

Symposium and Panel Discussion, 23-24 November 2015
Friedrich-Ebert-Stiftung Berlin

The proliferation of FTAs and BITs and their implications as well as the strategy shift in trade policy towards deep integration have gone largely unnoticed until recently by the wider public. This has changed with the advent of two new "mega-regional" free trade agreements, the "Trans-Pacific Partnership" (TPP), just concluded between the US and eleven other Pacific Rim countries including Australia, Japan, Vietnam, but excluding China, and the "Trans-Atlantic Trade and Investment Partnership" (TTIP) that is currently being negotiated between the US and the EU. Both follow a deep-integration agenda with investment chapters and far-reaching behind-the-border-provisions. Apart from technical standards, these touch upon public policy issues such as labour rights, consumer protection, animal welfare or environmental protection that are not primarily trade-related, and, according to its critics, risk to unduly restrict the regulatory sovereignty and the policy space for democratically legitimized decision makers. Intellectual property rights and legal privileges afforded to foreign investors are other contested fields. As "Mega-regionals" dominated by some of the most important trading nations and covering a large part of global trade, both TPP and TTIP are also seen to pose a serious threat to the centrality of the WTO in global trade governance and the writing of global trade rules. Critics warn against the global trading regime becoming again less rules- and more power-based, when the new rules for 21st century trade would be mainly written by the world's rich nations in settings marked by vast power asymmetries. It therefore comes as no surprise that both critics and supporters of the new Mega-regionals expect huge geopolitical ramifications within the global system.

Both TTIP and TPP follow a deep-integration agenda with investment chapters and far-reaching behind-the-border-provisions. Apart from technical standards, these touch upon public policy issues such as labour rights, consumer protection, animal welfare or environmental protection that are not primarily trade-related. Both provide for extensive investor protection and extrajudicial arbitration.

How do we assess harmonization / mutual recognition of standards and regulatory cooperation (including trade impact assessment) in terms of the right to regulate by democratically legitimized decision makers? Does it restrict the sovereign right of parliaments to change / improve standards independently of foreign business interests? How should dispute settlement be organized? Is the suggestion of the European Commission of an investment court system (ICS) compatible with the rule of law?

Michelle Ratton, Professor at Law School of Getulio Vargas Foundation, Brazil

Joachim Schuster, MEP (S&D Group), Member of the Committee on International Trade in the European Parliament, Germany

Jane Kelsey, Professor for International Trade and Law, University of Auckland, New Zealand

Florian Moritz, Federal Board of the German Trade Union Confederation (DGB), Germany

Moderation: **Markus Schreyer**, Friedrich-Ebert-Stiftung Berlin, Division for Economic and Social Policy, Germany

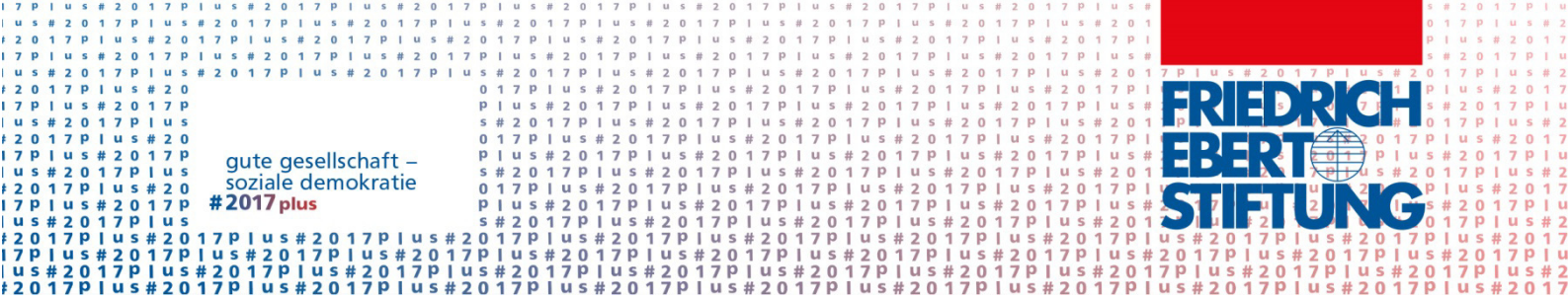
13.30h **Session III: Mega-regionals and other new generation FTAs: stumbling blocks or stepping stones for the multilateral trading system?**

The traditional “building-block-stumbling-block-approach” to FTAs calculates static welfare effects by comparing (positive) trade creation and (negative) trade diversion effects and usually is critical of FTAs unless preferential concessions are extended on a MFN basis at some point. Is this still an appropriate framework also for “deep” FTAs where many provisions are non-discriminatory by nature? In addition to “deep” FTAs: how do we assess the role of plurilateral agreements (ITA, GPA, EGA or TISA) in that regard? What about new concerns regarding the possible emergence of competing regulatory blocs and the fragmentation of regulatory disciplines? Are Mega-regionals (and plurilaterals) a threat to the MTS by undermining the WTO’s rule-making authority? Or can the use of WTO rules on deep integration, on the contrary, strengthen the MTS? Are FTAs weakening the pressure to do global deals? Will conflicts about who sets (and who takes) global standards spill over in other policy arenas?

