Harnessing globalisation: trade aspects

2018/2005(INI) - 12/10/2018 - Committee report tabled for plenary, single reading

The Committee on International Trade adopted an own-initiative report by Joachim SCHUSTER (S&D, DE) on harnessing globalisation: trade aspects.

Global trade openness and globalisation have had positive effects, lifting millions of people out of poverty and as such can contribute to the economic growth, prosperity and competitiveness of countries. However, globalisation also poses challenges and its benefits are spread unequally among people and regions.

Although Members welcomed the Commission reflection paper on the same issue and its focus on easing access to the positive effects of globalisation, they stressed the need to **counter the negative effects**. They recognised the growing responsibility of the EU to contribute to answering these challenges in its global trade and external relations.

European policy: Members noted that the EU is presented with the challenge of functioning successfully in a changing global economic setting, meaning that it needs to assure its competitiveness while preserving social and environmental standards, increase its cooperation with the rising economies in Southeast Asia as well as India, China and Latin America, and address the increasing arbitrary protectionism of the United States. They stressed that the aims of fulfilling the Sustainable Development Goals (SDGs) and implementing the Paris Agreement must serve as the overarching framework for pursuing this engagement, with policy coherence for development being of utmost importance. Public finance, official development assistance and domestic resource mobilisation are necessary tools for achieving the SDGs.

The report stressed the importance of flanking policies to support the positive effects and opportunities provided by globalisation and the need for **structured, well-balanced free trade agreements**.

In general, Members considered that the European Union offers an **appropriate support framework** for elaborating progressive rules on trade and investment, encouraging economic cooperation, solidarity between peoples and the fight against climate change. However, they encouraged the Union to **further develop** its initiatives in order to better regulate globalisation through effective support measures.

Noting the difficulties encountered by Member States in dealing on their own with transnational challenges such as migration flows, financial crises, tax evasion, terrorism and climate change, Members emphasised the **shared responsibility** and role of regions and cities in harnessing globalisation.

Europe’s internal and external response: Members welcomed the further strengthening of the EU’s internal market as well as the consolidation of the economic union through the harmonisation of standards on social protection, wages and standards of living. They considered that such harmonisation is vital, as a solid internal market is a prerequisite for the successful implementation of international strategies.

Pointing out the need to ensure a more level playing field for SMEs, Members asked the Commission to create a European trade strategy for SMEs in order to integrate SMEs into international value chains and overcome trade-specific hurdles such as non-tariff barriers. Access to information is one of the biggest obstacles to market participation for SMEs, meaning that transparency and support need to increase.

The Commission is also called on to:

- develop instruments in this context to facilitate the handling of rules of origin and the use of preferences for SMEs;
- set ambitious targets for increasing utilisation rates of unused preferences;
- further strengthen transparency in trade agreements, improve the monitoring of EU rules and legislation, and increase inclusiveness for citizens;
- conduct negotiations in full transparency, through constant dialogue with the European Parliament, national parliaments, social partners and civil society;
- inform and involve national parliaments and civil society before the approval of negotiating mandates and during negotiations;
- expressly include animal welfare in its next trade policy strategy and to use the review clauses in existing FTAs to further improve animal welfare provisions;
- include solid and comprehensive sustainable development chapters in FTAs in order to support international trade;
- promote international cooperation on fighting unfair competition and protectionism, which are detrimental to both businesses and citizens.

The report also noted that, as a response to globalisation-induced job losses, Member States need to strengthen their labour market policies and their offer of training. A **reform of the European Globalisation Adjustment Fund** (EGF) is needed in order to meet the new challenges of globalisation, including a reform of the preconditions for receiving support. The EGF must become a **more proactive tool** aimed at preparing workers and companies to fight the negative impacts of globalisation.