

## **Transatlantic Trade and Investment Partnership (TTIP)**

### **Demands regarding the free trade talks between the EU and the USA with a view to ensuring sustainability, protecting workers' rights and guaranteeing services of general interest**

The EU Member States are currently negotiating a free-trade agreement with the USA, the so-called Transatlantic Trade and Investment Partnership (TTIP). The Union's positions, as presented to our US trading partners by the European Commission, are jointly developed by the Member States' Trade Policy Committee. Germany's federal government is represented on that body by the Federal Ministry of Economics and Technology (BMWi). From the workers' point of view, the German Trade Union Confederation (DGB) is handling the TTIP talks and in that capacity is exchanging views with trade unions in other European countries and the USA. Recently, the DGB adopted a comprehensive position on TTIP at its Federal Congress.

The BMWi and DGB do not see entirely eye to eye on the TTIP, but in many cases share the same objectives:

1. Trade talks between the major economic powers, the USA and EU, which will end in a free-trade agreement, provide an opportunity to intensify their bilateral trade relations and at the same time make them fairer and more sustainable. The agreement could also help to forge ahead with fair and sustainable rules on trade and set new benchmarks. The objectives, then, are to enable broad sectors of the public to attain greater prosperity, to improve economic, social and environmental standards, to create fair conditions for competition and to ensure decent working conditions.
2. The negotiations on a free-trade agreement with the USA (TTIP) must be conducted with these outcomes in mind. An appropriate level of public debate must not be hindered by a lack of transparency or by invoking confidentiality requirements. At the same time, the results of an ongoing, comprehensive assessment of the consequences of the talks, including by representatives of civil society, must also be taken on board.
3. The free-trade agreement being negotiated must not be permitted to jeopardise workers' rights, consumer protection or social or environmental standards. We reject any form of competition that entails countries and companies deriving benefits from practising social and environmental dumping. Consequently, efforts need to be made within the framework of the trade agreement to improve codetermination rights, protect jobs, health and consumers and defend social and environmental standards.
4. Dismantling any remaining tariff barriers (customs duties) encourages trade, even if the duties in question are not high – for industrial goods they average out at roughly 4%. However, the volume of trade *is* high, with goods worth approximately €2 billion crossing the Atlantic every day. This high volume of trade means that customs duties can largely be dispensed with, but if this happens, the income lost by the EU as a result must be compensated.
5. In principle, the removal of non-tariff barriers could be of mutual interest, but must only apply to different technical standards and regulations and to abolishing genuinely equivalent double authorisation procedures. Examples of such market segments include the size of rear-view mirrors, the strength of sheet metal, the size and load-bearing capacity of wheel rims, the procedure for measuring emissions or the awarding of certain permits. By developing shared standards, the agreement could end up creating ideal framework conditions for innovation in future technologies. But standards and authorisation procedures may only be mutually

recognised if they do not result in any lower level of protection, so parliamentary control over the definition of standards and authorisation procedures must remain guaranteed.

6. The high level of protection afforded to the environment, workers and consumers must not only be in line with the *acquis communautaire* and the legal provisions of the EU Member States, there must also be room to improve on it. Both parties to the agreement should pledge to honour and implement international agreements and norms governing the environment, labour and consumer protection. For the unions in particular, this means complying with the ILO's core labour standards and the OECD's guidelines for multinational companies. As a result, the unions are calling on both parties to the agreement to adopt a time frame within which to ratify, implement and monitor these international agreements.

In the event of conflict, respect for labour and social standards must be guaranteed just as effectively as compliance with other rules set out in the agreement.

7. Under no circumstances may the right to co-determination, a works constitution, autonomy of collective bargaining or indeed other rights designed to protect workers, the environment or consumers be interpreted as 'non-tariff trade barriers'. Accordingly, any agreement must not affect corresponding national laws or regulations adopted by an EU Member State, especially those governing the labour market or social security systems, collective bargaining autonomy, the right to strike, minimum wages or collective agreements. This applies not only to present provisions, but also to future expansions of these protective rights. Such possibilities must not be limited or prevented by an agreement.

