

## **Stop the EU-Mercosur trade deal and make all trade agreements work for sustainable development**

On 28 June 2019, the European Commission and Mercosur, the free-trade zone of Brazil, Uruguay, Paraguay and Argentina, reached a political agreement 'in principle' on the EU-Mercosur free trade agreement. The European Commission claims that the deal creates significant opportunities for sustainable growth on both sides, while respecting the environment and human rights and preserving the interests of EU consumers and sensitive economic sectors. Amid concerns about rampant deforestation in Brazil, the EC has stressed that the trade agreement commits both sides to implementing the Paris Agreement on climate.

These are empty words. Citizens, trade unions, farmers' organisations and other CSOs in the EU and the Mercosur region have voiced concerns about the direct consequences of the deal, for instance for employment and product standards, and about inadequate provisions for reducing (existing) social and environmental hazards. According to a YouGov poll commissioned by SumOfUs, a consumer group, a majority of European citizens are against the trade deal.<sup>1</sup> On 18 June, more than 340 organisations from both South America and Europe sent a joint open letter to EU leaders calling for the EU to cease negotiations, due to increasing human rights violations and damage to the environment in Brazil.<sup>i</sup> In April, over 600 European scientists called for the EU to act as a global leader in supporting human rights, human dignity and a habitable climate by making sustainability the cornerstone of its trade negotiations with Brazil.<sup>ii</sup> This resolution aims to support that call.

### **Attacks on fundamental freedoms and human rights in Brazil**

Since the inauguration of Brazilian President Jair Bolsonaro in January 2019, there has been a sharp increase in human rights violations, attacks on minorities, indigenous peoples, LGBTQ, peasants and other groups. The government abolished numerous structures for social participation. Activists face grave dangers from the government's incendiary rhetoric.<sup>iii</sup> Already in 2018, in the context of a violent election campaign, 420 murders of LGTBI people were registered while the precise number is probably much higher. Around half of them are trans people, often people of colour. However, President Bolsonaro has decided to withdraw LGTBI affairs from human rights protection. The situation of women's rights is not better. Brazil is one of the most violent countries in the world for women, with nearly 4,500 deaths and more than 60,000 rapes last year alone.<sup>iv</sup> With a population of more than 200 million, Brazil has only 74 shelters for victims of domestic violence, according to Human Rights Watch. According to the Brazilian advocacy group Indigenous Missionary Council, invasions of Indigenous lands have increased by 150 percent since Bolsonaro's election in October 2018. A new Global Witness report states that 164 land and environmental defenders were killed in 2018, with over half from Latin America and 20 were in Brazil.

### **Deforestation, environmental destruction and violence against indigenous groups**

The world has watched with deep concern the dramatic increase in forest fires in the Mercosur region. Vast stretches of the Amazon and Chaco forests and the Cerrado Savannah are being destroyed for extensive livestock farming, agro-industrial monocultures, mining and illegal logging. Authorities in Brazil are turning a blind eye to violence against people defending their territories or natural resources. Scientists warn that the Amazon rainforest ecosystem is

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<sup>1</sup> Some 63 percent of the participants said they thought the deal should be stopped, while 24 percent said they don't know and only 14 percent were in favor. In total, more than 7,200 people in France, Germany, Belgium, Ireland, Austria and Spain took part in the survey.

reaching an irreversible tipping point, which could lead to catastrophic biodiversity loss and release up to 200 billion tons of CO<sub>2</sub> into the air. The EU-Mercosur trade deal will further fuel such practices as it allows an annual quota of 99 000 tons of Mercosur beef to be exported to the EU at a low tariff rate and boosts cheap soy imports, without any credible system to monitor the origins of such produce. In Brazil, socio-environmental legislation and policies have been dramatically weakened. The EU is Brazil's second-largest trading partner. The EU, therefore, has both the leverage and responsibility to address human rights and environmental injustices taking place in Brazil, as well as in other countries in the region. We also feel that the EU should radically reduce the import of meat and crops for animal feed and promote sustainable regenerative agriculture and grazing practices at home and abroad, including a switch from animal to vegetable proteins in peoples' diets.

