

# Rethinking Trade: Demands for a progressive EU trade policy



*We have prepared this position paper with the participation of the people being engaged for Campact. Close to 40,000 persons participated in a survey on trade policy and endorsed the demands presented below with a high majority. The participants of the survey selected high standards, a sustainable agriculture and the rejection of the special complaint rights for companies as the three most important demands. We received more than 6,000 additional suggestions for a better trade policy. We have pooled these suggestions and included them in this paper to a large extent.*

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## Imprint

Photo: Ferdinando Iannone

Issued by Campact e.V., Artilleriestraße 6, 27283 Verden (Aller)

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# Now from the beginning – the new EU trade policy

**N** public has never before discussed trade policy so intensely. Hundreds of thousands have protested against TTIP and CETA in recent years. More than three million people in the EU signed the citizens' initiative against TTIP and CETA. They demonstrated with this their rejection of a trade policy, which is heavily biased and puts the interests of companies and investor rights first. **The EU cannot continue business as usual after these protests.** The EU Commission and the EU member states must take the demands of the citizens seriously. They must initiate a restart of the trade policy instead of - as

is the case with Japan - simply retaining the previous course.

Campact campaigns together with many other societal groups for a fair and cosmopolitan Europe and for a *different* trade policy. Climate change, environment destruction, poverty, inequality, forced migration: Trade must contribute towards reducing the most urgent problems of the world, instead of intensifying them. **If we want to comply with the human rights, the Paris climate agreement and the Sustainable Development Goals of the UN (SDGs), there must be a turnaround in trade policy.**

People in the developing countries have been experiencing negative consequences of one-sided trade policy for long - the discomfort is now also spreading in the Global North: The course of the current trade policy has intensified social inequalities. This trade policy is the expression of an economic policy, which more and more people are rejecting, because it serves only a few and makes a lot of people lose. **A new start is urgently needed in the EU trade policy.** This would also prevent more and more people from turning to the right-wing populists

## A fundamental policy change is necessary

**T**he new trade agreements primarily aim at removing the so-called non-tariff barriers to trade - and these are often environmental and social standards. Trade is now, therefore, no longer about the access of goods to the domestic market. Rather, the shaping of the market itself is increasingly dealt with in the trade agreements. **In this way, policy makers' capacity to regulate is decreasing more and more.** In doing so, it is apparent: Regulation is necessary to achieve social objectives like public welfare and participation. Therefore, trade agreements must

be drafted in such a way that **decision makers have sufficient space to set a social and ecological framework for the economy.** They must contribute towards setting standards on the global level, in order to put an end to the damaging worldwide competition of global companies for the lowest standards.

Trade has become an end in itself. Instead, the fulfilment of the fundamental values and objectives of the EU - like well-being, democracy, rule of law, preservation of human rights, sustainable develop-

ment and environment protection - should be the aim of trade policy. Trade and investments may not **hamper social-environmental transformation - they must instead support this development.** This includes - where ecologically and economically better than international trade relations - promoting regional economic cycles and small manufacturers.

Till now, trade policy was based on specific assumptions, which were used to justify an always increasing liberalisation: Trade liberalisation brings more benefits for all

people in the world e.g. cheaper products for the consumers and growth. Or: Trade liberalisation does not destroy any jobs<sup>1</sup>. Meanwhile, these assumptions have started tottering, because the reality looks very different: Through technological development, as also through outsourcing processes as a consequence of liberalisation, **jobs are being lost in industrialised countries and high-profile jobs are coming under pressure**<sup>2</sup>. **There is unequal distribution of profits worldwide**<sup>3</sup>. The dark side of the earlier trade policy is now coming more and more in the centre of the public debate<sup>4</sup> - unfortunately, also since **right-wing populists took up these topics**. If we do not want to leave the field open to them, we must urgently realign the trade policy (see below). Basically, **all people must feel taken into account and profits must be distributed fairly in times of change and internationalisation** - so that the society does not split any further. Central to this subject is good employment and adequately high minimum wages all over in the EU<sup>5</sup>. A social policy, which enables a life in dignity and participation. A reduction of the social inequalities through fair taxation and a better education policy.

