

What is the TTIP?

From Democracy to the Government of Transnational Companies

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The Transatlantic Trade and Investment Partnership (TTIP) is a free trade treaty which is being negotiated between the United States of America and the European Union since 2013. If you haven't heard about it yet, it is because the chief negotiators of the two regions have kept it a secret during the different stages of talks. We only found out a little about its existence and the difficulties that the MEPs were having in accessing information on its content through a series of leaks. The privacy surrounding the drafting of the Treaty is very well maintained, and the European Commissioner for Trade, Cecilia Malmström, has defended the secrecy which has been kept around the signing of the document as normal protocol. Nevertheless, lobby groups acting on behalf of multinational companies are directly involved in consultations on the formulation of the document.

The TTIP is being negotiated behind the public's back which has left many people wondering about the risks which its signing into law will bring. Social pressure has meant that European authorities have begun to talk and give their opinion on it, but information is still not forthcoming from Brussels. This is why we need to look at what happened in other regions that signed free trade agreements in order to understand the magnitude of what the TTIP means. The best example is to look at what happened with the North American Free Trade Agreement more than twenty years after it was signed.

What can we learn from the North American Free Trade Agreement?

After the fall of the Berlin Wall, the free market was seen as the undisputed champion of the fight of the century. We all

saw the way it was quickly welcomed by ex-Soviet countries. It was also imposed on the majority of developing countries as a condition for renegotiating their debt, much of which was illegitimate. However, little is mentioned of the fact that in the United States, the opening up of trade awakened suspicions right across America. The first vocal critics were the Unions, who feared that jobs would be lost to countries offering lower salaries so that the multinationals could increase their profit margins.

This is why the announcement of the signing of the first great Treaty of Free Trade, which was signed in North America between the United States, Canada and Mexico (TLCAN), put American Unions on alert and mobilised them. Since the peak of the Golden Age of manufacturing and wages in America (1947-1973), employees have been able to see the consequences of work flexibility. The eighties brought with them a situation which saw the industrial wage decline due to advances in technological manufacturing. This was the paradox that placed the myth of the skilled worker in doubt.

The case in example of the city of Detroit is paradigmatic. This was the largest industrial city dedicated to the automobile industry in the USA, and home to the three big names: General Motors, Ford and Chrysler. Although its problems started with the oil crisis of 1973, Detroit experienced a prolonged industrial deterioration which began with a sustained decline in wages. The automobile industry did not stop growing, but the more an employee worked and was able to do, the less he earned. With the arrival of TLCAN many of these jobs moved to the Northern border of Mexico. This situation could have been positive had it benefited the Mexican workers and improved their quality of life. However,

the reality was that few benefited from this, and the majority of Mexican workers only added to a reserve army of cheap labour, and served as a threat to anyone thinking of joining a Union. In a short amount of time, the jobs that had arrived in Mexico moved to southeast Asia.

In the State of Michigan alone, where Detroit is located, 46,000 jobs disappeared as a result of the North American Free Trade Treaty according to the Economic Policy Institute (EPI), an American research centre linked to the Union sector. The weakening of the Unions' power was the first step towards being able to relocate the automobile industry. The AFL-CIO union, which is responsible for workers in the industrial sector in the USA, is certain that TLCAN resulted in the loss of at least 700,000 jobs. Detroit is the biggest city in the world to be bankrupt and now offers a decadent image of rust and dereliction.

Another desolate image is that of what is left of the small family farms surrounded by large agro-industrial fields. Enormous monoculture fields of maize and soya funded by the government now characterise what were once diverse smallholdings on family ranches. Large areas are now fenced off, and on them are signs with the names Monsanto or Archer Daniels, mass producers of transgenic seeds. These companies control the production and export of genetically modified products which, through being subsidised by the State, arrive in the homes of Mexico at a low price. These families in Mexico are no longer maize producers, even though it is native to their region, but instead have become importers. Unfair competition and one-sidedness have characterised any dealings with the corporate lobby groups of agri-business.

Although not everything can be attributed to TLCAN, it has, to a certain extent, been an experiment that inaugurated an era where it is no longer enough to have a skilled trade in order to achieve an acceptable quality of life. In fact, for the first time in the United States, there will be a generation who will not have a better quality of life than their parents.

