

ETUC assessment on Commission's non paper on Trade and Sustainable Development (TSD) chapters in EU Free Trade Agreements

The Commissioner for external trade Cecilia Malmstrom has published in a [non-paper](#) concluding remarks of a debate on the implementation and enforcement of Trade and Sustainable Development (TSD) chapters in EU Free Trade Agreements. The paper outlines 15 action points to be taken to revamp the TSD chapter, under four broad headings: Working Together; Enabling and civil society including the Social Partners to play a greater role in implementation; Delivering; and Transparency and Communication.

The [ETUC replied to the consultation](#) in October 2017. The ETUC deeply regrets that Commission has brushed away the possibility of introducing an economic sanction mechanism in case of persistent breaches of labour rights within EU trade agreements, as has been proposed consistently by the ETUC over many years.

The 15 points outlined in the paper may slightly improve the effectiveness of the current system, by enabling more trade union participation in the implementation of the agreements. A commitment of the Commission is to be more assertive in making full use of the dispute settlement mechanism where a party fails to comply with a labour commitment, by recourse to an independent panel procedure leading to a public report with recommendations. ETUC has been calling the Commission to launch dispute proceedings in the case of the EU-South Korea Free Trade Agreement because of the serious and continuous violations of international labour standards in the country. The Commission has raised the issue at political level with the Government of South Korea but has refused to launch the dispute procedure of the TSD chapter. We will make sure that this new commitment is serious, and that Commission will be more determined in launching disputes procedures with trading partners.

We note that Commission will step up efforts to ensure early ratification of core labour standards on the course of trade negotiations, using all available tools, including economic diplomacy and bilateral labour dialogues, technical assistance and capacity-building, work in international organisations, and trade negotiations. Commission also calls on Member States to step up and coordinate their own diplomatic efforts to this end. These are positive steps, but do not address the key issue of enforceability of labour standards. The ETUC will continue pushing for strong and enforceable labour standards in current and future FTAs negotiations.

The ETUC deeply regrets that the Commission's decision will affect negatively a review of the TSD Chapter in CETA which had been agreed in the Joint Interpretative Instrument annexed to CETA. We note that Canada has been committed to a sanction-based approach regarding labour rights in its free trade agreements and had understood that the review would lead to positive developments in that respect. The ETUC understands that the Commission will send Canada its position on the CETA labour chapter officially on 9 March, without having consulted on the draft. We urge it to reconsider the positions set down in the non-paper with a view to agreeing a strong and enforceable dispute settlement mechanism for CETA, including economic consequences for breaches of labour rights as set down in ILO Conventions. We reject the view of the Commission that further action should not be taken because of an apparent lack of consensus within the EU Institutions and call on it to give a lead, reassuring European workers that the undercutting of labour standards is unacceptable in this and other current or future trade agreements.