



CAMPAIGN FOR
TRADE UNION FREEDOM

**TRANSATLANTIC TRADE &
INVESTMENT PARTNERSHIP**

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TRANSATLANTIC TRADE & INVESTMENT PARTNERSHIP: KEY POINTS

- New generation of free trade treaties being negotiated, neo-liberalism taken to new level
- **TTIP** being negotiated between European Union and United States
- **CETA** – Comprehensive Economic & Trade Agreement between European Union and Canada
- **TiSA** – Trade in Services Agreement – multilateral negotiations
- **TPP** – Trans Pacific Partnership Agreement, TTIP style US led negotiations in Pacific Basin excluding China
- also many bilateral treaties, eg, US- Korea; US-Colombia; EU-Singapore; plus trilateral **NAFTA**

TRANSATLANTIC TRADE & INVESTMENT PARTNERSHIP: IN THIS PRESENTATION

- Non-tariff barriers are the key target
- Investor State Dispute Settlement
- Food, environment and climate
- Labour chapter
- Business and economics
- Labour movement politics
- Campaigns and further information

TTIP NOT TRADE BUT DE-REGULATION

- Tariffs between the EU and US are at historic lows, so non-tariff barriers (NTBs) are to be reformed
- Aim is produce a common regulatory framework which will not “hinder” trade
- Joseph Stiglitz (Nobel laureate): negotiators “will almost surely push for the lowest standard, levelling downward rather than upward”
- Unlikely that any new standards will be agreed within TTIP – it’s an enabling treaty – so move to **“mutual recognition” of each other’s standards which will lead to drive to lowest to meet competitive advantage**

INVESTOR STATE DISPUTE SETTLEMENT

- ISDS is a provision in trade treaties that allow multinational corporations to bring legal action against a government under corporate lawyer led arbitration not domestic courts
- In UK big concern about NHS and Labour not being able to bring NHS back into public sector for fear of being sued by US healthcare corporations
- Privatisation “locked in” at time of signing – ratchet, one way, whatever is in private hands should stay, think about railways, water
- But ISDS is wider than just public services; ISDS “protects” most investments by multinational corporations; anti-democratic, stops or discourages governments acting in public interest
- W/c 12 January Euro Commission announced “suspension” of negotiations on ISDS, most likely seeking to re-group and re-present at later stage - NB ISDS is in CETA and EU-Singapore deal

FREE TRADE AGREEMENTS/ISDS – TRACK RECORD #1

- Negotiations over the MAI (Multilateral Agreement on Investment) – 1995/7 29 state OECD collapsed when public disclosure of ISDS type provisions
- UN Conference on Trade & Development says 10 fold increase in ISDS type cases since 2000; in 2012 a record 58 new claims were initiated; in 2013, 56 new claims
- By end of 2013 274 concluded cases – 43% in favour of state; 31% in favour of corporations; 26% remain “confidential”

FREE TRADE AGREEMENTS/ISDS – TRACK RECORD #2

- US tobacco Philip Morris is suing Australia over cigarette plain paper packaging, using Hong Kong subsidiary and Hong Kong-Australia FTA; it's also suing Uruguay via its Swiss subsidiary over anti-smoking policy, Uruguay - Switzerland FTA
- Swedish nuclear power generator Vattenfall suing Germany over phasing out nuclear power
- Veolia is suing Egypt over raising minimum wage which will cost it \$8 million
- Dutch insurer Achea sued Slovak Republic over bringing health insurance back into public sector

FOOD, ENVIRONMENT AND CLIMATE

- US agricultural producers want de-regulated trade in growth hormone fed beef (restricted since 1988), chlorinated [bleached] poultry (banned since 1997), and genetically modified cereals and salmon (must be labelled as such in EU)
- EU has much stricter system of controls of use of pesticides than US
- EU has much stricter system of controls on use of chemicals: REACH and Toxic Substance Control Act
- ISDS used in OSH cases – Ethyl v Canada
- US wants EU to weaken Fuel Quality Directive that bans oil extracted from Canadian tar sands (23% more greenhouse gases in extraction and production)