Countries that have trade balance deficits over a longer period inevi-

tably land up in a debt crisis. This connection is largely accepted in the public debate. But the fact that trade balance surpluses - like those of Germany - are necessarily up against these problematic deficits in other economies, is often completely forgotten. Sustainable investments and adequately high wages must counteract the strong export orientation (e.g. in Germany), in order to come **from trade deficits to more equilibrium**.

Instead of everyone wanting to become "Export champion", we need a global cooperation for investments in the social-environmental transition and the SDGs. Based on Keynes' idea of an "International Clearing Union", it would make more sense to create incentives for even trade balances e.g. a financial "penalty" in case of a surplus<sup>6</sup>. There must be a **better cooperation, in order to break global monopolies**, in which currently more and more power is concentrated. There is still a long way to go towards an "International Anti-Trust Division", but the states could safeguard the application of the respective national competition law through international agreements. And in mutual agreements, they could prohibit export cartels.

All our suggestions are the opposite of a "national protectionism" à la Trump. They are meant for setting **global rules for a fair trade**,

which help the people and the environment - and are not there for giving benefits only to some companies in some countries. But even more of the old recipes for an unrestrained deregulation is exactly the wrong answer to Trump, it is instead the grist to the mill for right-wing populists.

A lot of our suggestions are applicable for bilateral agreements as well as at the multilateral level. In doing so, Campact is of the opinion that the **multilateral path is the better one**, because all countries need to sit at one table. To do this, we need a reform of the World Trade Organisation in line with the demands listed below. As long as bilateral agreements are signed, they should fulfil our principles. In the trade debate, often the argument is given that trade agreements should not at best deal with environment or social standards, but instead should concentrate only on the matters of tariffs and quotas. This is basically an understandable argument - but we want to turn the tables with our suggestions and say: The agreements should be "slimmer" where they curb the policy space of governments. And they should be strong, if it is about finding a solution for big social challenges.

# The (nine) most urgent problems – the best solutions

## Demand No. 1:

### Trade policy should not restrict high standards and consumer protection

*The current trade policy fuels a global race for the lowest standards and wages. It classifies standards as trade obstacles and undermines them. In doing so, elected governments lose more and more power of regulating the market. Workers, consumers and the environment have to bear the negative consequences. **Instead, we demand a competition for the best environment and labour standards.***

Everyone benefits from high standards: Consumers, workers, the environment and finally also the companies. It is central for a democracy that the decision-making power of politics does not shift towards the economic actors. All our demands aim at making trade policy an instrument to drive upward globally environmental, social and human rights standards.

The adherence to - and not just the signing - of labour standards and international environmental agreements should be a require-

ment for signing a trade agreement. The weak sustainability chapters of earlier agreements should be subject to the state to state dispute settlement mechanisms of the trade agreements and the sustainability chapters should be binding. An exception clause should enable the states to infringe upon the obligations of the trade agreements, if these violate social or environmental rights<sup>7</sup>.

The competition for the highest standards may not be misused as barrier to the entry of products from developing countries. Knowledge and financial support for the fulfilment of standards in developing countries can prevent this. Fair trade products must become the gold standard.

The precautionary principle established in the EU law is essential for environment, health care and consumer policy. The "scientific" approach, on the other hand, e.g. in USA and Canada, permits sub-

stances, till their harmfulness is proved. In the precautionary principle, the burden of proof is reversed<sup>8</sup>. Bilateral agreements and the WTO must safeguard this. Trade agreements should not soften the labels for food items - this information is important for the consumers.

Regulatory cooperation, as provided for in TTIP and CETA, is dangerous. In this way, decisions can be made bypassing the legislator. This increases the risk of being influenced by the industry and encourages the downward race of standards. For this reason a new approach is needed. Standards can be harmonised only when the trade partner having low standards adjusts to the one having higher standards. Technical dual requirements for the manufacturer can be removed, if they do not lead to any higher product security, but instead to bureaucracy and additional costs.

## Demand No. 2:

### Trade policy must contribute towards sustainable agriculture

*The current trade policy contributes towards an unhealthy development: a stronger concentration of agricultural production and more and more industrialised agriculture. The regional, farming agriculture comes under more pressure. Subsidised products "from the north" often destroy the local production in the developing countries<sup>9</sup>. **We demand a trade policy, which aims at a sustainable agricultural production.***

A regional, farming agriculture ensures the existence of farmers, creates more jobs, protects climate and environment and contributes towards maintaining the landscape. In poor developing countries, it is

the livelihood for a majority of people. The rise in productivity in agriculture were associated with a higher resource consumption and pollution in recent years<sup>10</sup>. Intensive livestock ("battery") farming in the industrial agriculture is also an ethical problem - a rethinking is urgently required.

