



# TRANSATLANTIC TRADE & INVESTMENT PARTNERSHIP - TTIP -

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# TTIP at a glance

1. What is TTIP ?
2. What is free trade ?
3. What is TTIP all about ?
4. Since when are there negotiations ?
5. Who is involved in TTIP-negotiations ?
6. Who confirms the agreement ?

# 1. What is TTIP?

- TTIP: Transatlantic Trade & Investment Partnership

- TAFTA: Transatlantic Free Trade Agreement

unregulated liberalized « free trade zone » between the USA and the EU

## 2. What is free trade?

free trade is the short description for an international free movement of goods and services that is not submitted to custom barriers or other restrictions to trade.

In the context of free trade and through its international exchange processes, prosperity and living standards shall allegedly be sustainably improved in the national economies.

# 3. What is TTIP all about?

- Since the beginning of the 1990s: repeatedly discussions between USA & EU
- TTIP will not only lower - and even remove - the custom barriers between the partners
- TTIP also serves a « harmonisation » of trade barriers.
- Are part of this:
  - tariff barriers (customs)
  - non-tariff barriers (quality standards, packing instructions, labeling regulations, origin specifications, technical or legal requirements on imported products).
- So far, due to the different standards, companies have to produce their products in different variants for the European and the US market.

# 4. When is being negotiated?

So far 7 « official rounds »:

- From 7<sup>th</sup> to 12<sup>th</sup> July 2013, the first round of negotiations of the EU-USA Trade and Investment Agreement took place in Washington DC.
- The second negotiation round, initially planned on 7<sup>th</sup> October 2013, failed due to the US-American Government shutdown and hence, finally took place from 11<sup>th</sup> to 15<sup>th</sup> November in Brussels.
- The third round met from 16<sup>th</sup> to 21<sup>st</sup> December in Washington DC.
- The fourth round of negotiations took place from 10<sup>th</sup> to 14<sup>th</sup> March in Brussels.
- It's in Arlington, USA, that the partners met for the fifth round from 19<sup>th</sup> to 23<sup>rd</sup> May 2014.
- From 13<sup>th</sup> to 18<sup>th</sup> July 2014, the sixth negotiation round took place in Brussels.
- The 7<sup>th</sup> and so far last round took place in Chevy Chase, USA, from 29<sup>th</sup> September until 3<sup>rd</sup> October.

# 5. Who is involved in negotiations?

Trade policy → has been brought into EU Community framework

For the EU

- EU Commissioner for Trade
  - Karel De Gucht (under Barroso)
  - Cecilia Malmström (under Juncker)
- Chief Negotiator Ignacio Garcia-Bercero (DG Trade)

For the USA:

- United States Trade Representative Michael From

## 6. Who confirms the Agreement?

- European Council granted negotiation mandate to European Commission.
- European Parliament needed - and gave - its agreement as well.
- After each negotiation round, the EU Commission informs the European Council and the European Parliament about the results.
- Once the final agreement text is decided, all national parliaments need to approve it as well.

## Before TTIP → CETA

- Comprehensive Economic and Trade Agreement
- Between EU & Canada
- Signed in Ottawa on 26<sup>th</sup> September 2014
- Still needs to be approved by European Council and European Parliament
- Come into effect in 2016
- → 98% of the tariffs will be eliminated between the EU and Canada

# Big Business Pulling the Strings

Negotiations are secret

Pseudo-transparency

Before first official negotiation round:

- Many preparation meetings (2012 – early 2013)
- Predominantly with corporations

