

What Trade Unionists need to know about TTIP

Briefing by the
Trade Union Left Forum



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Fact sheet

- The Transatlantic Trade and Investment Partnership is a bilateral agreement being negotiated between the EU and the United States.
- A bilateral agreement between a sovereign state and the EU as a sovereign entity is possible as a result of the adoption of the Lisbon Treaty.
- It was under the Irish presidency of the EU that the twenty-eight member-states agreed that the EU Commission should enter into these negotiations.
- The negotiations are expected to conclude some time in 2016.
- It is described as a trade agreement; however, it seeks to create and enhance profits for transnational corporations not through the removal of tariffs but through the removal of regulations in such areas as finance, food safety, environmental standards, privacy laws and, importantly, labour rights.
- These “reforms” are mostly at the expense of workers in the EU but of course would benefit capital in Europe and the United States, and therefore both sides agreed on many issues before the negotiations even began.
- It also seeks to create new areas of profits for big business through liberalisation and privatisation in such areas as health, education, and other essential public services.
- Most worrying of all is the probable inclusion of the principle of “investor-state dispute settlement” (ISDS), which elevates a transnational corporation to the status of a sovereign state under the law. This exists already in the United States, which now insists that it be included in its trade agreements. The EU Commission is not opposed to its inclusion, and big business

in Europe is lobbying hard for it. ISDS allows, for example, tobacco companies to sue and win damages from sovereign states because of their health warnings, or finance companies to sue sovereign states over their fiscal policies, or energy companies to sue sovereign states over their resources policies. In essence, it would allow private companies to sue sovereign states, as equals, if their public, democratic policy decisions negatively affect the company's profits—even presumed future profits. This is an affront to sovereignty and democracy.

- The negotiations have been kept secret, as are the content of hundreds of private lobbying meetings between big business and the EU and American negotiators.
- The EU Commission's impact assessment report was forced to acknowledge that the TTIP would bring prolonged and long-term stagnation to European workers—i.e. unemployment—as capital would flow to cheaper parts of the United States. This is at a time of 50 per cent youth unemployment in parts of Europe.
- The same policies in the North American Free Trade Agreement (NAFTA), between the United States, Canada, and Mexico, cost the United States more than a million lost jobs, while the report financed by the EU Commission's own Centre for Economic Policy Research suggests that TTIP would cost the EU 1.3 million jobs.
- The same report suggests that the deal could increase output in the EU by 0.5 per cent by 2027, but this is dependent on the necessary deregulation and liberalisation being carried through, increasing profits for private corporations.

- Restrictions on genetically modified foods, pesticides and hormone treatments in the EU are likely to be removed. At present, 70 per cent of processed food on sale in the United States contains genetically modified organisms, and 90 per cent of American beef uses growth-promoters that have been linked to cancer.

- The EU's own impact assessment report, as well as acknowledging a loss of jobs, admits that the TTIP would bring dangers to both our natural resources and our biodiversity and would add an extra 11 million tonnes of carbon dioxide emissions, at a time when states have agreed to reduce emissions.

- The US government has made clear its intention to use TTIP to get access to what it describes as "public monopolies" in the areas of public utilities and such services as health and education.

- It would also make the nationalisation (or renationalisation) of services or resources virtually impossible, as corporations would be able to sue for loss of future and expected profits. This in effect would even further legalise neo-liberalism as the economic and social framework in both continents.

- Both sides are committed to using TTIP to open up public procurement contracts to the private sector, meaning that social, environmental or "public good" goals in public procurement would be removed.

- It is likely that parts of the Anti-Counterfeiting Trade Agreement that was voted down by the EU parliament, by 478 to 39 votes, over massive concerns about civil liberties and privacy will be brought in by way of TTIP.

Summary by
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Forum

In reality this is a set of negotiations between European capital and American capital (which willingly agree on most things) in response to the shift in growth from the north to the so-called BRIC countries (Brazil, Russia, India, and China). Real growth has stagnated for decades in both continents, giving rise to the dominance of financial speculation and a shadow banking system, and this is a further attempt to create growth at the expense of people and our environment.

It seeks to increase profitability for big business in the United States and Europe at the expense of workers and their rights, of the public and the services they rely upon, and of the environment and food safety. It is being carried out by unelected technocrats who held private meetings with big business in advance and, whether on the European side or American side of the negotiations, largely agree on what needs to happen.

It would further cement liberalisation and privatisation and open up new areas for private exploitation. It would greatly restrict "public good" clauses in public procurement contracts. It would confer new rights on corporations, allowing them to sue sovereign states for policies that negatively affect their profits, and to have their case heard in unaccountable courts.

It would do away with some of the modest financial reforms that were introduced in response to the economic crisis, creating more instability, risk and speculation in the economy, and would result in significant loss of jobs in EU countries.

It is vital that unions oppose these negotiations. It will be tempting to merely concentrate efforts on the most offensive ISDS part; but all areas that negatively affect workers, the public and democracy must equally be opposed.

These negotiations are being carried out in secret, with very little comment or analysis by the media. Therefore the trade union movement must start with a public awareness campaign both with members and with workers more generally.

If we wish to secure public services and to halt privatisation and outsourcing we must fight to prevent TTIP being agreed.

The TULF encourages workers to sign this petition, calling for such a campaign to be led by the ICTU:

https://secure.avaaz.org/en/petition/The_Irish_Congress_of_Trade_Unions_Begin_a_public_awareness_campaign_and_call_for_the_scrapping_of_TTIP/?ezHxhib