The trade agreement itself may not weaken the rules e.g. regarding the use of chemicals or hormones. Instead, trade partners should agree on environmental minimum standards. Countries must have the right to selectively protect their agricultural markets, if this serves priority objectives, such as the

fight against poverty or environmental protection. There needs to be a paradigm shift from an export-oriented agriculture and food industry. The human rights for food must be anchored in all trade negotiations.

The countries of the "Global North" must bring to an end their lump-sum subsidies for agricultural production, which benefit predominantly strong exporting companies<sup>11</sup>. Instead, we want to have adequate prices for the farmers and subsidise only those services, which are beneficial to the society. This includes the maintenance of landscape and biological diversity.

## Demand No. 3:

### Trade and investment agreements may not contain any special complaint rights for companies

*Various trade and investment agreements enable the companies to sue states, if they see their profits diminished by policy measures. Thus, for instance, the introduction of a minimum wage can be classified as "indirect expropriation". With the help of these special complaint rights, foreign investors can bypass the national legal system. These special complaint rights represent a risk for democracy and social or environmental regulation. **We demand a phase-out of this one-sided complaint system.***

International agreements are only effective when the rules are binding and when they have strong enforcement mechanisms. But the current agreements equipped the wrong actors with the right to complaint: Businesses instead of people, whose rights are violated, and countries that want to protect themselves against social, environmental and tax dumping.

A majority of the EU citizens rejected the special complaint rights for companies in TTIP during a consul-

tation of the EU Commission<sup>12</sup>. Trade and investment agreements should avoid special complaint rights for the companies as well as material rights for foreign investors<sup>13</sup>. Existing contracts should be terminated or re-negotiated accordingly. There are good alternatives, if the investors consider their rights as violated. They should bring their case before national courts. The judgement of the Federal Constitution Court for the German nuclear phase-out shows again that the foreign investors -

in this case Vattenfall - enjoy an adequate protection. There are adequate possibilities even in states with legal weaknesses. These include insurances, mediation methods or state-to-state dispute settlement<sup>14</sup>.

As a response to the protests, the Commission has proposed a "Multilateral Investment Court". However, this proposal would bring only procedural improvements. On the other hand, it would cement further the special complaint rights and level the path for their expansion.

The world community is currently at the crossroads: If all trade and investment agreements are negotiated as planned, it means a massive expansion of the special complaint rights for investors<sup>15</sup>. For this reason, it is urgently necessary to take a different path.

## Demand No. 4:

### Trade policy may not come in the way of regulation of financial markets and must fight against tax loopholes

*States lose enormous amounts of tax money through tax evasion, in particular, by manipulating the transfer prices between business entities ("trade mispricing"). There are indications that trade liberalisation simplifies money laundering<sup>16</sup>.*

***We demand that the trade policy contribute towards regulation of the financial markets instead of reducing them.***

With higher tax revenues, states can ensure to better finance public tasks - and in this way also distribute the benefits of globalisation

more fairly. Trade agreements must contain arrangements for tax cooperation, in order to fight against tax evasion. Taxes must be paid at those places, where the value-added is created. For this, transparency rules are important, such as country-by-country reporting and the set up of public beneficial ownership registers<sup>17</sup>. Tax havens should not obtain access to the EU internal market<sup>18</sup>. In order to fight the race to the bottom, a common consolidated corporate tax base for companies should be a precondition for any trade agreement<sup>19</sup>.

Trade partners should also agree on minimum standards for fighting money laundering.

A strong financial market regulation is necessary, in order to prevent the devastating crises like the ones that have occurred in the past. There must be more exceptions for financial services ("carve outs") than already included in many trade agreements. With this, trade agreements do not restrict a robust financial market regulation.

