

# The Transatlantic Trade and Investment Partnership (TTIP): A Brief History of an Agenda for Corporate Plunder

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*The corporate jargon surrounding the Transatlantic Trade and Investment Partnership (TTIP) deal is about 'protecting' investment', reducing 'unnecessary' barriers and 'harmonising' regulations that supposedly deter free trade between the US and the EU.*

In principle, the notion of trade that is free and fair sounds ideal. But, across the world, the dominant ideological paradigm allows little scope for neither. Markets are rigged [1], commodity prices subject to manipulation [2] and nations are coerced [3], destabilised [4] or attacked [5] in order that powerful players gain access to resources and markets.

On 11 October, over 400 groups across Europe took to the streets to demonstrate against the TTIP, which has just ended its seventh round of talks in Washington. While some groups are accused by supporters of the TTIP of being ideologically driven in their opposition, it is not ideology that drives this opposition. It is scepticism and suspicion fuelled by the prevailing practices and actions of powerful corporations and their ideological brand of neoliberalism and rampant privatisation. The secrecy and lack of transparency surrounding the TTIP fuels this suspicion. The public has not been allowed to know who set the agenda for the negotiations or what specifically is being negotiated supposedly in our behalf?

The public is expected to put up and shut up and leave it all to those who know best: EU officials with their deep-seated conflicts of interest [6,7,8] and big business. It has been mainly through leaked documents and recourse to freedom of information legislation that the public has gained insight into the nature of the negotiations.

### The origins of the TTIP and the absence of transparency

The deal was masterminded by the 'High Level Working Group on Jobs and Growth' (HLWG), which was set up in 2011 and chaired by European Trade Commissioner Karel De Gucht and the then US Trade Representative Ron Kirk [9]. In its final report, the Group not only recommended entering into the negotiations but went into some detail as to what should be put on the table, with the far-reaching aim of moving towards a "transatlantic marketplace."

When questioned about the nature of the group, the European Commission (EC) said it had no identifiable members and stated that "several departments" contributed to the discussion and the reports of the (memberless) group. It even stated that there was no document containing the list of authors of the reports. A request by Corporate Europe Observatory (CEO) to disclose membership/report authors was met with the response: "Unfortunately we (the EC) are not in a position to provide you with the information requested." [10]

CEO argued that the group should be subject to the transparency requirements set up in EC's rules on 'expert groups', including transparency about who participated.

When asked about the 'outside expertise' (as the EC called it) that had influenced the reports produced by the HLWG, CEO was told that the impact assessment of the proposed EU-US trade deal contained a summary of the expert evidence gathered since its inception. CEO was also directed to the Commission's overview page for public consultations, where it is stated that more than 65 percent of the input to the first two consultations on the proposed EU-US deal came from companies and industry associations.

European Commissioner De Gucht claimed that "there is nothing secret" about the ongoing talks. In December 2013 in a letter published in The Guardian [11], he argued that "our negotiations over the Transatlantic Trade and Investment Partnership are fully open to scrutiny."

If that was the case, why then were notes of Commission meetings with business lobbyists released to Corporate Europe Observatory (CEO) under the EU's freedom of information law heavily censored? [12]

The public is not allowed to know the positions held by the EU (unlike business interests) in these talks, who is being given access to whom and who is lobbying for what on whose behalf. High-minded platitudes referring to protecting the integrity of industry and the sensitive nature of negotiations have been used in an attempt to subvert democracy, prevent public scrutiny and secure the continued privileged positions and influence that big business has held in the talks. The arguments being used to justify the secrecy were thinly veiled disguises to try to hoodwink the public into the accepting the legitimacy of these negotiations without question.

Documents received by CEO showed that De Gucht's officials invited industry to submit wishlists for 'regulatory barriers' they would like removed during the negotiations. However, there was no way for the public to know how the EU incorporated this into its negotiating position as all references had been removed.

CEO received 44 documents about the EC's meetings with industry lobbyists as part of preparations for the EU-US trade talks. Most of the documents, released as a result of a freedom of information (FOI) request, were meeting reports prepared by Commission officials.

The documents arrived almost a full ten months (!) after the FOI request was tabled and 39 of the 44 documents were heavily censored. The documents covered only a fraction of the more than 100 meetings which De Gucht's officials had with industry lobbyists in the run-up to the launch of the TTIP negotiations.

Were no notes taken during closed-door meetings with corporate lobbyists from, for example, the US Chamber of Commerce, the German industry federation BDI, chemical lobby groups CEFIC and VCI, pharmaceutical industry coalition EFPIA, DigitalEurope, the Transatlantic Business Council, arms industry lobby ASD, the British Bankers Association and corporations like Lilly, Citi and BMW?

In the 39 documents which were "partially released", large parts of text ("non releasable" or "not relevant") had been hidden. In some cases, every single word had been removed from

the document.

