

The US-EU Trans-Atlantic Free Trade Agreement (TAFTA). Devastating Social and Environmental Consequences

By [Colin Todhunter](#)

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The Transatlantic Free Trade Agreement (TAFTA) between the US and EU aims to 'protect' investment and remove 'unnecessary regulatory barriers'. Corporate interests are driving the agenda, the public have been sidelined and unaccountable, pro-free-trade bureaucrats are facilitating the strategy (1).

There is growing concern that the negotiations could result in the opening of the floodgates for GMOs and shale gas (fracking) in Europe, the threatening of digital and labour rights and the empowering of 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 recognise their respective rules and regulations, which in practice could reduce regulation to the lowest common denominator. 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.

Even the leaders of the US Senate Finance Committee, in a letter to U.S. Trade Representative Ron Kirk, made it clear that any agreement must reduce EU restrictions on genetically modified crops, chlorinated chickens and hormone-treated beef.

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 GM crops.

The TAFTA negotiations are shrouded in secrecy and are closed to proper public scrutiny (2,3,4). They amount to little more than grubby back room deals, while striving to give the appearance of somehow being democratic, and effectively constitute part of the ongoing corporate hijack of democracy and the further restructuring of economies in favour of elite interests (5,6,7).

However, despite claims by the European Commission that there is no secrecy (8), the notes of European Commission meetings with business lobbyists released to Corporate Europe Observatory (CEO) under the EU's freedom of information law were heavily censored. The documents showed that the EC invited industry to submit wish lists for 'regulatory barriers' they would like removed during the negotiations. There is no way for the public to know how the EU has incorporated this into its negotiating position as all references have been

removed (4). The documents show clearly that removing differences in EU and US regulations is the key issue in the talks: in other words, a race to the bottom in setting the lowest barriers possible.

A leaked EU document (9) from the winter of 2013 shows the Commission proposing an EU-US Regulatory Cooperation Council, a permanent structure to be created as part of the TAFTA deal. Existing and future EU regulation will 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. Also, there would be compulsory impact assessments for proposed regulation, which will be checked for their potential impact on trade. 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.

As if all of this isn't bad enough, there is also the highly contentious trade-investor dispute settlement provision in TAFTA. 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.

This constitutes a charter for the systematic destruction and dismantling of legislation that exists to protect the hard-won rights of workers and ordinary people.

Across the world, big business has already used such investor-state dispute settlement provisions in trade and investment agreements to claim massive sums in compensation. 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 (10).

EU and US companies have used these lawsuits 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.

If governments and parliaments fail to act to protect the public's interests, powerful corporations will acquire carte blanche to rein in democracy and curb policies devised for the public good.

Despite such major concerns, campaigners from the Seattle to Brussels Network (11) have criticised the European Commission's recently implemented consultation on the investor rights in the EU-US trade deal as a mock consultation aimed at selling its pro-industry agenda, rather than an honest attempt to have a much-needed open debate on the issue.

Roos van Os of the Centre for Research on Multinational Corporations (SOMO), a member of the Seattle to Brussels Network, has said:

"Those who reject the undemocratic and dangerous investor-state dispute settlement system will have no opportunity in this consultation to voice their opposition because the Commission's biased questions provide no option for that. The Commission should make itself available for a real debate, not a cowardly advertising campaign for its corporate agenda."

In meetings with the Commission, members of its civil society advisory group on the EU-US trade deal had stressed the need for the consultation to be intelligible for non-experts and for there to be balanced questions. But the Commission's consultation questionnaire only contains questions about its agenda for minor reforms to salvage the controversial investor-state dispute settlement system, in a 40-page legalistic text which will be difficult for members of the public to understand.

Marc Maes of the Belgian development organisation and also a member of the Seattle to Brussels Network:

"The Commission's so-called reform agenda does nothing to address the basic flaws of the investor-state dispute settlement system. Therefore foreign companies will continue to have greater rights than domestic firms and citizens. And international tribunals consisting of three for-profit lawyers will continue to decide over what policies are right or wrong, disregarding domestic laws, courts and democracy."

Analyses of leaked investment texts from the EU-Canada trade negotiations indicate that the EU's approach to investment protection does very little to protect the right to regulate (in fact it sometimes does the exact opposite) and it will establish an arbitration system that is far inferior to domestic legal systems in the EU and North America (12).

Pia Eberhardt, trade campaigner with CEO, another member of the Seattle to Brussels Network, said:

"The investor-state arbitration system cannot be tamed. Profit-greedy law firms and their corporate clients will always find a way to attack countries for actions that threaten their profits. The corporate super-rights should be abolished – and people in Europe should not miss this crucial opportunity to tell the Commission to do so."

To enhance public scrutiny and democratic debate about the controversial investor rights in EU trade agreements, members of the Seattle to Brussels Network have set up a website to publish leaked negotiating texts and critical analyses of these texts: <http://eu-secretdeals.info/>

The network is also inviting civil society organisations and members of the public to participate in ongoing online actions against the dangerous corporate rights in EU trade deals.

Be informed and take action:

Seattle to Brussels Network:
<http://www.s2bnetwork.org/themes/eus-free-trade-agreements/eu-us-transatlantic-trade-and-investment-partnership-ttip.html>

Corporate Europe Observatory: <http://corporateeurope.org/tags/ttip>

Stop the Crop: <http://www.stopthecrop.org/>

Notes

- 1) <http://www.globalresearch.ca/us-eu-free-trade-agreement-a-corporate-stitch-up-by-any-other-name/5339789>
- 2) <http://www.globalresearch.ca/the-us-eu-transatlantic-free-trade-agreement-tafta-big-business-corporate-power-grab/5352885>
- 3) <http://www.globalresearch.ca/the-eu-india-free-trade-agreement-corporate-driven-neocolonial-plunder/5338049>
- 4) <http://www.globalresearch.ca/us-eu-transatlantic-free-trade-agreement-more-secrecy-and-more-duplicity-revealed/5369272>
- 5) <http://www.globalresearch.ca/free-trade-agreements-the-bypassing-of-democracy-to-institute-economic-plunder/5354197>
- 6) <http://www.globalresearch.ca/the-us-eu-transatlantic-free-trade-agreement-tafta-big-business-corporate-power-grab/5352885>
- 7) <http://www.globalresearch.ca/the-eu-india-free-trade-agreement-india-up-for-sale-to-western-corporate-capital/5332214>
- 8) <http://www.theguardian.com/commentisfree/2013/dec/18/wrong-george-monbiot-nothing-secret-eu-trade-deal>
- 9) <http://corporateeurope.org/trade/2013/12/regulation-none-our-business>
- 10) <http://www.morningstaronline.co.uk/a-4150-Clear-and-present-danger-to-democracy>
- 11) The Seattle to Brussels Network (S2B) includes development, environmental, human rights, women's and farmers' organisations, trade unions and social movements working together for a truly sustainable, just and democratic trade policy in Europe. www.s2bnetwork.org
- 12) See, for example: IISD (2014): A Response to the European Commission's December 2013 Document "Investment Provisions in the EU-Canada Free Trade Agreement (CETA)", http://www.iisd.org/pdf/2014/reponse_eu_ceta.pdf; Seattle to Brussel Network (2014): Investment in CETA – A response to a lobby document by DG Trade, http://eu-secretdeals.info/upload/2014/03/S2B-Marc-Maes-CETA-Investment_Response-to-DG-Trade-claims-March-7-2014_v2.pdf.

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About the author:

Colin Todhunter is an extensively published independent writer and former social policy researcher. Originally from the UK, he has spent many years in India. His website is www.colintodhunter.com
https://twitter.com/colin_todhunter

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