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Policy Proposal on Free Trade Agreements

An Independent Body for a more Transparent, Informative and Clear TTIP

Brussels, 13-04-2014

Working Group: Free Trade Agreements

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STUDENT FORUM MAASTRICHT

Student Forum Maastricht (SFM) is an annual student conference held at the Maastricht University Campus in Brussels. The conference is co-organised by the European Studies Association Concordantia, Maastricht University and the European Commission. The participants are post- and undergraduates with an academic focus on European Union related studies and a strong involvement in civil society. Together with officials from the European Commission and experts from civil society and interest groups, they develop policy proposals for pressing topics within the EU. The 2014 edition of SFM took place from April 9th to April 13th. The topics of this year's conference were Youth Unemployment, EU Migration policies, the European Neighbourhood Policy, Sustainable Development and EU Free Trade Negotiations. For more information on Student Forum Maastricht, please visit: www.student-forum.eu

INTRODUCTION

This proposal provides suggestions for the improvement of public awareness of Free Trade Agreements. Eleven students and two tutors, from a variety of countries, have come together through the SFM to discuss and evaluate the nature, the objectives and the public perceptions of FTAs. In this process they met with several experts from relevant EU and civil society institutions.

EXECUTIVE SUMMARY

During the course of 2013 and 2014, one could observe an increasing public anxiety about the negotiations of international free trade agreements between the European Union and its partners. Especially, the Transatlantic Trade and Investment Partnership (TTIP) between the European Union and the United States of America led to strong public controversies. This is a result of the lack of comprehensive knowledge about the TTIP, the lack of effective communication by the European Commission and a general trend of mistrust among the citizens. Despite the Commission's focus on increasing the amount of information that are available to the public, citizens are not familiar with the official sources such as the DG Trade webpage and press releases after negotiation rounds. In addition, it is presumed that European citizens do not trust the Commission. This is partly due to the financial crisis and the distance between the policy makers and citizens (e.g. the ACTA controversy).

This proposal encounters these challenges by:

- Creating an Independent Body (IB) that critically analyses information and data coming from the European Commission and other sources (e.g. civil society organizations) regarding TTIP.
- Responding to the growing uncertainty, distrust and speculation surrounding TTIP negotiations.
- Creating an open dialogue between the civil society and parties involved in the negotiations, thereby increasing clarity and transparency.

- Giving the public the opportunity to acquire a better understanding of TTIP, FTAs, international trade and the actors involved.

The composition of the IB should reflect the variety within the EU, involving participants from each Member State. Furthermore, the participants should come from the academic sector (e.g. universities, think tanks, etc.) and have diverse backgrounds (e.g. engineering, economics, etc.).

The IB will need financial support to carry out its work. Given the nature of the IB proposed, it is important that the funding for the IB is balanced in the number, background and the amount of donations provided by each donor.

In order to address and clarify the discrepancies in the information surrounding TTIP the working group advocates the creation of an open dialogue between the IB and other actors. The open dialogue should be in the form of an open debate within each Member State and bring together their voices involving social groups generally excluded by the public debate also in the most peripheral regions all over Europe.

Problem statement

Within the framework of the European Trade Policy, the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) between the European Union (EU) and the United States (US) have gained unprecedented attention among the European civil society.

Given the characteristics of the TTIP, this bilateral free trade agreement is causing many controversies and public anxiety. This is a result of the lack of comprehensive knowledge about the TTIP, the lack of effective communication by the European Commission, and a general trend of mistrust among the citizens.

The lack of comprehensive knowledge and effective communication has a few implications. Traditionally, the role of the media is to inform the public as a first source of information about the current state of affairs in the world. Therefore, they are claimed to be the fourth power in politics. They are essential for raising public awareness, especially in the case of the TTIP, which will affect every citizen in the European Union. However, one should be aware that the media coverage might not be sufficient and objective enough to raise public awareness. In addition, there are other strong voices that have a say in the issue at stake, and are ipso facto contributing to the spread of controversies and public anxiety.

Furthermore, despite of the transparency policy and the efforts of the Commission to provide citizens with as much information as possible, the Commission is still criticised by the confidentiality surrounding negotiations. This is partly due to the fact that citizens are not familiar with the available official sources (the DG Trade webpage, press releases after negotiation rounds).

On top of that, it is presumed that European citizens do not trust the Commission. This is partly due to the financial crisis and the distance between the policy makers and citizens (e.g. the ACTA controversy).

