

In defence of International trade treaties

Review by Jean Dominique Giuliani

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USPA NEWS - The Walloon tragicomedy over the agreement between the European Union and Canada has confirmed a profound, increasingly hostile undercurrent regarding international trade' explains Chairman of the Schuman Foundation, JD Giuliani, in the current context of rejecting the CETA.

The Walloon tragicomedy over the agreement between the European Union and Canada has confirmed a profound, increasingly hostile undercurrent regarding international trade. explains JD Giuliani Chairman of Shuman Foundation

This is bad news for the world. Protectionism has always preceded sombre periods of tension and even conflict. Trade has helped pacification, rising from 66 billion \$ in 1950 to 20,000 billion \$ in 2005. It has stagnated since. For Europe, the world's leading trade power, it is even worse. Whilst it only accounts for 7% of the world's population, it represents 30% of international trade, 20% of the world's wealth and it hosts 30% of foreign investments. International trade is an area in which it leads over both China and the USA, because Europeans have always accepted negotiation together, granting this exclusive responsibility to the European Commission. It has achieved some spectacular results, for example in Korea, with the agreement signed on 1st July 2011 which has led to a 37% increase in our exports, whilst our imports have only increased by 1%. This represents an additional 2.7 billion € in European exports, and generally, it is estimated that 1 billion € in exports are linked to 15,000 jobs. In Europe 30 million jobs depend on our exports. More seriously, the European Union, like other developed economies, is struggling to recover the strong growth that it enjoyed in the past. And yet, 90% of growth over the next 15 years will be achieved outside of Europe. To reduce unemployment we have to go and find growth where it is occurring, i.e. in exports, and to do this we have to open up markets in third countries. Finally, with its trade agreements the European Union helps to regulate globalisation by exporting its regulatory, social, cultural, sanitary and even political standards. We see then that Walloon blackmail, whose motivation on domestic policy grounds we cannot rule out, or that is being facilitated by the populists in order to spread an ideology of fear, is totally unacceptable and has to be overcome, whatever it costs Belgium, whose institutions are both obsolete and questionable. To demand that seven different votes are required to ratify an agreement negotiated at 28, means that we would be giving 3.6 million Walloons the possibility of taking 508 million Europeans hostage. Canada, a federal State, secured the guarantee of its Provinces' approval to the agreement, as requested by Europe, including regarding opening public procurement to European businesses. At the same time we shall regret the weakness of our national governments demanding that the parliaments of each Member State ratify an agreement that did not require it.

And yet, we cannot ignore the emotion caused by the development of international trade, even if it is misguided, based on lies, and even if this is being encouraged by irresponsible groups of activists. In all of our democracies people want greater transparency and want to be included in the decision making process, even the most technical kind. From this point of view the European Commission has responded like any other State in the world has done to date, by publishing its negotiation documents and by drawing up a system to settle litigation between investors and the States, which is particularly innovative since it establishes a permanent, almost jurisdictional tribunal that will deliberate openly. In all likelihood it appears that we need to go further since none of this has helped! The populist wave that is also sweeping across the USA and in all democracies will continue to attack the world economy which is undergoing total transformation. It is our duty to oppose this firmly by explaining what is at stake: an open, cooperative, regulated, albeit imperfect world, or an international arena in which everyone is barricaded behind his own resentment, which often leads to eruptions.-----

A difficult task awaits our governments. They must take into account people's concerns, but they especially should not address this by striking a blow at international trade, and as far as Europe is concerned, by attacking the exclusive competence of the Commission in this regard. If the demagogues win the day, apart from unemployment and less progress, they might then bring us many more inconveniences, which today do not bear thinking about. This is what our own history has taught us." Explains JD Giuliani, Chairman of Schuman Foundation.

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