

# Making globalisation work for everyone

The European Union and world trade



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# Making globalisation work for everyone

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# Trade for a better world

Trade is everybody's business. Trade policy may seem a complex, technical subject that only experts can understand, but it actually involves us all, every day, whatever we do and wherever we live. Think global. Think of morning tea or coffee, the cars we drive, the computers on which we increasingly depend. Think of a favourite oriental rug or a holiday on another continent.

Globalisation means that more and more countries, both rich and poor, are taking part in the world economy. This process is changing the pattern of world trade and increasingly permeating our everyday lives.

The wealth that trade can generate helps European Union (EU) countries to give their citizens a better quality of life – now, and for future generations too. Taking part in world trade – if properly managed – also gives developing countries a much-needed opportunity for economic growth.

As the world's leading trade power, the EU has a strong interest in creating conditions in which trade can prosper. The EU's position also gives it responsibilities towards the rest of the world. That is why it plays a leading role in international trade negotiations, **working towards fair trade and seeking to harness globalisation** through the World Trade Organisation (WTO).

The EU works to ensure that its trading partners in the developing world can join in the system, giving them a hand where needed. This applies particularly to the poorest countries, for which the benefits of globalisation remain elusive.

This booklet describes how EU trade policy works. It outlines the EU's trade relationships with the rest of the world and the role the EU plays in the World Trade Organisation. And it explains how the EU intends to make sure that the whole world can benefit from the international trade negotiations that were launched in Doha in November 2001. Known as the 'Doha development agenda', the new round of negotiations will be a decisive force in shaping trade in the 21st century.

*In daily life, we all take part in the global economy.*



# Role and responsibilities of the European Union

The European Union, with its 15 member countries, represents just 6 % of the world's population. But it accounts for more than a fifth of global imports and exports. This makes the Union the world's biggest trader.

Trade was one of the first areas in which EU countries agreed to pool their sovereignty, transferring to the European Commission the responsibility for handling trade matters, including negotiating international trade agreements on their behalf.

This means that the EU's 15 Member States negotiate as one, both with their trading partners and at the WTO, thus maximising their influence on the international scene.

But a wide range of players are involved in drawing up the EU's trade policy. Representatives of the governments of the EU countries are regularly and closely consulted, and ministers themselves take the key decisions. The European Parliament is closely involved in all developments. The Commission is continually organising a wide consultation of civil society, such as non-governmental organisations (NGOs), trade unions, and business.

This enables the EU to be sensitive to all interests as it works to expand trade and to create a win-win situation for all players.

## *Europeans trade a lot*

The European Union is:

- the world's leading exporter of goods: over 973 billion euro in 2001, almost a fifth of the world total;
- the world's leading exporter of services: 291 billion euro in 2000, 23.9 % of the world total;
- the world's leading source of foreign direct investment (362 billion euro in 2000) and the second largest home for foreign investment (176.2 billion euro in 2000) after the United States (304.9 billion euro);
- the main export market for some 130 countries around the globe;
- a relatively open economy: international trade accounted for over 14 % of its gross domestic product in 2000, compared with 12 % for the United States and 11 % for Japan.

## *What do we buy and sell?*

There are four main categories of things that are traded internationally or flow across borders. Trade rules vary by category, and different countries are strong in different categories.

- **Goods:** This covers all types of physical goods, such as food, clothing, raw materials and machinery.
- **Services:** This covers things like tourism, banking and telecommunications.
- **Intellectual property:** This covers trade and investment in ideas and creativity: copyright, industrial design, artists' rights, etc.
- **Foreign direct investment (FDI):** This is when a company from one country buys or establishes a company in another country. This is an alternative to trade and an important part of 'globalisation'. The concept does not include financial investments, where the owner of the money has no direct influence on the running of a company in which he or she owns shares.

## *Free and fair*

The European Union's aim is free but fair world trade. In other words, a system where all countries trade freely with one another on equal terms and without protectionist barriers. The EU wants a 'level playing field' for all countries and clear 'rules of the game' for everyone to follow. The system should be transparent – fully open to public scrutiny.