## Demand No. 5:

### Trade policy must contribute towards protecting human rights along the entire supply chain

*Whereas there are far-reaching rights for investors at the international level, there are no binding rules for the protection against human rights violations committed by transnational corporations. Also, violations of human rights, environmental and social standards along the supply chain are hardly punished<sup>20</sup>.*

***We demand binding protection of human rights and corporate due diligence along the entire supply chain.***

The implementation of the UN Guiding Principles for Business and Human Rights<sup>21</sup> is an opportunity for ensuring corporate due diligence along the entire supply chain. In order to unfold their effect, the Principles must be made legally binding and sanctioned in case of violations (e.g. via export promotion and public procurement). Corporate due diligence must also be applicable to the subsidiaries e.g. by binding controls by the parent company. In addition, the companies must be com-

mitted to document these measures and make them public. Transparency can ensure that human rights violations can be punished at all.

Affected persons must be given access to legal means - regardless of the country in which they are living. For this, complaint mechanisms within the companies and a corporate criminal law are useful. Environmental damages and inhuman working conditions need to be punishable under civil law. The recently decided national action plan of the German Government does not fulfil these requirements and hence must be overhauled<sup>22</sup>.

Apart from this, we need a legally binding UN treaty for prosecuting human rights violations by transnational corporations<sup>23</sup>. It should commit states to incorporate measures in national law, which enable or simplify complaints against transnational corporations. Affected persons should be able to file a complaint in their home

country as well as at other locations of the company. The EU member states may not block the ongoing negotiations in the UN Human Rights Council for such a "binding treaty".

A lot of trade agreements contain human rights clauses, but these are used only as the last means e.g. in case of a coup. Therefore, there have hardly been any sanctions till now if the human rights situation has deteriorated in a country. Thus, with the completion of the negotiations, the trade agreements should have binding action plans for human rights, whose aim is to improve the situation in the partner country. Moreover, we need a regulation, which permits governments to suspend their commitments from trade agreements, in case of human rights violations caused by liberalisation (e.g. if the liberalisation of the agriculture market threatens the existence of small farmers)<sup>24</sup>.



## Demand No. 6:

### Trade policy must make an active contribution towards achieving the UN climate objectives

*If the EU wants to implement the Paris climate agreement and prevent the climate catastrophe, it needs to rethink trade policy. The current system favours the trading of fossil fuels and hampers the expansion of renewable energies. The outsourcing of energy-intensive production to developing countries enhances the CO<sub>2</sub> statistics in the industrial countries, but does not reduce the overall emissions. **We demand that trade agreements support the fight against the climate catastrophe.***

Trade agreements may not hinder the expansion of renewable ener-

gies - on the contrary. In particular, a lot of developing countries promote the expansion of their local industry for renewable energies by putting in place local content requirements. This may not be prohibited by trade agreements. Subsidies for renewable energies can make sense, particularly during the initial period. The "neutrality" of different energy sources suggested in the international agreement on services TiSA would be counter-productive<sup>25</sup>. There is a need for more incentives for investments in renewable energies.

A border tax adjustment for CO<sub>2</sub>-intensive products, like steel, makes sense when a state has introduced progressive climate protection measures, such as a CO<sub>2</sub> tax<sup>26</sup>. This increases the incentives for fighting the harmful CO<sub>2</sub> emissions. More transparency in the value chain contributes towards a regulation of products especially damaging to the climate, like oil from tar sands. Setting ambitious CO<sub>2</sub> targets and abolishing subsidies for fossil fuels should be made a pre-condition for signing trade agreements<sup>27</sup>.

## Demand No. 7:

### Trade policy may not hamper basic public services

*In the course of globalisation, the privatisation of public services has increased enormously<sup>28</sup>. The new generation of trade agreements contains provisions which put even more pressure on municipal public services, such as waste water or waste disposal. **We demand an effective exemption clause for public services in trade agreements.***

Municipal public services have a direct impact on the daily life of people: Everyone feels it immediately, if the water prices increase or the garbage disposal fails. Public services like drinking water must be accessible to and affordable for

all. A privatisation often goes against this aim, because private service providers must make profit. Therefore, trade agreements should not contain any rules, which encourage the privatisation of municipal services or make regulation more difficult<sup>29</sup>. They should also not prevent that local governments buy back infrastructure, for instance their energy grids. Standstill clauses and ratchet clauses prevent all this and should therefore be excluded from trade agreements.

The effect of so-called negative lists is that all services - even the ones that do not exist yet at the

time of trade agreement - are automatically subject to liberalisation. We demand to reverse the principle again: The trade partners must consider exactly which services they should include in the trade agreement ("positive lists"). As a rule, the public services should be excluded.

