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CETA and Corporate Lobbying

Corporations hold power over negotiations

In Europe, as in Canada, trade policy is developed in close, almost exclusive collaboration with industry lobby groups that have privileged access to negotiating texts. In the case of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), both governments and their trade negotiators have relied on industry lobby groups to flag profit-limiting trade barriers to be eliminated in the ongoing talks. Many of those "barriers" are not tariffs but laws, regulations and other policies that serve important social goals, such as public health and environmental protection, economic security and job creation. It's not that governments don't want to maintain high standards to protect people and the Earth from corporate excess , but rather that these social priorities take a back seat in trade deals, which are made by, and for, multinational companies. Here's a brief look at who is hoping to cash-in on CETA.

BusinessEurope: The CCCE… only bigger

Similar to the Canadian Council of Chief Executives, BusinessEurope claims to represent 20 million companies from 34 countries. Its main task is "to ensure that companies' interests are represented and defended vis-à-vis the European institutions with the principal aim of preserving and strengthening corporate competitiveness." In contrast, the CCCE represents about 150 Canadian companies, including European subsidiaries such as Direct Energy and GlaxoSmithKlyne, which collectively administer $4.5 trillion, according to the influential lobby group's website.

BusinessEurope is notorious for having almost written the 2006 Global Europe export-led growth strategy, which includes an aggressive push to sign free trade deals with developing countries and key markets. Like the CCCE, the EU mega-lobby has what the European Commission – the governing body of the EU – itself calls "privileged" access to political leaders. A new report from the Brussels-based Corporate Europe Observatory explains that, "BusinessEurope and other industry groups are regularly invited to exclusive meetings, where they are given access to sensitive information about ongoing trade negotiations – information that is withheld from public interest groups."

In a speech to a Canadian Chamber of Commerce event this past April, BusinessEurope President Jürgen R. Thumann said he expects CETA to "set a new benchmark for bilateral economic integration." He called for "ambitious regulatory cooperation" and "advancing cooperation on raw materials." The EU "should consider giving your (Canadian) industry a bigger say in EU regulations that may affect exports to Europe," said Thumann, before fingering the "world famous Hydro Quebec and Manitoba Hydro" as public entities whose spending powers should be constrained in order to create profitable opportunities for EU-based energy giants.

Highlighting how lost in the dark Canadian and EU negotiators would be without business input, Thumann said that BusinessEurope and the Canadian Chamber of Commerce will "have to work hard during this period … [to] define the challenges and help the negotiators overcome them." The two lobby groups "will stay proactive to help our governments find their way through complex negotiations," he promised.

The European Services Forum: A voice for privatization

The European Services Forum (ESF), a member of BusinessEurope, represents more than 30 major services companies across different sectors. These include audio-visual services (European Broadcasting Union), water and power (Veolia Environment), finance and insurance (Deutsch Bank AG, Lloyd's of London), postal services, engineering and architecture, and shipping and telecom (France Telecom, Vodafone), among others. The ESF was established in the late 1990s by the chairman of Barclays Bank, at the request of EU Trade Commissioner Leon Brittan, to inform the GATS 2000 (General Agreement on Trade in Services) negotiations at the WTO. These talks are stalled because much of the world does not share the ESF opinion that "liberalising service industries such as telecommunications, financial services and power distribution benefits both the developed and the developing world."

Earlier this year, the ESF made its goals in the Canada-EU free trade talks clear. They include the removal of: all foreign ownership reviews on major acquisitions; "all remaining equity caps that prevent EU businesses to fully control their investments in Canada"; foreign ownership caps or residency requirements on telecommunications ownership; residency requirements for at least half of the directors on federally regulated financial institutions, and; "the requirement according to which federally regulated financial institutions having capital in excess of $1 billion must have 35% of their voting shares dispersed among many shareholders and must be listed on a Canadian stock exchange within three years of having reached that threshold."

The ESF is also calling for full liberalization of Canadian postal services, a weakening of Canada's banking rules, the opening of news and advertising agencies to EU investors, and legally guaranteed access to public procurement "at all levels." The involvement of Veolia Environment in the ESF explains the push to include water serves and municipal utilities in the deal, which would encourage water privatization in Canada. From what we've seen of the CETA text, these EU companies may get most of what they're looking for. The result would be weakened Canadian and provincial/territorial governments, a deregulated services industry, and an upperhand for powerful European services companies operating in Canada.

The Canadian business lobby for CETA

Both the CCCE and the Chamber of Commerce came late into CETA negotiations and public comments have been muted, though both groups support a deal. According to Canada's lead negotiator in the CETA talks, business input in Canada has been less than what the government had hoped for. This could explain why Trade Minister Peter Van Loan spends a lot of time addressing local and regional chambers of commerce in Canada, imploring them to lobby provincial and territorial governments in support of CETA – a good example of "top-down" or echo-chamber lobbying from the government.

Out front on CETA has been the Canada-EU Roundtable for Business, a decade-old "platform for influencing economic policy via high-level dialogue between industry and government representatives in Canada and the European Union." CERT was the initiative of two former Canadian giants – Alcan (now owned by Rio Tinto of the UK, a current CERT member) and Nortel. "Inaugurated on June 16, 1999 by leaders of business and government, CERT received high political visibility and bilateral ministerial support at the Canada-EU Summit in June 1999 in Bonn," says an early business plan. The inaugural dinner "included over 30 Canadian and European executives, who were joined by then Canadian Trade Minister Sergio Marchi and European Commission Vice President Sir Leon Brittan."

Current lead members of CERT include French energy and uranium giant Areva, Arcelor, Bombardier, defence companies Bell Helicopter and EADS, steel company ThyssenKrupp, Monsanto, Nexen, Siemens, Vale Inco and others. The group's spokesperson is former Liberal Trade Minister Roy Maclaren. These companies meet annually in conjuction with Canada-EU summits in much the same way the North American Competitiveness Council, comprised of Canadian, Mexican and American CEOs, met with leaders during annual Security and Prosperity Partnership summits. The exclusivity of the NACC was one of the reasons the Obama administration disbanded the group and the Bush-era tri-national dialogue.

CERT priorities for CETA are largely the same as they were for the Canada-EU Trade and Investment Enhancement Agreement negotiations, which the lobby group helped launch in 2004, but which fell apart two years later. They include, but are not limited to: regulatory cooperation and/or mutual recognition of standards; eliminating technical barriers to trade for Canadian and EU resource exports, including genetically modified crops; liberalization of public procurement in Canada and the EU, and; the dismantling of Canada's supply management quota system for eggs, dairy and poultry.

Open up the CETA negotiations

According to Corporate Europe Observatory, in 2009 a top European Commission trade official admitted that, "while his door was open to non-governmental organizations (NGOs), he had 'indeed made efforts to have more contacts with business.' As a result, 'industry walks through that door more often than others," he said and added: "I do not apologize for that, this is the way it's going to be.'"

Similarly, the Government of Canada online consultation on CETA was preoccupied with gathering business input on EU measures "designed to achieve non-trade related objectives such as the protection of human (as well as animal and plant) health and safety, the environment or the protection of consumers against deceptive practices."

In the end, corporate lobbying itself is the most trade-distorting part of international trade negotiations. By prioritizing the desires of corporate lobby groups, governments distort trade into serving the interests of big multinationals – not the public. It's time to put an end to this monopoly by fully opening the CETA talks to true public input.

For more information about the Council of Canadians Trade campaign visit www.canadians.org or call us toll free at 1-800-387-7177.