To achieve this, the EU's strategy is to open up its own market while others do likewise. It seeks to remove obstacles to trade gradually, at a pace the EU and others can sustain, to settle disputes peacefully and to build up a body of internationally agreed rules.

To 'open up' or to 'liberalise' trade must be seen in comparison with the situation created in years gone by when almost all governments in the world restricted imports into their country, with the intention of helping the economy in their country.

*The EU is the biggest trader in the world.*



Opening up markets means removing trade barriers between countries. This was a basic goal of the Union from the earliest days. In the 1960s, it created a 'customs union' between its member countries. In other words, any EU country could trade any quantity of goods with any other EU country without having to pay customs duties and tariffs.

A 'single external tariff' was also introduced. In other words, non-EU countries exporting products to the EU were charged the same tariff regardless of which EU country was importing the goods. This made life simpler for traders and cut down their paperwork.

But although the tariff barriers were removed, many 'non-tariff' barriers to trade still remained. For example, different EU countries had different administrative requirements and different rules on things like packaging and labelling – all of which hindered trade between them.

That is why, in 1992, the EU launched its 'single market', removing non-tariff barriers to trade in goods, and also opening up trade in services within the Union.

### *Trade in the EU treaty*

EU trade policy is enshrined in Article 131 of the EC Treaty. This article sets the objectives of the common commercial policy as being to 'contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers'.

This blends seamlessly with the aims of the Treaty in general (Article 2): 'to promote [...] harmonious, balanced and sustainable development of economic activities, a high level of employment and social protection, [...] a high degree of competitiveness and improvement of the quality of the environment, the raising of the standard of living and quality of life ...'.

(Treaty establishing the European Community)



## *Doing what you are good at*

Opening up trade stimulates the economy as a whole. It boosts the revenues of exporting countries and offers consumers in the importing countries a wider choice of goods and services at lower prices because of increased competition. Ultimately it allows all countries to produce and export the goods and services with which they are best placed to compete.

So globalisation can boost economic growth. But it can also be disruptive. Larger and more open markets mean increased competition between businesses and also between countries. By pitting unequally developed economies against one another, globalisation may, if unharnessed, widen the gap between rich and poor countries and further sideline the poorest economies.



Individual nation States cannot deal with this problem. When business goes global, the rules of fair play must also be set globally. Only through international agreement can we harness globalisation and make it work for the good of all.

*Open economies without customs duties or trade restrictions give consumers a wider choice.*

So EU trade policy now covers a broader canvas, beyond trade liberalisation. It is about updating and improving international rules, and giving them a wider coverage to ensure fair trade and harnessed globalisation. It is about promoting an international agenda that benefits the developing world, and addressing issues of general public concern. One of the key challenges today is to ensure that world trade rules take account of non-market concerns, particularly the environment, public services, food safety, agriculture and culture.

## *Multilateral and bilateral*

EU trade policy works on two complementary levels:

- the **'multilateral' level** refers to the system of trading rules agreed by all WTO member countries worldwide;
- the **'bilateral and regional' level** means trade between the EU and individual trading partners or with groups of countries that form a single trading bloc in a particular region of the world.

# The EU and the World Trade Organisation

The European Union has always backed the multilateral trading system. The EU is indeed convinced that the best way – and thus to promote economic development and prosperity – is to have multilateral trading rules agreed by consensus.

That is why the EU played a major role in setting up the World Trade Organisation, and it is a very active participant in the WTO.

*When business goes global, the rules for fair play must also be set globally. That is the job for the World Trade Organisation.*

## *Forum for the whole world*

The World Trade Organisation is the core of the international rules-based system for world trade. Based in Geneva, it provides a forum for multilateral negotiations on trade, together with a rule book and mechanisms for ensuring that its members play by the rules. These mechanisms include a procedure for settling disputes.

