

European and Canadian civil society groups call for rejection of CETA

November 2016

We, the undersigned civil society organisations from Canada and Europe, hereby express our deep concern about the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada. During the long process of the deal's negotiations and legal check, we repeatedly pointed out major problems with the CETA text. We provided concrete inputs, which could have triggered a shift towards a more transparent and democratic trade policy with the protection of the environment and people's fundamental rights at its core. But our concerns have not been addressed in the CETA as signed in October 2016. This is why we are stating our firm opposition to the ratification of the agreement.

Our objections are shared by a growing number of citizens on both sides of the Atlantic. A record 3.5 million people from all over Europe have signed a petition against CETA and its twin agreement, the EU-US Transatlantic Trade and Investment Partnership.¹ Over 2,100 local and regional governments have declared themselves TTIP- and CETA-free.² Constitutional challenges against CETA have been filed in Germany³ and Canada⁴ and the legality of CETA's controversial privileges for foreign investors will likely be ruled on by the Court of Justice of the European Union.⁵

On both sides of the Atlantic, farmers, trade unions, public health, consumer, environmental and digital rights groups, other NGOs, as well as small and medium-sized enterprises (SMEs) have rejected the agreement.⁶ In October 2016, concerns in four sub-federal Belgian governments about the agreement's negative impacts, and, in particular, its dangerous "investment court system", nearly stopped their federal government from signing CETA.

Despite the controversy, the Canadian government and the EU institutions are trying to expedite CETA's ratification. In Canada, legislation that would bring the agreement into force has already been introduced, without allowing time for any public consultation on the final agreement. The European Parliament also seems set to cut short its internal consultation processes, thereby limiting debate over ratifying the 1,600-page-long CETA text. After that, large parts of the agreement would be brought into force provisionally – long before the parliaments of all 28 EU member states have had their say.

To gain support for CETA ratification and allay concerns, numerous declarations have been attached to the text in the past months. But not a letter of the CETA text has been changed since its final version was published in early 2016. And the accompanying statements, including a EU-Canada "Joint Interpretative Instrument", do nothing to fix the problems arising from the problematic CETA text, as experts have demonstrated.⁷

We wish to highlight some of our fundamental concerns about the agreement as signed:

- CETA would **empower thousands of corporations to sue governments** over legitimate and non-discriminatory measures to protect people and the planet. Nothing in the agreement or the accompanying declarations would stop corporations from using CETA's investor rights to bully decision-makers away from public interest regulation, for example to tackle climate change. CETA even leaves the door open to "compensating" corporations for unrealised future profits when a change in policy affects their investment. Far from "radically" reforming the investor-state dispute settlement process, CETA expands and entrenches it.⁸

- CETA's Investment Court System (ICS) grants highly enforceable **rights to investors – but no corresponding obligations**. It does not enable citizens, communities or trade unions to bring a claim when a company violates environmental, labour, health, safety, or other rules. It risks being incompatible with EU law as it establishes a **parallel legal system**, allowing investors to circumvent existing courts. The ICS is discriminatory because it grants **rights to foreign investors that are neither available to citizens nor to domestic investors**.⁹
- In stark contrast to the rights for corporations, CETA's **provisions on labour rights and sustainable development cannot be effectively enforced** through sanctions. They remain empty statements with no bearing on the dangers that other chapters in the agreement pose to workers' rights, environmental protection and measures to mitigate climate change.¹⁰
- CETA **severely limits governments' ability to create, expand, and regulate public services and reverse failed liberalisations and privatisations**. CETA is the first EU agreement which makes the liberalisation of services the rule and public interest regulation the exception. This threatens people's access to high-quality services such as water, transport, social and health care, as well as attempts to provide public services in line with public interest goals.¹¹
- An independent study of CETA's economic impacts predicts **jobs would be lost** in both Canada and Europe, **economic growth would be slower** than without the deal, and the rather small income gains would go overwhelmingly to capital owners – not workers. As a result, **inequality is expected to be higher** under CETA than without the agreement.¹²
- CETA makes Canada and the EU **more vulnerable to financial crises** by further liberalising financial markets and severely restricting reforms aimed at removing key causes of financial instability and ensuring better protection of consumers and the economy as a whole.¹³
- CETA would **drive up Canadian prescription drug costs** by at least Can\$850 million per year (€583 million). It would **negatively impact fundamental rights**, such as the right to privacy and data protection and limit the EU's and Canada's ability to roll back excessive intellectual property rights (IPR) that **limit access to knowledge and innovation**. Some of CETA's IPRs resemble closely the text of the Anti-Counterfeiting Trade Agreement (ACTA), which was rejected by the European Parliament in 2012.¹⁴
- CETA's rules on regulatory cooperation and domestic regulation will put additional burdens on regulators and strengthen the role of corporate lobbyists in the policy-making process, potentially **undermining much-needed public interest policy-making**.¹⁵
- On both sides of the Atlantic, CETA would expose farmers to competitive pressures that undermine their livelihoods with little gain to consumers; increase corporate control over seeds; obstruct buy-local food policies; and threaten high food processing and production standards, **undermining efforts to boost sustainable agriculture**.¹⁶
- **Precautionary measures to protect consumers, public health and the environment could be challenged** under CETA based on claims that they are overly burdensome, not "science based" or are disguised trade barriers. Nothing in the CETA text or accompanying declarations effectively protects the role of the precautionary principle in European regulatory policy, while some sections even refer to conflicting principles.¹⁷