from 2012 to early 2013

# number of stakeholders

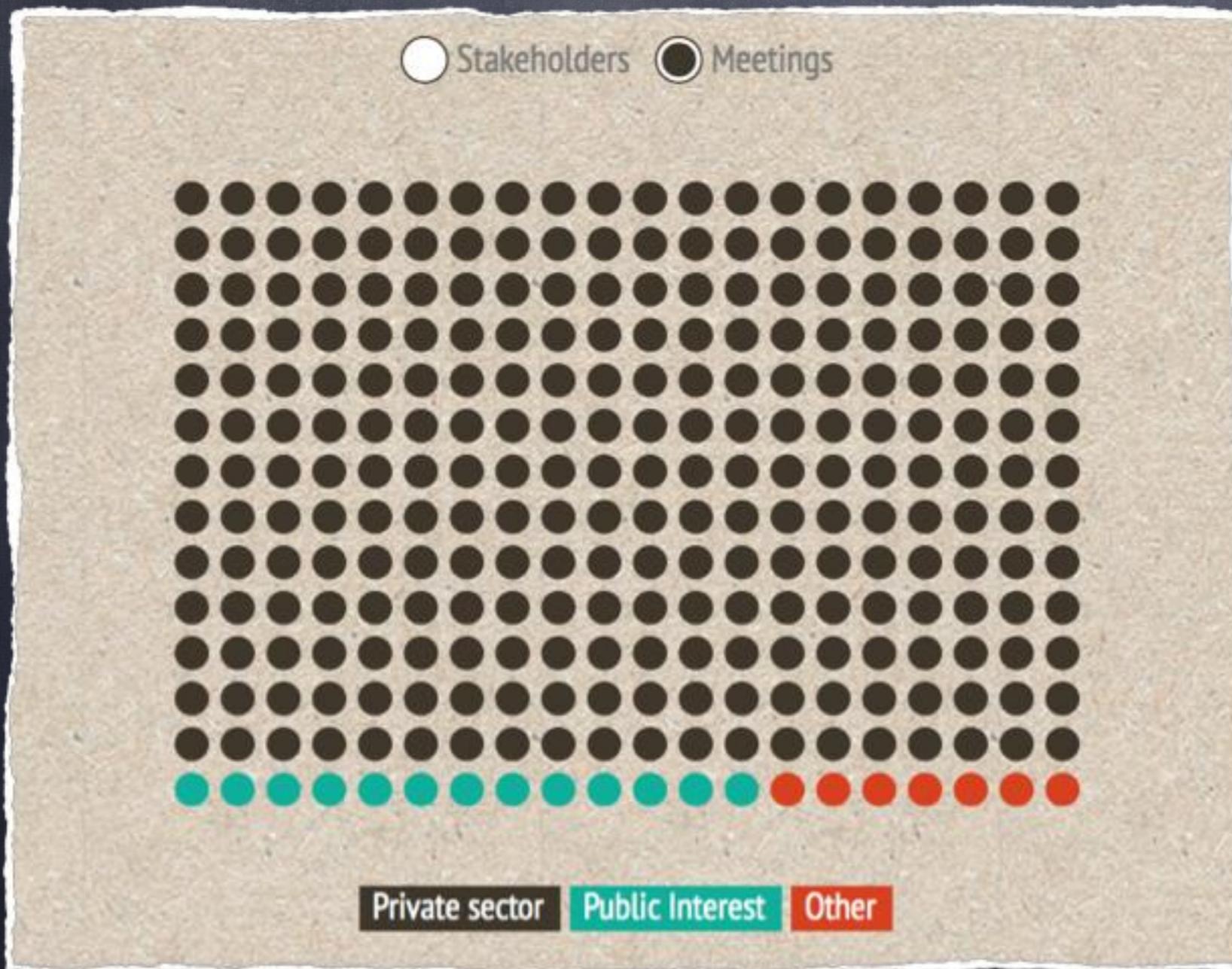


298 « stakeholders »

269 of them from the private sector (90%)

from 2012 to early 2013

# number of lobby encounters



## 560 meetings

- 520 with business lobbyists (93%)
- 26 with public interest groups (4,5%)
- 14 with other (2,5%)

# Conflict of interest...

Top EU officials swear allegiance to corporations

Private / corporate interest vs. public interest

**e.g. Transatlantic Policy Network (TPN):**

*« TPN's immediate priority is to strongly encourage the United States and the European Union to agree a Transatlantic Trade and Investment Partnership (TTIP). [...] From a small base of original supporters, the European Parliament and the US Congress, TPN has grown into a broadly-based multi-party group of EU and US politicians, corporate leaders, influential think-tanks and academics. Through constant informal dialogue and the maintenance of close personal relationships, TPN participants keep the two administrations focused on the indispensability of pursuing the goal of a strengthened Transatlantic Partnership. »*

## Last legislation period (2009-2014)

- Around 80 MEPs were members of TPN

## Current legislation period (2014-2019)

- Already almost 50 MEPs are TPN-members
- Chair of Foreign Affairs Committee (Elmar Brok)
- Vice-chair of Security and Defence Committee (Christian Ehler)
- Chair of Internal Market and Consumer Protection Committee (Vicky Ford)

# IMPACT

- Jobs & labour rights
- Environment regulation
- Consumers rights and food standards
- Social protection & rights (health, service providing)
- Data protection
- ...