As the world economy globalises, the WTO is the most legitimate forum for removing obstacles to trade, creating and enforcing global rules and making them compatible with rules drawn up by other multilateral bodies. The aims of the EU's work in the WTO effort are:

- to open up markets in goods, services and investment in accordance with clear rules and following a timetable that enables all countries to implement them;
- to make the WTO more open, accountable and effective by engaging in discussion with other groups and organisations;
- to bring developing countries fully into the WTO's decision-taking processes, helping them to integrate with the world economy.



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## *World Trade Organisation*

**Established:** 1 January 1995 (but with its predecessor GATT dating back to the 1940s).

**Membership:** 144 countries at the start of 2002, accounting for over 90 % of all trade in the world.

**Rounds:** Countries tend to negotiate over several years on new agreements for a group of subjects. These series of negotiations are called 'rounds'. Examples are the 'Uruguay Round' 1986–94 and the round that started in 2001 called 'The Doha development agenda'.

### **Functions:**

- Administering WTO trade agreements
- Forum for trade policy discussions and negotiations
- Handling and resolving trade disputes
- Monitoring national trade policies
- Technical assistance and training for developing countries
- Cooperation with other international organisations

The WTO was set up in 1995, but the multilateral trading system on which it is based is far older. Eight separate rounds of international negotiations under the General Agreement on Tariffs and Trade (GATT) have progressively abolished tariffs and other trade barriers over the past 50 years.

The more members there are, the more effective the WTO's rules are likely to be. That is why the EU actively encouraged China to join, and is now working hand in hand with Russia and a number of other countries to help them prepare for WTO entry.

The WTO now has 144 members, including China and Taiwan which joined in 2001. It is the only international body policing trade in goods, services and intellectual property rights among its members.

Agreements are negotiated by governments whose aim is to ensure there is a comprehensible, reliable framework of rules for importers and exporters worldwide, enabling them to operate in the certainty there will be no sudden, unpredictable changes in policy.

## Ensuring countries play by the rules

The **dispute settlement system** is one of the cornerstones of the WTO. It gives all WTO members confidence that the commitments and obligations they have negotiated are honoured.

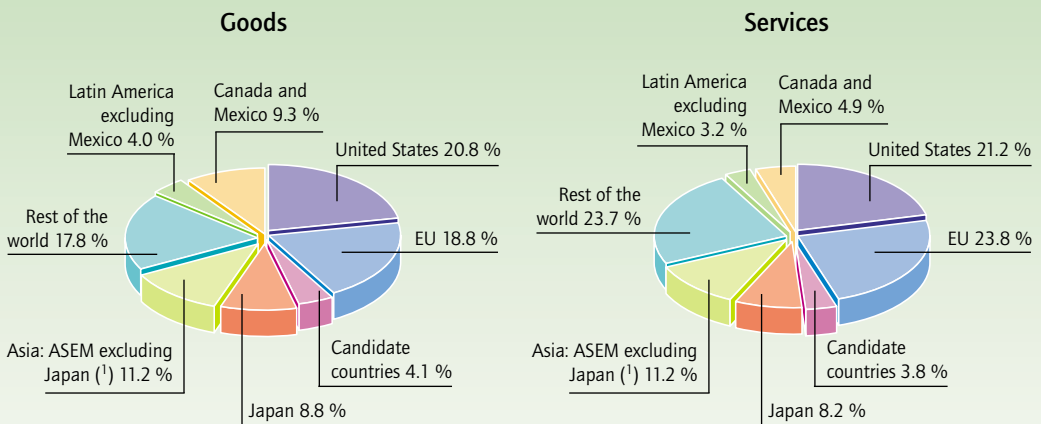
The dispute settlement mechanism, which was introduced in 1995, is a forum that parties may use to assert their rights under multilateral trade agreements. WTO member countries are not allowed to take revenge on one another in response to alleged violations of the agreed rules. Instead, all 144 members have exactly the same right to seek redress via the WTO if they believe one of their trading partners is breaking the rules. Thus, the mechanism protects weaker members against arbitrary or unilateral action by the strongest.

