



Farmer and peasant organisations from Europe and South America unite against the “modernisation” of the EU-Chile Free Trade Agreement

Since its entry into force in 2003, the EU-Chile free trade agreement has been put together in an **undemocratic** and **opaque manner**, turning a blind eye to the **harmful consequences** that the **international free trade regime** has on the regulation of world agricultural markets. From our organisations, we robustly **condemn the choice to ignore the strong opposition to this FTA**, ratified through a systematic violation of democratic decision-making processes, without consulting or allowing the participation of citizens or parliament, and without consulting with indigenous peoples, as required by ILO Convention 169.

The following analysis outlines some of the main reasons why the signatory organisations reject both the modernisation of the EU-Chile agreement and the European Commission’s attempt to propose an interim agreement in order to accelerate the conclusion of this FTA and avoid ratification by the national parliaments of the European countries.

“Green” modernisation of the agreement

By updating and “modernising” this FTA, both the European Commission and Chilean authorities claim to be bringing the EU-Chile agreement in line with the standards of the Paris Agreement and the 2030 Agenda. However, if we compare the new provisions that will replace the agreement and the old bilateral treaties, it is clear that the system promoted by this agreement remains entirely obsolete from current realities and objectives. It ensures identical guarantees for agribusiness investors, and even adds other advantages, including **opening up the public procurement sector, expanding the services sector, and increasing tariff reductions for agricultural products, among others.**

For us, peasant farmers, landless peoples, Afro-descendant peoples and agricultural workers, this implies the perpetuation of an **outdated paradigm** in which **agricultural products are treated like any other commodity**, with no regard for **human rights, climate and biodiversity crises, food sovereignty and the rights of food producers to a fair income.**

Tariff reductions

Intentions to **increase the percentage of products covered by tariff reductions** from 94.7% to 99.6% (i.e. almost all Chilean exports) will mean that the **price of food** will be increasingly disconnected from the real cost of production locally. The interests of agribusiness have systematically taken precedence over those of small-scale food producers and agricultural

workers. And so, through an illusion of homogenisation of the global market, we are put in **competition with each other**, despite the fact that our production conditions vary enormously from one country to another.

Furthermore, by insisting on this liberalisation, the European Commission perpetuates and increases the **asymmetrical and submissive relationship** between the EU Latin American countries, a legacy of colonialism and neo-colonialism. The agreement will encourage the **export of industrial and processed goods** from the EU to Chile, while in Chile increased **exports in the agricultural and mining sectors** will prolong the current patterns of trade imbalance and dependency.

“Sustainable” development

On the one hand, these exportations promote unsustainable production models in rural areas on both sides of the Atlantic, which contradict the imperative need for an **ecological re-territorialisation of** our food systems. On the other hand, the **liberalisation of other markets**, such as energy, enables Europe to externalise the environmental, social and climate costs of its energy transition to Chile. This means **converting agricultural land** into sites for photovoltaic or wind energy projects, in areas already weakened by the extractivism that has prevailed in recent decades. From the point of view of sustainable food systems, this is in total **contradiction** with all the commitments of our governments in the **Paris Agreement on climate, and in the 2030 Agenda**.

In spite of the biased communications published by the commission which try to sell the agreement as a step towards sustainable development, this is a clear example of how the **commodification of land** leads to the **disappearance of even more small- and medium-scale food producers**, who are forced to migrate **to urban environments** to work in precarious jobs, resulting in the impoverishment of the rural population and an increase in social inequality in our villages. In the **EU**, the **agricultural population** already represents **less than 5%** of total employment, while in **Chile**, the **rural population** is among the **most marginalised**.

Our rights, recognised in the **UN Declaration on the Rights of Peasants and Other People Working in Rural Areas**, **receive no mention in the planned modernisation** and we fear that this could worsen the human rights situation of peasants, small-scale farmers and agricultural workers, as is already the case in marginalised rural communities living in natural resource-rich territories that are exploited by these transnational corporations. Not only that, in this supposed modernisation of the treaty, the **environmental, labour and gender provisions** are not binding, nor is the annex referring to Human Rights, since the bulk of the negotiation was developed in 2019/20 by the government of Sebastián Piñera, responsible for systematic violations of human rights in the years of the popular revolt.