There was a heroic resistance to TLCAN on the part of both rural and urban workers in the three countries involved. In fact, it was the cause of an indigenous uprising in southern Mexico when on the morning of January 1st 1994 the Zapatista Army of National Liberation made their armed uprising coincide with the introduction of TLCAN, warning that the agreement would result in the decimation of the countryside. Twenty years later, more than 2 million Mexican farmers have lost their land and their work. The struggle of the Labour Unions in the U.S.A. was strong in some sectors, but the strikes did little to restore rights that had been lost. Little can be known with certainty about its effects, but twenty years on, there remains little doubt as to what this meant for the majority of workers and impoverished farmers.

What dangers exist for Europeans with the TTIP?

With more than twenty years distance from TLCAN, a new treaty has now burst onto the scene within the context of the global capitalism crisis, that is, the Transatlantic Treaty or the TTIP. Again it offers the false promises of work and an improvement in the quality of life. The voices in favour say that business between the two regions will increase. European businesses will be able to be treated like local businesses in the United States and vice versa. They point out that

tariffs will disappear and that goods and services will be marketed without any hindrance. A regulatory body will be set up so as to harmonise the legislation on both sides of the Atlantic. This is the first point on which critics have raised their voices. Given the previous experience with TLCAN, regulatory harmonisation could become more like a move towards less market regulation in order to allow North American products to encounter less resistance on the European market. Such is the case with the transgenic products that are now freely marketed in the United States. Or the lower phytosanitary protection in place in comparison with the rest of Europe. Public services like health or water management will also be in the sights of the deregulators.

Furthermore, one of the more worrying issues is related to court disputes, such as the so-called ISDS, which offers a form of arbitration of disputes between countries and investors. It is a mechanism included within the TTIP, which will allow a company to bring a State before a private international tribunal with the aim of sidestepping the national laws. There are several examples of how these rulings have benefited companies at the expense of the public purse of the countries involved. The Swedish energy firm Vattenfall is demanding 3,700 million euro in compensation from Germany over its decision to gradually close down its nuclear power plants following the Fukushima disaster. The tobaccoist Philip Morris has demanded compensation from Uruguay over an anti-smoking campaign which has eliminated advertising from cigarette boxes. Egypt is awaiting the result of an arbitration over a dispute following a complaint from the company Veolia over the country's decision to increase the minimum wage. This is how the ISDS gives big companies the

power to question democratic decisions of governments, even when those decisions are made to improve the health of the general population.

The European Commission has even admitted that the TTIP will damage jobs in Europe, which is very dependent on intra-European business. One study by the Tufts University in the United States warns of the loss of 600,000 jobs in the European Union of which 90,000 will be from southern countries. Brussels is already looking at forms of assistance for those who will be made unemployed by the TTIP, something which is more than a little contradictory.

The TTIP will allow private companies to become providers of public services in the current context of cutbacks and austerity in the European Union. Major American companies will be interested in health services, education and energy. When the TTIP is signed, it will make any privatisations which have been made in recent years irreversible.

Food is also under negotiation. The debate is focussed on the restrictions surrounding genetically modified organisms, pesticides, and meat treated with hormones and growth promoters. European legislation is not perfect, but it is stricter than the existing regulations in the United States, where 70% of processed foods contain genetically modified ingredients. The pressure from lobby groups in the industrial agri-food sector could see current labelling policies on food modified so that they do not have to indicate the origin of foods or whether

they include genetically modified ingredients.

Have we got time to stop TTIP?

There are moments in time when we think that events could have taken a different turn in order to avoid going past the point of no return. If the TTIP is signed, the world will be heading towards the complete handing over of democracies to the economic power wielded by transnational companies, the real winners. The Unions' struggles against TLCAN were not successful, but they did manage to stop other treaties coming into force through mobilising the people. The TTIP is both opaque and anti-democratic, it represents a threat to jobs and a step backwards for the environment. Although little light has been shed on its contents, the negotiators and lobby groups of businesses have given explanations which point more and more towards the kidnapping of democracy. We know very little about how the negotiations will continue and what their content will be. We do not even know the proposed date of the signing of the Treaty. However, if it is signed, the governments of the countries in the European Union still need to ratify the TTIP. We have the time to change the future of the people of Europe and stop this Treaty being signed. This would mean putting people and the planet before profit.

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