The procedures for dispute settlement encourage the parties to settle their differences through consultation. Otherwise, panels of experts make rulings, which have to be endorsed or rejected by the WTO's full membership.

All WTO members, developing countries as well as the big players, are making more use of the mechanism, and it has helped to ensure real market opening. However, the EU believes there is still room for improvement, notably in respect of speed and the types of sanctions possible.

The EU has put forward proposals for making the procedures more transparent to the outside world, and for helping developing countries handle the process.

## Share of world trade



(1) ASEM: The nine Asian partners of the 'Asia-Europe meeting' (ASEM) other than Japan: Brunei, China, Indonesia, Malaysia, Philippines, Thailand, Singapore, South Korea, Vietnam.

Figures for 2000, imports and exports together. Source: Eurostat.

# The EU's bilateral trade agreements

The European Union is the world's biggest trading power. Though it operates according to trade rules that are set multilaterally, the actual exchange of goods and services takes place bilaterally – between the EU and individual trading partners. However, what takes place bilaterally and what happens at the multilateral level often reinforce each other. The EU's bilateral agreements with individual trading partners, or with regional groupings of countries, are often designed to pursue goals that are subsequently achieved through multilateral negotiations.

EU tariffs on industrial products are among the lowest in the world and most of them will disappear in 2004 in line with the Union's commitments from 1994 under the Uruguay Round of international trade negotiations.

As it is, most of the EU's imports are already duty free or enter the EU at preferential rates under the terms of bilateral trade agreements or the EU's generalised system of preferences regime. For example, more than 50 % of finished steel imports enter the EU duty free from countries in central and eastern Europe with which the EU has bilateral association agreements.

## *Doing business with neighbours*

Trade has helped the EU establish closer links with its immediate neighbours. In the first place, the Union has stepped up its trade with the **candidate countries** of central and eastern Europe that are due to join the EU. The agreements with these countries, known as 'Europe agreements', are intended to create a free trade area between them and the EU before they actually join.

Thanks to these agreements, a much greater proportion of the exports from these countries now goes to the EU. The agreements also relate to the free movement of services, payments and capital for trade and investment.

*Taking part in the world economy can create wealth for everyone*



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In addition, these countries will have to bring their national trade legislation into line with EU law before they become EU members. Association agreements with the other candidate countries – Cyprus, Malta and Turkey – contain similar provisions.

For the **Balkan countries**, which could eventually join the EU, trade is an instrument of reconstruction. The EU has removed customs duties on 95 % of exports from these countries in order to boost their economic recovery and strengthen their trade links with western Europe.

At the same time, the EU intends to conclude 'stabilisation and association agreements' with these countries, similar to those signed with the candidate countries. Agreements have already been signed with Croatia and with the Former Yugoslav Republic of Macedonia.

The EU also has a regional strategy for relations with its neighbours in the **Mediterranean region**. In 1995, it began what is called the 'Barcelona process'. This seeks, by means of a network of bilateral agreements and regional arrangements, to establish a Euro-Mediterranean free trade area by 2010.

To move this process forward, association agreements have been signed with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the Palestinian Authority and Tunisia. Negotiations are ongoing with Syria.

### *EU trade: the big players*

Trade partner	Imports into the EU (billion euro)	Exports from the EU (billion euro)	Percentage of total trade (imports + exports)
EU global trade	985	990	100
1. United States	174	239	20.9
2. The 10 countries due to join the EU in 2004	107	125	11.7
3. Switzerland	59	71	6.5
4. China	81	34	5.8
5. Japan	68	42	5.6
6. African, Caribbean and Pacific countries (ACP)	46	40	4.4
7. Russia	48	30	3.9
8. Norway	45	26	3.6

Figures for 2002, trade in goods. *Source:* Eurostat.