Not only was the text of the EU's negotiating position secret, the public was even denied access to sentences in meeting reports that referred to the EU negotiating position. These were minutes from meetings with industry lobbyists who were clearly given information about the EU's negotiating position in the TTIP talks, unlike the public. The sharing of information about the EU's negotiating position with industry while refusing civil society access to that same information was a case of unacceptable discrimination.

In many cases, parts of text were removed because they contained the views of industry lobby groups "on particular aspects of the EU/US trade negotiations." "Release of that information could have a negative impact on the position of the industry", the Commission argued. It was unclear why the views of the lobby groups should be hidden from public scrutiny.

The Commission had also removed all names of lobbyists from the 44 documents arguing that "disclosure would undermine the protection of [...] privacy and the integrity of the individual". According to CEO, this was an absurd line of argument as these were professional lobbyists who are not acting in an individual capacity. There is clear public interest in transparency around who is lobbying on whose behalf and who is getting access to EU decision-makers.

#### What the corporations really want

Despite being heavily censored, the documents showed clearly that removing differences in EU and US regulations is the key issue in the TTIP talks, with 'regulatory barriers' coming up in a large majority of the meetings. For example, in a meeting with the European Services Forum in February 2013, a lobby group for global service players such as Deutsche Bank, IBM and Vodafone, the Commission suggested various options for regulatory cooperation such as 'compatibility', 'mutual recognition' and 'equivalence.'

In another meeting in February 2013, BusinessEurope (the most powerful business lobby in Brussels), stressed "its willingness to play an active role in the upcoming negotiations, in particular on the regulatory front". The Commission noted the importance of EU industry "submitting detailed 'Transatlantic' proposals to tackle regulatory barriers".

A leaked EU document from the winter of 2013 showed the Commission proposing an EU-US Regulatory Cooperation Council [12], a permanent structure to be created as part of the TTIP deal. Existing and future EU regulation would then have to go through a series of investigations, dialogues and negotiations in this Council. This would move decisions on regulations into a technocratic sphere, away from democratic scrutiny. Policies could be presented to the public as 'done deals', all worked out behind closed doors between pro-business officials and business leaders. There would also be compulsory impact assessments for proposed regulation, which will be checked for their potential impact on trade. What about whether they protect people's health or are good for the environment?

This would be ideal for big business lobbies: creating a firm brake on any new progressive regulation in the very first stage of decision-making.

Even without access to various sources of information, some of the main players that originally supported the deal included the biotech sector, Toyota, General

Motors, the pharmaceutical industry, IBM and the Chamber of Commerce of the US, one of the most powerful corporate lobby groups in the US. Business Europe, the main organization representing employers in Europe, launched its own strategy on an EU-US economic and trade partnership in early 2012 [13]. Its suggestions were widely included in the draft EU mandate.

Over the past couple of years or so, an increasing number of politicians and citizens groups have demanded that the negotiations be conducted in an open way, not least because there are concerns that the deal will open the floodgate for GMOs (food multinationals, agri-traders and seed producers have had more contacts with the EC's trade department than lobbyists from the pharmaceutical, chemical, financial and car industry put together [14]) and shale gas (fracking) in Europe, threaten digital and labour rights and will empower corporations to legally challenge a wide range of regulations which they dislike.

One of the key aspects of the negotiations is that both the EU and US should recognize their respective rules and regulations, which in practice could reduce regulation to the lowest common denominator: a race to the bottom. The official language talks of "mutual recognition" of standards or so-called reduction of non-tariff barriers. For the EU, that could mean accepting US standards in many areas, including food and agriculture, which are lower than the EU's.

The US wants all so-called barriers to trade, including highly controversial regulations such as those protecting agriculture, food or data privacy, to be removed. Even the leaders of the Senate Finance Committee, in a letter to U.S. Trade Representative Ron Kirk, made it clear that any agreement must also reduce EU restrictions on genetically modified crops, chlorinated chickens and hormone-treated beef [15].

Demands include an "ambitious liberalisation of agricultural trade barriers with as few exceptions as possible". Similarly, food lobby group Food and Drink Europe, representing the largest food companies (Unilever, Kraft, Nestlé, etc.), has welcomed the negotiations, with one of their key demands being the facilitation of the low level presence of unapproved genetically modified crops. This is a long-standing industry agenda also supported by feed and grain trading giants, including Cargill, Bunge, ADM, and the big farmers' lobby COPA-COGECA. Meanwhile, the biotech industry on both sides of the Atlantic is offering its "support and assistance as the EU and the US government look to enhance their trade relationship." [13]

There is also the highly contentious investor-trade dispute settlement provision. It would enable US companies investing in Europe to bypass European courts and challenge EU governments at international tribunals whenever they find that laws in the area of public health, environmental or social protection interfere with their profits. EU companies investing abroad would have the same privilege in the US.

