The Greens | European Free Alliance
in the European Parliament

Draft resolution by the Greens/EFA Group in the European Parliament on the "Transatlantic Trade and Investment Partnership" (TTIP) agreement with the United States.

A Greens/EFA contribution to the round table on TTIP organised in the framework of the European Green Party Council meeting in November 2013, Brussels.

TTIP: no agreement between the EU and the US without high standards for the environment and for consumers

Since July 2013, the European Commission is negotiating a "Transatlantic Trade and Investment Partnership" (TTIP) agreement with the United States. The TTIP goes far beyond the scope of eliminating tariffs on goods, as traditional Free Trade Agreement do. Its central goal is the convergence of the rules which regulate the internal markets of the Union and the USA, and the establishment of new global standards for trade and investment.

The Greens are utmost preoccupied about the perspectives of a TTIP agreement. We have always been engaged in the fight for higher environmental and social standards in the EU. We have no reason to believe that a TTIP would help in this effort, to the contrary. The negotiations are conducted by trade experts and cater to the offensive export interests of industry. For industry on both shores of the Atlantic, higher standards of the other side are merely "non-tariff barriers" to trade which ought to be abolished. In the give-and-take of trade negotiations, standards will be subject to concession for favours of the other side. While a TTIP in theory could lead to a transatlantic alignment on higher standards, in practice it will be industry which will dictate the outcome.

Through TTIP, not only EU standards but also existing national exceptions and interdictions, from gen-tech to fracking, will come under pressure. And TTIP would "lock-in" the legislation we have presently and thus hinder the needed conversion to a sustainable, resource and climate saving economy on both sides of the Atlantic.

Transparency instead of secrecy

Despite repeated calls the mandate for the negotiations which the Council has given to the Commission is still classified as a secret document. The 500 million citizen of the Union have the right to know what will be negotiated in their names. Moreover, we demand that the results of each negotiation round are regularly published. Only the continuous publication of negotiation results will enable all parts of civil society to conduct an informed debate about TTIP. There is no compelling reason to hold these negotiations secret from public scrutiny, especially when EU rules are at stake.

We strongly demand that through regular consultation the interests of all parts of civil society are adequately considered. This is all the more important since the Commission itself has no clear idea about where TTIP could lead to. It would be ill advised by just listening to industry. This is simply a question of democracy.

No circumvention of national courts through Investor-to-State claims

The Greens oppose the inclusion of investor-to-state dispute settlement (ISDS) in the TTIP. ISDS enables foreign investors to bypass national courts and to file complaints directly at international arbitration tribunals against states, whenever investors perceive a violation of their rights. Investment protection provisions are often formulated so vaguely that complaints against almost all decisions are possible - often such decisions regard environmental or social legislative activity.

The prospect of complaint is thus dangerous for democracy. Moreover, ISDS is superfluous because investors on both sides of the Atlantic can rely on well developed judicial systems.

Yet another big EU blow to multilateralism

With CETA (EU-Canada) trade negotiations just concluded, TTIP furthers the global run for deep-reaching bilateral Free Trade Agreements. This process in which the EU is a driving force since 2005 is undermining multilateralism. Creating the biggest free trade area in the world through TTIP might just bring about a “West against the Rest” approach, setting the tone in other bilateral, plurilateral or multilateral negotiations and threatening the development of weaker and poorer countries. It leads to rival economic blocks and side-lines the WTO as the main forum of multilateral trade rules setting. This threatens global cooperation and weakens all initiatives to reform the global trade system to better face global challenges, especially climate change and environmental protection.

High growth promises without substance

The Commission sells TTIP as a stimulus package. It promises that the removal of tariff and non-tariff barriers to trade will bring economic growth through even more trade and investment between the EU and the US. Tariff barriers are customs duties, for example on steel or cars. Non-tariff barriers include however also measures serving in health, consumer and environmental protection, for example the import ban of hormone-treated beef or the labelling of genetically modified organisms.

At present, custom duties between the EU and the US average some 3%. This is historically very low. Positive economic effects of a further reduction of customs would be rather marginal, while it will have immediate negative effects on the EU's own budget which in part collects such custom duties as income.

