Following the terrorist attacks of September 11th, the Transatlantic Business Dialogue (TABD) has de facto cancelled its annual ‘CEO Summit’, scheduled to take place in Stockholm October 11-12. [1] Instead of the planned gathering of around 300 business leaders and some 100 high-level government representatives from the EU and the US, only the 12-person TABD Leadership Team will meet with a small number of officials in Washington D.C..

In a recent announcement, the TABD stated that it intends to “move forward” and “ensure that its recommendations are incorporated into the trade policy agenda”, [2] and in a stunning example of corporate newspeak, described itself as “an important element of our democratic system”. [3]

The Stockholm Conference would have been the sixth major annual TABD event, and was gearing up to provide new momentum to the TABD process. This has been characterised by the downward harmonisation of EU and US regulations to the most business-friendly common denominator, through a close working relationship between business and government. However, despite the continued far-reaching commitment and involvement of the European Commission and the US government, the TABD’s ‘success rate’ has diminished in recent years. Among the reasons for the loss of momentum is the growing opposition against key TABD goals such as free trade in genetically modified organisms (GMOs) and a new round of trade and investment deregulation talks in the World Trade Organisation (WTO).

**Public-private Partnership in Transatlantic Policy-making**

Established in 1995, the TABD is undoubtedly the most far-reaching international corporate-state alliance. With a mandate from the US government and the European Commission, the 150 large corporations that make up the TABD work meticulously to identify “barriers to transatlantic trade”. In effect, this means any regulation or policy proposal that does not fit the corporate agenda on either side of the Atlantic. While the TABD’s demands closely resemble those of corporate lobby groups, it is far more than just another industry group seeking political influence for its member corporations. The deep engagement of the US government and the European Commission in the TABD process sets it apart – and makes it dangerous. Says Lisa Schroeter, Executive Director of the TABD US, “The TABD is a unique process, based on the personal involvement of CEOs working with officials from the highest levels of EU and US government”. [4] These high-level government officials are active participants at the TABD’s major events – the annual CEO Summit and the Mid-Year Meeting – and officials cooperate with the TABD’s many working groups on a daily basis to implement their demands. [5]

This is why academic scholars describe the TABD as a new form of governance: a “public-private partnership” in decision-making. [6] US academic Maria Green-Cowles points out that “the TABD blurs the traditional distinction between public and private governance, with businessmen effectively negotiating in quadrilateral forums alongside their governmental counterparts”. [7] The TABD’s immensely privileged position as an integrated part of the EU-US negotiating process on trade and regulatory policies pays off. According to Cowles, the TABD “has been highly influential, shaping the agenda, participating in official negotiations, and keeping governments accountable for the effective implementation of agreements”. [8] These meetings take place behind closed doors and many essential documents are not made available to the public. Earlier this month, European Ombudsman Jacob Söderman decided to look into a complaint by Corporate Europe Observatory against the secrecy surrounding the European Commission’s
involvement in the Transatlantic Business Dialogue (TABD). Söderman has asked Commission President Prodi to respond to the critique before the end of November. [9]

The TABD operates in the framework of the 1995 New Transatlantic Agenda and the 1998 Transatlantic Economic Partnership, both highly neoliberal policy documents focusing on constructing an integrated EU-US market. Major TABD successes were booked in the first 3-4 years of its existence, including the 1997 EU-US Mutual Recognition Agreement (allowing corporations to market a wide range of products in both the EU and the US if they have been tested on either side if the Atlantic). [10] Other successes include, the WTO’s 1997 Information Technology Agreement (ITA) and the EU-US Early Warning System (a structure to converge conflicting EU-US regulations before they emerge as visible trade conflicts). US Vice President Al Gore at the TABD’s 1998 CEO Summit stated that “I know that you are proud of the fact that of the 129 recommendations TABD has made in the past three years, over 50 percent have been implemented into law. I wish we had that same level of success with Congress!” [11]

After the wave of early successes, the TABD’s main impact in the last few years seems to have been “defensive” - delaying, weakening or even dismantling a wide range of existing and proposed regulations, most of which aimed to protect the environment, consumers and workers. A recent example is the planned EU ban on marketing of animal-tested cosmetic products, which the TABD has opposed since its 1999 Berlin Conference. The TABD brought the proposal into the EU-US Early Warning system, claiming that a ban would violate WTO rules. The European Commission first decided to postpone the ban until June 2002, and then proposed to replace it with a reduced testing ban only within the EU. This would mean that cosmetics that are tested on animals in countries outside the EU could still be marketed within the EU. The European Parliament is meanwhile trying to defend a combined testing and marketing ban. [12] The TABD has also successfully pressured the European Commission into watering down a draft directive on Electrical and Electronic Equipment that has now entered the final stages of EU decision-making. [13] Mirroring demands of Brussels industry lobbyists, the TABD wants to reduce the scope of proposed bans on toxic materials as well as to limit producer’s responsibilities for take-back and recycling of products.