Pauline Weinzierl, DG Trade, European Commission, Brussels

Gabrielle Marceau, Counselor in the Legal Affairs Division of the WTO, Associate Professor, Law Faculty, University of Geneva, Switzerland

Bipul Chatterjee, Executive Director of CUTS International, India



Moderation: **Alexander Geiger**, Friedrich-Ebert-Stiftung Berlin, Department for Global Policy and Development, Germany

14.45h Break

15.00h Session IV: TTIP, TPP and the Rise of Mega-Regionals – the geo-political dimension

FTAs, regional trade agreements in particular, and even more so higher forms of economic integration are hardly ever established only or even primarily for economic reasons, but usually follow a political rationale as well. Economic integration is often seen as an instrument for peace and security, e.g. in post-conflict situations (Europe after WWII). But economic integration can also create –often competing - zones of influence, with insiders and outsiders and be part of a political and economic power struggle (“TTIP as the economic NATO”?). What are political motives and interests associated with TPP and TTIP? What is the reaction of those left out, China and other BRICs in particular? What needs to be done to leverage the potential of Mega-regionals to enhance peace and security, while at the same time minimizing their destructive potential for conflict (e.g. through the fostering of competing economic and political blocs) ?

Knut Brünjes, Federal Ministry for Economic Affairs and Energy, Germany

Pan Xiaoming, Shanghai Institutes for International Studies (SIIS), China

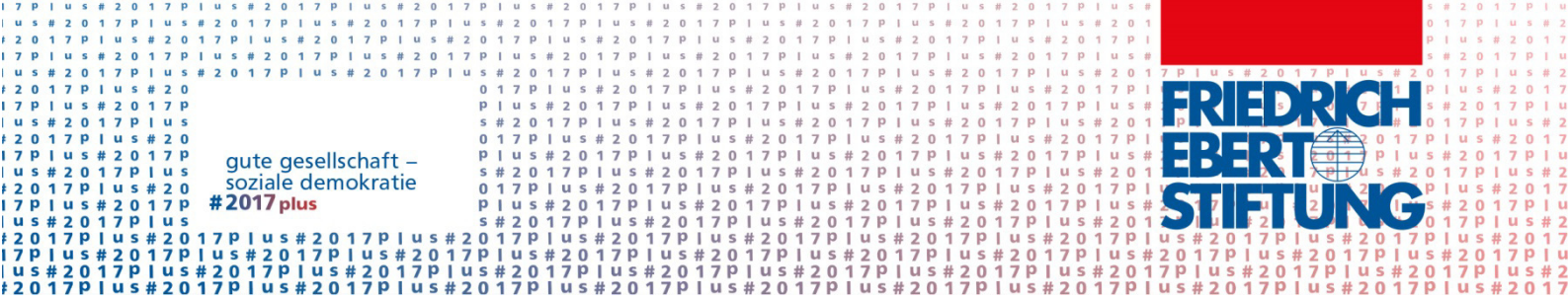
Edward Gresser, Policy Planning Director and Acting Assistant U.S. Trade Representative for Trade Policy and Economics, Office of the U.S. Trade Representative, USA

Heribert Dieter, German Institute for International and Security Affairs (SWP), Visiting Professor Zeppelin University, Germany

Moderation: **Axel Berger**, Deutsches Institut für Entwicklungspolitik / German Development Institute (DIE), Division for World Economy and Development Financing, Bonn, Germany

16.30h End of day 1 with snacks and refreshments

6



developing countries, LDCs in particular? In sum: what would be some of the ingredients of a fair and inclusive trading system for the 21st century beyond the current "business-as-usual-"scenario?

Wrap-up of key points from sessions I-V:

- Adam Hersh**, Senior Economist, Roosevelt Institute, USA
- Clara Brandi**, Senior Researcher, German Development Institute (DIE), Germany

Comments:

- Michelle Ratton**, Professor at Law School of Getulio Vargas Foundation, Brazil
- Heribert Dieter**, German Institute for International and Security Affairs (SWP), Visiting Professor Zeppelin University, Germany

Moderation: **Hubert Schillinger**, Director of the Friedrich-Ebert-Stiftung Geneva Office, Switzerland

12.30h End of the symposium followed by a reception