## *Opening up trade around the world*

The EU is encouraging countries in Africa, Asia and Latin America and other regions of the world to forge closer ties with one another, just as the countries of Europe have done. Europe's own experience of 'regional integration' has brought many advantages, and the EU believes that integration in other regions of the world will put its trading partners in a better collective position to benefit from globalisation.

The EU is committed to ensuring that its agreements are compatible with WTO obligations. The EU expects the same of other WTO members and hopes the current international negotiations under the auspices of the WTO will be a useful opportunity to clarify and strengthen rules in this field for the benefit of all members.

The **United States** is by far the EU's biggest trading partner, accounting for nearly 22 % of the EU's total trade (exports plus imports).

Given the volume of their bilateral trade, it is not surprising that the EU and the United States have trade disputes from time to time. While a number of these are handled bilaterally, some end up before the WTO dispute settlement body. Although these disputes make the headlines, the amounts of trade involved are very small in comparison with total US–EU trade flows (less than 2 % of trade).

The EU's relationship with **Japan** is also of high importance. The EU's focus here is on the need for Japan to open up its market more to European goods and investments and to get the government to take effective action to reflate the economy.

The EU is also negotiating the establishment of a free trade area with the six members of the **Gulf Cooperation Council (GCC)**, which is the regional organisation grouping Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates.

The EU is examining ways of promoting bilateral economic relations with **Iran** through a trade and cooperation agreement which is under negotiation. In addition, the EU has concluded partnership and cooperation agreements with Russia and a number of other countries of the **former Soviet Union** — Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova and Ukraine. The agreements with Moldova, Russia and Ukraine are part of a process that could lead to the establishment of a free trade area between them and the EU.

The EU has recently been very active in its trade relations with **Latin America**.





*Regional economic integration is an important response to globalisation. People in Africa, for example, should trade more with each other and not focus only on Europe and the USA.*

A free trade agreement with **Mexico** came into force in July 2000. This agreement will give EU exports the same access to the Mexican market as those coming from the United States and Canada, its partners in the North American Free Trade Agreement (NAFTA). The EU is scheduled to remove all duties on imports from Mexico by 2003, while Mexico will lift all duties on EU goods by 2007.

The EU and **Chile** have recently concluded the negotiations for an association agreement, delivering the most ambitious and innovative results ever for a bilateral agreement by the EU.

Negotiations are currently under way to liberalise trade with **Mercosur**, the South American Common Market consisting of Argentina, Brazil, Paraguay and Uruguay. The EU is already the most important trading partner of the Mercosur countries and the biggest foreign investor in the region. The negotiations will cover not only the liberalisation of trade in goods and services, but also public procurement, intellectual property rights, competition policy and foreign investments.

**South Africa** concluded a bilateral agreement with the EU on trade, cooperation and development in 2000. According to this agreement, within 12 years, South Africa and the EU will grant free trade status to each other's exports.



## Focus on development

The globalisation of trade must not sideline poorer countries. The EU wants to find ways of helping these countries catch up with the rest of the world, instead of facing marginalisation. Improving their access to global markets for agricultural and industrial goods and services is crucial.

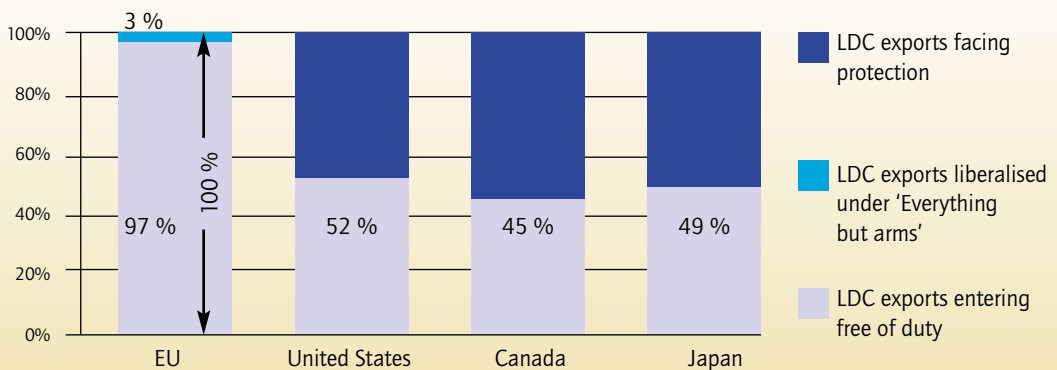
The EU demonstrated its support for the 49 '**least developed countries**' by launching the 'Everything but arms' initiative in March 2001. This means the EU is opening its markets to unlimited quantities of all products (except weapons) from those countries and without charging any duties whatsoever.