**Faithful Governments**

While the TABD enjoyed full support from the Clinton government (which co-initiated the body), the arrival of the even more business-biased Bush administration has presented further opportunities to reach their targets. New US chair James J. Schiro of PriceWaterhouseCoopers commented in early 2001: “We believe they are very interested in working very closely with business on the Transatlantic corporate agenda”. [16] A few months later, when attending the TABD’s Mid-Year Meeting, US Secretary of Commerce Donald Evans confirmed his commitment to the TABD process and to implementing the business dialogues recommendations. “To achieve our mutual goals”, said Evans, “the Bush Administration and the TABD have common interests”. [17] “We should approach trade and commercial policy from the same perspective… that is, as an extension of a business plan,” he explained.

During the EU-US Summit in June 2001, the two TABD-chair persons met President Bush, Swedish Prime Minister Persson and EU Commission President Prodi. [18] The main demand of three outlined by Schiro and European co-chair Michael Treschow (Electrolux) at the meetings was for the launch of a new WTO round at the Qatar Ministerial Meeting in November. [19] The TABD leaders also demanded a more effective system to prevent transatlantic trade wars “in a more business-like manner” and called for harmonising anti-trust procedures. Afterwards, a jubilant Treschow commented, “We are as happy as can be. We got confirmation that we are doing an important job and the top leaders support us in promoting the right issues. We could not have achieved more.” [20]
The TABD has a particularly faithful supporter in European Trade Commissioner Lamy, himself a former TABD participant. [21] At a TABD dinner speech last year, Lamy assured the industrialists that the Commission was “pressing on with the work to implement your recommendations in the framework of the Transatlantic Economic Partnership.” [22] Lamy continued to list issues where the TABD wants existing or proposed government regulations postponed, watered down or removed. “Good progress has been made on the precautionary principle, biotechnology, the animal testing ban for cosmetics, recreational marine and refrigerants”. [23] As an example of the EC-TABD partnership, Lamy highlighted the TABD’s role in shaping the EU’s negotiations with China on WTO membership saying, “you can never have too much confidence-building and information-sharing between business or governments. That’s how we got a good deal on China, and that’s what the TABD is all about”. [24] The example illustrates how the EC works in tandem with the business dialogue to promote their joint trade agenda, with the corporations assisting the EC through lobbying directed at national governments. “A good deal”, in Lamy’s view, does not mean achievements in human rights or social progress for the most vulnerable people in China. It means far-reaching concessions from the Chinese government for high-speed opening of hitherto sealed off markets to ultra-competitive EU-based corporations, which is likely to have serious social impacts.

Partly on advice from within the EC, the new TABD leadership has embarked on a restructuring of the business dialogue. [25] When Schiro and Treschow took over as CEO chairs in January 2001 they decided to focus on a smaller set of priority issues that would be “actionable within the year”. This means issues “where something can be accomplished at the TABD CEO conference, where CEOs can meet with government officials to bring policy initiatives to a successful closure.” [26] Work on these issues is coordinated by a leadership team of 12 CEOs. Among them are Paolo Fresco of Fiat and Harry Kraemer of US-based Baxter Health Care, who are responsible for TABD demands regarding Regulatory Policies. Jean-Pierre Rodier of French aluminium producer Pechiney coordinates the TABD’s WTO-related demands. Although the information on the TABD website is not complete, it seems that many of the over 45 issue groups that had emerged in the last six years of TABD work have been eliminated, their issues being bundled into a new ‘Experts Group’. [27]

What is at Stake?

While the agenda of the scaled-down TABD event in Washington D.C., has not been fully revealed, many of the main issues are known. In May, the TABD held its annual Mid-Year Meeting in Washington D.C., attended by TABD managers as well as high-level government officials. The conference aimed to “assess the progress made on the CEO Recommendations” from the November 2000 Cincinnati Conference as well as to set new priorities for 2001. [28] Top of the agenda was the call for the EU and US to agree on strategies for launching a new WTO round of trade liberalisation measures. The TABD warned of “a serious risk of back-sliding on global trade liberalisation” if a new round is not launched at the WTO Ministerial in Doha.

“...We are not a lobby group, but invited advisors. That contributes to the fact that the TABD has made great progress and in the course of the years has succeeded in pushing many of our priorities into practical policy.”

