and seas, and to climate change itself.

Key problems

The dangerous delay in dealing with climate change is direct consequence of our current economic system, where government ties to corporate interests make them turn a blind eye to the problem. This tendency is legitimised by the ‘soft’ laws laid down on the issue by international organisations such as the World Trade Organization – the only global entity that can force countries to change their domestic or

international policies if they are considered market distorting. For this reason governments are reluctant to introduce measures that could stop the corporate agenda, because it may be challenged at the WTO.

This business-friendly approach to climate change has led to ‘false solutions’ to the issue, including weak voluntary certification systems (whose decision-making bodies are dominated by the companies they are

supposed to regulate) and the EU's Emissions Trading Scheme (ETS) – the world's biggest carbon market where investors and firms can trade 'the right to pollute' via tradable carbon emission 'allowances'. This scheme itself has helped trigger environmental conflicts in the Global South.

The EU bears particularly heavy responsibility for its environmental legislation, which includes minimum targets for using biofuels for transport, and the speculative development of bio-economies (see raw materials above). Although sold as a means of using agricultural waste, both policies are ramping up global demand for land on which to grow crops on an industrial scale, with significant impacts for food security, food prices, and land grabs.

Meanwhile, rules on intellectual property rights push up the cost of climate-friendly technologies, making it impossible for developing countries to switch to sustainable, low-carbon and climate-resilient development.

**The Alternative Trade Mandate view:
the climate change imperative**

A new, ambitious and fair low-carbon approach needs to replace the EU's current focus on 'economic growth at all costs'.

How do we do this?

The EU needs to:

- dismantle its failing Emissions Trading Scheme.
- set binding and more stringent energy saving targets. The goal of making a 20% reduction in CO₂ emissions by 2020 (compared to 1990 levels) needs to be taken to at least 60% by 2030 and fulfilled within the EU, without 'carbon-offsetting' elsewhere.
- increase investment in new processes and technologies that reduce emissions and create jobs.
- begin to pay its 'climate debt' to developing countries, initiating voluntary bilateral climate change agreements, and supporting countries' climate change adaptation and mitigation programmes with real, new and additional funds from public sources.
- support the creation of local and sustainable supply chains in the South in order to guarantee

the development of a solid ecological economy, able to support local communities. This can be assured by a direct transfer of funds based on the climate debt to be paid. Following this we need to make energy intensive imports more expensive, or give rebates to energy-efficient exporters.

- support an alternative framework on intellectual property rules that fosters local green technologies and the encourages (rather than prevents) the transfer of low-carbon technologies to developing countries, and supports the development of climate-friendly crops by small farmers.

The international community needs to:

- make a collaborative response to address these issues, setting out how various countries will reduce their greenhouse gas emissions in accordance with their 'historical responsibility'.

Issue #8: Public services and how we protect them

Citizens' increasing resistance to the dismantling of public services has so far made little impact on the EU's trade and investment policy. Essential services such as energy and water distribution, education, health and social services have to be safeguarded against offensive commercial interests, and tightened market rules.

Key problems

The EU's aggressive, market-liberalising trade strategy not only puts at risk the high social value of public services, it also undermines the pivotal role a strong public service sector plays in boosting and stabilising economic development.

Even in essential areas such as health, education or energy services, free market advocates aim to increase the bargaining power of corporations through tightened “pro-competition” regulation, and to severely restrict the policy space to meet democratic demands for a withdrawal from failed liberalisation and privatisation policies. Ignoring the severe criticism put forward for many years by, for example, trade unions, NGOs and local governments, the European Commission shows no willingness to meet the demands to exclude public services from the scope of free trade agreements.

The Alternative Mandate view: exclude public services from trade negotiations

The EU states its formal commitment to the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights. It also states that its aims include promoting a society in which pluralism, nondiscrimination, tolerance, justice, solidarity and equality prevail. In addition, its founding treaty explicitly states it will apply these same principles to all its foreign affairs. With this in mind, the protection of the high collective value of public services is undoubtedly a matter of policy coherence – “within” and “beyond” Europe. Acknowledging the positive impact of universal access and high quality public services for social development, the EU's trade and investment policies must not undermine the policy space needed for fighting inequality and fostering social progress.

How do we achieve this?

