

The Transatlantic Trade and Investment Partnership (TTIP):



Myths vs facts

TTIP is an extensive 'trade and investment' agreement currently being negotiated between the United States (US) and the European Commission (EC) on behalf of the European Union (EU).

Myth: TTIP is about stimulating trade between the EU and US.

Fact: TTIP is concerned with extending transnational corporations' control over trade and investment by giving them extensive legal rights to challenge democratically agreed public regulations where these prevent the rights of corporations to pursue maximum profits.

Myth: TTIP will bring economic growth (about €120 billion or a 0.5% increase in the wealth that the European economy can produce every year).¹

Fact: The 0.5% growth predicted by EC-funded research is for the *best-case scenario*, and is cumulatively achieved only after 10 years. This means the annual growth predicted is a meagre 0.05% (or roughly 15 euros per person, per year).² Alternative, independent research suggests net losses in growth.³

Myth: TTIP will create jobs.

Fact: Any business gains do not necessarily mean extra jobs. EC-funded research did not predict any positive impact on employment: rather it recognised that under TTIP at least 1.3 million European workers would lose their current jobs, with little assurance of finding new employment.⁴ Independent research calculates 600,000 jobs would be lost in Europe.⁵

Myth: TTIP will benefit consumers: products will be cheaper because tariffs like import duty will be cut.

Fact: Tariffs are already low between the US and the EU, with one or two industrial sector exceptions. The overall net benefit to consumers will be modest at best.

Myth: TTIP will directly benefit small businesses.

Fact: There may be some benefit from a reduction in non-tariff barriers. But small UK businesses will be disadvantaged in the home market: they will be prohibited in contracts from specifying requirements for local employment, training provision etc. TTIP will also mean that US-based companies will have equal access to subsidies available to UK companies, while only US-based companies will be able to use investment protection measures to challenge UK government actions that affect company profits (see more on investment protection overleaf).

Myth: TTIP will not undermine standards in the EU.

Fact: A core aim of TTIP is 'harmonisation' or aligning EU and US regulations, including those protecting our safety and public health. Standards such as those controlling foods, medical products,

¹ http://trade.ec.europa.eu/doclib/docs/2013/september/tradoc_151787.pdf (see Summary: Overall impact of TTIP)

² <http://trade.ec.europa.eu/doclib/html/150737.htm>

³ J Capaldo The Transatlantic Trade and Investment Partnership: European disintegration, unemployment and instability. Global Development and Environment Institute Working Paper No 14-03, Tufts University, USA October 2014. (<http://ase.tufts.edu/gdae/Pubs/wp/14-03CapaldoTTIP.pdf>)

⁴ <http://trade.ec.europa.eu/doclib/html/150737.htm>

⁵ J Capaldo The Transatlantic Trade and Investment Partnership: European disintegration, unemployment and instability. Global Development and Environment Institute Working Paper No 14-03, Tufts University, USA October 2014. (<http://ase.tufts.edu/gdae/Pubs/wp/14-03CapaldoTTIP.pdf>)

toxic chemicals, genetic modification, health and safety and employment regulations are likely to be reduced to US levels, often lower than in the EU.

Myth: Although included in TTIP, the NHS is protected under the World Trade Organisation's General Agreement on Trade (GATS) because it is a public service.

Fact: The government finally confirmed in September 2014 that the NHS is included in TTIP. In trade deals, GATS only protects public services that are not supplied in competition or on a commercial basis: this is no longer true of the NHS. The NHS needs to be explicitly exempted from TTIP to protect its future.

Myth: TTIP will not open the door to the privatisation of the NHS: it is up to the UK government to decide whether or not to open public services to competition.

Fact: The NHS has *already* been opened up to competition law and marketisation, e.g. through the Health & Social Care Act (2012). TTIP will prevent any future UK government from reversing this position. It will also ensure multinational healthcare corporations based in the US receive the same treatment as NHS providers, including equal access to NHS funding.

Myth: Big corporations will not be able to use investment protection provisions to challenge UK laws.

Fact: Investor protection measures in TTIP allow transnational corporations to by-pass domestic courts and directly sue national governments when they believe that new legislation threatens to put their company profits (or anticipated profits) at risk. The type of measure included in TTIP (currently Investor State Dispute Settlement or ISDS) is under review. However, the fear remains that the substantial damages and cost of being sued under investor protection provisions will put a 'chill' on government legislation.

Myth: the sovereignty of national governments to regulate will not be affected.

Fact: This is misleading. In addition to the undemocratic nature of investment protection measures, a Regulatory Co-operation Council, including trade representatives and open to trade lobbying, will be set up to 'co-ordinate' and shape future regulation in the EU and US - before being considered by national parliaments.

Myth: The process for agreeing TTIP is entirely democratic. The UK Parliament will have an opportunity to scrutinise the final agreement through debates in both Houses.

Fact: TTIP negotiations are conducted in secret and briefings on progress are sketchy. As things stand, the European Council and European Parliament will only have sight of the TTIP agreement after negotiations are agreed. If ratified at EU level, only then will it come to the UK Parliament (and some parts of TTIP may be implemented before this). *The European and Member State Parliaments can only accept or reject TTIP in its entirety* – it cannot be modified and there will be strong pressure to accept it as it stands. So far, the UK's main political parties are broadly in favour of TTIP, believing it will bring economic gain. Rejection of TTIP by our elected representatives in the European and UK Parliaments will only happen if there is a strong public information campaign.

For more information on TTIP see:

- <http://keepournhspublic.com/support-konp/background-material> (TTIP section)
- <http://www.patients4nhs.org.uk> (see TTIP section)
- <http://www.waronwant.org/campaigns/trade-justice/more/inform/18078-what-is-ttip>
- <http://www.stopttip.net>