Michael Treschow, TABD co-chair 2001 [15]

Other “CEO Priority Issues” include the resolution of outstanding EU-US trade disputes, including disagreements over the EU ban on hormone-treated beef and US tax rules subsidising US-based exporters. The TABD calls for increased and more effective use of the Early Warning system, in which officials negotiate changes in proposed rules and regulations in order to prevent new open trade conflicts from arising. Issues that the TABD has brought into the Early Warning system include restrictions on EU market access for genetically modified agricultural products, and the plans for phase-out of HFCs (greenhouse gas used in refrigerators) as well as the aforementioned ban on animal testing for cosmetics and the proposed EU legislation on recycling of electronic and electric waste. To further tighten corporate control, the TABD demands that trade interests are further ‘upstreamed’ in the decision making process, for instance through ‘trade impact assessments’ for all new regulatory and legislative proposals. [29]

The TABD’s call for a beefed-up Early Warning system has strong support in the US government, which in June proposed to turn the existing mechanism into a full-blown ‘dispute management procedure’. [30] Instead of bringing conflicts to the WTO dispute settlement system, which more often than not leads to open trade wars (beef-hormone, bananas, etc.), the US wants a “bilateral, pre-WTO” system in place in the transatlantic arena. [31] Certainly a second layer of WTO-style ‘dispute settlement mechanism’ would strike a blow against progress on environmental and social issues. Lamy welcomed the proposal, but also warned against too high expectations, reflecting the EU’s desire to avoid new controversial proposals that could further trouble the run-up to the next
WTO Ministerial Conference in early November in Doha, Qatar. [32] The EU-US summit statement eventually only made a reference to a desire to “improve the WTO dispute settlement mechanism”. [33]

More TABD Targets

The 2001 Mid-Year Report, which was the basis of the May talks in Washington D.C., also calls on governments to speed up the approval process for Transatlantic and global mergers. While anti-trust investigations are hardly a luxury in the light of the flood of mega-mergers, the TABD finds these “too time-consuming”. The report moreover demands a “closer integration of capital markets”, including removal of US restrictions on funds buying foreign shares and what the TABD considers discriminatory tax rules favoring investment in national companies in the EU. [34] The TABD also demands the end of the EU ban on advertising for pharmaceutical products, arguing that such advertising is allowed in the US and that EU consumers “should have the same access to health information”. [35] Based on experiences in the US, Health Action International calls the industry demands “a major threat to global public health”. [36]

The TABD also planned to use the CEO Summit to demonstrate to EU and US officials its concerns over plans to limit corporate tax evasion. [37] Progress in talks within the OECD on narrowing the possibilities of using so-called tax havens to escape paying corporate taxes is painstakingly slow, but the TABD is nonetheless worried. “Tax competition should be preserved as a useful counterweight to political pressure for more government spending and excessive taxation”, the TABD insists.

While the TABD wants to focus on priority issues, the most recent Mid-Year Report is no less bulky than previous years. It reiterates a long list of ‘old’ TABD demands targeting consumer and environment protection. Since the 1999 Berlin conference, the TABD has put pressure on the EU to limit its definition of the ‘precautionary principle’. [38] The TABD wants to reduce the use of this principle and the corresponding regulatory action designed to protect people and the environment. At last year’s summit in Cincinnati, the TABD called for a transatlantic regulatory framework for dietary supplements (vitamins, etc.), which would, in effect, mean less stringent criteria for determining a product’s safety. [39]

Another priority is to block efforts made to phase out hydrofluorocarbons (HFCs), one of the most potent greenhouse gasses, used in refrigerators. [40] The Danish government has decided to implement a ban that will take effect in 2006, preceded by a tax to encourage earlier phase-out. The TABD fears that other EU Member States will follow the Danish example. The business dialogue already established a special working group to obstruct or at least postpone the decision in 1999, when plans for phasing out HFC gasses were in an early phase. [41] The TABD brought the issue into the Early Warning system, describing it as “a potential trade barrier that will restrict the free flow of trade”. [42] At last year’s Cincinnati conference, a special “break-out session” of the TABD Refrigerants Group took place. “For nearly two hours, the Refrigerants Group briefed Peter Horrocks, the EU’s Environment Head of Sector, and Gerhard Lohan, the EU’s Enterprise Head of Unit, on the merits of long-term HFC use,” writes an industry observer. [43]

Biotech Breakdown?

Despite its privileged role in transatlantic policy relations, there are fortunately real limits to the TABD’s powers. This has become clear for instance in the case of biotechnology. Market access for genetically modified products has been top of the TABD’s agenda since the start in 1995, but despite continued support from the EC and US government the business dialogue has failed to find an effective response to snowballing consumer opposition.

In the TABD’s Agri-Food Biotechnology group, US and EU industry has been united in striving for ways to overcome restrictions imposed by European governments. While often described as a battle between US and Europe, the real struggle is between the transatlantic business-friendly elite, and consumers in Europe and in the US. Together, the EC and the US government, with the biotech industry, have been working to find ways around hostile public opinion. Throughout the process, EU and US officials have adopted many of the TABD’s proposals, such as the pilot project on biotechnology approvals (a step-by-step process, starting with harmonised EU and US data requirements for new GM products). [44] The results, however, have been rather limited.

