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EP 2014-19: Key Votes

The EU-Canada Comprehensive Economic and Trade Agreement (CETA)

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The 'Key Votes' series dissects some of the most salient European Parliament (EP) votes in 2014-19. It analyses relevant political and geographic cleavages and fleshes out French and German specificities.

This issue reviews the EP vote of 15 February 2017 approving the Comprehensive Economic and Trade Agreement (CETA) between Canada and the EU and its member states. The vote illustrates an ideological cleavage between proponents of free trade and its opponents. It puts the centre-right against the extreme right, the extreme left and the Greens while splitting the centre-left. These patterns are mirrored in the voting behaviour of French and German MEPs.

1 Negotiating and ratifying a trade deal

The EU has signed about 70 trade agreements with third countries and international organizations. The possibility to conclude such agreements is a powerful tool of the EU's Common Commercial Policy. In recent years, however, some of the on these deals were accompanied by controversial public debates across the EU: The [Anti-Counterfeiting Trade Agreement](#) (ACTA), the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and Transatlantic Trade and Investment Partnership (TTIP) triggered major manifestations.

Over the past decades, the influence of the EP has increased in almost all of the EU's policy areas, including the Common Commercial Policy: The Lisbon Treaty granted veto power to the EP in 2009 when it made international agreements and trade agreements subject to the [Consent Procedure](#). Since then, the EP has a variety of participation rights at its disposal (information rights, the right to give an opinion, the right to give or withhold consent).

The procedure for the conclusion of international agreements also applies to trade agreements and can be divided into five steps:

1. The Council adopts a decision (on opening negotiations based on a recommendation from the Commission);
2. The negotiations are carried out by the Commission (in accordance with the negotiating directives given by the Council);
3. The Council takes an initial decision authorising the signing of the agreement and, if necessary, its provisional application before the entry-into-force;
4. The EP gives its consent (by absolute majority);
5. The Council authorises the agreement (ratification).

The Council can act by qualified majority unless the agreement covers a field for which unanimity is required.

International trade agreements which contain measures that affect competences of member states (and are therefore not fully covered by the empowerment of Article 207 TFEU) are concluded as so-called "[mixed" agreements](#)" between the third country on the one side and the EU and all its member states on the other side. In this case, member states must ratify the agreement according to their own constitutional requirements. This increases the number of veto players and means, for most member states, that the national parliament must vote on the authorisation of the ratification. In Belgium, "mixed" agreements also need the approval of the country's regional parliaments.

It took more than eight years from the start of the negotiations on CETA in June 2009 to the provisional application of the agreement in September 2017.

During the long road to CETA, the EP was able to assert its power in international trade matters beyond the simple power of consent. The EP, for instance, succeeded with its demand to replace the "investor-state-dispute settlement" mechanism by a new "investment court system" that aims to ensure government control over the choice of arbitrators and enhances transparency.

CETA abolishes tariffs between the EU and Canada for most goods and services. At the same time, it protects over 140 European geographical indications for food and drinks. The deal also contains

sustainable development clauses in order to safeguard environmental and social standards. The contracting parties have tried to diffuse citizen concerns that CETA gives too much power to multinational companies and that governments would not be able to legislate on health, safety or environment issues any longer: The preamble to the deal and an attached joint declaration assert that CETA applies without prejudice to the domestic right to regulate.

One key moment in the CETA “saga” was when Wallonia’s regional parliament opposed CETA in October 2016. Eventually a compromise with Belgium’s federal government was reached. It included a promise of the Belgian federal government to ask the EU’s Court of Justice (CJEU) for an opinion on the legality of the investment court system. The CJEU ruled on 30 April 2019 that it was [compatible with EU law](#).