The EU needs to:

- reverse its focus on offensive business interests for liberalising public services in trade negotiations, and start to safeguard public services by excluding them from the scope of free trade and investment agreements. The latter must not undermine the policy space at a local, regional and national level to meet democratic demands for (re)regulation and decisions to withdraw from failed privatisation measures.
- stop its trade and investment negotiations pushing for the liberalisation of public services in other countries – instead, the democratic control, quality and affordability of public services need to be strengthened “within” and “beyond” Europe.
- acknowledge the pivotal role that a strong public service sector can play in boosting and stabilising economic development, and replace its crisis-prone, free market approach to economic and trade policies with a new approach focused on improving living and working conditions.

Issue #9: Public procurement, a tool for social development not trade promotion

Public procurement is the process through which central and local government, and bodies governed by public law and utility service providers, buy goods, works and services. Traditionally, public procurement has been excluded from multilateral trade negotiations because of its potential to promote local and national strategic interests, for instance public procurement contracts can develop local companies.

Key problems

With a view to opening new opportunities for European multinational companies to bid for contracts in other countries, the EU has been proactively promoting the inclusion of procurement provisions in trade agreements.

This approach to using public procurement is effectively a back-door route for the EU to open new markets for European companies while reducing the policy space of governments to manage their own economies.

The Alternative Trade Mandate view: public procurement is a tool for social development

It is essential that trade agreements do not compromise public authorities' ability, in both industrialised and developing countries, to use taxpayers' money wisely. Public procurement is a powerful tool that can be used to create and maintain healthy local economies, promote equitable and inclusive societies, and ensure environmental protection. In developing countries especially, public procurement is a hugely important macro-economic tool used to support infant industries, especially in times of recession.

How do we do this?

The EU needs to:

- consider procurement as a tool to promote development and social justice, not a means of increasing trade.
- actively encourage public authorities across Europe to make informed, strategic procurement choices, ensuring the best use of public spending.
- allow its own legislation to evolve toward sustainable procurement, reflected in its future trade negotiations.
- allow its approach to government procurement to be open to scrutiny and comment by civil society and not be dominated by the vested interests of large corporations in third countries.

Developing country and Least Developed Country governments need to:

- ensure they are offered protections when voluntarily entering into public procurement negotiations with the EU that allow them to safeguard their balance of payments, and ensure there are sufficient reserves to implement economic development programmes, promote the establishment or development of domestic industries, and support industrial units dependent on government procurement contracts.
- push for the inclusion of sustainable procurement provisions in the government procurement commitments with the EU.

Issue #10: Intellectual property, and how to give it human values

Copyrights, patents, trademarks or other forms of so-called 'intellectual property', including seeds, new drugs and industrial inventions, give exclusive use of these assets to those who hold the intellectual property rights to them. These rights holders can hamper innovation by competitors and set monopolistic prices that harm access to essential knowledge goods, including medicines. Trade agreements often include intellectual property standards that are even more demanding than those of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), or the World Intellectual Property Organization (WIPO) agreements.

Key problems

Runaway growth in the legal authority exercised by intellectual property rights (IPR) holders – driven by developed country governments and international organisations – has led (among other things) to drug companies delaying the release of generic medicines, software patents hampering competition and follow-up innovation, and the erosion of farmers' rights to seeds and crop varieties.

The intellectual property system also hampers the sharing of knowledge – limiting access to medicine and hindering the fight against climate change. Harsh enforcement restricts the freedom to innovate

and compete, threatens access to knowledge and the protection of due process, free speech, privacy and other civil liberties. In some areas weak patent incentives lead to a lack of research into uncommon but harmful diseases.

Added to all this, the EU aims to export its intellectual property and enforcement laws through trade agreements, running the risk of back-door lawmaking and the use of secret trade negotiations that go even further than EU law.

Internationally, one of the most important tools for defining and regulating IPRs is the Agreement on Trade-related Aspects of Intellectual Property

Rights (TRIPS), drawn up by the World Trade Organization. So-called 'TRIPS-plus agreements' threaten to ignore the local needs, national interests, technological capabilities, institutional capacities and public health conditions of many less developed countries.