As US academics Pollack and Shaffer point out in their
analysis of EU-US talks on GMOs, a “panoply of transatlantic biotech working groups have been spawned. Yet the disputes over regulatory approval of genetically modified varieties and mandatory labeling of genetically modified products have moved beyond the control of intergovernmental political elites and more technocratic transgovernmental networks.” [45] The TABD’s latest attempt to turn the tide on biotech is to demand an “Early Warning System for new regulatory requirements for individual product approvals”. [46] The long-term objective remains “centralised and compatible approval procedures on both sides of the Atlantic”. In the TABD’s new organisational structure, the Agri-Biotech Working Group seems to have been disbanded, suggesting that the corporate ambitions on biotech are not “actionable within the year”.

Until now, the US government has decided not to bring the EU’s restrictions on trade in GM products to the WTO’s system, despite the fact that the WTO’s corporate-biased rules would almost certainly lead to a US government victory in the matter. If however the US did win a WTO case on GMOs, Pollack and Shaffer point out, “the EU, for domestic political reasons, would surely refuse to comply with the decision, once more triggering US retaliation and further undermining the WTO rule-based system.” [47] Apart from dealing a blow to the already bruised image of the WTO, the case would further politicise the debate and strengthen public opinion against GMOs, also in the US itself.

There are now, however, signs of a more hard-line stance by the new US government. In the summer of 2001, the Bush government formally protested against the EU’s new draft rules on GM products, which include limited ‘traceability’ and labeling requirements. The Bush administration threatened to take the EU to the WTO’s dispute settlement panel to enforce market access for US GMO products. [48] According to media reports, “every effort is being made to lobby European governments and the EU institutions to block the proposal”. [49] President Bush personally raised the issue at the G8 meeting in Genoa in July. The depth of the gap between US and EU political realities is illustrated by the rejection, by the European environmental movement, of the EU’s new draft rules for being too weak. The new rules will for the first time allow food with traces of unauthorised GMOs to enter EU markets. [50] They were watered down after intervention by Trade Commissioner Lamy, who opposed stricter regulation, arguing that it could further damage trade relations with the US. [51]

Together for a New WTO Round

Earlier this year, the TABD announced the planned Stockholm meeting as “an excellent opportunity to present a consensus business agenda in preparation for Qatar”. The TABD’s main demand is for the launch of a broad new round of talks on trade and investment deregulation. Meeting for two days with top trade officials (including Commissioner Lamy, his US counterpart Zoellick and possibly WTO Director-General Mike Moore) less than a month before this crucial WTO event, the industrialists would have been in a perfect position for fine-tuning EU and US negotiating positions. Despite the scaling down of the meeting, Qatar remains a top priority and the TABD will make the most of its meeting with government officials in Washington D.C. Commenting on the reformatted annual event, TABD spokesperson Marija Borenius said that “the most important thing is not to have a conference, but to make sure the politicians get the recommendations as a background to the WTO meeting in Qatar. [52]

The corporate-government partnership on WTO issues is not just for the benefit of industry – it goes two ways. Transatlantic business consensus is used by the EU and US to overcome differences in their own WTO negotiating positions. The result is that large corporations are able to effectively pre-cook the outcome of WTO negotiations, taking advantage of unequal power relations within the WTO, an organisation dominated by the large Northern trade blocs. As the EU’s External Relations Commissioner Chris Patten said in May 2001: “When the US and the EU work together, we set the international agenda. If we are divided, the opportunity for international progress is often lost.” [53] Seattle showed that more self-confident Southern negotiators could challenge this undemocratic model of pre-cooked and Northern-dominated trade negotiations. For the EU, however, old habits seem very hard to break.

At the November 1999 TABD conference in Berlin, governments and business tried to settle strategic differences of opinion before the Seattle Ministerial a few weeks later. The attempts were only partly successful and the EU and US went to Seattle split on whether a new WTO round should continue until a package deal on all issues had been achieved or whether deals could be completed on separate issues when the chance was there (the “early harvest” approach promoted by the US government and business). The European Commission and EU business did not manage to convince their US
counterparts that a new round should include controversial new issues like investment deregulation.

These and other EU-US splits were an important part of the failure of the Seattle Ministerial Meeting. However, compared to the situation at the time of the Seattle Ministerial, differences between the US government and the EU now seem to be narrowing rapidly. Commerce Secretary Zoellick is clearly warming up to negotiations on investment deregulation and the round approach in general. Lamy was particularly pleased with the joint statement from the EU-US Summit in June 2001, which he said “went further than any previous one as it put an emphasis on the kind of comprehensive round the EU has campaigned for”. Differences do remain over issues like eco-labeling and the precautionary principle, but in recent months the EU has signaled that it will be flexible in its demands on these ‘soft’ issues during the Doha talks. As well as the Bush government’s general support for a new WTO round, the personal friendship between Lamy and Zoellick plays a role in the growing consensus. Despite their different political affiliations (a member of the French Socialist party and Republican free-trader), the two have been friends from the early 1990s when they served as advisors to Bush senior and Jacques Delors respectively.

