

# TTIP and TISA: Everything must be privatized and under the control of the multinationals

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In the last 20 years multinational companies based in the US have used investment and so-called free trade agreements as a tool to achieve economic and political dominance. The European Union has also applied this method, and for some years the EU and US have been negotiating new trade agreements with the purpose of creating a transatlantic market, where the rules of trade and investments are dictated exclusively by the corporations.

If these plans are realized, the result will be the creation of what aptly has been called 'a NATO of Economics'.

They are intended to secure US and EU supremacy in the global economy forever. As a part of the inter-imperialist competition these plans are not the least directed against Russia, China and the other BRICS countries.

The negotiations have taken place behind closed doors, with the consultative assistance of Monsanto, Toyota, General Motors, the pharmaceutical industry, IBM, the US Chamber of Commerce, Food and Drink Europe (on behalf of corporations like Unilever, Kraft, Nestle, etc.), Business Europe and many other representatives of the interests of Capital.

The talks are scheduled to be concluded and the agreements signed before the end of 2015. Standards of protection of the workers, environmental protection, protection of health and privacy are considered technical barriers to trade, and will therefore be established through supra-national negotiations. Hard-won rights in the different countries will be pushed aside if these agreements are realized. It will open a freeway for GMO products, even in countries that have rejected such products. These agreements constitute a frontal attack by the EU and US on established rights and national self-determination.

Denmark and a number of other countries are now at risk of becoming subject to the following agreements: TTIP (Transatlantic Trade and Investment Partnership: EU and US), CETA (Comprehensive Economic and Trade Agreement: EU and Canada) and TISA (Trade In Services Agreement: EU, US and a number of other countries).

These agreements will override the national parliaments and bourgeois democracy as the highest organs of sovereignty in a long series of decisive areas.

### **Transatlantic union: 'A NATO of Economics'**

Some new documents from the closed negotiations on TTIP have recently been leaked. They are about the so-called Regulatory Council, which is intended to make the final decisions on all legislation in these areas in the EU countries and the US. The idea and its wording is an almost exact copy of a proposal from the lobbyist organizations Business Europe and US Chamber of Commerce from 2012.

The trade and investment agreements are 'too important to let their contents be known', as the British newspaper The Guardian wrote. What the public knows concretely has been revealed through leaks that have clarified their direction and intentions.

The whole idea of TTIP is to remove barriers to the sale of the products of the multinational companies for maximum profits in a single and unified transatlantic market. In some areas the EU has the strongest regulations, in others it is the US.

The overriding principle is to remove upper limits of toxic chemicals, the right to exclude areas of public welfare from the quest for profits, limitations on financial speculation and restrictions in other areas as listed above.

If TTIP is established, it follows that the talks will not stop with the signing of the treaty. They will continue behind closed doors on the further deregulation of the new transatlantic market. Adopting mutual joint standards will not be the end of it.

New rules have to be established within existing legislation and future laws must be adapted, and for this purpose the Regulatory Council will be set up, consisting of representatives of the European Commission and the US government. The latter will be represented among others by OIRA (Office of Information and Regulatory Affairs). OIRA is an agency under the budget office of the US government that has the task of transforming already decided regulations into concrete laws. As a state within the state, it is infamous for delaying legislation that embodies limitations to industry.

Any law in any national parliament that might be of consequence to the market in the transatlantic region must in principle be accepted or suggested by this council in advance. The council shall function both as a complaints board and as author of new legislation and rules.

The council can intervene if:

- a company finds legislation within the EU/US to be hampering its activities
- any EU country or the EU or US perceives a new law to be passed by the other part to be inhibiting industrial activities.

For instance, before the European Commission proposes a new law the council must be heard if this law is acceptable to the industry or if it may be viewed as a barrier to trade.

The establishment of the Regulatory Council means a new level of decision-making in a huge transatlantic union, a level of transfer of powers that makes it possible to nullify all parliamentary rules. Monopoly capital is directly placed as the highest authority of our societies in the 'NATO of economy'.