CETA is the result of a largely secret negotiation process between the previous Canadian government and the previous European Commission. The final CETA text and accompanying declarations ignore almost all of the reasonable and very specific amendments proposed by civil society¹⁸ to address the flaws of the agreement. The most recent attempts to re-open the negotiations, by the government of the Walloon region in Belgium, were blocked. Now, only a 'take it or leave it', yes or no vote on the 1,600-page agreement is possible.

We urge:

- the European Parliament, the Canadian Parliament, as well as national, provincial and regional parliaments, which have a say in the ratification, to defend the rights and interests of the people they represent against the threats posed by CETA by voting against the ratification of the agreement;
- the many municipal and other regional and provincial governments that have raised concerns over CETA to make their voices heard in the ratification process;
- these parties to begin a thorough, democratic consultation, including of civil society, on the foundations of a new, fair and sustainable trade agenda.

As it stands, CETA is not a progressive trade deal. It would be a mistake to adopt this treaty with its many worrying provisions as a model for agreements to come. CETA is a backward-looking and even more intrusive version of the old free trade agenda designed by and for the world's largest multinationals. We need a paradigm shift toward a transparent and inclusive trade policy founded on the needs of people and our planet. Ratifying CETA will take us many steps further away from this much needed change.

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- 1 [Interactive map of the European initiative against TTIP and CETA](#)
 - 2 [TTIP and CETA free zones in Europe](#)
 - 3 [Information on the constitutional challenge against CETA at Germany's constitutional court](#)
 - 4 [Constitutional challenge against CETA at the Federal Court of Canada](#)
 - 5 See, for example: [Investment Court System in CETA to be judged by the ECJ](#)
 - 6 See, for example: [Civil society groups call on European governments to reject the CETA agreement](#); [Joint Canadian Trade Union statement on CETA](#); [Small and medium-sized enterprise from across Europe call on European governments to reject the CETA agreement](#)
 - 7 See, for example: [The Great CETA swindle](#); [The EU-Canada Joint Interpretive Declaration/Instrument on the CETA](#); [CETA to be signed unchanged, but less likely to be ratified after Wallonian resistance](#)
 - 8 See, for example: [CETA – Trading away democracy](#)
 - 9 See, for example: [The Zombie ISDS. Rebranded as ICS, rights for corporations to sue states refuse to die](#)
 - 10 See, for example: "Labour rights", in: [Making sense of CETA](#)
 - 11 See, for example: [CETA and Public Services](#)
 - 12 [CETA without blinders: how cutting 'trade costs and more' will cause unemployment, inequality and welfare losses](#)
 - 13 See, for example: "The financial services chapter: Inflating bank profits at the expense of citizens", in [Making sense of CETA](#)
 - 14 See, for example: [ACTA-CETA similarities](#); Trade and Privacy: [Complicated bedfellows? How to achieve data protection-proof free trade agreements?](#); and "Patents, copyright and innovation" and "Canada-specific concerns", in [Making sense of CETA](#)
 - 15 See, for example: "Limiting how and what government regulates" and "More cooperation for less regulation", in [Making sense of CETA](#); and [CIEL letter to Minister-President Magnette](#)
 - 16 See, for example: "CETA's threat to agricultural markets and food quality", in [Making sense of CETA](#)
 - 17 [CETA, TTIP and the EU precautionary principle](#)
 - 18 For examples of specific amendments put forward by trade unions and environmental organisations, see: [Protocol on Dispute Settlement and Institutional Mechanisms for the trade and sustainable development and trade and labour provisions](#); [Understanding on the Provision of Public Services and Procurement](#); [Protocol on Investment Protection](#); [Understanding on the Precautionary Principle](#); [BUND proposals for amendments on public services, the precautionary principle and the promotion of renewable energy](#)