The TABD’s demands for Doha are an entirely predictable fusion of well-known EU and US business positions. For instance, in the ongoing talks on services (GATS) the TABD calls for “maximum liberalisation… across the widest possible range of services, as soon as possible”. The TABD fiercely opposes any attempt to correct the unbalanced, corporate-biased WTO agreements that came out of the Uruguay Round. As part of talks on implementation, numerous Southern governments insist on changes to make the agreements fairer. The TABD calls on the EU and US “to resist such tendencies”. The TABD is similarly inflexible on the issue of any weakening of the WTO’s controversial intellectual property rules (TRIPS). Southern governments demand a more flexible system that could, for instance, allow them to ensure access to essential medicines at affordable prices. The TABD will also be present in Doha during the WTO Ministerial itself, where they are likely to take an influential position in the process. In Seattle they appear to have played a coordinating role for European and US business, with daily meetings in a downtown hotel.

The Other Dialogues

When replying to a critique of the influence of the TABD over EU and US trade and regulatory policies, officials tend to refer to the existence of other civil society dialogues: the Transatlantic Labour, Consumer and Environmental dialogues. The reality however is that these dialogues in no way counter-balance the impact of the TABD, which enjoys a tremendously privileged position.

The strongest of the three is the Transatlantic Consumer Dialogue (TACD), established in September 1998 and involving consumer groups from the EU and the US. To some extent mimicking the TABD, the Consumer Dialogue holds annual meetings and formulates recommendations to the governments. The TACD has made strong statements defending European restrictions on marketing of GMOs. The annual TACD conferences were attended by EC and US government delegations. The number of officials, and the extent of their participation has been much lower than in the TABD, reflecting the difference in government commitment. The US and EU have promised to take the TACD’s recommendations into account, but concrete examples of this are very hard to find. As academic scholars Bignami and Charnovitz conclude: “the promise of a formal role for consumers in the transatlantic policy-making process has been largely unfulfilled”. The history of the Transatlantic Environment Dialogue (TAED), established in May 1999, is very similar to the TACD, but is short-lived. In late 2000, the TAED suspended its activities after the US government failed to renew its financial support for the body, due to a block by the Republican majority in Congress.

The unequal status of the dialogues shows clearly during the bi-annual EU-US Summits. The TACD and TAED were not invited to the June 1999 Summit, whereas the TABD chairs met with US and EU leaders and were photographed with them. Since the WTO Ministerial in Seattle, governments have invited both TACD and TAED to present their demands at EU-US summits several
times, starting with the December 1999 meeting. At this event, the TAED sharply criticized governments for their lack in progress in “addressing critical environmental issues”. [68] At the last EU-US summit in June 2001, it was again only the TABD that was represented. The TACD protested in an open letter, pointing out that “once again, while business was present at the summit, there was no representative of the civil society.” [69]

The Transatlantic Labor Dialogue, finally, is the weakest of the three challengers to the TABD. TALD has no staff and the handful of meetings that have taken place have been in combination with international labour conferences that happened anyway. According to academics Knaus and Trudek, “the dialogue has had no discernible influence on EU or US policy”. [70] The problem, Knaus and Trudek conclude, lies in the fundamental neoliberal premise of the New Transatlantic Agenda (NTA). “That a TALD exists does not imply any serious attention to labour issues in the NTA (or any real progress in moderating its neoliberal tendencies). Real energy in the process is dedicated only to negative integration, through deregulation of markets, further lowering of tariffs, and reduction of alleged non-tariff barriers”. [71]

A similar conclusion seems appropriate for the environment and consumer dialogues. The virtual absence of concrete influence achieved by the civil society dialogues reflects the fact that the mandate given to the TABD is of an entirely different order. The EC and the US government have supported the civil society dialogues in order to give the impression of a more balanced transatlantic process, but without changing the neoliberal agenda that is the fundament. At the same time, it is clear that establishing civil society dialogues consisting of leaders of EU and US NGOs is hardly an effective way to mend the democratic abyss in EU-US relations. Many of the NGOs involved are international umbrella organizations, which only in a very abstract manner represent the members of the groups affiliated. Very few grassroots consumer, environment or labour activists will be aware of the existence of Transatlantic citizens dialogues speaking on their behalf. Both national and European parliamentarians, whose powers are being systematically undermined by the corporate-technocratic complex operating through the TABD, with few exceptions, remain more or less silent.

**Cincinnati: the TABD Meets its ‘Seattle’**

While the civil society dialogues have hitherto not been able to effectively challenge the TABD’s influence, mobilisation by activist groups has caused the TABD serious legitimacy problems. Protests against the TABD’s CEO Meeting in Cincinnati last November resulted in a serious PR defeat for the business dialogue.