The long road to CETA

- 10/06/2009: EU and Canada start negotiations on an ambitious trade agreement
- 26/09/2014: EU-Canada summit concludes the negotiations
- 05/07/2016: European Commission decides to present CETA to the Council as a “mixed agreement”
- 14/10/2016: Wallonia’s regional parliament passes a resolution against CETA, but later reaches a compromise with Belgium’s federal government
- 28/10/2016: Council of the EU unanimously adopts the decision to sign CETA
- 15/02/2017: European Parliament approves CETA with 408 votes in favour, 254 against and 33 abstentions
- 21/09/2017: CETA starts to apply provisionally

The roll-call vote in the EP on the final text of CETA reveals a major dividing line between

- MEPs who fully support free trade and a significant number of MEPs who support the deal because of the safeguards that were attached to it, and
- MEPs who are generally critical of free trade agreements and MEPs who think the safeguards are not sufficient.

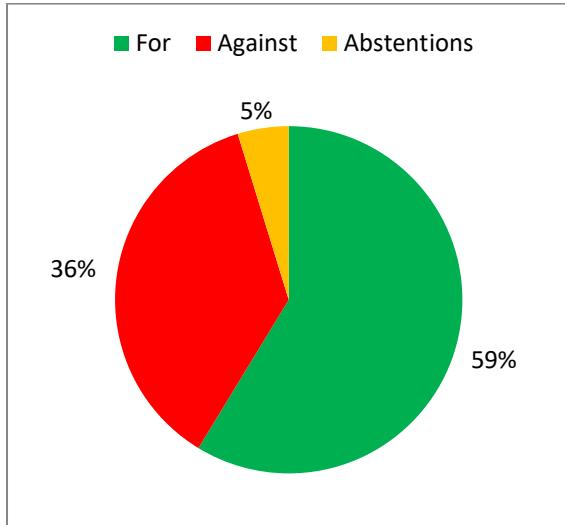
This cleavage often shapes the Common Commercial Policy, especially in votes on trade deals.

2 The ideological free trade cleavage

On 15 February 2017, the EP approved CETA with 408 votes in favour, 254 against and 33 abstentions. 59% of MEPs voted in favour, while 36% voted against the deal and 5% abstained (see Figure 1). The majority was formed by MEPs from the EPP, S&D, ALDE and ECR groups.¹ These groups normally form the “winning coalition” in EU trade policy.

¹ For better readability, we use acronyms when referring to the EP’s political groups: European People’s Party (EPP), Progressive Alliance of Socialists and Democrats (S&D), European Conservatives and Reformists (ECR), Alliance of Liberals and Democrats in Europe (ALDE), European United Left – Nordic Green Left (GUE-NGL), Greens – European Free Alliance (Greens-EFA), Europe of Freedom and Direct Democracy (EFDD), Europe of Nations and Freedom (ENF), Non-Inscrits (NI).

