

# Media Briefing



**Friends of  
the Earth**

## Oh Mandy...

### **As Peter Mandelson stands poised to take over the EU Trade brief, democracy takes another body blow from spin and Big Business**

#### **Introduction**

On Monday 4<sup>th</sup> October (1-4pm) Peter Mandelson will undergo the formal questioning the European Parliament requires before he can take up his new position as EU Commissioner for Trade [1]. Friends of the Earth believes this is an important opportunity to review the mandate of the EU's Trade Commissioner, which has been under increasing scrutiny following the roles played by the EU in the collapse of the 2003 World Trade Organisation (WTO) negotiations last year in Cancun.

The appointment of Peter Mandelson, who was twice forced to resign from the UK Government following political scandals, as Trade Commissioner has also raised concerns about the future direction of the EU in relation to trade. Friends of the Earth believes it reflects a renewed desire from the European Commission to press ahead with a zealous "free" trade policy, which is increasingly recognised as delivering rather less than it promises.

#### **Background – the problems with the EU Mandate on trade**

The choice of Peter Mandelson – who is well-known as a staunch supporter of New Labour's business agenda and widely acknowledged as a master of political spin - seems to indicate that the politically-appointed Commission, which is not subject to proper Parliamentary scrutiny, intends to pursue a free trade agenda unhindered by some of the concerns and considerations raised by member states and NGOs regarding the impacts on the environment, and on individuals, particularly in the developing world.

The EU Commission has already made it clear that economic growth outstrips every other consideration, including environmental sustainability [2], but whether that growth is actually good for society as a whole remains a question the Commission seems not to address.

But this approach is being questioned. For example, the role of the highly secretive 133 Committee, which is responsible for driving EU trade policy, is now the subject of a legal case brought by WWF, as well as the subject of a series of formal legal enquiries by Friends of the Earth.

The case centres on the refusal of the European council to release documents related to a December 2003 meeting agenda item entitled "WTO - Sustainability and Trade after Cancun". The Council claims the documents are too sensitive to release. WWF and Friends of the Earth maintain that the documents are about governance issues and not the EU's commercial interests, so therefore must be released under the Council's obligation to grant the fullest possible access to information.

Peter Mandelson's written submissions to the Parliamentary questions on his appointment suggest

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that he has no intention of changing the unsatisfactory *status quo*:

*"I shall also continue to consult the European Parliament on the main orientations of trade policy...I will share as much information as possible with you, including by sending to your Committee copies of policy documents that are being discussed in the Council's 133 Committee, allowing for limited access where the content is particularly sensitive, in line with the normal security rules of our Institutions."* (emphasis added)

He makes it clear that he has no formal obligation to seek Parliamentary scrutiny or approval of trade policy or negotiating stance, pointedly saying that Parliamentarians are "observers" to the WTO whose views should be heard, but not necessarily heeded [3].

While Mandelson's submission claims to want to promote transparency in trade policy, the detail reveals that this is of a limited nature.

### **Carrying on questionable traditions**

The current EU Trade Commissioner Pascal Lamy leaves office bearing a healthy share of the responsibility for that lack of transparency and accountability. Lamy was heavily criticized for not properly representing his constituents at last year's WTO Ministerial meeting in Cancun, Mexico. A leaked paper from the UK Department for Trade and Industry (DTI) laid much of the blame for the collapse of that meeting at Lamy's feet, saying his aggressive style of brinkmanship was ill suited to the negotiations in hand. The DTI said he made a "tactical misjudgement" by making concessions too late to secure agreement, suggesting the UK Government needed to find out "exactly what was said" by Lamy in the last desperate attempts to salvage the talks [4]. That was at a time when a breakthrough was hoped for by December 2003. Given that no deal was done until July 2004 suggests the damage may have been far worse than initially anticipated.

Lamy's defiant post-Cancun analysis was that it was the WTO, not him, that must change, and that the Commission's relationship with member states needed no review [5]. He said: "*People may like me or not, but they say he always wants to play the game, he's never cheated us, he cannot lie. Maybe he would like to lie but he cannot, because the EU system is so transparent,*" [6].

Yet there are signs that perhaps Mandelson may go even further, risking losing whatever support is left in the Parliament and member Governments.

News of Mandelson's rather chequered history in the UK Government has spread fast in Europe and indeed his written submission says his ministerial experience was, "shorter than I would have wished (for a set of unfortunate reasons I am happy to explain and for which successive inquiries cleared me of any wrongdoing)."

