

# Seven issues to raise in the backbench



## TTIP debate on 15 January 2015

**The Transatlantic Trade & Investment Partnership (TTIP) is being negotiated between the US and EU. These negotiations are not open to public scrutiny, but through**

**statements and leaks we have some idea of what is on the table. It gives us grave cause for concern, in particular, TTIP is a threat to:**

### 1. Food standards

US and EU food standards are quite different, with the US enforcing much lower standards in both animal rearing and meat production. The use of steroids, hormones, chemicals and biological processes in US food are widespread, while labelling standards are lower, meaning customers are less aware of what they're eating. A National Farmers Union briefing has warned "US farmers have significant cost of production advantages over EU farmers due to lower regulatory burdens." US agribusiness has lobbied hard for TTIP to be a vehicle to lower food standards. US Agriculture Secretary Tom Vilsack spoke out earlier in the year, saying the EU needs to "rethink its current bans on chlorine-washed chicken and beef from cattle raised with growth hormones."

Through a leak of the proposed Sanitary and Phytosanitary chapter, we know there is a push to recognise certain US and EU standards as 'equal' in practice (mutually recognised). This would mean, for instance, that checks on food exports would only take place once, with importing countries losing power to block suspected unsafe food from entering their market. Because food standards are not the same, competition would push down EU standards. What's more there would be a duty to protect food in the 'least trade restrictive manner', not in the manner which best upholds safety. The British Poultry Council has raised fears about TTIP, saying that 82.5% of the industry is concerned: "We are concerned the negotiating process will create pressure to get an agreement in place which could mean making relaxed decisions on food safety."

### 2. Tackling climate change

The European Commission is pushing for an Energy Chapter in TTIP which would grant an automatic right for Europe to import US crude oil and gas.

From an environmental perspective this spells disaster. Traditionally, the US has been extremely careful about its energy exports. Opening energy to automatic export would lock in a fossil fuel dependency into the long-term future. With higher carbon energy, including the possible routing of very dirty Canadian tar sands into Europe, fossil fuel production would increase. Fuels with untested long-term impacts like fracked gas would increase, regardless of where EU policy goes on this issue. The investment outlays necessary to make this production possible would ensure such energy dependence was long-term.

### 3. Small business and public procurement

Through procurement, local authorities are able to support local business and agriculture – for instance allowing schools to support locally produced, healthy food. A key priority of the EU is to force open US procurement at state level, threatening these forms of support here and across Europe too. Local businesses would be forced to compete with US transnationals primarily on price, with social and environmental exemptions more constrained. In the EU-Canada treaty (CETA), already finalised though not ratified, we know that although schools have been exempted, other procurement (e.g. hospitals, universities) has not been. We expect even harder negotiation over TTIP.

Procurement aside, TTIP is about investment rules accessible to big business – small business would be forced to compete with economies of scale. It is difficult to imagine small British farmers competing with the high intensity agriculture practices across much of the US. Investor privileges (ISDS – see reason 4) would be out of reach of most small businesses.

## 4. Our ability to pass policy in the public interest

Two mechanisms pose a significant threat to sovereignty. First the Investor State Dispute Mechanism (ISDS) would allow US business to sue the British government in secret tribunals for 'indirect expropriation' of assets. In effect, this means any public policy detrimental to the future profits. Hence, under these mechanisms in other agreements, countries are being sued for putting health warnings on cigarette packets, regulating medicine and energy prices, raising minimum wages, and removing tax incentives. In other words, this mechanism is not about enforcing contract, but giving business huge new powers to intimidate policy makers.

Second, the Regulatory Co-operation Council is a proposal to create a permanent structure to harmonise standards long-term. We understand that this would give 'stakeholders' (big business) early opportunities for intervention in the regulatory processes – seeing proposed legislation before it comes to EU or national parliaments – and would allow a long-term process of standard setting to be conducted outside of democratic spaces. The Regulatory Council does not prevent the EU passing laws that protect citizens. But it ensures that laws are created in the 'least trade restrictive manner' possible, effectively formalising an already lopsided lobbying process.

## 5. Affordable medicines

Pharmaceutical companies have been among the biggest lobbyists for TTIP. They are interested in extending patent rights and eroding exemptions to these rights – for instance those procedures used by some European states post-financial crash to sustain their health systems by buying more generic medicines. The pharmaceutical wish-list has been published and critiqued. It risks bringing about an even less competitive and responsive pharmaceutical sector internationally, substantially increasing costs of medicinal use for the NHS. It also risks impacting on emerging economies, because TTIP has been talked of as the 'gold standard' in investment agreements, to be rolled out internationally.



## Find out more

If you would like more information or to work with Global Justice Now on these issues please contact our campaigns officer, Guy Taylor on [guy.taylor@globaljustice.org.uk](mailto:guy.taylor@globaljustice.org.uk)

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## 6. Jobs and growth

Far from promoting growth and jobs in Britain, new figures by Tufts University (Massachusetts, US) suggest that TTIP would mean: lower growth rates, more financial instability and further need to use austerity policies. It also predicts lower wages for workers, but an increase in that section of the economy accounted for by profit, interest and rent.

Even the government's preferred research, by the Centre for Economic Policy Research (CEPR), predicts fairly low growth, only realisable under a very ambitious liberalisation of tariffs and regulations/standards. What's more, it predicts a loss of jobs in some areas as well as gains in others. There is a fear – from the European Commission itself – that many of the up to 1 million workers who lose their jobs and not find another job, and is this sense TTIP could well entrench inequality across the EU. There are currently no programs being worked on to help mitigate the impact and retrain people. This would add enormously to the social cost of TTIP for the EU.

## 7. Public Services

TTIP is concerned with creating and opening new markets, including through the liberalisation of public services. The possible implications of TTIP for locking in liberalisation and marketization within the NHS is just one example of the impact a future TTIP deal could have on UK public services. Proposed new powers to protect companies, known as Investor State Dispute Settlement (ISDS) would add significant and possibly prohibitive costs to government of bringing public services back in house in the future.

The definition of public services is also unclear because it does not match common understanding of UK public services. Further education, social services, police services and the probation service are unlikely to be considered as public services under TTIP. The UK government can exclude public services, and any sector, from TTIP in the same way that France has already excluded audio visual services.