

THE EU-VIETNAM FREE TRADE AGREEMENT

An explainer

Background

Last November European and Vietnamese NGOs [urged](#) the European Parliament to postpone its consent for the EU-Vietnam Free Trade Agreement (FTA) and accompanying Investment Protection Agreement (IPA), citing concerns about human rights.

The deal is part of the so-called “new generation” of FTAs the EU is currently negotiating with around 20 countries and regional blocks around the world, including South American trade bloc Mercosur.

In 2017, the EU-Canada Comprehensive Economic and Trade Agreement ([CETA](#)) came into force, seen by the EU as a model to follow. Two years later, FTAs with [Japan](#) and [Singapore](#) were ratified.

These agreements, negotiated by the Commission in secrecy and often with [questionable mandates](#), face vocal opposition from citizens and civil society.

Despite this, the EU has been pushing them through with little regard to concerns from citizens in often-repressive countries or [opposition](#) from national [parliaments](#).

The underlying question is who stands to benefit from these new FTAs?

New generation FTAs are broader in scope and cover not only trade but also intellectual property, access to public protection, and so-called ‘investment protection’.

While often technical, each of these areas have deep implications for citizens’ rights, the environment, and even democracy.

In the case of Vietnam, the FTA will make way for big European businesses to exploit weak labour, environmental and social regulations while threatening jobs at home.

HUMAN RIGHTS SHOULD NOT BE TRADED AWAY

ONGOING CRACKDOWN ON BASIC CIVIL AND POLITICAL RIGHTS IN VIETNAM

- Harsh sentences for violations of restrictive laws
- Journalists arrested for advocacy including opposition to EU-Vietnam FTA
- In 2018 Vietnamese authorities convicted at least 42 rights activists and bloggers under various abusive laws

LIMITED WORKERS' RIGHTS

- Independent trade unions outlawed
- Vietnam is yet to ratify ILO convention 105 on abolition of forced labour

CENSORSHIP

Under new cybersecurity law, service providers must take down posts that offend the authorities within 24 hours of receiving a request from the police

Source: <https://www.fidh.org/> / www.etuc.org/

What our MEPs say



Emmanuel Maurel
(France Insoumise, France)

"The EU-Vietnam free trade agreement has zero concrete commitment on sustainable development. It also completely contradicts the Parliament's vote on the climate emergency. Instead, it encourages the relocation of manufacturing and production that will drive down salary levels, posing a risk to both European and Vietnamese workers, with no checks and balance on human rights."

Token clauses

The draft text of the FTA contains [a chapter](#) on sustainable development, committing the parties to economic & social development and environmental protection. The text goes on to highlight important values related to workers' rights and the environment.

While these objectives are laudable and essential in any trade agreement to ensure standards are upheld and to prevent a race to the bottom, there is a lack of provision for enforcement.

The EU has never suspended an FTA due to concerns over sustainability or environmental impact, despite [plenty of examples](#) of violations. This raises questions about the EU's commitment to such clauses.

Controversially, this FTA is accompanied by an investment protection mechanism, common to second-generation agreements, which grant ["rights" to big businesses](#) over their commercial interests in Vietnam.

The Investor Court System will allow European [businesses to sue](#) the Vietnamese government if, for example, the country decides to raise regulatory standards on labour or the environment that businesses deem damaging to their profit margins.

Herein lies a major contradiction of the EU-Vietnam agreement. If Vietnam takes steps to implement the sustainability clauses it has agreed with the EU, it becomes vulnerable to [court challenges](#) by big businesses.

Turning a blind eye

Civil society in Vietnam and the EU have rightly pointed to human rights violations in the country being ignored or exacerbated by this deal.

They highlight restrictions on freedom of speech and freedom of expression, persecution of religious groups, censorship and restrictions on use of the internet and the application of the death penalty. Vietnam has also detained and imprisoned many hundreds of political prisoners over the last ten years.

The European Trade Union Congress (ETUC) has [raised concerns](#) over labour rights, abuse and exploitation, the outlawing of independent trade unions and denial of collective bargaining, urging the European Parliament to reject the agreement.

As the European Commission announces a European Green Deal, its trade policy lags behind, with big businesses set to benefit from Vietnam's [looser regulation](#) and enforcement of environmental legislation.

The view of the Left

The Left stands for a trade policy that is fair and humane, that helps human, social and environmental progress, and is of mutual benefit.

We are for deepening EU ties with Vietnam, including through trade, and for engagement on improvement of human rights, based on mutual respect and equality.

The EU-Vietnam agreement stands against this. The unfettered liberalisation of the garment sector is a case in point. It encourages mass relocation of the sector employing over 2 million workers in Europe while exploiting poor workers and violating human rights in Vietnam.

The agreement is a lose-lose deal for people on both sides, with big businesses emerging as the real winners of unfettered trade.