# New jobs...?

European Commission: TTIP could bring 2 million extra jobs in the EU (CEPR)  
= mere sophisticated guess work

NAFTA (1992) → promise: millions (!) extra jobs

NAFTA → loss of almost 1 million jobs (US Chamber of Commerce)

TTIP: one study says net loss of up to 600,000 jobs

# Labour rights...?

- Harmonisation of rules and regulations between EU and US → serious impact on labour rights
- USA has not ratified – and always categorically refused to do so – several key labour standards and conventions of the ILO.
- → conventions of freedom of associations and trade union practices.
- Meanwhile: EC's recent attack on workers' wages → a more "open & flexible approach" to labour standards

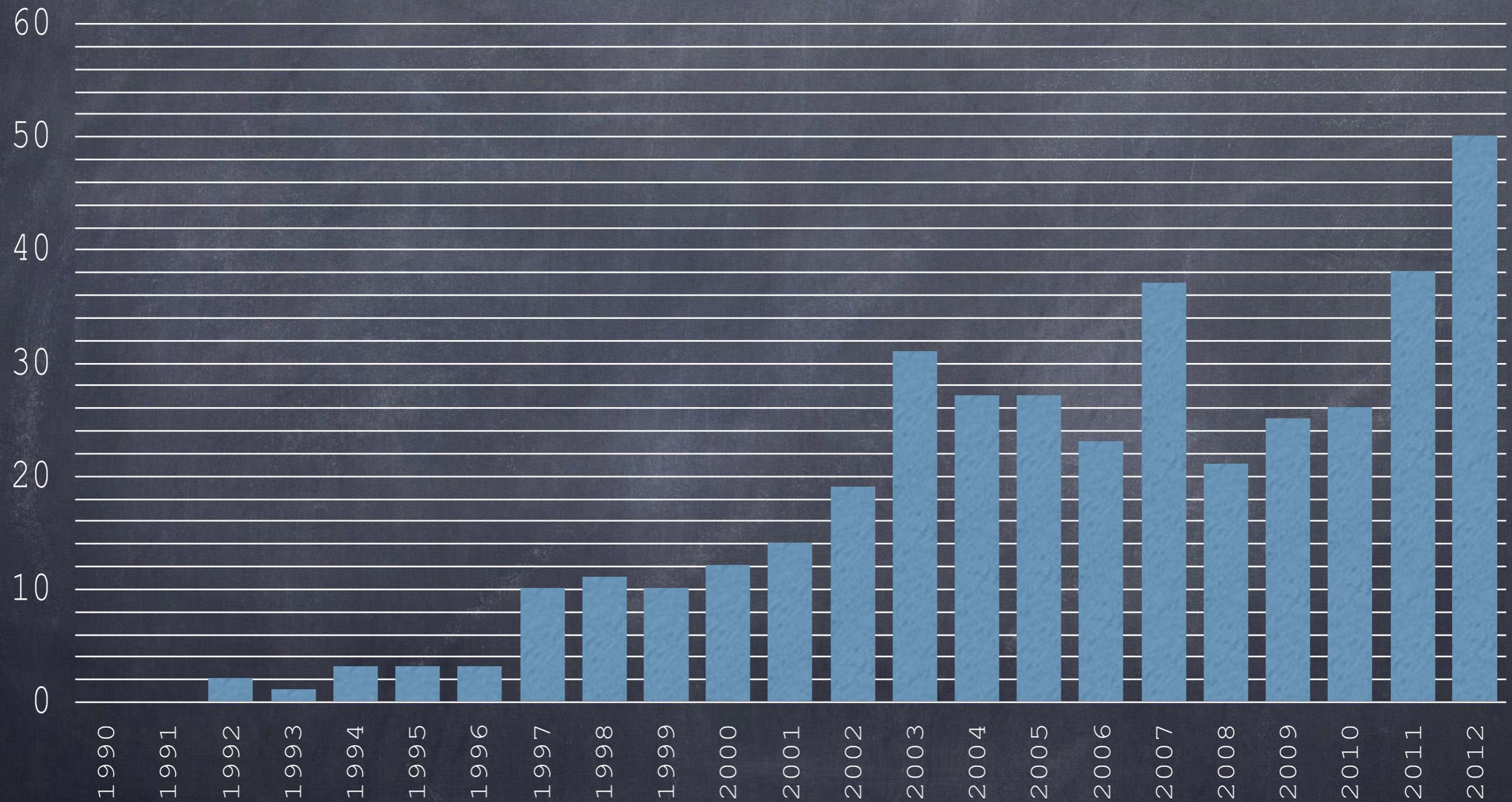
# Liberalization of Services

- In recent EU free trade agreements:
  - “Trade in Services, Investment & E-Commerce”
- 3 modes:
  - Investment
  - Cross border supply of services
  - Temporary presence of natural persons for business purposes
- Obligation of liberalization concerns all levels of public governance (EU, national, regional, local)
- Not yet known if there will be exception clauses in TTIP

# Investor-State Dispute Settlement (ISDS)

- Probably the major concern: inclusion of ISDS in TTIP
- Skirting European Courts
- Possibility for corporations to sue governments
- Not vice-versa!
- Specially installed tribunals
- Arbitrators (not judges): appointed by corporations
- = profitable market (for corporations & arbitrators)

# Investor-State Dispute Settlements: Number of Cases (1990-2012)



# Investor-State Dispute Settlement (ISDS)

Corporations sue governments in many areas

