



## Our Rights are not for trade – Smash TTIP and CETA!

*Adopted by FYEG General Assembly at its meeting in July 2014 in Strasbourg.*

The "Transatlantic Trade and Investment Partnership" (TTIP) has provoked criticism in many European countries. In case of its adoption, it will be a far-reaching agreement that might affect the lives not just of every citizen of the EU and the US, but also in other countries not part of the agreement. The pitfalls of the agreement are manifold. TTIP constitutes a danger to democracy, social and environmental justice, consumers rights, workers rights and especially to human rights. That's why we, as Federation of Young European Greens (FYEG) want to pressure (focus) the international debate on TTIP. A similar agreement between Canada and Europe, the so called Comprehensive Economic and Trade Agreement (CETA), is currently at the final stage of the negotiations and is equally problematic. We want to clarify our position to these agreements in this resolution.

### **Who decides?**

As TTIP and CETA will affect more than 800 million people, it's absurd that both European and American civil society and even democratically elected representatives are shut off from the negotiations. Only the European Commission and some high-ranked American representatives have access to all documents. It's only due to some European Commission (not European Parliament) members who saw the danger of these agreements that some documents were leaked to the civil society. It is unacceptable that those institutions try to determine our lives while neither letting us know about the state of negotiations nor letting us participate in it. At the same time corporations have had a direct and considerable influence on the contents of those treaties, as it can be seen when reading the drafts.

### **How exclusive agreements affect Global Justice**

A clear aim of those trade agreements is to set new standards for trade not just between the EU and North America, but globally. The creation of such a trade zone will enhance their economic influence in a significant way and ensures their hegemonic position in world politics. The rest of the world will have to adapt to the trade rules of that economic superpower in order to persevere on the global market.

This will especially be problematic for the Global South. Currently some of these states still possess special economical instruments granted in multilateral agreements, such as protective tariffs that enable them to prevent their weak economies from being flooded with cheap European and American goods. These exceptions which the poorest countries negotiated during past WTO rounds will not be respected in TTIP or CETA. Some other countries already have these problems, as especially the European Union grants high subsidies to the agricultural sector, which result in an excess production of agricultural goods. The overflows are exported to countries of the Global South, where many farmers lose their existence, as they cannot compete with those subsidized prices. As agriculture is one of the main economic sectors in many of these countries, this is a major obstacle to global justice. The trade agreements would even aggravate this problem by allowing EU and US to dictate their conditions for trading to the rest of the world.

Another vast setback for the Global South caused by TTIP and CETA is that it would increase the trade flows between USA and EU, because the current tariffs that go up to 30% will be eliminated. Therefore, parts of the products that the EU or the USA now import from the Global South would preferentially and less expensively be imported from the TTIP partner. Existing bilateral trade agreements between the US or the EU and a country in the Global South would lose importance. This so called "preference loss" would decrease export income of countries in the South.



According to a study of the German IFO Institute, TTIP would also decrease the trade between northern and southern Europe by 30%. We can't allow southern European countries that already suffer severely from the crisis to lose even more income. The EU has to stand in solidarity with southern Europeans and help them rebuild their economies instead of weakening the single European market by this agreement.

As the European financial lobby has also influenced the negotiations very much to lower financial regulations in North America, these trade agreements will also undermine the regulations in this sectors worldwide and will undermine all efforts to eliminate tax havens. The Global South is already suffering much from the problem of tax evasion, as most of potential economic gains through taxes are swallowed up there. CETA and TTIP agreements would contribute to this enormous problem.

### **Abolishing our democracy – The Investor State Disputes Settlement and Regulatory Cooperation**

Both TTIP and CETA intend to introduce a so-called "Investor State Disputes Settlement" (ISDS). This instrument will allow companies to sue states if they feel discriminated by their laws and regulations. ISDS systems already exist in other trade agreements. They were introduced to protect companies from plain expropriation, but in practice they are abused by the corporations to force states to adopt company-friendly policies. Big law firms already specialize in supporting companies in lawsuits against governments on what is called "Indirect Expropriation". This actually means that companies can sue states if they lose future profits or just fear of losing them by a new law that has been introduced, and that, for example, improves environmental, social, labour, health or consumers standards. The dispute settlement body can then force states to pay compensations to the companies. The fear of these costs often forces Governments to take back progressive laws that improve social and environmental standards.

There are examples worldwide where this already happens, like for example the American Company "Lone Pine" suing Canada for a Fracking moratorium or the tobacco company Phillip Morris using such an arbitral court to demand high compensations from the Australian government for stricter smoking laws.

With TTIP and CETA, this mean of undermining democracy will finally be introduced all over Europe and North America.

