

Taking back control of EU trade policy

Blog post by Practice Lead Daniel Capparelli, 22 September 2017

Yesterday, the European Council's Trade Policy Committee gathered for an informal meeting in Tallinn to discuss how to approach the European Commission's new trade package. The package essentially fleshed out some of the policy details of Commission President Jean Claude Juncker's vision for a more balanced and progressive EU trade policy, set out in his 'state of the union' address. In practice, the new policy package also outlined what will be the EU priorities in future FTA negotiations, and can be read as an attempt by the Commission to get its house in order ahead of politically contentious negotiations on a future trading relationship with the UK.

Much of what was proposed by the Commission was a long time coming and to some degree reflects common understanding with the Council. For instance, the proposals include carving out the contentious investment dispute settlement mechanisms from FTAs to ensure a faster and simpler ratification process - by a qualified majority of the Council and a simple majority in the European Parliament, and thus sidestepping the need for ratification by national and regional parliaments. Future FTA negotiations will also be as much on exporting EU environmental and social standards, data protection and food safety requirements, as it will be on exporting goods and services. These proposals will probably reduce the areas for disagreement between member states over the scope and content of future EU FTAs and strengthening the Commission's hand and credibility in future trade negotiations.

More interesting - and arguably controversial for the Council - was the Commission's announcement that it will now publish draft FTA negotiating mandates before they are assessed by Council. While it may look like a small process point, this will have been received by member states as a bid by the Commission for more influence over the content of future deals by forcing member states to publicly revise the scope of deals. It could well work, given the Council's dislike of publicly debating to scope of any liberalisation.

For the Commission, greater transparency is also about shifting some of the responsibility to EU capitals of defending the EU's trade policy agenda with EU voters. This idea was already floated in the options in Trade Commissioner Cecilia Malmström's 2015 trade policy strategy paper in the face of the public opinion backlash against the EU-US TTIP negotiations. At the time, the Commission had pushed hard to publish the negotiating mandate but was opposed by member states, which were understandably reluctant to take their fair share of the public outcry. While the proposal will very likely have irked member states, the reality is that there is not much the Council can do, short of publicly opposing greater transparency and public accountability in EU institutions.