

## The TTIP and the future of EU free trade agreements

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*Some lessons from the Comprehensive Economic and Trade Agreement (CETA)*

The free-trade deal between Canada and the European Union has often been described as a template for the potentially much larger Transatlantic Trade and Investment Partnership currently being negotiated with the United States. As such it provides a good case study in the pitfalls that might plague, not just the TTIP, but other future trade agreements that the EU embarks upon.

Apart from traditional import-competing protectionist interests, opposition against CETA (as with other attempts at trade liberalisation) was mostly driven by anti-corporate and environmentalist activists, who succeeded in incorporating specific references to eco-labelling, fair trade, corporate social responsibility and 'sustainability considerations' into the final text. Mechanisms for extensive stakeholder consultations are also among the provisions included in the deal.

Yet, such provisions as biofuel and renewable-energy mandates, the promotion of otherwise uncompetitive locally produced foods, and the indiscriminate use of the precautionary principle significantly harm consumers while doing little to address the purported concerns of environmental activists.

*The harmful consequences of the precautionary principle – the case of GMOs*

The precautionary principle (PP) as adopted by the EU purports to go more definitively and aggressively beyond the precautionary approach employed by the United States. Nevertheless, EU courts have increasingly reined in the most aggressive iterations of the PP such as the French and Italian bans on genetically modified organisms (GMOs) or recombinant DNA (rDNA) crops. One may hope that in the context of CETA cooler heads will similarly prevail regarding the requests of certain NGOs and activists who invoke the PP to restrict GM foods, but not foods manipulated in similar ways through other methods such as traditional breeding (i.e., crossing plants and selecting offspring) and mutagenesis (i.e., exposing crops to chemicals or radiation to trigger mutations). The real issue here is the extent to which public perceptions and activists will be able to use the PP in ways that are inconsistent with scientific assessments and a general desire to promote free trade.

To give a sense of the benefits of GMO crops in countries that have allowed them, suffice it to say that from 1996 to 2012, the world's area devoted to such biotechnology-engineered crops increased 100-fold from 1.7 million to 170 million hectares, about 4.5 times of size of Japan. Of the 15.4 million farmers using such seeds in 2010, more than 90% were small-scale and resource-poor farmers in developing countries who benefit from greater protection against biotic and abiotic stress, and from less exposure to pesticides. Overall, GMO or rDNA crops have significantly reduced pesticide and herbicide use. In 2011 alone, they reduced CO<sub>2</sub> emissions by 23.1 billion kg, equivalent to taking 10.2 million cars off the road. Higher productivity also meant that they "spared" about 108.7 million hectares of land.

*Towards an EU trade policy driven by consumers*

A trade policy driven by consumers should be based on greater freedom to make personal choices and the availability of ever more affordable and desirable products. These often clash with activist interest groups who seek to restrict choice in accordance with their own values. Consumers should by all means be made aware of the potentially harmful nature of some products (especially if used inappropriately), but products and technologies deemed safe or very low-risk by evidence-based methodologies do not warrant arbitrary labelling or, even worse, trade restrictions in the name of sustainable development or the precautionary principle.

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### **Further reading:**

Desrochers, Pierre, and Hiroko Shimizu. *The Locavore's Dilemma: In praise of the 10,000-mile diet*. PublicAffairs, June 2012. [www.globavore.org](http://www.globavore.org)

**For more information and additional briefings, visit [www.epicenternetwork.eu](http://www.epicenternetwork.eu).**

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Petkantchin, Valentin. "The precautionary principle and its underestimated adverse effects: economic, health and environmental risks," Note économique, Sept 2013. <http://www.institutmolinari.org/bilan-economique-sanitaire-et,1703.html>

Petkantchin, Valentin. "The risks of 'precautionism': the case of the Bisphenol A ban," Note économique, October 2012. <http://www.institutmolinari.org/les-risques-du-precautionnisme-le,1423.html>