Another antidemocratic pillar of the treaty will be the so-called regulatory cooperation. This euphemism means that lobbyism will be institutionalized in the new trade zones. Companies will get the right to be involved in the consultation processes for new laws, even before the parliament discusses them. This will in practice give companies the opportunity to propose their own laws and to participate in the law-making process and help them to pursue their own interests.

### **Environment and civil society – Our rights shall not be put under economic interests!**

The main aim of TTIP and CETA, according to its supporters, is the increase of economic growth in the EU and North America. While there are reasons to challenge this claim, the Federation of Young European Greens views itself as an organization that criticizes the idea of unlimited economic growth, as this clashes with planetary boundaries. Unlimited growth leads to the unsustainable exploitation of resources and increased the wealth gap between poor and rich. Unlimited growth is only profiting to a few as it is only possible through the appropriation by private interests of the commons such as the global climate, the biodiversity world heritage, oceans resources, knowledge. In addition, trade agreements systematically threaten the commons by preventing nations and communities to safeguard their interests from multinational corporations.

TTIP will allow fracking in Europe, that has severe impacts on the environment, as it can already be seen in parts of the USA where fracking is legal. Fracking causes chemicals to poison enormous amounts of groundwater and might endanger the water supplies for future generations.

TTIP will undermine bans on Genetically Modified Organisms in European countries and contribute to further develop the illegitimate practice of patenting genes naturally present in nature.



Generally, the intention of TTIP and CETA is to create common standards between Europe and North America. As standards are not the same level on both sides of the Atlantic, it is feared that this will lead to reduction of different standards on both sides.

While European lobbyists want to lower the relatively high standards in North America regarding pharmaceutical products and financial speculations, American companies also want some standards in Europe be lowered to open new markets for themselves.

Examples include the precautionary principle that the USA wants to see abolished. This would mean that, unlike now (products are not allowed to be sold as long they are proven harmless by the company selling them), products would be allowed to be sold to the consumers as long as they are not proven to be harmful. This would heavily impair European consumers' rights, but also the possibility to initiate a transformation of the economy towards strong sustainability. In addition to this, the USA is not following the UN International Labour Standards, which is the case in Europe. It would be absolutely unacceptable if the trade union freedom are harmed through TTIP.

### **CETA – Second TTIP entering through the backdoor?**

While people are quite occupied with fighting TTIP, the European Commission is trying to push through CETA, that is barely known in civil society. It will have quite similar content to TTIP.

In Canada, the environment has already been severely damaged by industrial activities such as shale gas and tar sands exploitation. Another agreement with the EU might even aggravate the situation in Canada (and also in the EU, since fracking also could be legalized in Europe).

Moreover, like the other agreement, CETA also intends to introduce an ISDS. Canada's environmental standards were already heavily lowered by such dispute settlements.

This part of CETA could harm the democratic processes on both sides of the Atlantic Ocean. In addition to this, the ISDS introduced through CETA might also allow companies from other countries like the USA who have branches in Canada to sue EU states.

For the Federation of Young European Greens it's not acceptable that democracy, environmental and labour standards are endangered in exchange for the guarantee of profit for investors. Another point that might be heavily affected by the CETA is patents and digital rights. As a matter of fact, a chapter of what was leaked from CETA contains just the same as ACTA, which was stopped by heavy protests of many citizens. The criticised loss of network neutrality, the surveillance, censorship, net lock outs and privatisation of knowledge might thus be introduced through the backdoor. Regarding medical patents, the strong pharmacist lobby in the EU pushed through a passage that might impose stricter patent rules on Canada and weaken the Canadian health care system through pushing for higher prices and the limitation of generic medical products.

At least as bad is CETA's aim of pushing for privatisation of services and public care. It will introduce an exclusion catalogue for services that shouldn't be privatised, which means that all other goods and services, like possibly water, traffic infrastructure, health care and education might be put under great pressure to be sold to private owners. We strictly oppose to this, since basic life necessities should always be available to everyone for acceptable prices and not be turned into profit.

### **TiSA – Intransparency 3.0**

TiSA – the „Trade in Services Agreement“ is at least as problematic and as intransparent as CETA or TTIP. TiSA is being negotiated secretly between the EU and 21 other countries (amongst them USA, Turkey, Canada, Mexico, Australia, and Japan). It aims at the liberalization of worldwide trade with services, replacing the multilateral GATS (= General Agreement on Trade in Services) treaty with a plurilateral one.

TiSA's treaty rules would provide foreign providers access to domestic markets, depriving governments of their ability to regulate and provide services. Thus, basic public services such as water and energy distribution, waste management, education, health and social services, etc. would



serve profit interests of private corporations instead of public interest. The so-called „Ratchet Clause“ would ensure that a service that has been liberalized can never be regulated and returned to the public sector again.