LABOUR CHAPTER #1: UNITED STATES

- Some US unions initially believed that TTIP could import Euro labour rights and/or ILO Convention standards
- “TTIP should provide for information disclosure and consultation between workers and transnational enterprises [and] strengthen regulations concerning workplace health and safety” – **United Steel Workers**
- “Negotiators should ensure upward harmonisation of labor and employment laws, a level playing field that incorporates ILO Conventions” – **International Association of Machinists**
- But 24 (of 50) US states are ‘right to work’ and Republicans in Congress have warned against using TTIP to “smuggle in” Euro labour rights
- Ben Davies of USW says US will not ratify ILO Conventions in “our lifetime”

LABOUR CHAPTER #2: EUROPE

- The ETUC has specific concerns about the lack of ratification of ILO Conventions and violations of fundamental labour rights in the US, notably on the right to organise and negotiate collectively, and particularly but not exclusively in Right to Work states
- The EU Commission says ILO core labour standards ... are an essential element to be integrated in the context of a trade agreement
- Although European Commission “commits” to ILO core labour standards is that compatible with EU’s role in dismantling labour rights in Portugal, Spain and Greece as part of Troika?

LABOUR CHAPTER #3: REGULATORY COHERENCE ~ REGULATORY CO-OPERATION

- Under TTIP European workers and their unions would fear any ‘regulatory coherence’, code for levelling down, around US standards.
- Conversely with TPP, it is the US that has the higher standards and US workers and their unions would fear ‘regulatory coherence’ with South East Asia.
- In other words, a race to the bottom.
- Leak in March '15 shows that Euro Commission proposal for a “regulatory exchange” under which new laws will be screened in advance for potential impact on private business

LABOUR CHAPTER #4: THE REALITY

- Thatcher and Major took UK workers outside the scope of ILO Conventions 87 and 98 (without renouncing them) not likely that Cameron would sign up to binding ILO protections for union organising and collective bargaining
- US Trade Representative, Ron Kirk, has said that the TTIP agreement would seek “liberalisation in areas of service investment, labor and the environment”
- See Prof Keith Ewing & John Hendy QC:
<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/business-innovation-and-skills-committee/transatlantic-trade-and-investment-partnership-ttip/written/17670.html>

LABOUR CHAPTER AND THE EUROPEAN COURT OF JUSTICE

- In Europe, Article 28 of the Charter of Fundamental Rights of the European Union says: “workers or their organisations have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action.”
- However, when tested in the European Court of Justice in the *Viking* and *Laval* cases, the Court held that the right to conduct business trumped the right to collective bargaining and the right to strike to protect a collective agreement.
- It does not require much imagination to grasp the outcome of an ISDS claim brought by a multinational corporation, using *Viking* and *Laval*, that its profits had been diminished because national laws in an EU state permitted strike action or required the company to abide by a collective agreement.

THE BUSINESS VIEW

- SMMT supports TTIP and stresses “importance of tackling non tariff barriers through regulatory convergence”
- IoD - guaranteeing legal protection for investors (ISDS) only supported by 25% of directors polled; of secondary importance compared with the two main priorities – cutting tariffs and reducing red tape (*de-regulation*)
- BusinessEurope – the lead Euro business federation – “We believe that the EU and US should adopt a mechanism by which regulators can recognise mutually compatible regulatory regimes and thus accept in their market goods and services approved for sale in the other market.”

CENTRE FOR ECONOMIC POLICY

RESEARCH: ECONOMIC IMPACT

- Research carried out by Centre for Economic Policy Research (two thirds funded by investment banks, asset managers and European central banks)
- Wide estimates of impact on GDP and long time frame (to 2027); impact on GDP growth for EU and US ranges between 0.2% and 0.5%
- For EU that could mean between €68.274 to €119.212 billion; for US €49.543 to €94.904 billion (big margin of error)
- 80% of economic benefit will come from reducing regulatory and other non tariff barriers
- EU Commission, and other supporters, say that this means an extra €545 annually per European family of four

ALTERNATIVE VIEWS

- Siles-Brügge and de Ville – Manchester University (2013) – “an impartial reading of the key documents relating to TTIP shows quite clearly that these huge figures are vastly overblown and deeply flawed”
- Global Development & Environment Institute (Tufts University, US - 2014) almost 1% loss of UK exports after a decade, net losses in terms of GDP (with a shift of 7% from labour to capital), loss of labour income (€4,200 per worker) and 600,000 job losses in the EU
- Ciaran Cross in *International Union Rights* Vol 22, No 1 says violations of labour chapters take so long to adjudicate that maybe worth it for business to get a deal on bigger picture of ISDS, de-regulation , etc

