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## “It Is Wrong to Call the TTIP an Economic NATO”

*EU Trade Commissioner Cecilia Malmström is a woman, who wrestles with the world's largest economic power. The TTIP negotiations are not the only ones the EU is currently engaged in, but for some reason, they are the only ones drawing any real attention, which annoys Malmström.*

Swedish-born Cecilia Malmström was appointed to the demanding post of EU Trade Commissioner in November of 2014. Negotiations between the EU and the United States to forge a free trade deal had commenced in the summer of 2013 behind tightly closed doors. The little information that seeped through was enough to infuriate and scare European civil rights groups and experts.

The Transatlantic Trade and Investment Partnership (TTIP) is said to be the world's largest ever free trade deal. It is estimated that it would cover about 50 percent of the global GDP. According to the EU, the TTIP would remove obstacles to trade and bring member countries much needed euros and also help boost the flagging EU economy.

It is Friday morning in Helsinki at the offices of the EU Commission's Finnish branch. EU Trade Commissioner Cecilia Malmström has just stepped into the negotiation room wearing a blush pink blazer and a friendly smile.

“There's coffee here for you too, are you sure you don't want some,” Cecilia Malmström asks almost smirking, and says that she tends to drink coffee all through the day.

“My friend is a priest, and he drinks even more coffee than me. That's something that priests and politicians have in common,” Malmström mumbles.

Could this disarmingly friendly Swede possibly be steering the EU countries towards a common future with greedy, and maybe even hostile, American investors?

Malmström naturally defends the changes the EU made to the investment agreement following harsh criticism. She also emphasizes that the EU proposal to create a new investment court to decide investment disputes originated from its member countries.

“If there are disputes, we want to resolve them like this,” Malmström says and adds that the old models of dispute settlement are under scrutiny in the US as well.

Most Europeans would call the discussions over investment dispute settlement models to be an understatement. Certainly, there are Europeans who are more optimistic about the free trade deal, but according to a recent study by the German Bertelsmann Foundation, support for the TTIP is declining in Germany.

The same study showed that the feeling is shared by the Americans, who are also adopting an

increasingly negative stance towards the TTIP.

**It may be fair to say** that Malmström received an unfair legacy from her Belgian predecessor Karel De Gucht. Many people in the know say that Malmström is handling the heavy responsibilities of EU trade chief better than De Gucht, who became embroiled in a tax fraud scandal.

That's not to say that much of the criticism aimed at the TTIP would not be unfounded. But Cecilia Malmström has at least listened to the gripe - that is something that even the opponents of the TTIP admit.

"Why doesn't anyone ask about the deals we are making with Mexico, Japan or Vietnam? Why are the negotiations with the United States the only interesting ones?" Malmström asks and sits quietly for a while, as if waiting for an answer.

It seems that this is something that truly annoys the otherwise laidback commissariat. Perhaps Malmström and her priest friend have more in common than just drinking lots of coffee. In addition to well-founded criticism, the TTIP has also given rise to some unfounded fears that Malmström is trying to alleviate - sometimes without success.

**The panel discussion** at Aalto University in Töölö on Friday is disrupted by singing TTIP protesters. The melody borrowed from the musical Les Misérables urges people to rise to the barricades and join the fight.

"I only wish they had posed some questions," Malmström sighs after the event. And she herself has a few things to criticize, too.

"I don't know who said it first, but the TTIP is not an economic NATO. It is a substantial deal, but comparing it to NATO gives a totally wrong impression."

Malmström readily admits that the EU is very often not on the same page with the US over many things. But the US is the EU's largest trade partner, which seems to suffice for Malmström as reason to justify the importance of the TTIP.

The most fervent supporters of the TTIP like to emphasize the geopolitical significance of the deal. To a question about the TTIP's geopolitical significance Malmström responds with a question.

"What will the world think if we fail? If we are capable of sealing deals with others, but not with our most significant trade partner?"

Malmström peers through her dark-rimmed glasses and stresses that the last letter in TTIP stands for partnership.

"Our aim is to lay down guidelines for others to follow."