The Alternative Trade Mandate view: an intellectual property system serving strategic interests and human values

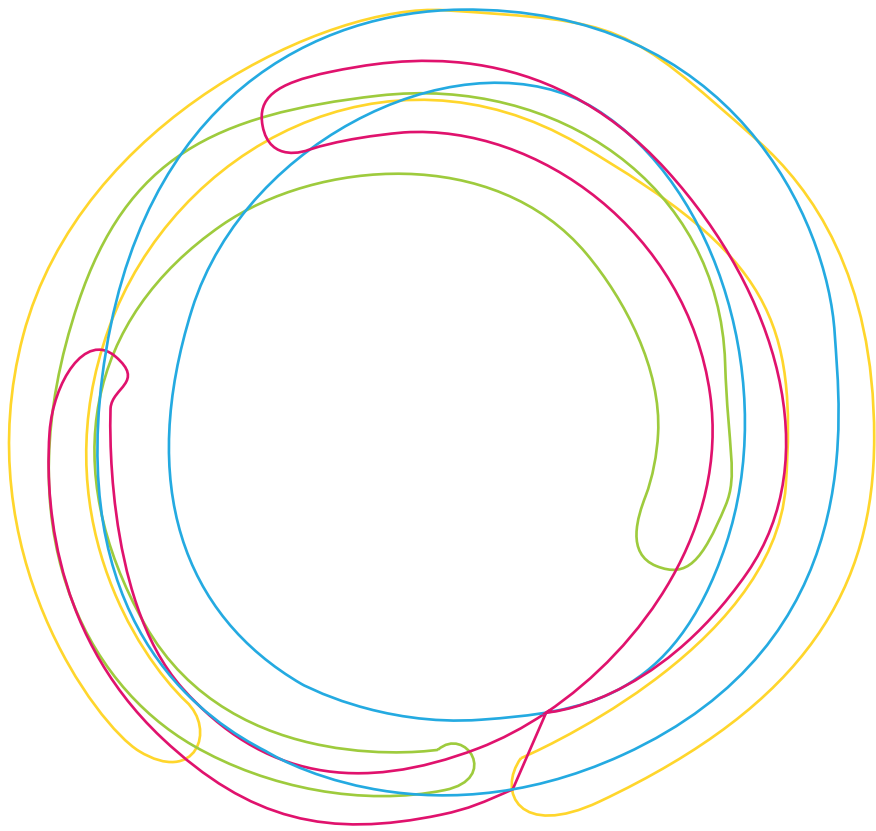
It strengthens the EU and developing countries and serves human values if intellectual property rights are drafted, interpreted and enforced within the framework of human rights, consumer protection, competition, privacy laws and development goals.

How do we do this? ¹

The EU and other actors need to:

- encourage broad public participation, base policy making on research rather than faith, ideology or corporate lobbying, use transparent research, with publicly documented methods, assumptions, funding sources, and underlying data.
- respect the rights to due process and a fair trial, maintain adequate evidentiary thresholds, avoid undue expansion of criminal and third party liability, strictly scrutinise public enforcement responsibilities delegated to private actors, ensure that legal penalties are reasonable and proportional and do not include restrictions on access to essential goods and services, including access to the Internet or to needed medicines and learning materials.
- set a permanent moratorium on further extensions of copyright, related rights and patent terms, place Free/Libre/Open Source Software on an equal competitive footing with proprietary software, require the use of open standards for information produced by or for public entities, grant the public free and unrestricted access to all government-funded endeavors.
- assure that international law is interpreted in ways that give States the greatest possible flexibility in adopting limitations and exceptions that are appropriate to their cultural and economic circumstances, support the development of binding international agreements providing for mandatory minimum limitations and exceptions.
- dedicate public resources to non-patent based incentive models, such as prizes for innovation, especially in areas where patent incentives have proved weak, such as for research on neglected diseases and the provision of cost-effective access to medicines in developing countries.
- implement reforms that limit the granting or maintenance of patent rights where they are not justified by net benefits to the public, scrutinise patentable subject matter and inventiveness.
- ascertain that current proposals for global copyright and patent reform fully integrate development concerns and assess implications for developing countries.
- encourage the efforts of developing countries to make greater use of flexibilities, limitations and exceptions to intellectual property to advance public policy objectives in areas such as health, education, agriculture, food, and technology transfer.

¹ This section quotes and draws upon: Global Congress, 2011, The Washington Declaration on Intellectual Property and the Public Interest, <http://infojustice.org/washington-declaration>





People and planet first

Support the
Alternative
Trade Mandate



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