The European Union was born to gradually create a supra-national Union State – a kind of United States of Europe. In this case the EU is used as a stepping stone to prepare the way for a supra-national governance at an even more advanced level. This will affect basic areas – everything that comes under the category of 'trade' – with great consequences for the entire makeup of society.

Another feature is the planned setting up of a special court under the auspices of this council, where companies may take legal action against nations introducing or upholding laws that limit the pursuit of profits.

This has evoked great rage among the public, and may be one of the areas deleted or modified in the final text. There is some room for tactical retreat in order to ensure that in the end the treaty will be accepted by the public.

There is a great aversion, and also an organized opposition, in many EU countries and on the entire European and American continents against the broad attacks directed against our rights. This is true in regard to the peoples, but it is also to a certain extent expressed in the national parliaments and the European Parliament. Concerned about the public opposition, the EU negotiators have claimed that they will defend European standards concerning the environment. They swear they will never allow genetically modified food, chlorinated chicken or beef pumped with hormones to be sold in the EU.

These promises are of course empty and mendacious, since the entire deal is about harmonizing our standards in all areas – and that means downward! In regard to the environment and health, the state of affairs is even worse in the US than in the EU.

But all Danish ministers have repeated like parrots the promotional material they have received from the propaganda office of the European Union:

- TTIP will mean jobs and growth. And No – We are not worried about anything!

It is clear that the Danish government will not create any obstacles to TTIP.

### **TISA: Everything that can yield a profit must be privatized**

In 2013 negotiations were launched in Geneva to create the 'Trade In Services Agreement', known as TISA, with the US and EU in front. This is an out-and-out neo-liberal agreement intended to turn practically all services into commodities and to regulate the trade of services on a world scale. That is to apply the 'law' of the multinationals to this vast field.

This agreement will privatize almost EVERYTHING that still belongs to the public sector and may yield a profit. At the same time it will stop regulations and limitations on finance capital.

In combination with the free trade agreements, military power, monopoly on food through GMO, ownership of water resources, land and energy, surveillance and media control of opinion-making, the purpose is to create a world of the unlimited and unrestrained dictatorship of Capital.

In order to start things rolling in favor of an unlimited and unregulated capitalist world economy the talks on TISA are being conducted outside the present framework created by imperialism in order to control world trade, such as WTO [World Trade Organization] and GATT [General Agreement on Tariffs and Trade].

By doing this they try to evade such opposition as was expressed in earlier talks in the Doha Round, particularly from the poor countries, and link up with the talks on TTIP and TTP (Trans-Pacific Partnership: 12 countries, including US).

These talks are also being conducted in secrecy. No papers for the negotiations have been published and very little was known about their contents, until Wikileaks leaked a paper from the talks concerning the financial sector. According to Wikileaks it is not only the negotiations that are being kept secret. The text of the agreement is also supposed to be kept secret for the first five years of the agreement period.

The idea is that by reaching an agreement among this group of 'strong' countries it will be possible to update the regulations of GATT and WTO in this direction, and thus trump the rest of the countries of the world.

For instance, the treaty will remove limitations to moving personal and financial data across borders and limit the so-called 'unfair' advantages for publicly-owned corporations. It will put an end to state-managed pension funds that are called monopolies.

All kinds of public services, such as child care, postal services, the health sector, waste systems, power plants, schools, television and radio, water, electricity, education, culture, museums etc. can be demanded to be privatized. Even if this privatization turns out to be a failure, it shall anyway be forbidden to place it in the public domain again. The target is that 90% of all social service functions should be privatized. Also the standard of the services should be regulated in this direction, and the treaty should control the possibilities of governments regulating key areas of the economy, such as the sector of finance, energy, telecommunication, data deliveries, etc.

It is a precondition that limitations and regulations of the financial market should never be harsher than at the present time.