As Trade Commissioner Pascal Lamy said: 'This sends a signal to the rest of the world that we are serious about getting the most disadvantaged to share in the fruits of trade liberalisation.'

## Everything but arms

This initiative is a world first. On 5 March 2001, the EU became the first major trading power to open its market completely to exports from the world's least developed countries (LDCs). On that date, remaining tariffs and quotas were removed from all products (barring arms), though the import duties on bananas, sugar and rice are being removed in stages between 2002 and 2009. In taking this initiative, the EU was mindful of the interests of its own producers, the interests of developing countries as a whole and of traditional suppliers of these products to the European market. The EU hopes other industrialised countries will follow its example by adopting similar initiatives.

## EU openness to exports from developing countries



In 1999, 97 % of the exports from the world's least developed countries entered the EU free of duties. Since then, the access has been further liberalised under the 'Everything but arms' initiative.

Source: United Nations Conference on Trade and Development/European Commission.

*The poorest countries  
in the world can  
export most of their  
goods to the  
European Union  
without any  
restrictions.*



### ***Aid and trade together***

The EU has a tradition of close relationship with the countries in **Africa, the Caribbean and the Pacific**. Under the Cotonou Agreement concluded with 77 African, Caribbean and Pacific (ACP) countries in February 2000, the European Union adopted an integrated trade and development strategy aimed at bringing the ACP countries smoothly into the world economy.

The Cotonou Agreement will run until 2007. It will then be replaced by agreements of a new type, called **economic partnership agreements** (EPAs). Negotiations between the EU and ACP countries on these new agreements started in September 2002. The EPAs will deal with political questions, economic and trade cooperation and development aid. They are likely to take the form of agreements between the EU and groups of neighbouring ACP countries.

This new approach is a response to the debate on globalisation, from which it is clear that neither European-funded development projects nor trade rules with increasingly open markets have led to acceptable living conditions in the poorest countries of the world.

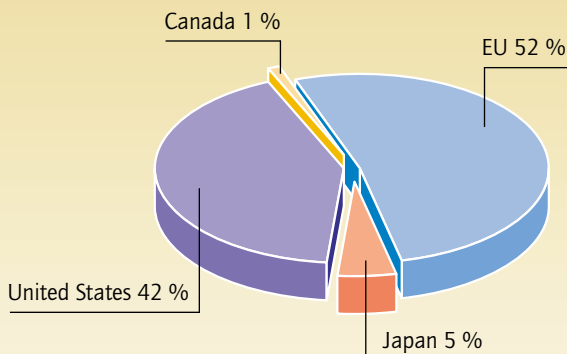
A key strategy in the new approach is to strengthen the regional economic integration within different ACP sub-regions. Poor countries should not only try to sell more to EU countries, they should also trade more with each other. Free trade agreements between neighbouring countries can create larger, more effective markets which are attractive to local and foreign investors. The EPAs should deal with all factors that constrain business activities in ACP countries. The EU will continue to give wide-ranging economic support to these countries.