8. As a matter of principle, the democratic right to create laws, rules and regulations designed to protect public service objectives must not be jeopardised, undermined or circumvented. Likewise, under the TTIP there must be no way of enforcing market access that is incompatible with such rules and regulations. The abilities of parliaments and governments to adopt laws, rules and regulations designed to protect or represent citizens' interests must not be hampered by the creation of a 'Board of Regulators' within the framework of regulatory cooperation or as a result of extensive measures designed to protect investments.

In principle, regulations designed to protect investments are not an essential part of an agreement reached between the USA and the EU and should therefore not be introduced along with the TTIP. In any case, investor-state arbitration and unclear definitions of legal concepts, like 'fair and equitable treatment' or 'indirect expropriation' must be rejected.

The European Commission imposed a moratorium on talks designed to protect investments and launched a three-month public consultation on this issue, starting from March 2014. This moratorium is to be applauded for enabling a fundamental public debate on the protection of investments. After all, problems like the limitation of governments' regulatory capacity and the risk of high damages or legal costs payable out of the public purse due to private legal proceedings brought against legitimate laws only exist in the first place because of previous investment protection agreements.

9. The high quality of public services in the EU must be maintained, and no obligations should be imposed on Germany in this domain. Neither must the TTIP be allowed to impinge on any previous EU arrangements governing the protection of public services. National, regional and local authorities must be guaranteed extensive leeway to shape the services they provide in a way that best serves public interests. Audiovisual services must be permanently excluded from the scope of the agreement. Furthermore, the EU Member States must be allowed to retain their full right to promote public culture and media. In addition, regional authorities must remain free to decide how to organise public services. The agreement must not impose any direct or indirect pressure aimed at forcing the further liberalisation or privatisation of public

services or even prioritising private over public services. Room for manoeuvre in the future must be guaranteed. We believe that a positive catalogue is a better option and generates higher confidence than the current approach entailing negative lists. Advocating a positive catalogue would rule out the possibility of all sectors that are not explicitly listed being liberalised. The list of specific commitments to be drawn up for the tertiary sector must be discussed and drafted together with the affected parties, including trade unions.

When services provided in the EU are rendered by posted workers, it must be guaranteed that national labour law and national collectively agreed standards are not pared down. Whatever shape the TTIP takes, the destination country principle must apply within the EU regarding compliance with provisions of labour law, social provisions or collective agreements, and these provisions and agreements must apply to all posted workers from the outset if they are more favourable from the workers' point of view.

10. Our experiences in the wake of the global economic crisis show that what is required is the strict regulation of financial markets, not the totally unfettered movement of capital and further liberalisation of financial services. Consumer protection and the stability of the global economy would be enhanced if the transatlantic talks could also serve to tighten rules governing sectors of the global financial markets hitherto subject to insufficiently stringent provisions.
11. In the public procurement sector, existing social and environmental criteria for awarding contracts and their potential expansion must not be called into question. There must be a way of forcing companies that wish to win public-sector contracts to comply with the applicable criteria, e.g. by respecting collective agreements.
12. Any agreement reached should contain a clause enabling the elimination of any unforeseen negative consequences.
13. Any attempt to impose time pressure on the ongoing talks must be resisted. Europa and the USA are currently poised to launch the actual negotiations. If the agreement is to gain broad social acceptance, it must be transparent and be conducted with the democratic involvement of parliaments and the participation of social partners and representatives of civil society. Indeed, nothing short of maximum transparency will suffice. We believe that all negotiating documents should be disclosed, and we plan to make strenuous efforts to ensure that this is the case. Transatlantic talks designed to conclude in an agreement that is beneficial to citizens must not be conducted furtively, as if the outcome needed to be hidden from public scrutiny.
14. We call on the European Commission to conduct the negotiations on this basis and in full awareness of the sensitive content of the agreement. The outcome of the negotiations must be approved by the European Parliament and European Council and then ratified by the 28 EU Member States. This underscores the fact that a TTIP that does not defend the interests of European citizens must not be concluded and will not be allowed to take effect.