Moreover, recently leaked documents from the negotiations show that the TiSA partners plan to further liberalize the financial markets, ignoring the lessons learnt from the financial crisis.

We also criticize the secrecy of this agreement which, according to its rules, will not be published until 5 years after its entry into force.

### **How we imagine trade – We demand an Alternative Trade Mandate**

Today's economic system is mainly based on the logic of growth and liberalization as its key to wealth. However, the past decades have proven that the liberal economy has failed to keep its promises.

Therefore, it is necessary to develop an alternative economic paradigm that is more concerned with human well-being than with the interests of corporations.

The goals of a new trade mandate should be to ensure especially cultural, economic and social rights, as well as solidarity rights all over the world. Environmental concerns need to be incorporated in all economic decision-making processes. Moreover, structural imbalances in power between the global North and the global South need to be challenged, as well as within the societies.

In order to achieve these goals it is crucial to recognize that human rights obligations do not only bind states, but also international organizations and private actors such as multinational corporations (MNCs). It would make sense to establish a criminal liability for MNCs on the international and European level. Moreover, it is necessary to adopt binding environmental and social regulations for the full global production chain and to ensure transparency.

The Bretton Woods institutions should no longer impose their neoliberal trade policies on the Global South without taking into consideration the local social and economic consequences. Therefore, it is necessary to democratize the international organizations. Moreover, economic policies should rather be made on the regional level and based on the demands of the local and regional population.

In order to establish this Alternative Trade Mandate, full transparency is required. Decision-making should be conferred to parliaments on the regional, national and European level. The EU and the international organizations need to respect the outcomes of democratic decision-making in the Global South, even when it contravenes their interests.

Additionally, mechanisms of direct democracy should be established in order to ensure that the people's voices are being heard. The whole global value chain needs to be subjected to effective democratic controls.

### **Stop TTIP, CETA and TiSA! For democratic, social and ecological trade**

This is why we, the Federation of Young European Greens demands:

- the stop of the negotiations on TTIP, CETA and TiSA
- the European Parliament to vote against TTIP, CETA and TiSA when the negotiations are finished. Every member of the European Green Party/European Free Alliance (EGP/EFA) in the European Parliament should speak out against TTIP, CETA and TiSA, try to convince members of other fractions of voting against them. We ask member organisations of the EGP/EFA to campaign against TTIP, CETA and TiSA in their countries and to support protests and initiatives against it.
- the publication of all documents regarding current negotiations on bi- and multilateral treaties
- the introduction of high measures of transparency and democracy for bi- and multilateral treaties and agreements. Specifically, we demand:
  - Press access to negotiations in an adequate measure
  - Public livestreams of negotiations
  - Public access to documents of ongoing negotiations



- Consider the introduction of mechanisms of direct democracy in order to ensure a better participation of people on such important topics
- A bigger influence of the European Parliament in the negotiation of international treaties. The EP should have the final say in the adoption of multi- and bilateral treaties. Therefore, it would be necessary to amend the relevant provisions in the Treaty of Lisbon.
- Future Negotiations of bi- and multilateral treaties that also affect non-participating countries shall only be made in an international framework where every country can participate in the negotiations to assure that all interests, especially those of the Global South, are taken care of. The non-aligned states should have the right to decide if they wish to participate and a procedural framework for negotiations should be developed. This could happen under the auspices of a reformed World Trade Organization (WTO), for instance under the supervision of a Commission for Global and Environmental Justice that can adopt binding resolutions.
- Also the European Green Party is an important player in their fight against TTIP. They are until now very unclear in their position against TTIP. In order to be a good role model for other Green Parties in Europe, we will attempt to change their policy of the EGP to speak clearly in favor of a stop of the TTIP, CETA and TiSA negotiations.

### **Glossary**

**TTIP:** Transatlantic Trade Investment Partnership (a treaty currently being negotiated between the USA and the European Union)

**CETA:** Comprehensive Economic and Trade Agreement (a free trade agreement currently being negotiated between Canada and the European Union)

**WTO:** World Trade Organisation (intends to supervise and liberalize international trade)

**TiSA:** Trade in Services Agreement (a treaty currently being negotiated between the EU, the USA and 21 other countries)

**ISDS:** Investor State Dispute Settlement (instrument of public international law that grants a foreign investor the right to sue a foreign government)

**IFO:** institute of economic research in Germany

**ACTA:** Anti-Counterfeiting Trade Agreement (multinational treaty on intellectual property rights, didn't pass the EU parliament)

**EP:** European Parliament