Trade agreements deal more and more with public procurement - and restrict the scope for setting the political framework. In case of public bid invitations, social and environmental criteria should be made decisive for granting the order.

## Demand No. 8:

### Trade policy must be fair

*None of the trade powers today owe their wealth to free trade, but instead to comprehensive protection. The German Economist Friedrich List set up the German customs union according to the British model with customs up to 60 percent - and praised its success beyond all measures. Even Japan and the Asian tiger economies have worked with safeguard duties and governmental subsidies - the industrialised countries are now demanding "free trade" from the poorer countries.*

**We want a fair trade policy, which grants the same opportunities for development to all countries.**

A stronger integration in the world market can make sense for developing countries and reduce poverty - if the conditions are right. Especially regional trade can bring a lot of advantages to the poor coun-

tries. The currently negotiated Economic Partnership Agreements (EPA) between the EU and the African countries, on the other hand, undermine regional integration<sup>30</sup>. Abolishing tariff escalation and more generous rules of origin can promote the further processing of products in developing countries and free them from their role of raw material suppliers. This applies, in particular, to African countries<sup>31</sup>.

Without safeguard duties, a lot of developing countries are not competitive in many sectors. To prevent the strong competition from the "Global North" destroying local markets, developing countries should have lower commitments for opening up their markets than industrialised countries. A selective protection of the developing

sectors - the success formula of many Asian countries - is an important component for economic development. Trade agreements must enable this. They must encourage the adherence to environmental and social standards.

Trade agreements may no longer restrict the policy space of developing countries. This happens, for instance, through provisions in case of services or the liberalisation of public procurement<sup>32</sup>.

The access to medicines or seeds is vital to survival, mainly for the poorest. Rigid intellectual property rights may not restrict this. A reformed World Trade Organisation should be the place for further trade negotiations - so that everyone sits at one table.

## Demand No. 9:

### Trade policy must be organised as more democratic and transparent

*Trade agreements intervene deeply in political processes and have a huge influence on every citizen. Still, they are being negotiated by excluding the public and to a large extent the parliaments. Corporate lobbyists have a privileged access to the negotiators, while civil society is excluded to a large extent<sup>33</sup>. The European Parliament can vote on an agreement only at the end of negotiations - and can only say yes or no<sup>34</sup>.*

**We demand a participative process, in which the European Parliament can participate right from the beginning and citizens are heard.**

A transparent and participative process enhances the legitimacy of trade agreements and orients them more strongly to the needs of the people. A democratic process helps in establishing more trust again in the EU and in enhancing the ac-

ceptance of such agreements - instead of letting them fail in the end under high costs<sup>35</sup> or pushing them through against the embittered resistance of the people. A Europe-wide debate about the aims and alignment of trade agreements is critical. For this, the European Parliament (EP) should have equal rights with the Council to decide about the mandate - and hence also about the question, whether a

new agreement is needed at all<sup>36</sup>. This must be accompanied by a public discussion about the mandate and a wide consultation of public interest groups. The Commission must inform the EP regularly about the state of the negotiations. At the end of negotiations, the EP must be able to suggest binding changes to the text.

The national parliaments must control more strongly their governments in the Council and bring controversial points to the public. If the discussion is about the to-

pics that go beyond the EU's competence, the agreements should automatically be classified as mixed. This improves the participation of the national parliaments.

The impact of the agreements must be assessed regularly - before entering into force and also after application. In case of negative effects e.g. on jobs or environmental and social standards, the trade agreement should be revised. Trade agreements can no longer be applied provisionally, as long as the European Parliament has not appro-

ved it or else, in case of mixed agreements, the ratification in the member states is not yet completed. In the TTIP negotiations, the Commission has taken some initial steps towards more transparency - but unfortunately, has not continued this with the other agreements. In future, all negotiation documents should be published e.g. the mandate, text proposals and position papers. There should not be any imbalance favouring the corporate lobbyists during the negotiations. The Commission must make all meetings transparent.