Some economic impact assessments underline that growth effects can only be realised through an extensive reduction of non-tariff barriers. However, the possibility of removing non-tariff barriers is limited, due to existing constitutional reasons or regulations which result from the Treaties of the European Union.

An additional part of the growth promise is based on the presumption that third countries will have to accept the new standards created by the TTIP. However, this advantage would be of limited duration and could facilitate in the longer run the economy of scale in some developing countries, if their products can be sold without further modifications to both markets.

The Greens are deeply sceptical about the growth promise. We warn that most of the promised growth would be realized through increased transatlantic competition which in itself is a threat to labour, environmental, consumer and social standards, or through the cutback of non-tariff barriers especially in areas in which divergences among the Member States and between the EU and the US still exist, such as gen-tech, the liberalization of water and other services of public interest, or the depletion of alternative gas stocks through fracking.

TTIP threatens the ecological conversion

TTIP entails the danger that ecological standards will be reduced under the pretence of eliminating trade barriers. Important instruments, such as the eco-design directive which grants market access only to energy-efficient appliances, or EU sustainability standards for agro-fuels, could be identified as barriers to trade and be lowered or scrapped entirely. Also the permit for chemicals through the REACH regulation is often being regarded as a barrier to trade in the US. And US investors insist in the mining of gas sources through fracking, a procedure which is contended in Europe because of its use of toxic and carcinogenic substances. Should US gas lobbyists - supported by European advocates of fracking - get their will, the ban of fracking imposed by some EU Member States could be dismantled.

We cannot be in favour of an agreement in which environmental standards are relaxed or which makes the enactment of more ambitioned environmental regulations more difficult or even impossible because of reservations of the USA. Less stringent rules will mainly benefit the large industrial groups rather than SMEs, and it will increase trade in raw materials, natural resources and energy (including shale gas) rather than support local needs and decentralized production. All in all, by undermining existing standards and impeding future ones, TTIP may reduce the capacity for green innovation and cater to the already declining will of the EU to be a global standard setter in terms of sustainability.

TTIP threatens EU standards on food safety and agriculture

The Greens have been continuously engaged to improve EU standards for health and environment in agriculture and food production, based on the precautionary principle. These standards are certainly far from perfect, but we must not relinquish them. The US has a diametrically opposed approach. It does not recognise the precautionary principle across the board and caters to its export-oriented industrial farm structures. Suffice to note that EU and US have around the same area of farmland, but the EU still has about 12 million farms (average 21 ha) while the US has only about 2 million farms (average 180 ha). Maintaining smaller scale production and local linkages in a living countryside clashes with the rationalised "grow or perish" approach of vast chemical-dependent monocultures producing industrial feedstock.

The Greens are seriously concerned that EU farmers and consumers would lose out if the agri-food sector remains part of the TTIP negotiations. Engaging in "regulatory harmonisation" with lower US standards will lead to a social and environmental race to the bottom.

The EU must not grant access to the EU market to agri-food products involving practices like using chlorine/bleach to preserve chicken carcasses, the use of growth hormones in meat and milk production, or incomplete product labelling, notably as

regards genetically-modified organisms. The EU must defend tougher EU rules on antibiotics in livestock rearing, the approval and cultivation of GMOs, and the compulsory labelling of meat from clones and their offspring, whilst recalling that cloning is prohibited on ethical and animal welfare grounds in the EU.

As long as the US does not accept our approach, we are against any mutual recognition of standards of authorising agro-chemicals, biofuels and Indirect Land Use Change (ILUC), and of protecting our system of quality food products (Geographical Indications). We remind moreover that US and EU have conflicting legislation on patents on life, biological processes and traditional breeding and the free exchange of seeds and animals. Farmers' rights in intellectual property (IPR) law must be safeguarded.

Labour, social matters and human rights

Six out of the eight core labour norms of the International Labour Organization (ILO) have not been ratified by the US, among others the Convention of the freedom of association and the right of collective bargaining. There is hence the danger that the advancement of social standards in Europe will be hindered referring to the TTIP.

Trade does not happen in a human rights vacuum. But the human rights balance of the US has its ugly strains. For the Greens, it is a clear condition that also in the TTIP - as in all other trade negotiations which the EU is conducting - the human rights situation must be an issue of discussion and that the EU talks plain language. A strong transatlantic partnership must be able to bear such topics.

