

# SCRAP TTIP NOW!

**Over recent years, an expanding web of regional and bilateral agreements, have been built on World Trade Organisation (WTO) rules to construct investment regimes which enforce the right of corporations to pursue maximum profit while removing and undermining restrictions which seek to regulate corporate activities in the interest of public health, worker and consumer health and safety, public services and the environment.**

These agreements confer on transnational capital powers to directly challenge the democratic right of governments to regulate and to legislate in the public interest. The latest proposed treaty to embody these investor ambitions is the EU-US trade deal known as the Transatlantic Trade and Investment Partnership (TTIP).

The primary aim of TTIP is not to stimulate trade through removing tariffs between the EU and the USA, as these are already at minimal levels. The main goal of TTIP is, by the admission of the parties, to remove regulatory 'barriers' which restrict the potential profits to be made by transnational corporations on both sides of the Atlantic.

Yet these 'barriers' are in reality some of our most prized and hard-won social standards and environmental regulations, such as labour rights, food safety rules, regulations on the use of toxic chemicals, digital privacy laws and even new banking safeguards introduced by the EU to prevent a repeat of the 2008 financial crisis.

In addition to this deregulation agenda, TTIP also seeks to create new markets by opening up public services and government procurement contracts to competition from transnational corporations, threatening to introduce a further wave of privatisations in key sectors, such as health and education. Most worrying of all, TTIP seeks to grant foreign investors a new right to sue sovereign governments in front of ad hoc arbitration tribunals for loss of profits resulting from public policy decisions. A notorious example is that of the French services provider suing the Egyptian government for increasing minimum wages, thereby reducing its expected profit margins.

This 'investor-State dispute settlement' (ISDS) mechanism effectively elevates transnational capital to a status equivalent to the nation-state itself, and threatens to undermine the most basic principles of democracy in EU member states. But even if the ISDS provision is removed, TTIP poses a grave threat to the welfare of citizens in the EU and US at many levels. That is why the largest union in the world,

IG – Metall is opposing it, as is AFL-CIO in America.

TTIP is therefore correctly understood, not as a negotiation between two competing trading partners, but as an attempt by transnational corporations to open up and deregulate markets on both sides of the Atlantic in order to further accelerate the transfer of wealth to the richest 1%.

The treaty is being negotiated under conditions of the strictest secrecy. Corporations draft and share the negotiating texts, but MEPs and national legislators are denied access in the name of national security. On the basis of leaks, we know that TTIP would build on existing trade and investment rules by incorporating the most toxic elements of the existing thousands of treaties and granting expanded powers to transnational capital to challenge public interest policies and practices, eliminating or putting at risk rights for which workers and unions have struggled over many decades.

A recent International Labour Organisation (ILO) study, which unfortunately does not cover Ireland, shows that TTIP would lead to a *reduction of the labour share* (the share of total income accruing to workers), reinforcing a trend that has been a defining characteristic of both the EU and US economies over the last four decades. The flipside of its projected decrease is an increase in the share of profits, indicating that proportionally there would be a *transfer of income from labour to capital*. The largest transfers will take place in UK (7% of GDP transferred from labour to profit income), France (8%), Germany and Northern Europe (4%).

TTIP would also lead to a *loss of labour income*. France would be the worst hit with a loss of 5,500 Euros per worker, followed by Northern European Countries (-4,800 Euros per worker), United Kingdom (-4,200 Euros per worker) and Germany (-3,400 Euros per worker). This would be coupled with serious *job losses*. The ILO calculates that approximately 600,000 jobs would be lost in the EU. Northern European countries would be the most affected (-223,000 jobs), followed

by Germany (-134,000 jobs), France (-130,000 jobs) and Southern European countries (-90,000).

The Centre for Economic Policy Research (CEPR) report for the EU Commission was unable to predict any net impact on employment levels from TTIP, but did recognise that at least 1.3 million EU workers would lose their jobs as a result of the labour displacement arising from TTIP under the Commission. CEPR calculates that TTIP will cause at least 1 million people to lose their jobs in the EU and USA combined.

## Stop the TTIP!



Based on these findings, the Commission's own internal impact assessment acknowledged that there would be "prolonged and substantial" adjustment costs as a result of the displacement of labour caused by TTIP. At a time when unemployment rates in Europe already stand at record levels, the Commission further recognised that there are "legitimate concerns" that those workers who lose their jobs as a result of TTIP will not be able to find other employment.

With these concerns in mind, the TEEU passed a resolution at its Biennial Conference in November, calling for the scrapping of TTIP.

We need trade, and trade needs rules, but we don't need these rules. Proposals to tinker with the detailed language of these treaties ignore their fundamental purpose - that of advancing investor rights over social needs. So please raise the issue in any organisation that you are part of whether it's a political party, a residents' association or a civil society group. Tell your friends about it. There will be some aspect of the treaty that would affect them directly or some issue in which they are interested. Inform yourself further on the issue - there's lots of material on the web. Time is short but we can stop the TTIP - the stakes could not be higher.

**Frank Keoghan, General President TEEU**