People who work with Malmström describe her one of the rare commissioners who never gets criticized. This is partly explained by the fact that she has built her political career through her own skills and does not need to inflate herself in front of her colleagues. Another explanation is that the knowledgeable second-term trade chief is also a member of the Alliance of Liberals and Democrats for Europe (ALDE), which is a smaller parliament group.

In addition to not being criticized in hallways of the commission, Malmström is also regarded as “thick-skinned” and “a progeny of the system” who is capable of managing matters that are outside of her own area of specialty. As for the criticism faced by the TTIP, Malmström’s colleagues give her credit for responding to it in a professional manner after the initial shock.

**After her appearance** at Aalto University, Malmström heads to the Finnish Parliament to report to the members of the Grand Committee on the progress made in the TTIP negotiations. After spending less than 24 hours in Helsinki, Malmström takes an afternoon flight back to her home in Brussels. Nevertheless, this bird of passage has no time to rest on her laurels, as she will need to be in Germany on Sunday.

When German Chancellor Angela Merkel and US President Barack Obama meet on Sunday in Hannover, Germany, EU Trade Commissioner Cecilia Malmström will have to settle for watching the summit from the sidelines. So, even the task of heading the negotiations to forge the TTIP, called the largest free trade deal in history, doesn’t guarantee a meeting with the man deemed the most powerful in the world.

This fact speaks volumes about an issue that is often forgotten when talking about the trade deal between the US and the EU. The TTIP is not just an initiative of the European Commission, or of the US, but a deal that the leaders of EU member states, especially Iron Lady Merkel, are pushing for.

Instead of Obama, Malmström will meet his principal advisor Michael Froman in Hannover, like many times before. If Malmström is deemed thick-skinned, her American counterpart Froman might be called an optimist.

In the fall of 2012, Froman joked that the free trade negotiations between the EU and the US would be done on one tank of gas. It seems the gas still hasn’t run out. Not even as plenty of it burns in the flames fanned by both the proponents and opponents of the TTIP.

**The TTIP negotiations** are now said to be at halfway, but many major issues still need to be resolved. The round of negotiations set to start in New York on Monday will be the thirteenth.

“Plan A is to reach a deal during this year. We are working fulltime to get the deal done.”

The main part of the job is done between the negotiations. And Malmström admits that there is still a lot of work to be done.

"We have meetings almost every week, we talk on the phone, have video conferences... We are doing our best, so we'll see."

The EU is not ready to settle for a light version of the TTIP. It's too late to try for a model that would not lift as many restrictions or deregulate commercial activity. Although the EU will not be able to have its way on some things in the talks – which are a negotiation, as Malmström underlines – the EU is still striving for something more ambitious than what a light deal would offer.

"I doubt that the member countries would settle for a lighter version of the TTIP," the trade chief retorts. "We are trying to accomplish something very significant here. It is not easy. If it was, we would have done it a long time ago."

The interview is over and the busy trade commissioner turns her eyes to a plate of strawberries and watermelon that were offered for breakfast.

"We wouldn't have these in Finland or Sweden without a trade agreement," Malmström says, clearly smirking this time.

### **Background information: The negotiations started in 2013**

\*The United States and the EU have held talks to create a transatlantic trade and investment partnership, or a free trade deal, since 2013. The proposed agreement is said to be the largest free trade deal in history. It is estimated to cover about 50 percent of the global GDP. The negotiations are reportedly now at halfway and the 13th round of talks starts on April 25 in New York.

\*The aim is to seal the deal by the end of this year, before the end of the presidency of Barack Obama. Many experts consider the timetable to be too ambitious or simply just too tight. Even if the US was prepared for a delay, in the spring, there will be presidential and parliamentary elections in France and federal elections in Germany. If the negotiations are still ongoing, the results of these elections could have a significant impact on the TTIP.

\*TTIP stands for Transatlantic Trade and Investment Partnership.

\*Supporters of the TTIP claim that the European economy would benefit from the deal. Critics, on the other hand, say that the TTIP would permanently alter the power relationship between American investments and European countries.

\*Investment protection, public procurements, regulatory collaboration and agriculture are the main sticking points of the negotiations.