Across the world, big business has already used such settlement provisions in trade and investment agreements to claim massive sums from sovereign states in compensation [16]. Tribunals, consisting of ad hoc three-member panels hired from a small club of private lawyers riddled with conflicts of interest, have granted billions of euros to companies, courtesy of taxpayers.

EU and US companies have already used these lawsuits across the globe to destroy any competition or threats to their profits by for example challenging green energy and

medicine policies, anti-smoking legislation, bans on harmful chemicals, environmental restrictions on mining, health insurance policies and measures to improve the economic situation of minorities. Even the threat of litigation can mean governments shelving socially progressive policies.

Any form of state intervention that does not work to the advantage of big business is increasingly regarded as a 'barrier' to trade, a potential curb on profits.

The TTIP is therefore also designed to undermine public sector service provision. That's right, the public sector is regarded as a 'barrier' too. Private corporations could gain access to the lucrative government procurement market under the banner of free trade. We could well see an irreversible privatisation fest as US private interests bid to run state services such as the UK's public sector National Health Service: patient care rights would give way to corporate business rights [17].

A report published by the Seattle to Brussels Network (S2B) revealed the true human and environmental costs of the proposed deal. '*A Brave New Transatlantic Partnership*' [18] highlighted how the EC's promises of up to one percent GDP growth and massive job creation as a result of the trade deal were not supported even by its own studies, which predict a growth rate of just 0.01% GDP over the next ten years and the potential loss of jobs in several economic sectors, including agriculture.

The report also explained how corporations were lobbying negotiators to use the deal to weaken food safety, labour, health and environmental standards as well as undermine digital rights. Attempts to strengthen banking regulation in the face of the financial crisis could also be jeopardised as the financial lobby uses the secretive trade negotiations to undo financial reforms, such as restrictions on the total value of financial transactions or the legal form of its operations.

When the report was released, Kim Bizzarri, the author of the report, argued:

"Big business lobbies on both sides of the Atlantic view the secretive trade negotiations as a weapon for getting rid of policies aimed at protecting European and US consumers, workers and our planet. If their corporate wish-list is implemented, it will concentrate even more economic and political power within the hands of a small elite, leaving all of us without protection from corporate wrongdoings."

## TTIP in context

Despite sections of the mainstream corporate media glibly presenting the TTIP as a well thought out recipe for free trade, job creation and economic growth, albeit with a few minor glitches, such claims do not stack up. The TTIP is a mandate for corporate plunder, the bypassing of democratic procedures and the erosion of ordinary people's rights and national sovereignty. It represents a pro-privatisation agenda that enshrines the privileges of the world's most powerful corporations at the expense of ordinary people.

Ordinary people want powerful corporations to be held to account. They want business practices regulated by elected representatives and public officials in order to protect the public good. However, why so many continue to blithely place such trust in certain EU institutions stretches the imagination: democracy in the EU has been sold to the highest

bidder; the EC is a captive but willing servant of a corporate agenda [8]. And now the TTIP presents an ideal opportunity for corporations to force through wholly unpopular policies.

Ultimately, the TTIP could draw Europe even closer to the US and consolidate the power of Anglo-US financial-corporate interests centred in the City of London and on Wall Street. If events surrounding Ukraine tell us anything, it is that these interests have been instrumental in driving a wedge between Europe and Russia to prevent closer economic alignment between the two. By placing economic sanctions on Russia and, according to US Vice President Joe Biden, “embarrassing” the EU to force it go along with them, Europe’s trade with Russia will suffer. As a result, Europe now has added incentive to ‘embrace’ the TTIP.

The TTIP is thus part of the broader geopolitical game plan to weaken Western Europe and divide the European continent by sidelining Russia. While the TTIP may appear to have nothing to do with what is happening in Ukraine or Syria, it must be regarded as another cog in the wheel to cement US global hegemony and weaken Russia [19].

#### Notes

- 1] <http://www.washingtonsblog.com/2013/06/every-market-is-rigged.html>
- 2] <http://www.globalresearch.ca/the-global-crisis-food-water-and-fuel-three-fundamental-necessities-of-life-in-jeopardy/9191>
- 3] <http://www.theguardian.com/world/2011/jan/03/wikileaks-us-eu-gm-crops>
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- 10] <http://corporateeurope.org/trade/2013/06/who-scripting-eu-us-trade-deal>
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- 12] <http://corporateeurope.org/trade/2014/02/what-are-you-hiding-opacity-eu-us-trade-talks>
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- 14] <http://corporateeurope.org/international-trade/2014/07/who-lobbies-most-ttip>
- 15] <http://www.euractiv.com/global-europe/obama-backs-launch-comprehensive-news-517767>
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- 19] <http://rt.com/op-edge/192204-usa-ttip-syria-ukraine-gas/>



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