THE VIEW FROM THE INTERNATIONAL TRADE UNION CONFEDERATION

- In the run up to the recent G20 summit in Brisbane the **International Confederation of Trade Unions** called for a halt to the TTP negotiations, not just on labour rights issues but because of a wider rolling back of social advances.
- The ICTU General Secretary, Sharan Burrow, said: “Although it seems that a labour chapter with a certain degree of enforceability will be part of the TPP, if ever agreed, we felt that this would not be enough to endorse the TPP ... Besides, the labour chapter ... does not cover all core labour standards ... This is not to say we do not support a labour chapter, but that TTP’s and **other future trade agreement’s impact on workers need to be considered as a whole.**”

NORTH AMERICAN UNIONS OPPOSE CETA

- Workers Uniting, the global union of the United Steelworkers (USW) in North America and Unite the union, condemned the Canada and European Union Comprehensive Economic and Trade Agreement (CETA) which was “initialled” in September 2014
- “ISDS is bad news for Canada, under NAFTA we currently face \$6 billion in lawsuits from American multinationals. If CETA is approved, that number will increase exponentially” Ken Neumann, USW Canadian Director
- “Deficiencies in CETA will likely be replicated in the TTIP ... the attacks on labour rights in the US threaten the living standards of European and Canadian workers” Leo Gerard, USW President

FAST TRACK

- In the US the new Republican majority in Congress is helping lame duck President Obama deliver TPP and maybe TTIP
- Passing a Trade Promotion Authority (TPA) will give the President an ability to “fast track” one or both unamendable treaties to Congress, which will vote for or against it (EU may want “fast track”)
- All recent trade deals done by “fast track” - NAFTA displaced 700,000 manufacturing jobs and has helped drive wages down; the WTO deal that allowed entry to China has cost US workers \$37 billion in lost wages in a single year (2011)
- The US unions have launched a major campaign against “fast track”

THE UK LABOUR MOVEMENT

- TUC Congress 2014 “outright opposition to TTIP, and the other trade agreements currently being negotiated”
- Labour Party NPF/Conference 2014 “Labour has raised concerns over the inclusion of an ISDS mechanism in TTIP. Labour believes that the right of governments to legislate for legitimate public policy objectives should be protected effectively in any dispute resolution mechanism” plus commitment to exclude NHS - in Manifesto
- **One weakness in Labour’s position is that CETA has an ISDS, most US multinationals have subsidiaries in Canada through which EU governments could be sued**
- Labour in European Parliament seems to have a stronger position:
http://www.socialistsanddemocrats.eu/sites/default/files/position_paper_investor_state_dispute_settlement_ISDS_en_150304.pdf

CAMPAIGNS

- Most of the British unions are signed up to the **#noTIPP** campaign <http://www.nottip.org.uk>
- On-line campaign website **38 degrees** runs campaigns against TTIP and CETA <http://www.38degrees.org.uk/campaigns>
- **War on Want** <http://www.waronwant.org> and **Global Justice Now** <http://www.wdm.org.uk> are active opposing the trade deals
- **The People's NHS** <http://www.peoplesnhs.org> campaigns to protect the NHS from TTIP
- Time lines: in May 2015 there will be a non-binding EP resolution on TTIP; there will be a definitive vote on CETA before end 2015 or early 2016.

FURTHER INFORMATION

- *International Union Rights* Vol 21 No 3 www.ictur.org
- John Hilary *The Transatlantic Trade & Investment Partnership: a charter for deregulation an attack on jobs, an end to democracy* http://rosalux.gr/sites/default/files/publications/ttip_web.pdf,
- International Food Workers (IUF) *Trade Deals That Threaten Democracy* http://www.iuf.org/w/sites/default/files/TradeDealsThatThreatenDemocracy-e_0.pdf
- Public Services International (PSI) *The Really Good Friends of Transnational Corporations Agreement* <http://www.world-psi.org/en/psi-special-report-really-good-friends-transnational-corporations-agreement>
- Adrian Weir <http://classonline.org.uk/blog/item/ttip-a-view-from-the-centre-left> and <http://www.leftfutures.org/2014/11/workers-of-the-world-unite-against-the-new-generation-of-trade-deals>
- Since January 2015 the European Commission has started to post on-line more information about the negotiations <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1230>