Nevertheless, Mandelson is expected to be accompanied in his move to Brussels by his long-time ally and Downing Street advisor on Europe Roger Liddle. Liddle was at the centre of the 1998 cash for access sleaze scandal along with Mandelson aid Derek Draper [7].

There are also concerns that Liddle has links to pro-GM lobby groups. GM is a hot issue within the EU Commission – and currently the subject of a US WTO case, with the US objecting to the EU's cautionary approach to GM food [8].

Mandelson's other appointments (long-time Eurocrat Claude Veron-Reville has been named as his press officer and Denis Redonnet as his deputy chef de cabinet [9] ) suggest that he at least wants to be seen as willing to build relations with the French, who were angered by the last-minute deal struck by the WTO in July [10] and who have been critical of his appointment. *The Observer* reports

that, "To some in the French press, the 'Prince of Darkness' Mandelson is the Trojan Horse of insane, neo-liberal, Anglo-Saxon capitalism on the Continent," [11] Even Mandelson's fervent "free" trade predecessor Pascal Lamy seems to agree. He's criticized the appointment for fear that Mandelson "might try and make trade policy 'more liberal, more Atlanticist'.

Mandelson's commitment to democratic accountability has also come under scrutiny in the UK:

Conservative Foreign Affairs spokesman Michael Ancram accused Mandelson of "arrogance" over comments that a UK referendum "no" vote might not end the drive to get the UK into the EU. "Peter Mandelson has wasted no time in returning to his traditional contempt for the democratic views of the British people," he said.

### **First Stop – Big Business Booze-up**

Peter Mandelson looks set to launch his EU career with a meeting with his old friends from business. The web site announcing the annual meeting of the Confederation of British Industry (CBI) boasts, "European Commissioner Peter Mandelson will give his first major public address since formally taking over the key trade portfolio," [12].

Friends of the Earth has previously criticised the role played by big business in influencing the trade agenda – with corporations frequently the primary beneficiary of the deals done in the WTO.

### **Conclusion**

Change in EU Trade Commissioner is a clear opportunity to review the way trade policy and negotiation is conducted. Friends of the Earth calls upon the EU to do so swiftly if it genuinely wants to meet its oft-stated desire to make the current WTO negotiating round one that uses trade to benefit us all.

Friends of the Earth Trade Campaigner Eve Mitchell said:

*"The "free" trade experiment is not working. It does not work for people, and it does not work for the environment. It is time the EU took a long hard look at the claim that "free" trade is the answer and started to question the implications of pursuing these policies around the world."*

Notes:

[1] The current European Commission's term ends on 1 November 2004, when new Commissioners will take up their offices for the 2004-2009 term. The European Parliament must approve the new Commission, and Commissioner Designates must attend a hearing before the relevant Parliamentary committee in order to be confirmed in post.

[2] EurActiv.com, "Competitiveness comes before environmental concerns, says Verheugen", 30 September 2004.

[3] [www.europarl.eu.int/hearings/commission/2004\\_comm/pdf/speca\\_mandelson\\_en.pdf](http://www.europarl.eu.int/hearings/commission/2004_comm/pdf/speca_mandelson_en.pdf) .

[4] *The Guardian*, "DTI leak blames Lamy for Cancun failure: Report says tactical error left WTO talks without a deal", 22 October 2003.

[5] EUOBSERVER, "WTO's role called into question", 16 September 2003.

[6] *Financial Times*, "Stand-off between US and EU will not harm global trade talks, says Lamy", 28 November 2003.

[7] BBC News Online, "Roger Liddle, centre stage once more", 26 October 2001.

[8] [www.gmwatch.org/archive2.asp?Arclid=2773](http://www.gmwatch.org/archive2.asp?Arclid=2773) , see also [www.bite-back.org.uk](http://www.bite-back.org.uk) .

[9] *The Independent*, "Mandelson appoints French aides to win influence in Paris", 08 September 2004.

[10] In the WTO July deal the EU agreed to set a date to remove all domestic agriculture subsidies, a move that prompted vehement, public opposition from the French President aimed at Mandelson's predecessor, the Frenchman Pascal Lamy.

[11] *The Observer*, "The former Prince of Darkness wants to tackle global poverty in his new EU post", 19 September 2004.

[12] [www.cbiconference.biz/](http://www.cbiconference.biz/) .