The treaty will protect foreign investors by granting them the right to ignore national legislations, for instance, about the environment, health, financial stability and the interests of society. This is also the case with the projected TTIP treaty; the corporations will have the right to sue governments, if national laws run counter to the interests of the companies.

This treaty may also contain a 'stand still' clause, stating that it shall no longer be legal to introduce new rules in individual countries that limit the investment opportunities of the companies.

The BRICS countries are not part of the negotiations. Nor are the poor countries of the world. As a group, the participating countries call themselves 'The Really Good Friends of Services'. Besides the US and EU (which counts as one country in the negotiations), 21 other countries are part of the talks, including Australia, Canada, Mexico, Chile, Israel, Turkey, Pakistan, Japan, Hong Kong and Norway.

These agreements will mean increased power of the ruling bourgeoisies over their own populations and a strengthening of the fight for world domination by Western imperialism. They will constitute strong oppressive weapons against rights in all spheres of life. They draw up a picture of a future global supra-national dictatorship, which in the final analysis belongs to the fantasies of neoliberalism.

### **A neoliberal fantasy of social dumping**

When the European Union and the Danish government try to convince us of the advantages of an imperialist agreement of TTIP they only have one argument: Increased growth and more jobs. This argument is based on neoliberal calculation models and presumptions that are at odds with reality.

In spite of the golden promises, the calculations of the European Commission itself show that TTIP will only mean a modest growth in the EU countries, estimated at 0.048 percent. According to the government and the employers' associations this will mean 15,000 new jobs in Denmark.

The neoliberal ideas behind these calculations are based on entirely artificial assumptions that contradict the realities of capitalism. The theoretical starting point is a society ruled by the market, where the market will always maintain a balance between supply and demand, also concerning labor power. According to these assumptions, free labor power will rapidly be absorbed with new jobs. An increased supply of labor power will automatically create more jobs and in this manner generate growth.

According to the projections of the EU, TTIP will also mean that some workers are put out of their jobs. The increased advantages for the multinational corporations will mean that large groups of workers will 'change sectors'. But in the world of neoliberal theories the unemployed will soon be employed in new jobs.

In the real existing capitalist world, something quite different takes place. When workers 'change sectors' this means increased unemployment, and thus a pressure on wages and lowering of wages. In the neoliberal models there is no unemployment, because the lower wages mean that the unemployed workers are at once reemployed and growth increases.

Everyone knows that this is not true. Lower wages mean a decrease in purchasing power and consumption, decrease in sales of goods, fall in production and more layoffs, a downward spiral. Under capitalism there will always emerge a crises of overproduction, because production is not regulated according to needs, but for the market. And the companion of such crises is inevitably increased unemployment.

### **600,000 jobs will disappear in the European Union**

The economist Jeronim Capaldo of the ILO [International Labor Organization] has made a different calculation according to another economic model, one that resembles the realities of capitalism somewhat more closely. The ILO holds that the European Union will lose a total of 600,000 jobs in a period of 10 years as a consequence of TTIP. The countries of Northern Europe, Denmark included, will be hit more severely, because they trade more with other European countries. Northern Europe stands to lose around 225,000 jobs.

At the same time there will be a decrease in workers' wages by an average of more than 4500 euro a year. The deficit in the GDP will increase.

Both calculations estimate that trade in the joint market between the EU and US will increase with TTIP, while the trade among the European countries will be reduced.

According to the model of the European Union, 1.1 million workers will 'change sectors', but they will be immediately absorbed into another sector. Who can believe that?

Increased costs of unemployment and other benefits and retraining are thus not included in the calculation of the European Union. The pressure on the unemployed by cutting benefits will increase, and accordingly acceptance of underpaid work will be enforced.

TTIP will mean a significant increase of unemployment and severely lowered wages – besides the rape of national sovereignty, democracy, workers' rights, environmental protection and health.

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