# Footnotes

- 1 See this study as example: Success factors of open markets: Risks through protectionism and TTIP debate, Institute of German Economics Cologne, [www.inism.de/inism/dms/inism/text/publikationen/studien/TTIP-Studie.pdf](http://www.inism.de/inism/dms/inism/text/publikationen/studien/TTIP-Studie.pdf), viewed on 9.3.17
- 2 Recent studies show that from 1999-2011, 2.4 million jobs could have been lost in USA through increasing imports from China e.g.: The China Shock: Learning from Labour Market Adjustment to Large Changes in Trade, Author, Dorn, Hanson, [https://gps.ucsd.edu/\\_files/faculty/hanson/hanson\\_research\\_china-trade.pdf](https://gps.ucsd.edu/_files/faculty/hanson/hanson_research_china-trade.pdf), viewed on 17.3.17.
- 3 As shown by a widely respected study of the World Bank, the globalisation resulted in welfare gains for some population groups: Less than the other groups, only 5% of the poorest could benefit from this. However, the biggest "globalisation loser" is the global middle class, even in Latin America or former communist states and the classical industrial states, whose income has been stagnating for some time now. <https://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwidyrPJ4cnSAhVHVhQKHYtqAIgQFggiMAE&url=http%3A%2F%2Fdocuments.world-bank.org%2Fcurated%2Fen%2F959251468176687085%2Fpdf%2Fwps6259.pdf&usq=AFQjCNGj1sMYMVb-Y1igJRvnC-Fc10rdoQ>, viewed on 24.3.17.
- 4 See, for instance: <http://www.economist.com/news/leaders/21695879-case-free-trade-overwhelming-losers-need-more-help-open-argument>, viewed on 26.3.17.
- 5 A European coordinated minimum wage could be at least 50% in the short term and at least 60% in the medium term of the national average wage, suggested, amongst others, by WSI/Denknetz/IRES 2005.
- 6 Thus, for instance, the "Balance Union" suggested by Lisa Paus and Axel Troost at the EU level provides for "the contractually binding set up of a short-term and a medium-term upper limit for current account imbalances in the EU". Thus, the EU states should pay an annual penalty fee of one percent for the part of their cumulative imbalances, which exceeds the 15 percent of a defined long-term upper limit. For imbalances over 25 percent of the long-term upper limit, penalty fees of 2% would be due. <http://www2.alternative-wirtschaftspolitik.de/uploads/m0911.pdf>, viewed on 26.3.17.
- 7 A model of an alternative sustainability chapter is suggested by Krajewski and Hoffmann. [http://reinhardbuetikofer.eu/wp-content/uploads/2016/08/Model-SD-Chapter-TTIP-Second-Draft-July\\_final.pdf](http://reinhardbuetikofer.eu/wp-content/uploads/2016/08/Model-SD-Chapter-TTIP-Second-Draft-July_final.pdf), viewed on 27.3.17.
- 8 The precautionary principle is established in Article 191 of the EU Treaty.
- 9 See also Reichert (2011): Who feeds the world? The European agricultural policy and hunger in developing countries, published by Misereor.
- 10 See e.g. World Agriculture Report (2008) in which the expansion of ecological cultivation methods and promotion of small farmers is suggested, in order to feed the world population: [http://hup.sub.uni-hamburg.de/volltexte/2009/94/pdf/HamburgUP\\_IAA STD\\_Synthesebericht.pdf](http://hup.sub.uni-hamburg.de/volltexte/2009/94/pdf/HamburgUP_IAA STD_Synthesebericht.pdf), viewed on 27.3.17.
- 11 [https://ec.europa.eu/agriculture/sites/agriculture/files/statistics/factsheets/pdf/eu\\_en.pdf](https://ec.europa.eu/agriculture/sites/agriculture/files/statistics/factsheets/pdf/eu_en.pdf), viewed on 28.3.17.
- 12 During an online consultation, 97% of the participants rejected ISDS in TTIP, see also <http://www.europa-union.de/eud/news/deutliche-mehrheit-gegen-ttip-bei-online-umfrage/>, viewed on 27.3.17.
- 13 Material rights mean the clauses in the trade and investment agreements, on the basis of which foreign investors can complain against the states. These go much beyond the rights granted in national laws. As a first step, one could restrict the material protection rights to anti-discrimination of foreign investors.
- 14 See e.g. the suggestions of UNCTAD for alternative dispute settlement methods: [http://unctad.org/en/docs/diaeia200911\\_en.pdf](http://unctad.org/en/docs/diaeia200911_en.pdf), viewed on 27.3.2017.
- 15 According to estimates, the coverage of investment flows by ISDS would increase from currently 15-20% to 80%, in case all agreements currently in the pipeline are signed. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2595189](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2595189), viewed on 27.3.17.
- 16 According to a study, which was ordered for Committee on International Trade of the European Parliament: [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579326/EP\\_RS\\_STU\(2016\)579326\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/579326/EP_RS_STU(2016)579326_EN.pdf), viewed on 27.3.2017.
- 17 See, for instance: <https://www.tax-justice.net/wp-content/uploads/2016/12/Access-to-CbCR-Dec16-1.pdf>, viewed on 27.3.17.
- 18 This is also suggested, for instance, by Peter Bofinger: "After all, the access to the single market must be made dependent on the fact that the third countries do not acquire competitive advantage through dumping taxes, as currently being planned by the British government". <http://www.zeit.de/2016/51/soziale-ungleichheit-globalisierung-wohlstand-ausgleich>, viewed on 27.3.
- 19 Thus, also Thomas Piketty in: <https://www.theguardian.com/commentisfree/2016/nov/16/globalization-trump-inequality-thomas-piketty> viewed on 27.3.17.

