

# Harnessing globalisation: trade aspects

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The European Parliament adopted by 115 votes to 32, with 131 abstentions, a resolution 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.

However, they considered that protectionism would be a simplistic and weak answer to the challenges posed by globalisation, stressing that protectionist policies that are not implemented in line with WTO rules will have a domino effect on all, hurting importers, exporters and consumers.

**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 the importance of engaging in the **restructuring of the world economic order** and respecting the needs of developing countries as well as of the economically and socially deprived in developed countries. The achievement of Sustainable Development Goals (SDGs) and the implementation of the Paris Climate Agreement must serve as the overarching framework to pursue this commitment.

Parliament also called for structured, well-balanced **free trade agreements**, reiterating its support for the Commission's trade policy and the promotion of trade policy tools and instruments in order to regulate and tackle the challenges of globalisation. Overall, it 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.

**Europe's internal and external response:** Parliament agreed with the Commission that preserving international competitiveness while guaranteeing **high social and environmental standards** is a prerequisite for a successful European strategy. It also pointed out that being internationally competitive depends strongly on successfully **shaping automation and digitalisation** in a socially and environmentally responsible manner, while preserving the protection of European citizens' private lives.

It also stressed the need to ensure a more level playing field for **small and medium-sized enterprises** (SMEs).

The Commission was invited 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; Members called for the inclusion of dedicated chapters in trade agreements on the needs and interests of SMEs, especially with regard to market access facilitation;
- enhance the transparency of trade agreements, through constant dialogue with the European Parliament, national parliaments, social partners and civil society;
- ensure that **imported agricultural products** meet EU standards and to strengthen checks on imported agri-food products at their place of origin and upon their arrival in the EU;
- include solid and comprehensive **sustainable development** chapters in FTAs in order to support international trade, and to include a specific chapter which contributes to supporting and promoting international conventions on social, labour and human rights, and multilateral environmental agreements;
- promote international cooperation on fighting **unfair competition and protectionism** in third countries. In this context, the recently reformed trade defence instruments must be implemented in an effective and proportionate way to protect industries and jobs from dumped and unfairly subsidised imports.

Members also considered it essential to balance trade negotiations on **copyright** and called for trade agreements to ensure high standards of data protection.

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.