



The EU should improve its trade with the US in small steps

Comprehensive trade agreements are complex and easily fail - as the example of TTIP shows. For the sake of a high level of consumer protection, a pragmatic modular approach is necessary, says Klaus Müller.

Klaus Müller is Executive Director of the Federation of German Consumer Organisations (vzbv).

The expectations resting on the shoulders of US President Joe Biden are great. Many want less polemics and alienation, more climate protection, and a return to international cooperation in politics and economic relations. But the joy over the end of the Trump era harbours the danger of European self-delusion. This can be seen in few policy areas as clearly as in the EU-US trade relations.

The fact is: even under President Biden, the different interests will not disappear; there will be no TTIP 2.0 - even if the conclusion of the Asian trade agreement RCEP has supposedly increased the pressure for a transatlantic agreement. The EU should be pragmatic and quickly put a smart trade agenda on the table with the US. With small but precise building blocks and a lot of expert knowledge, instead of once again messing around with a big deal.

But first to the conflicts: It is an open secret that the fundamental points of conflict that led to the failure of the TTIP trade agreement still persist. The opening of European agricultural markets remains a core interest of the powerful US agricultural lobby.

The United Kingdom is currently experiencing this painfully in the negotiations with the USA - including a renewal of the chlorine chicken debate. The "farm to fork" strategy for a more sustainable European agriculture, which is currently being discussed in the EU, has been strongly criticised by the former US government, and there have been threats of litigation before the World Trade Organisation.

One of the EU's biggest interests in a TTIP agreement was to secure access to US procurement markets. However, Joe Biden made it clear after his election that it is in fact a tightening of public procurement rules that will be a pillar for the country's economic recovery. The two partners have diverged on these two core issues while negotiating TTIP. So both governments should reach for the low-hanging fruits and achieve concrete benefits for business and consumers.

Room for manoeuvre in three areas

There is room for a positive transatlantic agenda in three areas in particular: punitive tariffs, digital policy and climate protection. First and foremost, the mutually imposed punitive tariffs in the dispute over illegal subsidies of the aircraft giants Airbus and Boeing should be ended.

These tariffs affect not only aircraft parts, but also largely consumer products, such as seafood, suitcases and video consoles. An industrial tariff agreement could also come back on the table and eliminate much of the tariffs in transatlantic trade.

General Data Protection Regulation as a model for the USA

Not only the European Court of Justice ruling on the "Privacy Shield" has shown how different the transatlantic positions on data protection have been so far. But the voices in Congress and civil society are growing in calling for a federal data protection law in the US. First models exist in California, for example. In this respect the EU's General Data Protection Regulation might be a useful model.



Trans Atlantic Consumer Dialogue

There is also hope for progress in the regulation of platforms and tech: the magic of the brave new world of technology has also developed clear cracks in the USA.

Both Republicans and Democrats are demanding more responsibility from online giants such as Facebook, Google and Amazon - be it in terms of hate speech, competition or the import of dangerous products. Close regulatory cooperation between the EU and the US can be beneficial on these issues. Of course, it must be clear that such dialogues are voluntary, that the legislative function of parliaments is not restricted, and that civil society is transparently included in the debate.

Another important building block is climate protection: In addition to the return to the Paris climate agreement, Biden has spoken in favour of a carbon border adjustment in order not to give climate-damaging products a competitive advantage – something the EU is currently deliberating. A coordinated transatlantic push would be an important step towards achieving the Paris climate goals. For consumers, a carbon border mechanism would make sustainable consumption easier, as climate-damaging production methods are not recognisable on the products they buy.

Relations with China are also of great interest to consumers - after all, almost half of the (known) non-conforming and dangerous products in the domestic market today come from the People's Republic. Similar challenges apply to the US market. A coordinated approach could therefore protect more than 800 million consumers.

Consumer protection in small steps

Another advantage, which should also be important in terms of domestic policy, is that such a modular agenda can deliver results more quickly and involves the respective experts from specialised ministries from the outset, who often did not get a sufficient hearing in TTIP times. And when negotiating individual building blocks, there is no reason to make a state secret out of it.

One reason for the failure of TTIP was the suspicion that non-transparent deals were being brokered in back rooms. Nowadays, EU trade policy can no longer afford not respecting transparency and parliamentary control. This is true for all our trade negotiations - and also in relation to our transatlantic partners.

The author is the Executive Director of the Federation of German Consumer Organisations (vzbv).