Public Procurement and Services of Public Interest

In the context of the negotiations on the EU directives on public procurement and concessions, important exceptions have been established for services of public interest, for example for water services. These exceptions are the fruit of harsh struggles and are a political success of the Greens. The TTIP agreement threatens that water privatisation will come back through the backdoor. The EU must not promote an agreement which unravels the compromise entailed in the EU procurement directive, jeopardises local supply circuits and local content requirement on both sides of the Atlantic, and increases the pressure for the privatization of services of general interest, such as water services. Also the award of public works according to ecological or social criteria must not be made more difficult or impossible. And foreign suppliers of services of general interest shall not be entitled to claim "forgone profits" through Investor-to-State Dispute Settlement.

In the same way, Greens have been at the forefront to better enable small and medium sized enterprises to obtain public work awards. The TTIP negotiations must not endanger SME friendly rules on neither side of the Atlantic.

Internet policy, data protection, culture, copyrights and patents

The EU Council announced that culture and audiovisual media will be excluded from the TTIP negotiations. This is certainly good, however, the Commission upholds the possibility of reintroducing culture - in particular the online sector - at a later stage of the negotiations. Regarding copyrights and patents, we might face again provisions that the European Parliament already refused in the context of ACTA. This includes

obligations of Internet service providers to actively monitor and regulate data traffic, violations of privacy and exaggerated reactions and sanctions to alleged violations of copyrights. This could again lead to illegitimate border seizure and detention of goods, such as medicines, suspected of infringing patent protection. Controversial patents on plants and animals, that in the EU are rejected by all political groups but that are granted in the US, could reappear on the negotiation table. One more time trade will be used to the advantage to reinforcing the monopoly positions of multinationals to the detriment of individual citizens and of public interest.

After the Snowden revelations and the scandal of the US spying of EU citizens, it becomes very clear that we urgently need international data protection standards. Such standards must be discussed broadly and in public, and not in the back chambers of the EU and the US. For Greens, data protection is the protection of fundamental rights. Furthermore, as recognized in the WTO service agreement (GATS), data protection must not be seen as a non-tariff barrier to trade.

Preserve democratic policy space in the EU

The European Treaties have established an institutional balance between the European Parliament, the Member States and the Commission, in order to realize the internal market and to put it on a democratic basis in accordance with the rule of law. The European Court of Justice and the European Commission are the custodians of the implementation of the rules of the internal market.

A TTIP agreement which aims at a comprehensive harmonization of the internal market rules on both sides of the Atlantic restricts the policy space of the EU and of its Member States to create ambitious standards for the environment and for consumers. Any European way towards a more sustainable and a more climate and resource efficient economy could be thwarted by the US. Even simple revisions of internal market regulations would need to include the opinion of the US side.

The Greens demand that especially the European Parliament remains the main actor regarding the internal market. We must not allow that the Commission uses TTIP as a political instrument in order to re-introduce regulations which have already been rejected in the European Parliament. And the big multinationals shall not have privileged access to the legislative process.

A strong transatlantic partnership is possible without TTIP

If we want to promote a global trend towards a sustainable and climate and resource friendly economy, we surely need a partnership with the US. Climate change, environmental protection, tax evasion and circumvention, these are all problems which urgently need to be addressed on the international level. Without the US, nothing will move on this level.

However, a TTIP negotiated outside the frame of transparent democratic supervision and under the primacy of trade policy is the wrong instrument to this end, especially if the orientation is biased towards the removal of alleged trade barriers. It is a recipe for idle deals on the backs of the environment and on the citizens. It is also the recipe for weakening the support of the European integration process.

The fate of the ACTA agreement shows: a renunciation of the TTIP agreement is by all means possible. And this must not close the door for a strong transatlantic

partnership. Already today, many European regulations are inspired by the tougher rules in the US market, for example the emission standards for maritime sport vehicles. In the framework of negotiations on market surveillance and product safety, the Internal Market Committee of the European Parliament invited the US agencies as a matter of course to a hearing. The harmonization and creation of technical standards, for example on e-mobility, or agreements on resource efficient economic activity can be better negotiated and achieved outside of a comprehensive free trade agreement.