- **Public Health**

- Philip Morris vs. Uruguay & Australia (anti-smoking laws)
- Achmea vs. the Slovak Republic (health privatisation policies of former administration reversed)

- **Environmental Protection**

- Vattenfall vs. Germany (3,7 billion € in compensation for lost profits due to two nuclear power plants)

- **Government action against financial crises**

- CMS Energy, Suez & Vivendi vs. Argentina (40 lawsuits)
- Slovak & Cypriot investors vs. Greece (for debt swap that Athens negotiated with its creditors to get bailout money from the EU and the IMF)

Money making → a quick wink to LuxLeaks

# Investor-State Dispute Settlement (ISDS)

European Commission → convince public that investor super-rights do not endanger democracy and public policy.

**however:**  
**10 REASONS**

(cf. Corporate Europe Observatory)

**1. ISDS is a tool for big business to make governments pay when they regulate**

highest compensation: \$2.3 billion  
Occidental Petroleum vs. Ecuador

## **2. Corporate super-rights are an instrument to rein in democracy**

There is evidence that proposed and adopted laws on public health and environmental protection have been abandoned or watered down because of the threat of corporate claims for multi-million dollar damages.

### **3. The investor rights provide VIP treatment to companies**

The investor rights in trade and investment agreements grant foreign investors greater property protection rights than are enshrined in national constitutions.

e.g.: German law vs. international investment law

- compensation for expropriations
- expected profit  $\neq$  protected private property

