



EU-JAPAN DEAL

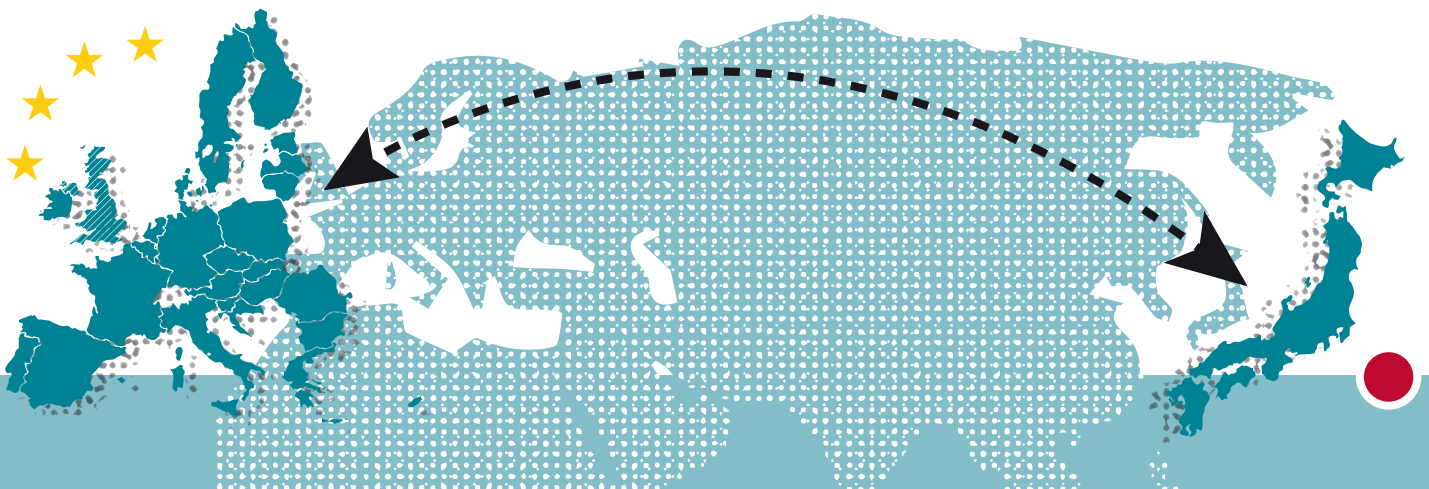
TRADING AWAY OUR RIGHTS

Welcome to JEFTA!

Imagine the EU finds a new chemical to be dangerous. The EU would like to ban it but is unable to, or is only able to do so with major delays and laxer standards....

This is how regulatory corporation, part of a new trade deal with Japan, could trade away our rights.

The European Commission is negotiating trade deals on behalf of all European citizens, and it is currently finalising a deal with Japan, the Japan-European Union Free Trade Agreement or **JEFTA**. This agreement will set the basis for regulatory cooperation between the European Union and Japan.



A free trade agreement, where trade experts negotiate our rights...

Twenty-first century trade agreements are no longer about reducing tariffs. They aim to reduce differences between trading partners' regulations (so-called 'barriers to trade'). But what trade negotiators and big business call „barriers to trade“ are often standards to protect the air we breathe, the food we eat, the water we drink, and to avoid the catastrophic consequences of climate change. And regulatory cooperation puts them in peril.

Why should trade experts decide which rules should be 'harmonised' between the EU and Japan, where the public interest is at best an afterthought?

While harmonisation is not in itself inherently a bad thing – it could bring advantages, such as cooperating on climate policy – the problem lies in how it is done. Regulatory cooperation in a trade agreement means that decisions on which rules get changed, and how new rules are made, are done early in the legislative

process, between trade bureaucrats and in close collaboration with big business. This gives a huge amount of power to corporations to decide on public interest legislations – rules that big business have a stake in – and puts trade above social and environmental considerations.

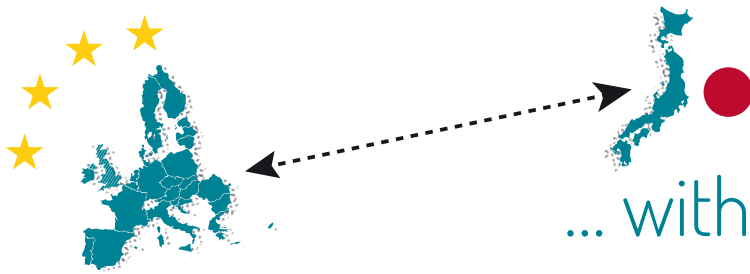
Take for instance harmonization between Japan and Europe on data protection. In the European Union, there are limits to what companies can do with the information they collect from you on the Internet. One restriction makes Japanese companies angry: the obligation for the data of Europeans to stay in European servers.

If **JEFTA** had been applied before the European Union had enacted those new rules, it would have been difficult for the EU to pass a data protection law so different from those in Japan, even though it might be in the better interest of European citizens.

Now with added pesticides!

Regulatory cooperation could increase the amounts of pesticides allowed. This is because there will be more pressure for the European Union and Japan to harmonise their pesticides limits down to the lowest common denominator.. This is clearly stated in the position of European and Japanese big business associations: "Excessive protection measures for food safety should be avoided in order to facilitate international trade.". The issue here is, who defines which protection measures are excessive?





... with the help of big business

Not surprising, then, that regulatory cooperation has the support of big business. It has the potential to avoid or modify laws which could act against the interests of corporations, especially laws designed for public health or environmental protection. The implementation of these laws can affect the profit margins of companies, and regulatory cooperation gives them another tool to help avoid them.

Thanks to regulatory cooperation, the European Commission and the Japanese Government will provide an opportunity for big business representatives to comment on upcoming legislation, even before the European Parliament and the Japanese Diet (house of representatives and councillors) have a chance to do so.

And, just like citizens, the many small and medium enterprises in Japan and Europe won't get a say, lacking the financial capacities to lobby in opaque international committees. It will be big business that primarily gains this substantial lobbying advantage on upcoming laws, as well as increased influence over European and Japanese legislation. As Keidanren, the Japanese big business federation put it in 2015, „*Japanese companies which are active in the EU market need to... be actively engaged in the development of regulations from the initial stage.*“

This could put the health of Europeans at risk. For instance, in 2015 the EU-Japan Business Round Table – which represents big business in both the EU

and Japan – requested the EU not to regulate hormone disrupting chemicals as cancer-causing, (ie causing cancer) despite serious doubts in the scientific community about the safety of those chemicals.

In addition, big business representatives will also have the right to suggest changes to existing Japanese and European laws. Their suggestions will be taken into account to update current rules and standards. It is clearly indicated in the proposal of the European Commission that suggestions are supposed to remove “unnecessary burdens”. BusinessEurope, the most influential big business lobby group in Brussels, has previously targeted EU policies on clean air or and the financial transactions tax as „unnecessary burdens“. In a similar way, under **JEFTA** big business will have the opportunity to weaken citizens' environmental, social, and financial protections by claiming that the latter are „unnecessary burdens to trade“.

Regulatory cooperation in **JEFTA** has the potential to be detrimental to our democracy, giving big business more rights to be involved in lawmaking at an early stage than parliamentarians, as well as to consumer protections in the EU and Japan. In order to make sure that cooperation is not captured by big business and their special interests, these mechanisms should be kept out of trade agreements and should be integrated into other contexts, such as environmental or labour standards agreements.



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