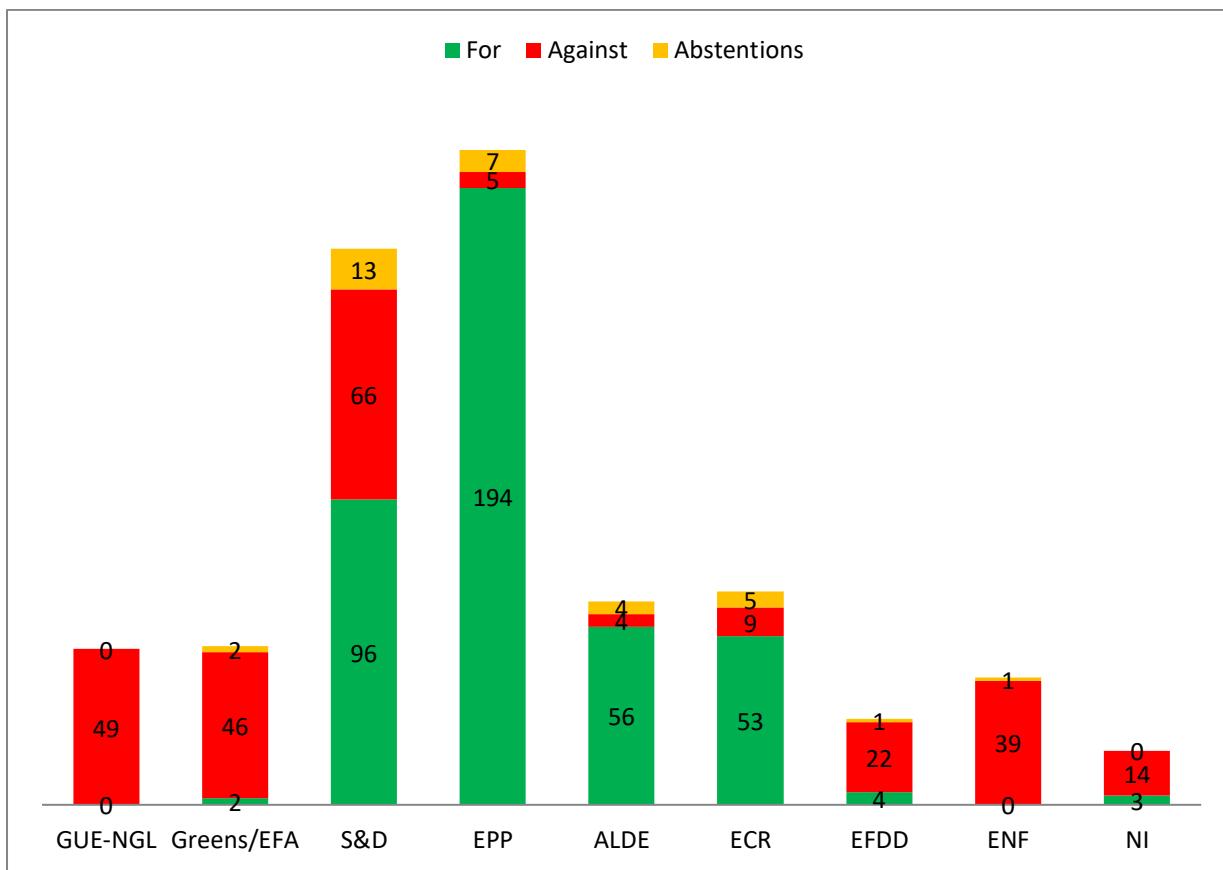
Figure 1: The outcome of the vote



Source: VoteWatch Europe (numbers exclude absent MEPs and no-votes)

In the vote on CETA, party groups displayed an average level of cohesion² (82% of MEPs voted in line with their political group). Only the S&D group witnessed a high number of rebelling MEPs (see Figure 2).

Figure 2: Voting behaviour by political groups



Source: VoteWatch Europe (numbers exclude absent MEPs and no-votes)