#### **Labour rights and employment**

The trade agreement may jeopardise employment in manufacturing on a large scale: it is estimated that 186 000 industrial jobs will be lost in Argentina alone.<sup>v</sup> At the same time, farmers' organisations in the EU are worried about the adverse consequences of the deal for European farmers. Trade unions from both regions have stressed the need for balanced development in both regions. They have pointed at failure to ratify various basic International Labour Organisation conventions in the Mercosur region.<sup>vi</sup> Trade unions rightfully demand that people and their fundamental rights be placed at the centre of the negotiations along with decent work and support for the weakest members of society.

#### **Health, food safety, food security and the environment**

The European Commission claims that the agreement upholds the highest standards of food safety and consumer protection. This is not reflected in effective clauses for enforcing the precautionary principle. The European Greens believe that the agreement will dilute public health, food safety, animal welfare and environmental regulations. The EU-Mercosur sustainable impact assessment was recently published by the Commission. The report predicts an increase of 63,7% of EU beef imports from Mercosur by 2032, for other meats, a 78,8% increase of EU imports from Mercosur and a 50% increase of EU exports to Mercosur. The trade agreement could make it more difficult to strengthen regulations to protect the common good such as the environment. It may undermine the scope for European governments to regulate against GMOs. At the same time, it may endanger local consumption patterns and food industries in Mercosur countries, and force countries to concede plant breeders' rights to European producers. The deal also affects access to medicines through an advanced protection of pharmaceutical patents for EU industries.<sup>vii</sup>

#### **Secrecy of negotiations undermines democracy**

Despite the stated commitment of the European Commission to greater transparency, the agreement was negotiated without allowing the participation of civil society and legislative power, in particular in the Mercosur countries. No discussion was opened regarding the clauses, nor was any study on the impact of this agreement on different sectors presented during the negotiations after 2011. While some consolidated chapters were published in July, no news is forthcoming on negotiations on the unfinished chapters. Such lack of transparency undercuts democratic values.

#### **Putting sustainable development upfront**

The EU and Mercosur countries have subscribed to the UN Agenda 2030 for Sustainable Development (SDGs) and the Paris Agreement. The EU and the world are a long way off track with respect to the goals embodied in these agendas. In its 2019 reflection paper on aspirations for a sustainable Europe, the EC has stated that: *"we need to modernise our economy to embrace sustainable consumption and production patterns (...). To do this we also need to gear all our science, our financing, taxation, and our governance towards the achievement of the SDGs."*<sup>viii</sup>

Therefore, EU trade agreements must deliver sustainable development as their overarching objective. They must guarantee enforceable standards for social rights, environmental and climate protection. Standards and tariff schemes agreed among the EU and other governments must promote and reward production methods and technologies that help the transformation towards sustainable low-carbon economies.

The EU-Mercosur trade deal and its toothless sustainable development chapter will achieve none of this. The economic benefit of powerful stakeholders, notably the European car industry and chemical giants and meat producers in Argentina and Brazil, comes at the expense of people and the planet. After 20 years of negotiations, the Mercosur trade agreement is an old-style agreement and a bad compromise which comes at the wrong time, when there is an increasing demand for sustainable development and genuine climate action. Parliaments and governments in several EU Member States have already voiced their reservations. The EGP calls on all Green members of parliaments and Members of the European Parliament to vote against this agreement. A new negotiating mandate must be drafted which stipulates climate action, protection of nature, biodiversity as well as the enhancement of human rights as its key priorities, spelling out throughout every chapter of the agreement what is required to achieve these goals.