Before and during the Cincinnati Summit, NGOs and grassroots groups held demonstrations, teach-ins and other counter-events to protest against corporate-led globalisation. [72] The protests, organised by the Coalition for a Humane Economy (CHE), Public Citizen and the Cincinnati Direct Action Collective, to mention a few, attracted world-wide media coverage. The 200 CEOs and government representatives inside a luxurious hotel were surrounded by large contingents of riot police throughout the meeting. Forty-seven protesters were arrested during the non-violent demonstrations.

“The protests have clearly rattled the confidence of both political and business leaders”, the Financial Times concluded afterwards. [73] The Cincinnati protests may also have had a direct impact on EU-US relations, for instance further delaying the Mutual Recognition Agreement. According to an European official, US hesitancy on implementing the agreement “is heavily influenced by the opponents of further trade liberalisation. ‘They are terrified of the NGOs, they are terrified of Public Citizen’”. [74] “We have a selling job”, Pascal Lamy reacted after Cincinnati, and “we need to find new ways of getting across the benefits of globalisation”.

Globalisation teach-in in Cincinnati.
Photo: Jon Hughes
The TABD has not forgotten the Cincinnati experience. At their first meeting after taking over in January 2001, the new TABD Chairs “expressed concern about ongoing NGO demonstrations against international trade-related activities” and decided that the Stockholm summit would “discuss how business leaders could address this.” [75] Also in response to the growing movement against corporate globalisation, Swedish employers’ organisation Svenkt Näringsliv, which was the host of the planned TABD summit in Stockholm, has recently started an information campaign on globalisation, targeting Swedish high-school students.

**Cutting the Ties**

While it is hardly surprising that large corporations remain enthusiastic about the TABD process, it is remarkable that the political support for the business dialogue remains largely unchallenged. The European Commission, which has embarked on a charm offensive since Seattle and claims to want to “harness globalisation” and give it a “human face”, continues to empower the TABD, working to implement its recommendations. It refuses to see that shaping its regulatory and international trade polices around corporate priorities is fundamentally at odds with environmental and social progress, let alone democratisation of decision-making.

Despite the continued support from the European Commission, the TABD’s future looks uncertain. Widespread opposition to GM food is only one example of the enormous potential of grassroots activism to interfere with the corporate trade agenda. As campaign groups pursue progress in social, environmental and consumer protection and defend their achievements against corporate counter-campaigns, government officials will be increasingly unable to respond to the TABD’s calls for implementation of business demands. The effect will be to further slow down the TABD’s momentum and effectively undermine the process. Activist groups mobilising against the Cincinnati conference last year showed the effectiveness of directly challenging the legitimacy of this disturbing corporate-government alliance. The time has come for a consistent effort by progressive grassroots groups, NGOs and critical parliamentarians to strip the TABD of its undemocratic privileges and powers.

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**Notes**

1: Among the reasons for the change of plans mentioned by the TABD is the fact that US Trade Representative Zoellick cancelled his attendance and also flight restrictions for US CEOs (who only use private jets in the aftermath of September 11th).


3: Ibid.


8: ‘Transatlantic Governance in Historical and Theoretical Perspective’, Ibid., p. 38.

9: The European Commission refuses to give insight to the official briefing notes prepared for the EC representatives attending TABD conferences. In CEO’s view, making these prepared speeches public is crucial for improving transparency around the business dialogue’s role in the EC’s decision-making on international trade policies. After having exhausted all other possibilities (through the EU’s “Access to Information” rules) to get hold of the EC’s briefing notes for the TABD’s 1999 conferences, CEO appealed to the European Ombudsman. A final decision might take up to a year, but the Ombudsman’s initial support for our complaint is encouraging. The European Ombudsman’s letter to CEO is available on http://www.xx4all.nl/~ceo

10: For more on the MRAs as a low-profile strategy for creating a Transatlantic single market, see “TABD: Putting the Business Horse Before the Government Cart’. CEO briefing, October 1999) http://www.xx4all.nl/~ceo/tabd/berlinbriefing.html


13: In the ‘Commission Services Response’ prepared for the TABD Cincinnati CEO conference, the EC explained how its revised proposals for directives to “take into account a number of points made by the TABD”, for instance by postponing the phase-out of substances (from 2004 to 2008) and by removing design guidelines and other requirements for products. ‘Key Deliverables and Early Warning Issues for the TABD Cincinnati CEO conference - Commission Services Response’, page 23. On file at Corporate Europe Observatory.

15: “It is relatively easy for us to get time together with top politicians and they listen to us. It is important that they know they have our support when for instance they want to launch a new trade round. We help to push them in the right direction” – European Co-chair, Michael Treschow. “Elektroluxchefen lade främ storföretagens råd till lederna”, Dagens Industri, June 15 2001.