*Pascal Lamy, European Commissioner for trade:*

*'People are worried about the impact of globalisation on the environment, animal welfare, health, social standards, cultural diversity. We need solutions to address these concerns – but without protectionism'.*

### *Least developed countries exports to the EU*



The value of exports from developing countries to the EU has been rising steadily, and in 2000 amounted to EUR 432 billion, double the total in 1990. The EU is the world's biggest importer of goods from the 49 least developed countries (LDCs). The chart shows the distribution of LDC exports to the four richest trading blocs. Figures for 2000. *Source: European Commission.*

# The Doha development agenda: a new era for world trade

*Many people take part in the global economy via tourism. How can it help improve living conditions around the world?*

On 14 November 2001, the 142 members of the WTO concluded the fourth ministerial conference with a decision to launch a new round of world trade talks. Called the 'Doha development agenda', this round will include both further trade liberalisation and a review of trade rules.

It is underpinned by the commitment of WTO members to help developing countries benefit fully from future WTO decisions. The negotiations will last three years – until January 2005.

The EU believes that the new WTO round, which it helped to launch, is the best way to ensure that trade expansion strikes a balance between economic growth, environmental protection and the promotion of social equity – in other words, sustainable development.

The EU finds the new round timely because:

- globalisation is accelerating. Its positive effects need to be harnessed in the interests of both developing and industrialised countries. This should be done by boosting opportunities for trade while creating a regulatory framework that offers predictability, stability and transparency;
- people are becoming increasingly aware of global issues such as the environment, investment, competition, consumer protection, and public health and safety. The world trade community needs to take all of these public concerns into account.



## *Priorities for the future*

The new agenda sets WTO members on the path towards the following.

**Further opening up their markets for goods and services:** This is the traditional task of the WTO. Members need to do more to open their markets on the basis of predictable and non-discriminatory rules. Trade should be liberalised as comprehensively as possible, so that countries can negotiate concessions in one sector against gains in another.

**Helping developing countries get better access to the markets of advanced countries:** As developed countries open up their markets, businesses and citizens in those countries will have better access to imported products. This should happen at a pace that allows developing countries to adjust successfully to increased competitive pressures.

**Focusing on development:** This was a crucial aspect of the position which the EU took in Doha, and the outcome of the conference reflects it faithfully. The EU is committed to helping developing countries integrate into the world trading system and reap the benefits of liberalisation. WTO members must not only give developing countries better market access and a say in the rule-making, but must also provide them with the skills and tools to become effective players in the world trade arena.

## *Trade-related assistance*

The EU is a clear proponent of trade-related technical assistance (TRTA). From 1996 to 2000, it devoted more than 700 million euro to TRTA, and is providing an additional 300 million euro for ongoing bilateral or regional TRTA initiatives.

Examples of trade-related technical assistance for African, Caribbean and Pacific (ACP) countries include:

- a major 42 million euro programme to improve the health conditions of ACP fishery exports;
- a 29 million euro pesticide initiative programme for horticultural products;
- support for the installation and maintenance of an ACP office in Geneva.

The EU is committed to providing trade-related technical assistance and capacity-building for developing countries. It will make a special effort to help developing countries define and defend their interests in the new negotiations. It will also provide assistance for the medium- to long-term efforts needed to implement the results and take advantage of the trading opportunities which will flow from it.

The EU particularly welcomed a separate declaration in Doha on access to essential medicines at affordable prices. This confirms that the WTO agreements (here the Trade-Related Aspects of Intellectual Property Rights Agreement) can be interpreted in a way that allows members to take action to protect public health if need be.

*Trade rules also concern culture and intellectual property rights. The EU wants to protect cultural diversity.*

### **Updating the world trade rule book:**

A fair and transparent rules-based system to govern world trade is just as important for developing countries as it is for industrialised ones. But as globalisation advances, the WTO will inevitably have to update its rules. The EU pressed successfully for the new round to include issues such as investment, competition, government procurement and measures to simplify trade procedures (known as 'trade facilitation'). The EU also supports plans to improve WTO rules on anti-subsidy measures and anti-dumping procedures, so as to reduce the scope for abusing the system.