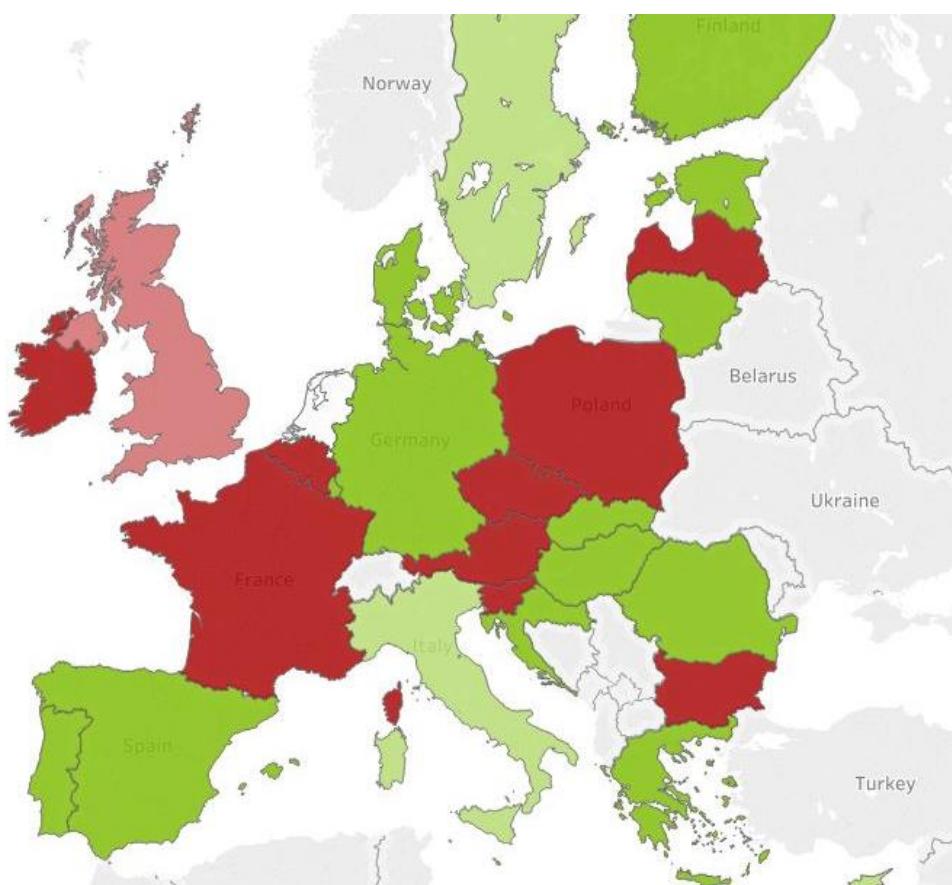
² Cohesion scores are calculated using the Hix-Noury-Roland index. It equals 100% in a roll-call vote if all the MEPs in a group vote the same way and equals 0% if the MEPs in a group are split equally between Yes, No, and Abstain.

Among the groups voting in favour of the deal, the centre-right EPP group is generally supportive of the EU's free trade agenda and overwhelmingly voted "yes" (only five MEPs from Belgium and Poland voted against). ALDE and ECR are also staunch supporters of free trade and were largely united in the CETA vote, except for a few MEPs opposing the deal (four ALDE and nine ECR votes against). The party groups situated to the left of the S&D group (Greens/EFA and GUE-NGL) opposed CETA. Eurosceptic groups EFDD and ENF showed an unusually high level of cohesion (72% and 96%, compared to 48% and 65% on international trade issues [during the rest of the legislature](#)) and, as well as most non-attached MEPs, also voted against the deal (see Figure 2).

The cohesion of the S&D group (32%) broke down, mostly along national lines (see Figure 3). On the one hand, over a third of the group (66 out of 174 voting MEPs) voted against and thus did not follow the instruction of their group leadership to support the deal. National party delegations from Austria, Belgium, the Czech Republic, France and Poland voted against. In the Bulgarian, Irish, Latvian and Slovenian delegations within the S&D group, MEPs were also opposed. Labour MEPs from the UK were divided, but mostly voted against.

On the other hand, 96 members of the S&D group supported CETA. This number includes all MEPs from Croatia, Denmark, Estonia, Finland, Hungary, Lithuania, Luxembourg and Romania. In addition to those MEPs, many Southern European S&D MEPs (from Greece, Italy, Malta, Portugal and Spain) as well as Slovak and Swedish S&D MEPs were also predominately pro-CETA. A total of 13 S&D MEPs abstained (among them all three Dutch S&D MEPs).

Figure 3: Voting behaviour within the S&D group



Source: VoteWatch Europe (numbers exclude absent MEPs and no-votes). The colours refer to the voting behaviour of S&D MEPs: Dark green = strongly in favour of CETA, slight support of CETA = light green, slight opposition to CETA = light red, strongly against CETA = dark red. The Dutch S&D delegation abstained.