- 20** There are no exact numbers; the Business & Human Rights Resource Centre has listed during 2005-2014 1877 complaints about the HR violations by companies, <https://www.business-humanrights.org/en>, viewed on 27.3.17. The estimated unreported figures are supposed to be much higher.
- 21** The UN Human Rights Council has adopted the UN Guiding Principles for Business and Human Rights 2011. The principles lay down the basic commitments and responsibilities regarding the adherence to human rights by international companies. They give (non-binding) recommendations to the states.
- 22** See also: <http://www.taz.de/!5366903/>, viewed on 27.3.17.
- 23** For an overview, see here e.g.: <https://business-humanrights.org/en/binding-treaty>, viewed on 27.3.17.
- 24** See for this the model clause by Lorand Bartels: [http://www.institut-fuer-menschenrechte.de/uploads/tx\\_commerce/Studie\\_A\\_Model\\_Human\\_Rights\\_Clause.pdf](http://www.institut-fuer-menschenrechte.de/uploads/tx_commerce/Studie_A_Model_Human_Rights_Clause.pdf), viewed on 27.4.17.
- 25** The "energy neutrality" in TiSA provides that all types of energy - whether coal damaging to the environment, natural gas from fracking endangering the drinking water or renewable energies - must be treated equally. If a country liberalises, for instance, the market for services in the field of renewable energies in the scope of TiSA, in order to attract foreign investors, this relaxation must also favour an oil company.
- 26** Some authors even demand a prohibition of trade with goods and services detrimental to the climate, see e.g. <http://www.santarius.de/wp-content/uploads/2009/05/Klima-und-Handel-Studie-Forum-UE-2009.pdf>, viewed on 27.3.17.
- 27** See e.g. <http://www.sierraclub.org/sites/www.sierraclub.org/files/uploads-wysiwig/climate-friendly-trade-model.pdf>, viewed on 27.3.17.
- 28** See e.g.: <http://ernst.weizsaecker.de/grenzen-der-privatisierung/>, viewed on 27.1.17.
- 29** This also includes that the public companies should behave "commercially".
- 30** See e.g. [https://www.die-gdi.de/uploads/media/BP\\_12.2016.pdf](https://www.die-gdi.de/uploads/media/BP_12.2016.pdf), viewed on 27.3.17.
- 31** This means, for instance, that not only the cocoa beans are exported, but instead the chocolate is manufactured directly in the country.
- 32** See, for instance: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/106.pdf>, viewed on 27.3.17 or [http://unctad.org/en/PublicationsLibrary/presspb2015d1\\_en.pdf](http://unctad.org/en/PublicationsLibrary/presspb2015d1_en.pdf), viewed on 27.3.17.
- 33** See e.g. a research by CEO, according to which out of the 597 meetings with the commission during the TTIP negotiations, 88% were done with corporate lobbyists: <https://corporateeurope.org/international-trade/2015/07/ttip-corporate-lobbying-paradise>, viewed on 27.1.17.
- 34** Article 207 (3), EU Treaty.
- 35** Thus, for instance, the anti product piracy agreement ACTA was rejected by the European Parliament in 2012 after strong protests by Internet activists.
- 36** This requires a treaty change, but as a first step an inter-institutional agreement could be signed between the Council, the Commission and the EP, which takes into account the opinion of the EP during the formulation of negotiation mandate.