



Globalisierung gerecht gestalten

JEFTA

Myths & Facts about the Economic Partnership Agreement between the European Union and Japan

89%
CORPORATE
LOBBY GROUPS

4%
PUBLIC
INTEREST
GROUPS



7% of the Commission meetings were with other actors, such as research institutes

An agreement benefitting few, so what is in it for everyone else?

Myth 1: JEFTA is an economic powerhouse and will create countless jobs.

Setting the record straight:

The [Commission](#) is neglecting to say that not everyone will benefit from JEFTA to the same degree. The [IMF acknowledges](#) that industries that are opened up to international trade and thus become subject to cost competition might face job losses. The widespread economic assumption that the loss of jobs in industries that are not able to withstand the competition of foreign imports can be compensated for by new jobs in industries that are highly export-driven is not tenable. Even the Commission's own analyses of the JEFTA negotiation results show no more than minimal growth. The overall and one-off growth effect for all EU member states together is a mere [0.14% until 2035](#) (a 17-year period). That is a barely perceptible change. The Commission's overall assessment contains **no statement** on increased employment rates.

Myth 2: JEFTA is not driven by a corporate agenda as it does not include investor protection.

Setting the record straight:

The debates around CETA led the Commission down a misguided path: in order to avoid investor protection and investor-state dispute settlement (ISDS/ICS) in JEFTA drawing negative publicity, two separate agreements were negotiated. It was hoped that this would positively influence the voting behaviour of members of the European Parliament. But even a separate bilateral investment-protection agreement cannot change the fact that JEFTA continues granting large corporations rights that no other lobby group has received. Commission documents show that between 10 January 2014 and 12 January 2017, leading offi-

cial from the Directorate-General for Trade [had a total of 213 meetings with lobbyists](#); 89% of these were with business lobbyists and only 4% with civil society groups and 7% with other stakeholders, such as research institutes. There was not one single meeting with a trade union.

Myth 3: Regulatory cooperation only reduces unnecessary trade barriers.

Setting the record straight:

[Regulatory cooperation](#) aims at eliminating the so-called "non-tariff trade barriers". The stated aim of this instrument is to adapt and reduce the regulatory differences between Japan and the EU that could represent trade barriers. This regulation-light approach disregards the usefulness and protective role of laws and standards in society. In opaque transnational committees, officials from the Japanese government and the European Commission discuss legislative proposals with [lobbyists](#). This allows those lobbyists to [influence and decide on](#) future legislation that will have an impact on all of us. What is more, the decisions taken in these committees are not subject to any **democratic control**. In the end, this "cooperation" increases the **lobbyists'** influence on the legislative process and prevents the **introduction of stricter rules** to protect the environment and human health.

Myth 4: JEFTA protects the Precautionary Principle.

Setting the record straight:

The EU's Precautionary Principle states that if there is even the slightest possibility that a substance, product or production method might cause harm, it can be banned as a precaution ([Precautionary Principle](#)). The JEFTA chapter on sanitary and phytosanitary measures, however, does not refer to the Precautionary Principle but rather the science-based approach of the WTO, according to which a product can only be banned if its harmfulness has been scientifically proven. JEFTA will therefore only allow substances to be permanently banned if any related hazards are scientifically proven. This is particularly problematic in areas such as health protection and food safety when it comes to chemicals, pesticides, GMOs and hormone-disrupting chemicals. Only JEFTA's non-binding chapter on sustainable development currently makes direct reference to the precautionary approach and this only applies to measures aimed at protecting the environment or labour conditions. The article does not state any possible sanctions for violations. The Precautionary Principle as established by EU law (TFEU art. 191) is therefore not safeguarded in JEFTA.

Myth 5: Public services are not part of JEFTA.

Setting the record straight:

Public services are by no means excluded because there is **no comprehensive exclusion from the scope** of JEFTA. According to the logic of the so-called "negative lists", only the areas included in those lists can be excluded from liberalization. If there is no exclusion for a sensitive area or its exclusion is incomplete or not legally watertight (for instance, in areas such as sewage disposal or new services that do not exist yet), this will result in increased pressure and an increasing risk of back door liberalization. Moreover, JEFTA establishes a Joint Committee with extensive powers that allows the parties to incorporate controversial issues into the agreement at a later date. This could include the obligation to conduct a tender procedure for [service concessions](#), which would be particularly sensitive in the case of the supply of public water. Such changes would not require parliamentary approval. The EP has repeatedly demanded a gold standard for the com-

plete and guaranteed exclusion of public services from free trade agreements. Instead, JEFTA once again opens the back door to public-service bargains.

Myth 6: JEFTA guarantees the highest labour and environmental standards.

Setting the record straight:

JEFTA falls far short of guaranteeing the highest labour and environmental standards. On the contrary, the [chapter on sustainability](#), which contains the corresponding stipulations, remains toothless as JEFTA does not allow for violations to be sanctioned. The last resort is the recommendation of an expert committee. Meanwhile, Japan has not even ratified all eight of the International Labour Organization's **fundamental labour standards** (they are missing the conventions on forced labour and on discrimination in employment and occupation). For environmental standards, the parties also merely confirm existing obligations and exchange information. Consequently, all stipulations regarding multilateral environmental agreements, such as the Paris Agreement on Climate Change, are not binding in any way.

Myth 7: JEFTA will implement the Paris Agreement on Climate Change.

Setting the record straight:

JEFTA does indeed mention the Paris Agreement on Climate Change. What is missing, however, is specific measures or binding obligations on how to actually implement it. Even worse, trade interests are clearly placed before [climate protection](#) by stipulating that nothing in this Agreement "prevents" the EU or Japan from adopting or maintaining measures to implement the multilateral environmental agreements – at least as long as they do not constitute a restriction on trade or discriminate against the other party.

Myth 8: JEFTA ensures the protection of forests.

Setting the record straight:

The chapter on sustainable development does not include any comprehensive or enforceable set of commitments effectively banning the trade in illegally logged timber or promoting sustainable forest management. This omission is absolutely inadequate considering that Japan is the world's largest importer of wood and plywood, second largest importer of logs and third largest importer of sawn wood. At the same time, Japanese companies are also the main buyers of [illegal timber](#), including timber from some of Europe's few remaining primeval forests.

Myth 9: JEFTA does not jeopardize the EU's high data-protection standards.

Setting the record straight:

When it comes to electronic commerce and data protection, Japan exerts considerable pressure. After all, e-commerce's share of world trade has risen considerably over recent years, especially in the Asia-Pacific region. Furthermore, Japan has already agreed on the lower data-protection standards of the Trans-Pacific Partnership (TPP). Since JEFTA's chief negotiators could not reach agreement on the topic, a "[rendez-vous](#)" clause in the chapter on trade in services, investment liberalization and electronic commerce postpones the decision to a later date following the end of negotiations. **This allows for the provisions on e-commerce and data protection to be changed after JEFTA has been ratified.** The EU's high data-protection standards are thus not sufficiently protected.

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