### **Protecting the environment within sustainable development:**

Ministers at Doha agreed with the EU that trade and environmental issues can and should be dealt with in a multilateral context. In an increasingly interdependent world, challenges such as climate change, the protection of the ozone layer and the disposal of toxic waste cannot be solved by one country or even by a group of countries acting alone.

The EU has long argued that multilateral environmental agreements have to mesh smoothly with agreements in the international trading system, so they become mutually supportive.

### **Promoting trade and social development:**

There will be more cooperation between the WTO and the International Labour Organisation (ILO) so as to ensure progress on the social aspects of globalisation, including labour standards.

The EU will encourage the world community to pursue this issue via the ILO, and it will work to make sure that the WTO contributes constructively to this process.





The EU already includes social and environmental incentives in its trade relations with developing countries (the generalised system of preferences). It grants extra tariff reductions to countries that implement ILO conventions.

### *Taking on board issues of general public concern*

The EU has been keen to promote a debate within the WTO on issues of general public concern. Among these, **consumer protection**, and in particular food safety, is a top EU priority.

Quality and safety standards must be maintained at a high level. The WTO rules already allow countries to take trade measures to protect the health and well-being of their citizens, provided the measures taken are scientifically justified. When scientific proof is not available, countries may take action provisionally on the basis of the precautionary principle, pending the availability of scientific evidence that is being sought.



*Training in the sustainable management of tropical forests is one example of an EU-funded activity that tries to make trade and the environment go hand in hand.*



### *Dialogue with civil society*

Demonstrations against globalisation have focused public attention as never before on the way trade policy is made. Concerned that globalisation was pushing trade policy in directions hostile to the interests of many, representatives of civil society around the world sought to make their views known.

The European Commission started its dialogue with civil society in 1998, recognising that trade policy must reflect the competing interests and values of the broadest cross-section of society and that their views need to be heard before difficult trade-offs are made. Since then, the Commission has held regular meetings with representatives of trade unions, academic institutions, employers' organisations (including small businesses) and non-governmental organisations (Internet: [trade-info.cec.eu.int/civil\\_soc](http://trade-info.cec.eu.int/civil_soc)).

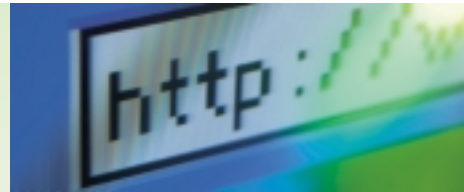
Further market access negotiations on **services** are expected to bring considerable market opportunities for business as well as benefits to consumers worldwide. In this respect, the EU does not seek general deregulation or privatisation of markets in sectors where principles of public interest are at stake, such as healthcare and education, or where the public authorities have a historic involvement, like energy or postal services.

The EU is also committed to maintaining its right to **cultural diversity** in negotiations. Audiovisual services are essential purveyors of culture and are therefore unlike other commercial services. Trade negotiations cannot be allowed to create standardised cultural products; rather, they should help them to be traded in a way that respects their diversity.

Overall, the Doha development agenda takes the World Trade Organisation into a new era. Not only will it continue improving conditions for worldwide trade and investment, but it will now be able to play a much fuller role in promoting economic growth, job creation and the fight against poverty.

Better world governance and the promotion of sustainable development are the ambitious backdrop to the agenda. The EU will actively pursue its work on this agenda by tabling proposals on all aspects of the negotiations and acting as a broker among different players, particularly between developed and developing countries. It will maintain close contacts with a wide range of ministers and seek to reshape trade policy so that it serves the interests of the majority of WTO members, namely the developing countries.

## Further reading



- ➡ More details about all the issues in this booklet can be found on the following European Commission trade policy web site:  
**[europa.eu.int/comm/trade](http://europa.eu.int/comm/trade)**

For information on other aspects of the European Union's relations with the rest of the world:  
**[europa.eu.int/comm/world](http://europa.eu.int/comm/world)**



European Commission

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