All abovementioned issues cause a general public resistance towards the activities pursued by the Commission. As the TTIP is an ambitious and vital step towards a new chapter of international trade, it is beneficial to try to raise a general awareness and provide more objective information. Therefore, an independent and accountable source of information on the negotiations of the TTIP, which would inform the European civil society on the current state of play of the negotiations and give a critical analysis, should be established.

Background

Existing Groups / Research on the TTIP

Commission related:

The EU negotiating team is led by Directorate General (DG) for Trade Ignacio Garcia Bercero. It comprises of nine other DGs (Internal Market, Agriculture and Rural Development, Enterprise and Industry, Taxation and Customs Union, Environment, Climate, Energy, Communications Networks Content and Technology, and Competition), as well as the Secretariat General. The detailed list of Lead Negotiators for the TTIP is available on the Commission website in Key Documents Public consultation policies in DG trade.

DG Trade regularly consults the general public online by encouraging the submission of possible concerns. Information about the on-going negotiations has been released in various speeches that have taken place after each round. These are televised and placed into press reports. Also, various online publications of reports and meetings can be found on the website, as well as an FAQ that sums up the main concerns about the TTIP, and all the email addresses, phone numbers and addresses of the TTIP negotiators of DG trade.

However, the information has not been seen as trustworthy by the general public, due to the fact that the Commission both negotiating and providing the information. This reduces its credibility.

Furthermore, the key documents are mostly written in English, which is a communication barrier for many citizens in the European Union.

The TTIP advisory group is comprised of experts from trade unions, industries as well as consumer and environmental groups. There are currently seven advisors from the industry-side and seven from NGOs that were invited for their competency and as stakeholders by DG Trade. The TTIP chief Negotiator Ignacio Garcia Bercero facilitates the debates within the advisory group.

That being said, this group includes only a limited number of actors who were authorized to express their concerns and ask questions, and has excluded many interested persons from the consultation process. Furthermore, stakeholders generally feel a lack of transparency and input from industries and NGOs surrounding TTIP.

External to the Commission

The Commission bases their information on two external studies. The first, “Reducing Trans-Atlantic Barriers to Trade and Investment” by Joseph Francois et al. concentrates on an economic impact assessment (2013). The document employs the CGE model (using aggregate data) and is based on the widely used GTAP model (Hertel, 1997), with added features from the Francois, van Meijl, and van Tongeren (2005) model. Nevertheless, the report is neither immediately visible on the website, nor easily accessible outside from the Annex. Previous economical knowledge is still needed to fully understand the report.

The second report, ECORYS by Saara Tamminen et al. is a qualitative analysis that draws on sector specific issues and has consulted industry experts to get a more rounded image of what the TTIP can entail. However, it is not an impact assessment on what exactly it will entail and it doesn't give a social impact study. Finally, this sort of analysis is not particularly conducive to business, interest groups or ordinary citizens, particularly through the recurrent use of abbreviations.

Existing communication

On the media

Media coverage

DG Trade has a policy of being transparent with the media and regularly shares general updates both on its website as well as on social media sites, like Twitter, Facebook or Google +. However, the coverage has remained scarce or biased on national media, since they mostly ignore the TTIP or don't offer people a balanced opinion. Most media give space to the detractors of the TTIP, and very little speak in favour. The Financial Times seems to be one of the rare newspapers offering any sort of balanced point of view. Even the European media outlet Euractiv has focussed on the negative issues of the TTIP, when it covered it at all.

Event hosted

Meetings with civil society

Besides this coverage, the Commission has attempted to host several events in order to get in touch with civil society. On 12 March, the EU invited civil society groups into a new round where negotiators interacted with and listened to 90 different presenters representing business, consumer, labour and environmental groups.

On the same day, EU and US negotiator have also met with 300 stakeholders for two hours where they answered questions and tried to set a view of what this TTIP would entail.

DG Trade encourages civil society to monitor FTAs after an agreement has been implemented and make this information available. It also should be noted that DG trade does facilitate for attendees to go Brussels for consultation, in the form of expense grants.

Private actors like think tank also host events for free in order to discuss with the general public.

However, besides staying very general, some general meetings have raised critics by their organization. The meeting on “The Future of Transatlantic Trade” planned on the 10. April for example, is sponsored by industries – which makes it appear in a partial perspective – and requires 1500€ per person to be attended, which excluded the average citizen. The meeting held by think tanks are not always well known.

Summary of the Findings

The main problem very often resides in the lack of trust in the information on TTIP, which is not seen as accountable, transparent or trustworthy.