Permanent dispute settlement mechanisms

To pacify strong public concern over the dramatic situation that people on both sides of the Atlantic are already experiencing, faced **multi-billion dollar lawsuits**¹, this new modernisation promises “effective, impartial and predictable” **permanent investor-state dispute settlement mechanisms**. While this may seem like a positive development, these settlement systems will continue to operate in favour of agribusiness corporations, be funded by public money and arbitrated by judges outside of national laws.

The reality is that, in the midst of the global ecological and energy crisis, in this “modern” Chile/EU treaty, **it will continue to be impossible to sue on the grounds of environmental and social damage and/or serious violations of the human rights of our communities, as well as the rights of nature**, in transnational corporations' mega-projects. Only investors will be able to sue if they consider the impact of measures that governments put in place to protect their peoples from expropriation to be “excessive” (Annex S/N Expropriation, Article 3). In short, **the decision and the criteria will once again be left to the corporations**. Neither territorial organisations, nor indigenous peoples, nor trade unions, nor even the state will be able to sue those responsible on this ground.

The funds to finance all this will come out of the **public budget** and here the asymmetry will be evident, as this annual financial burden will not have the same impact in the EU as in Chile. Here it is clear how **corporations that are progressively taking control of the food systems only manage to be “competitive” because they are heavily subsidised with public money**. They are not required to pay the health, environmental and social costs of their industrial production model. Worse still, this modernisation will only aggravate the situation.

We cannot continue these damaging and unbalanced relationships, and leaders of both territories must respect the independence and sovereignty of the nations they represent. Decision makers must **stop serving the interests of large forestry companies, hydroelectric companies, concessioned roads, mining companies, real estate companies, fishing companies and agribusiness**.

Conclusions

It is time to abandon the free trade paradigm. This modernisation is just another attempt to perpetuate a system that is failing and that already has dire economic, social and environmental consequences, limiting the sovereignty of countries, conditioning them to extractivist development models, subjecting states to the arbitrary control of large transnational corporations on the basis of asymmetrical rules of the game.

In the case of Chile, it is this same paradigm that feeds the invasion of indigenous territories, which is marked by capitalist corporate greed through the exploitation of our natural resources. This is systematically and progressively damaging our ancestral agricultural soils and our ixofil mogen (all life existing on our mother earth), impoverishing, for example, our

¹ <https://isds.bilaterals.org/?-latin-america-266-&lang=en>

Mapuche people who for centuries have made their livelihood from agriculture, artisanal fishing and harvesting. We live the everyday reality of violence and repression that all this leads to.

Therefore, as farmers' and indigenous organisations on both sides, we demand a **new international framework for international agricultural trade based on food sovereignty**. We support international cooperation and solidarity between peoples. Bilateral or bi-regional cooperation agreements must have human rights at their core, and in particular the rights of food producers as recognised in UNDROP. They must allow for genuine agricultural development that prioritises local food production and agroecology. They must stop the expansion of corporate power in food and agriculture and prioritise small and medium scale food producers.

We reject this modernisation of the EU-Chile agreement and as peasants, indigenous peoples, small farmers and agricultural workers from both continents, we will continue to fight for fair trade, based on equality, respect for human rights, a sustainable environment, and the diversity of livelihoods and cultures.

Chilean signatory organisations

Confederación Sindical Campesina y Pueblos Originarios Ranquil

Asociación Nacional de Mujeres Rurales e Indígenas (ANAMURI)

Asamblea Nacional Mapuches de Izquierda (ANMI)

Consejo Nacional de Productores de Chile (CONAPROCH)

European signatory organisations

European Coordination Via Campesina (ECVC)