“Together with this effort, the EU should strengthen existing legislation like the timber directive and the conflict minerals regulation. The EU must recognize environmental crimes even when committed by European-based companies outside of EU borders. It should step up enforcement and sanctions in case of breach and enact legislation on corporate due diligence to ensure respect for human rights in the whole supply chain, similar to the French Duty of Vigilance legislation or the British Modern Slavery Act. Citizens must be able to rely on the EU to ensure that only products that meet sustainability and human rights standards are able to enter the European market. An EU-wide corporate social responsibility (CSR) label for goods produced without deforestation and with respect for human and animal rights, monitored by an independent watchdog, could be an additional means to promote this. The EU must also explore ways to measure its imported and exported emissions to decrease its ecological footprint, guaranteeing fairer trade.”

**Therefore, the European Green Party calls on the European Commission and European Council to:**

1. Halt the ongoing process for finalising the EU-Mercosur free trade agreement.
2. Publish the current mandate and the full text of the trade agreement for public scrutiny.
3. Withdraw this mandate and start anew the negotiations with a new, publicly accessible, negotiating mandate from the EU Council to the Commission which prioritises sustainable development and the effective application of the precautionary principle, underpinned by solid monitoring and enforcement mechanisms.
4. Send an unequivocal message to President Bolsonaro and the governments of other Mercosur countries that the EU will refuse to negotiate a trade deal until credible action is taken to end human rights violations, including against indigenous people of the Amazon who face persecution for being environment defenders, halt further deforestation, and demonstrate concrete commitments to implement the Paris Agreement.
5. Support civil society in Brazil and other Latin American countries, including through the implementation of the EU Action Plan on Human Rights and Democracy. Strengthen mechanisms to protect human rights and environment defenders.

## EGP Council, Tampere, 8 - 10 November 2019

### Adopted Resolution – Subject to proofreading

6. Revise the fundamental principles of all EU trade agreements along similar lines, so that negative climate impact, environmental and social harm in any commercial activity, as spelt out in all trade-related chapters, is excluded from the scope of the agreement, while the practical possibility to improve protection of public interests such as the environment is ensured and excluded from judicial challenge.
7. Ensure full transparency in negotiation processes, as well as agreement from broad sectors of society for negotiated drafts prior to ratification.
8. Investor protection mechanisms such as ISDS and ICS which limit the capacity of governments to implement reforms and programs related to public health, environmental protection and human rights have no place in trade or investments agreements. The EU should terminate existing agreements including such mechanisms and not include these in future negotiations. We call on the EU to support the ongoing negotiations on a UN Binding Treaty on multinational corporations and human rights.

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<sup>i</sup> <https://www.bothends.org/en/Whats-new/News/Open-letter-from-more-than-340-organisations-EU-must-stop-negotiating-treaty-with-South-American-countries->

<sup>ii</sup> See this [article](#) 3

<sup>iii</sup> [https://www.bothends.org/uploaded\\_files/inlineitem/1190618\\_Joint-letter-Brazil-EU-Mercosur\\_allsignatori.pdf](https://www.bothends.org/uploaded_files/inlineitem/1190618_Joint-letter-Brazil-EU-Mercosur_allsignatori.pdf)

<sup>iv</sup> Source: Brazilian Forum for Public Security. See also the report “The Victimisation of Women in Brazil” by the Brazilian Public Security Forum on other more data.

<sup>v</sup> [https://www.bothends.org/uploaded\\_files/inlineitem/3Rejection\\_from\\_Argentina\\_mejor\\_sin\\_TLC.pdf](https://www.bothends.org/uploaded_files/inlineitem/3Rejection_from_Argentina_mejor_sin_TLC.pdf)

<sup>vi</sup> See [here](#)

<sup>vii</sup> Idem

<sup>viii</sup> [https://ec.europa.eu/commission/sites/beta-political/files/rp\\_sustainable\\_europe\\_30-01\\_en\\_web.pdf](https://ec.europa.eu/commission/sites/beta-political/files/rp_sustainable_europe_30-01_en_web.pdf)