There is very little ability for the advisory body to see a proper document or have access to what exactly the parameters will be in negotiating the TTIP. A minimum of opacity is naturally required while negotiating with any country, but transparency may arise by referring to a third party to have a critical approach on given information. The documents of the advisory board and different rounds have mostly been in English which is not compatible with most European citizens.

Objectives

- To create an Independent Body (IB) that critically analyses information and data coming from the European Commission and other sources (e.g. civil society organizations) regarding TTIP.

- To respond to the growing uncertainty, distrust and speculation surrounding TTIP negotiations.
- To create an open dialogue between the civil society and parties involved in the negotiations, thereby increasing clarity and transparency.
- To give the public the opportunity to acquire a better understanding of TTIP, FTAs, international trade and the actors involved.

Elaboration

It is important for the European Commission to call for and support the IB in order to address the above problem statement.

Roles and responsibilities

Roles

- The IB should have an overview of the information available and that has been published by the different relevant institutions and actors.
- The IB should analyse this information and publications in order to check their reliability, validity, and coherency. For example, this includes background research of the sources used by the different studies and publications such as impact assessments.
- The IB should produce further research based on their findings and analyses. This includes gathering data and information from different relevant stakeholders, specialists and experts.

Responsibilities

- The participants must adhere to the principles of transparency and accountability.

Composition

The composition of the IB should reflect the variety within the EU, involving participants from each Member State. Furthermore, the participants should come from the academic sector (e.g. universities, think tanks, etc.) and have diverse backgrounds (e.g. engineering, economics, etc.).

The working group suggests two ways in which to select participants:

1. One or more independent institutions select a small executive committee that then selects the participants.
2. The organizations interested in participating decide amongst themselves the selection process of the persons that will participate.

Participants shall communicate as both a network vis-à-vis electronic communication and online platforms as well as in person in the form of conferences.

Funding

The amount of funding needed to support this IB should depend on its specific characteristics and details such as its size, composition and the length of its existence. As this policy proposal does not specify all these details it is not possible to make a good prediction in terms of the quantity of funds needed. Nevertheless, it is clear that such a IB will need financial support to carry out its work. Given the nature of the IB proposed, it is important that the funding structure for the IB follows the following principles:

1. It is important to have a large number of sponsors coming from different countries.
2. It is important to guarantee also a qualitative diversification of the sources.
Sponsors should ideally include organizations and institutions from both the public and the private sectors.
3. Concerning the composition of the funds, there should not be a significant difference in the amounts between the different sponsors.

A possible model that the funding structure of this IB could follow is the current structure applied for the UN Special Rapporteurs. These rapporteurs, together with their teams of advisors and experts, research for a specific institution - the United Nations in this case - but they are not funded by the UN.

Agenda-setting

In order to respond to the uncertainty, distrust and speculation surrounding the TTIP negotiations, a participant driven and consultative approach is needed. The working group suggests the following methods:

1. Consultation with interests groups
2. Receiving correspondence from individual citizens
3. Undertaking projects initiated by the participants

This should be done in a transparent way in regards to the preferences based on consultations as well as correspondence and the relevance of the topic based on substantiation.

The working group suggests that the response to the uncertainty, distrust and speculation could be communicated in the following ways:

1. Conferences
2. Reports
3. Op-Eds and Interviews
4. The IB's website
5. The debate (see below)

Creating an Open Dialogue

In order to address and clarify the discrepancies in the information surrounding TTIP the working group advocates the creation of an open dialogue between the IB and other actors. The open dialogue should be in the form of an open debate within each Member State. The reason for this format is to provide individuals with a forum where they will be able to view multiple sources of information simultaneously as well as to hear the responses from each source. Also, by having representatives from the Member States the IB will be able to overcome any language barriers.

Those taking part in the debate should represent prominent sources of information (i.e. the EU, NGOs, the media, industry institutions, etc.) with a diversity of views. For instance, a debate could include a representative from the IB; the Commission (e.g. DG Trade); decision-making bodies of the EU (e.g. the European Parliament and Council); as well as other sources of information, preferably ones that have views in opposition to that of the Commission.

Conclusion

Summing up, our proposal aims to provide the European citizens with objective information and analytical tools regarding the TTIP in order to foster a well-informed inclusive public debate.

To address this challenge our proposed measure concerns the creation of a temporary Independent Body (IB) capable of fuelling the debate on a cross-border and interdisciplinary dimension.

The body is thought to guarantee and coordinate a transparent process enabling to identify and investigate the main concern in an objective framework.

The body would give different actors the opportunity to bring together their voices involving social groups generally excluded by the public debate also in the most peripheral regions all over Europe.

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