17: Evans also met with the TABD CEO Leadership Team the day before the Mid-Year Meeting to discuss the specific issue priorities. ‘TABD Calls on Governments to Agree on WTO Round Agenda by June Summit, Stresses New Priorities’, Abstracts, May 18 2001. European-American Business Council.


19: Ibid.

20: Treschow added “Bush made a very positive impression. He underlined the need for a new WTO round to give new energy to business. He also agreed that trade conflicts should be solved in a more business-like manner”. Ibid.

21: Before becoming the EU’s Trade Commissioner Lamy attended TABD conferences as the CEO of a French bank.

22: “I think that the vibrancy of this mid-year meeting shows that both business and government are serious about TABD”. Speech by Pascal Lamy, Transatlantic Business Dialogue (TABD) dinner, Brussels, May 23 2000, Speech/00/190.


24: “It is no surprise that you have wielded a major influence over the outcome.” – Pascal Lamy. Ibid.

25: In May 2000, for instance, Lamy asked the TABD to “please keep on doing what you are doing”, but also to, “focus and prioritise your recommendations so that we can concentrate our energies on the issues most important for you”. Ibid.


27: Issue groups in which there have been few developments or no substantial progress would be made part of the TABD’s “standing recommendations” and not addressed at the conference. US Working Chair Allen Weltman (Pricewaterhouse Coopers), reporting back from a meeting of the TABD chairs in Stockholm in January 2001. Allen Weltman in briefing to EABC representatives. Ibid.


31: Senator Max Baucus in a speech to the European-American Business Council proposed a four point plan including “a high-level initiative to resolve current outstanding disputes” and a “bilateral, pre-WTO dispute settlement process that would attempt to resolve trade issues, making the WTO the court of last resort”. ‘Zoellick Visits Strasbourg as Congress Probes his Trade Plans’, European Information Service, May 11 2001.


36: Among the effects are increased demand for medicines, higher prices as well as misinformation causing serious health problems. “After years of experience with Direct to Consumer Advertising (DTCA) - and expenditure now well over US$2.5 billion/year - not a single study has been published to back industry claims of health benefits from prescription drug advertising campaigns,” HAI writes in a press release of July 17th 2001. ‘HAI Europe Criticises EC Move Towards DTCA and Calls for Evidence of Health Benefit’, July 17 2001.


40: HFCs, one of six greenhouse gasses included in the Kyoto Protocol, are estimated to contribute 2% of global warming effects, compared to 85% contributed by CO₂.

41: “The refrigerants group was formed largely out of concern about proposed European regulation on substances that deplete the ozone layer (EU Directive 3093/94).” Abstracts, TABD Special Issue, October 1999. European-American Business Council.


44: “At the Berlin meeting, the Agri-Food Biotechnology group will press US and EU governments to move forward with the pilot project on biotechnology approvals. The pilot project, which was launched following a recommendation of the TABD last year, could be the first step toward harmonized data requirements. The group’s recommendation will stress that centralised, respected regulatory layer (EU Directive 3093/94).” Abstracts, TABD Special Issue, October 1999. European-American Business Council.


48: “I think an action under the SPS Agreement is an option if we don’t get results that are acceptable over time”, US Agriculture Secretary Ann M. Veneman said in May. ‘US Protests New EU Biotech: Says They May Violate WTO Agreement’, BioTech Watch, June 4 2001. The US protest came on behalf of a coalition of 19 US business groupings with interests in biotech food, including the Grocery Manufacturers of America (GMA). The lobby groups claimed that the EU’s restrictions on biotech trade costs them up to 4 billion US$ per year in lost sales. The groups claim the EU proposal discriminates against American products.


51: Lamy’s role as ‘Trojan horse’ was mentioned in numerous news reports, including ‘Shake-up planned for EU rules on GM products’, ENDS Environment Daily, July 26 2001.


54: Lamy after talks with Zoellick on new round: “On investment, we are nearly there”. Interview with Pascal Lamy in World Trade Agenda, 30 July 2001.


58: Ibid., page 19.


60: The TABD will be one of many business lobby groups in Doha: more than half of non-government representatives accredited represent business interest groups. For a preliminary list of groups accredited for the Qatar Ministerial, see http://www.xs4all.nl/~ceo/gatswatch/fr_whatsnew.html


62: http://www.tacd.org


65: http://www.taecd.org

66: As a result, the EC could not provide funding either (since that would be against its co-funding rules) and the TAED was without income. The TAED was invited to attend the EU-US Summit in Gothenburg, but declined. The body might re-band if US NGOs manage to raise new funds. ‘Transatlantic NGO Network Bites the Dust’, ENDS Environment Daily, November 21 2000. “It was a difficult decision to take. We see how the Transatlantic Business Dialogue is influencing the bilateral relations. We need to provide for some balance. Without the TAED this will be more difficult”, says the TAED’s John Hontelez. ‘Leading European NGO Group suspends Role in Transatlantic Environment Dialogue’, International Environment, December 6 2000.


