

TTIP THREATENS LOCAL AND NATIONAL DEMOCRACY

/ TTIP IS DESIGNED TO ENCOURAGE PRIVATISATION OF PUBLIC SERVICE PROVISION

The Transatlantic Trade and Investment Partnership (TTIP) poses a threat to democratic decision-making, requiring locally and nationally elected authorities to take a free trade approach even when acting on issues in the public interest. This might have major implications for citizens who will find that decisions about local services, investment in jobs, and even food safety and environmental protection rules are dictated by the terms agreed under TTIP.

For this reason, cities, municipalities and regions in a number of European Union (EU) countries have made statements criticising TTIP or declared themselves TTIP-free zones.¹ They are urging national governments, Members of the European Parliament and European leaders to act in the interests of democracy.

WHAT DOES IT MEAN FOR LOCAL DECISION MAKERS?

Increased pressure for privatisation

In seeking to increase trade between the US and the EU, TTIP is designed to encourage privatisation of public service provision, including health care² and education,³ although negotiators have issued reassurances that governments will still be able to provide support for vital services including education and water.⁴

This might lead to removing the right of local governments to determine the best way to deliver services locally.⁵

There are also concerns that once services have been privatised, it could be difficult – and costly – for governments to bring them back into public ownership, even when private providers are failing to provide the services required.

Limiting public policy space

The details of the TTIP agreement could severely limit public policy space, with the democratically elected authorities bound by the agreement in key policy areas including health and safety, food standards, environment, public procurement rules, and state subsidies. Local governments, for example, would be unable to specify social or environmental criteria when tendering for services, or to introduce local bans on genetically modified crops, regardless of public concerns.

The European Committee of the Regions has called for special arrangements to be included in TTIP to ensure that genetically modified products, animals treated with growth hormones and food from cloned animals can be excluded from the trade deal. Special exemptions should also be required for locally designated food products, traditional seeds and crops, and foods treated with substances banned in the EU.⁶

The proposal to include an investor-state dispute settlement (ISDS) mechanism in TTIP further limits policy space as it privileges foreign companies and could leave local and national governments exposed to legal action from foreign corporations. Cases of this nature under similar trade deals have already cost European governments billions of euro in compensation, and the risk of legal action can be seen to having a chilling effect on government decisions.

There has been a lack of transparency over the details of the TTIP negotiations, with none of the negotiating texts made available, making it impossible to understand the full extent of the threat.

/ LOCAL GOVERNMENTS, FOR EXAMPLE, WOULD BE UNABLE TO SPECIFY SOCIAL OR ENVIRONMENTAL CRITERIA WHEN TENDERING FOR SERVICES

Limiting public services, limiting public subsidies

TTIP could also limit the ability of national and local governments to finance activities that are considered in the public interest. Subsidies for transport, culture, and even housing could be at risk.

/ SUBSIDIES FOR TRANSPORT, CULTURE, AND EVEN HOUSING COULD BE AT RISK

There are also concerns that the current EU provisions related to public procurement could be challenged, including possibilities for environmental (e.g. green public procurement), social and fair trade criteria in public tenders being limited.

WHAT DOES IT MEAN FOR CITIZENS?

These restrictions on the power of democratically elected local and national governments will mean that citizens cannot hold democratically elected representatives to account where there is a failure to provide the services required.

Decisions that affect local services, the local economy and the local environment will then all come under the remit of TTIP – reducing questions of local needs, values, and standards to a question of competitiveness and cost.

Citizens would be deprived of their democratic rights to influence public policy decisions that affect their everyday lives – from the food they eat, to the services they receive.

RECOMMENDATIONS

Friends of the Earth Europe rejects any trade deal that undermines local democracy and decision-making, as well as the right to regulate in the public interest.

Friends of the Earth Europe recommends that local governments and municipalities declare themselves TTIP-free zones to register their concerns over the TTIP negotiations, and explore the social and economic benefits of supporting local trade such as through local food and farming businesses.

Friends of the Earth Europe calls on national governments to ensure that the right for local governments to decide on local food and farming policies, such as through public procurement, is protected and they can maintain their rights to support local food and farming companies.

For more information
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¹ See overview from few countries: France – <https://www.collectifstopptafta.org/collectivites/>; Germany – <http://www.attac.de/kampagnen/freihandelsfalle-ttip/aktionen/ttip-inkommunen/>; Austria – <https://www.ttip-stoppen.at/kategorie/aktionen/ttip-in-den-gemeinden/>; Belgium – <http://nottip.be/>; UK – http://action.globaljustice.org.uk/ea-campaign/action.retrievestaticpage.do?ea_static_page_id=4189; Spain – http://noalttip.blogspot.com.es/p/blog-page_31.html

² <http://www.euractiv.com/sections/social-europe-jobs/uk-anti-ttip-protests-focus-nhs-privatisation-303339>

³ <http://www.csee-etuce.org/actions/campaigns/exclude-education-from-ttip/262-what-is-the-ttip>

⁴ http://trade.ec.europa.eu/doclib/docs/2015/march/tradoc_153264.pdf

⁵ <http://www.local.gov.uk/documents/10180/11539/LGA+Briefing+TTIP+-+February+2014.pdf/1dde2b2c-7e37-4734-a546-ae0bfac90daa>

⁶ <http://cor.europa.eu/en/news/Pages/ttip-potential.aspx>