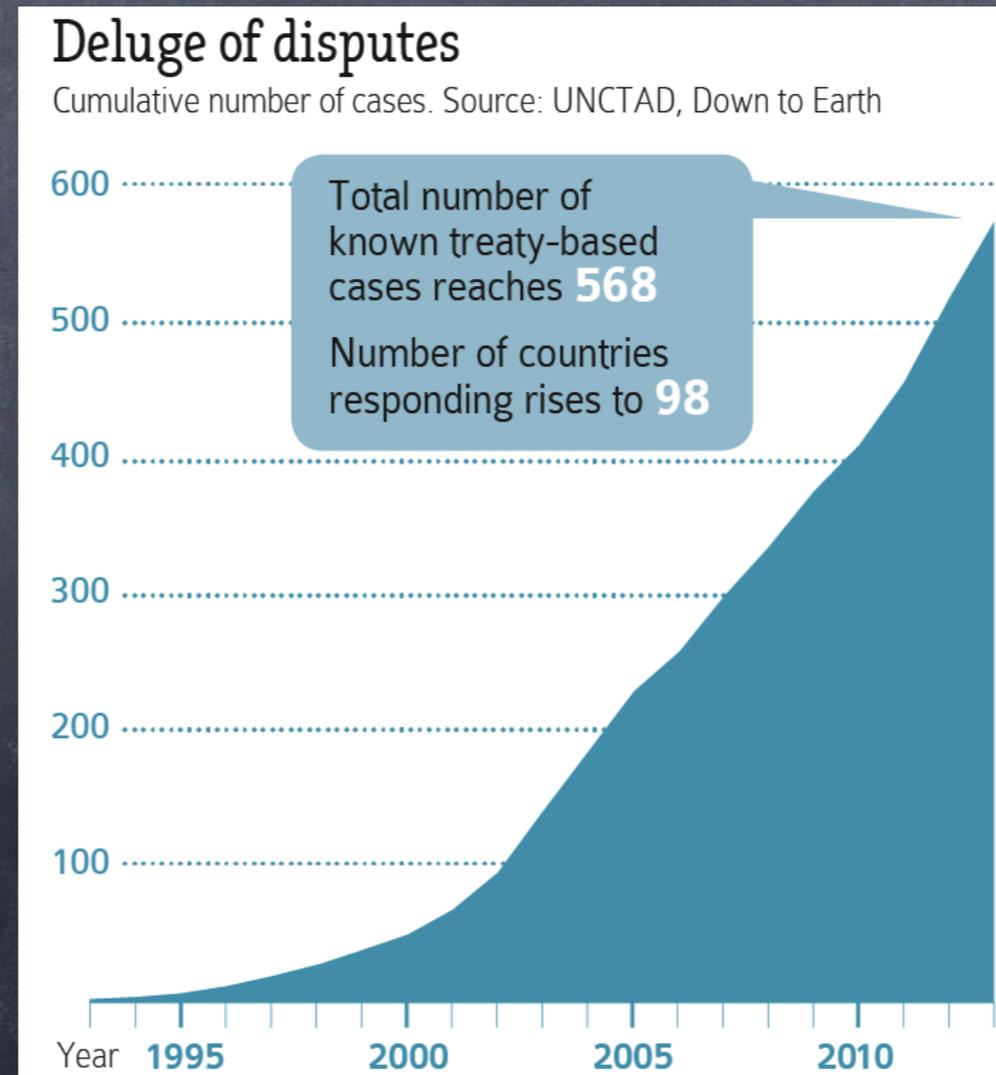
## 4. The investor-state arbitration system is fundamentally flawed

- investor-state arbitration violates the principle of “equality before the law”
- a one-sided process
- not judicially independent system (there is a built-in, pro-investor bias; tribunal by three for-profit arbitrators)

**5. The Commission's 'reform' agenda does not even touch upon these basic flaws of the system**

## 6. The risks of being sued by big business are ever growing for governments

the system in today well known in the business community



**7. The investor privileges enable backdoor corporate attacks on court decisions**

## **8. The investor rights do not bring the economic benefits claimed for them**

Commission states that “investment protection agreements create a framework that encourages investment”

There is no evidence of link between investment treaties and investment flow.

## **9. The global tide is turning against excessive corporate rights**

South Africa, Bolivia, Ecuador, Venezuela & Indonesia have started to cancel or phase out existing bilateral investment treaties.

Ecuador, Venezuela & Bolivia have withdrawn from the International Centre for the Settlement of Investment Disputes (ICSID)

Resistance also growing in Europe: Germany, Austria & France questioning ISDS in TTIP.

# 10. There are alternatives to excessive corporate rights

Brazil: never signed an investment treaty

Other countries: investment treaties without ISDS

US-Australia

Japan-Australia

# CONCLUSION

Participate in on-going actions

- Attac, TNI, CEO, trade unions...
- → Multilateral Agreement of Investment

! The EC refused a citizens petition against TTIP  
(European Citizens Initiative)

ECI was created by EU Treaties

“The proposed citizens' initiative falls manifestly outside the framework of the Commission's powers to submit a proposal for a legal act of the Union for the purpose of implementing the Treaties.”

Get informed: <https://stop-ttip.org>

Self-organised European Citizens Initiative

Build & strengthen alliances