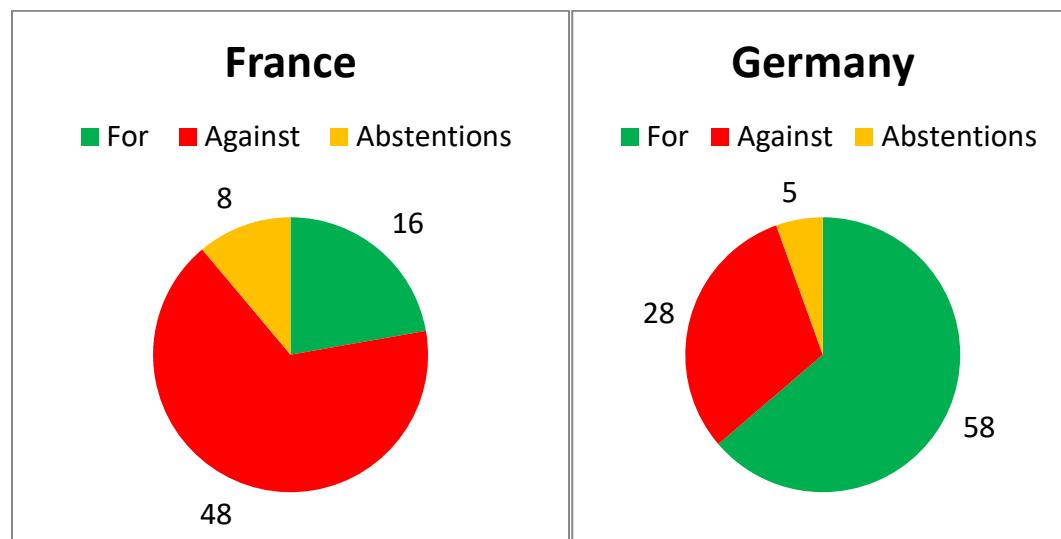
The S&D group usually displays lower cohesion on trade matters than, for example, the EPP (S&D 84% compared to 97% for the EPP group, according to [VoteWatch Europe](#)). German Social Democrats and French Socialists fundamentally disagreed in the 2017 EP vote on CETA at a time when the Parti socialiste governed France and supported the deal in the Council.

This mirrors the recent Franco-German trade dispute between France's En Marche government and Germany's Grand Coalition that took place in the Council in early 2019: France opposed (and voted against) the mandate for [trade talks with the United States](#) while Germany was ardently pushing for it.

3 Zooming in on France and Germany

On trade issues, French MEPs tend to diverge from the lines of the European party groups in the EP and often follow national, anti-globalisation positions. In the vote on CETA, two thirds of participating French MEPs (67%, 48 MEPs) opposed the deal, 22% (16 MEPs) were in favour and 11% (eight MEPs) abstained. The picture is the inverse in Germany: MEPs on the other side of the Rhine supported CETA with 64% (58 MEPs) voting in favour, 31% (28 MEPs) against and 5% (five MEPs) abstaining (see Figure 4).