69: http://www.tacd.org


71: Ibid., p. 251


74: Ibid.

Open Letter to EU Trade Commissioner Lamy Concerning the Transatlantic Business Dialogue

This open letter was sent to EU Trade Commissioner Pascal Lamy on Monday September 25 2001, by 20 groups from 11 European countries (all part of the “Seattle to Brussels Network”) as well as several members of the European Parliament, urging him and the rest of the European Commission delegation to cancel their planned participation in the upcoming “CEO Summit” of the Transatlantic Business Dialogue (TABD).

Dear Mr. Lamy,

With this letter, signed by 20 groups from 11 European countries, we appeal to you and the rest of the European Commission delegation not to attend the Transatlantic Business Dialogue (TABD)’s CEO Conference in Stockholm, 11-12 October 2001. We are deeply concerned about the inappropriate, undemocratic powers over trade policies and regulatory decision-making granted to large corporations through the TABD process.

The TABD is much more than just another example of a corporate lobby group influencing and manipulating the political environment on behalf of its member companies - it has the advantage of having been initiated and nurtured by governments. Through the TABD, EU and US-based corporations develop policy demands which (parts of) the European Commission and the US government then attempt to implement. Government support for the TABD process is reflected not only by the active participation of high-level officials in the business dialogue’s conferences, but also by the fact that TABD representatives and government officials in Brussels and Washington D.C. are cooperating on a daily basis to implement the business demands. The TABD process takes place in the absence of even minimum transparency. What's more, in sharp contrast with the TABD's powers, the transatlantic consumer, labour and environment dialogues have not been granted any role of importance in shaping EU-US trade and regulatory policies.

Arguing that “the new obstacles to trade are now domestic regulations”, the TABD produces deregulation hit lists that include numerous democratically established environmental, health or safety regulations on both sides of the Atlantic. Not only existing protective legislation is at stake - the EU-US ‘Early Warning’ system for potential trade conflicts (established in late 1999 at the demand of the TABD), has given the business dialogue a new tool to obstruct, delay and/or weaken proposals for new progressive regulations. Issues that the TABD has brought into the Early Warning system include restrictions on EU market access for genetically modified agricultural products, plans for a phase-out of HFCs (potent greenhouse gasses) and a possible ban on animal testing for cosmetics. To further tighten corporate control, the TABD now demands that trade interests are further ‘upstreamed’ in the decision making process, for instance through ‘trade impact assessments’ for all new regulatory and legislative proposals.

Another major component of the TABD’s work is shaping joint EU-US strategies in international trade negotiations, most prominently within the World Trade Organisation (WTO). Transatlantic business consensus is used by the EU and US to overcome differences in their WTO negotiating positions. In this way, large corporations are able to effectively pre-cook the outcome of WTO negotiations, taking advantage of deeply unequal power relations within the WTO, an organisation dominated by the large Northern trade blocs. The TABD’s main demand for the Stockholm meeting is that the WTO’s Ministerial Conference in Qatar in early November launches a broad new round of talks on trade and investment deregulation. We find it entirely inappropriate for European Commissioners and other top EC officials to meet for two days with the transatlantic business elite in an attempt to hammer out consensus negotiating goals and strategies for Qatar. The plans are completely at odds with the EC’s claims that lessons have been learned from Seattle and that the proposed new round will promote “the interests of developing countries” and “the concerns of civil society”. Clearly, the EC intends to continue the harmful and deeply undemocratic practice of shaping its WTO policies and negotiating strategies around corporate priorities. We remind you that a global coalition of civil society groups continues to oppose the EU’s proposals for a new WTO round, including the expansion of the corporate-biased WTO rules to new areas like foreign investment. Instead of another round of WTO negotiations to accelerate trade and investment liberalisation, the coalition calls for a fundamentally different set of trade policies, centered around democratising decision-making, global social justice and environmental sustainability.

As the international backlash against the neoliberal model of globalisation continues to grow and calls for the pursuit of alternative development models gather momentum, the Stockholm meeting is a crucial point for the European Commission. We call upon you and the rest of the EC delegation to cancel your participation as a first step in breaking the links between the EC and the TABD. Instead of working with corporations on deregulating and ‘harmonising’ downwards, the EC should promote binding international regulations on corporate activities to guarantee rising environmental and social standards around the world.
Help support CEO

CEO is run on a shoestring budget, and largely through the voluntary efforts of a small group of people. Nonetheless, we still require some funds in order to continue our work in exposing the threats to democracy, equity, and the environment posed by transnational corporations and their lobby groups.

As such, we are appealing to readers of the Corporate Europe Observer to make a donation to support our work. As a registered non-profit organisation in the Netherlands (No. 33298822, Amsterdam), all donations are tax-deductible. Donations can be made directly to our bank account through bank transfer. We can also accept Eurocheques, though unfortunately we cannot cash bank cheques from outside the Netherlands.

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