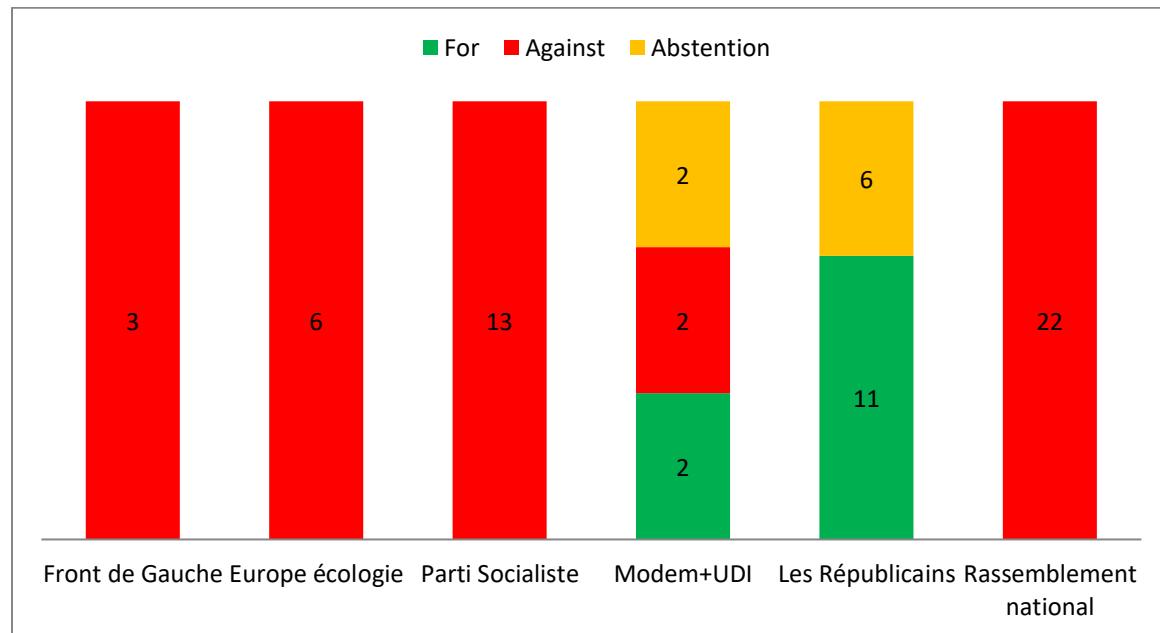
Figure 4: Voting behaviour of French and German MEPs compared



Source: VoteWatch Europe (numbers exclude absent MEPs and no-votes)

About two months ahead of presidential elections in France, opposition to the deal was visible across all political parties (see Figure 5). Six out of seven MEPs who abstained in the EPP group were from Les Républicains. Besides a dose of French protectionism, the status of Les Républicains as an opposition party seems to be an explanatory factor for their stance too (eleven MEPs voted in favour). All MEPs of Parti socialiste, Europe écologie, Front de Gauche and Front National/Rassemblement Bleu Marine (now Rassemblement national) voted against CETA.

Figure 5: Voting behaviour – French MEPs

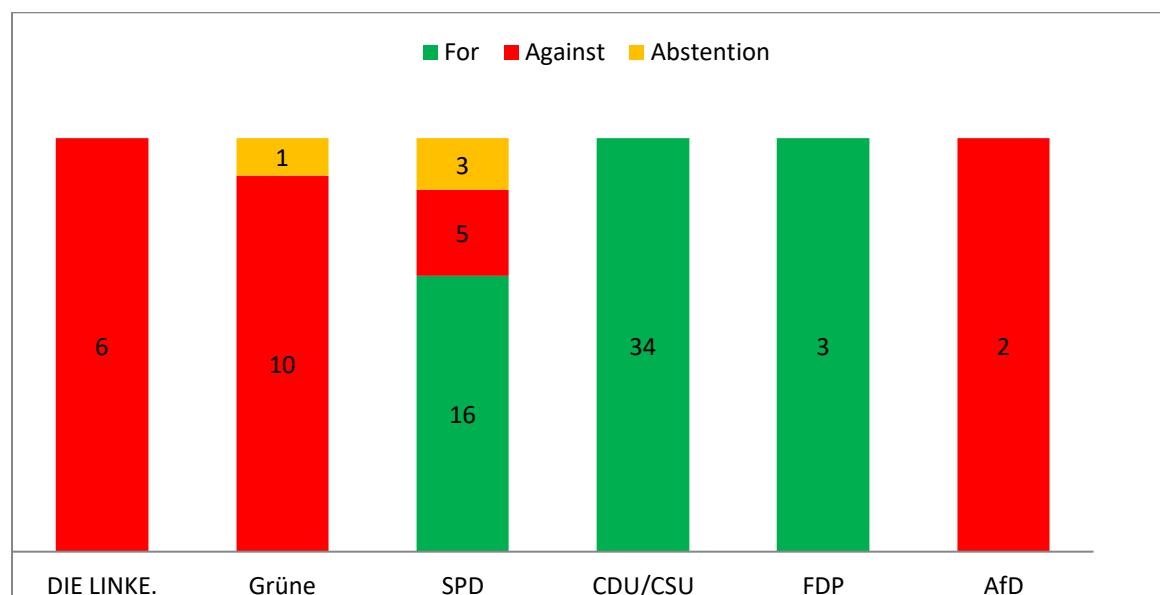


Source: VoteWatch Europe (selection of parties - numbers exclude absent MEPs and no-votes)

The parties of Germany's Grand Coalition supported CETA despite widespread public protests that cumulated in manifestations attended by 100.000 people in October 2016. The protesters feared that European environmental and social standards would be lowered by CETA.

Within the EPP group, Germany's CDU/CSU (in government) are clearly one of the most pro-trade delegations. German S&D MEPs were largely in favour (five out of 24 German SPD MEPs voted against, three MEPs abstained). The remaining supporters were from the liberal FDP. Green, Left and AfD MEPs opposed CETA (see Figure 6) as well as the remaining MEPs from smaller parties.

Figure 6: Voting behaviour – German MEPs



Source: VoteWatch Europe (selection of parties - numbers exclude absent MEPs and no-votes)

4 Conclusion: A politicised trade policy

The case of CETA illustrates how trade has become politicised. The controversies surrounding trade agreements generally show that European citizens have started to take an interest in trade policy and have become increasingly wary about the consequences of an ever-deepening globalisation of which trade policy has become a symbol.

It is mainly the increase in regulatory cooperation that has prompted this development. In earlier years, when trade agreements mainly concerned reductions in tariffs, only producers tried to influence trade negotiations. The new regulatory components of trade agreements require a much more far-reaching effort of consultation and transparency towards citizens in order to inform them about what is going on.

The influence of the EU's national (and some regional) parliaments on trade (via the ratification of trade agreements that are "mixed") follows from this broadening of the negotiations. Even if their influence during the ratification phase is only ex-post, this can have a great impact. National (and regional) parliaments could be a danger for the EU's capacity of action at a time when the block is increasingly acknowledged as shaping global rules and norms and trade agreements are seen as useful leverage to promote EU norms. But parliamentary engagement could also be a useful catalyst for greater public interest of EU citizens.

The stronger role of the different parliamentary arenas in the EU's multi-level system is a challenge for the successful conclusion of international trade agreements. But it offers an opportunity for articulating preferences and, ultimately, for additional legitimacy of the EU's trade policy. The primary role of [a watchdog and a veto player](#) over the EU's trade policy remains with the European Parliament.

What does that mean with respect to the upcoming EP elections? According to calculations by [VoteWatch Europe](#), the overall direction of the EP in the 2019-2024 legislature is not set to change much in the area of the EU's trade policy because a strengthened centrist bloc around ALDE will compensate losses of the pro-trade EPP. The example of CETA, however, shows that trade deals which do not meet the conditions and safeguards demanded by the European Parliament are likely to be rejected by MEPs.

This is also something that Brexiteers should keep in mind. CETA is still on the table as a model for the future relationship between the EU and the UK. It depends on its nature and content whether such an agreement on the future relationship would be "mixed" – as Michel Barnier [had promised to national parliamentarians](#) – or not. Looking at the example of CETA, it is hard to imagine that the EU would agree to a deal which allowed the UK to enter into regulatory competition or which lowered any social or environmental standard set by the EU.

Bild links: Guilhem Vellut, Hemicycle @ European Parliament @ European district @ Strasbourg, https://www.flickr.com/photos/o_0/31727425438/; Bild rechts: Timmy_L, Contained, <https://www.flickr.com/photos/50732955@N00/13783842354/>

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