NASUWT
The Teachers' Union

POSITION STATEMENT

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

What is the TTIP?

The Transatlantic Trade and Investment Partnership (TTIP) is a comprehensive free trade and investment treaty currently being negotiated between the European Union and the USA.

Proponents claim that the objective of the TTIP is to remove regulatory 'barriers' which restrict the trade in goods and services (including education and health) by transnational corporations on both sides of the Atlantic.

These 'barriers' include environmental regulations, employment rights, food safety standards, use of toxic chemicals, and privacy laws. These 'barriers' to trade also include banking safeguards introduced as a result of the 2008 global financial crisis.

Education and health services, medical services (including midwifery and physiotherapy), dental services and many other areas of public service are included in the TTIP negotiations.

Impact of the TTIP

The development of the TTIP has been largely shrouded in secrecy. However, in 2014, under pressure from trade unions and other bodies, the European Commission undertook a consultation on the controversial investor-state dispute settlement (ISDS) clause in the TTIP.

The ISDS is a process designed to protect investors against adverse judgments or policies by national governments and the judiciary. The ISDS would allow investors/companies that believe they have been unfairly treated to seek a compensation award for loss of income from an arbitration panel.

Under the TTIP ISDS proposal, multinational firms would be given wide-ranging powers to sue EU governments that adopt public policies deemed to 'discriminate' against free trade.

The ISDS provisions in the TTIP would mean that US corporations would be able to bypass UK courts by challenging national policies before ad hoc arbitration tribunals. The Government could be sued for massive 'damages' as a result of future policy changes that might affect the income or profits of these businesses.

The TTIP could lead to governments being sued for adopting certain policies, even if these policies have the widespread support of citizens and even if these policies are demonstrably in the public interest, such as anti-smoking measures which might be deemed to penalise foreign investors. In Australia, where similar trade restrictions apply, the Australian government is currently being sued by the tobacco firm Philip Morris for introducing plain cigarette packaging. Similarly, the government in Canada is being sued by US drugs firm Eli Lilly for revoking patents on drugs on the grounds that their benefits may have been overstated. The government in the Slovak Republic was recently forced to pay $22m (£13.4m) in damages after it reversed the liberalisation of its health-insurance market.

The freedom of future government administrations in the UK to tackle climate change, protect consumers or guarantee publicly run services in health and education could be jeopardised by the TTIP. In education, for example, these provisions could remove the scope for future governments to introduce policies to prevent education or schools being run for profit, if such measures are deemed to have been to the financial detriment of corporate investors.

Opposition to the TTIP

The online consultation sparked 'very substantial interest'. More than 99% of the 149,399 replies came from individuals, with a particularly large number submitted in collective actions by civil society organisations. Most replies, interestingly, were from the United Kingdom (52,008), including the NASUWT's own response, followed by Austria (33,753), Germany (32,513), France (9,791), Belgium (9,397), the Netherlands (4,906) and Spain (2,537).

Organisations across the EU, including the NASUWT, TUC, Greenpeace and War on Want, have demanded the removal of the ISDS process from the final treaty.

As a result, the EU Executive has temporarily halted trade negotiations with the US on the ISDS mechanism and has launched an online consultation in March after widespread criticism of provisions which would allow EU and US-based corporations directly to sue governments at international tribunals.

The NASUWT position on TTIP

The NASUWT is deeply concerned about the ongoing negotiations between the EU and the US to agree the TTIP. The NASUWT believes that the primary purpose of the TTIP and other trade agreements such as the Trade in International Services Agreement (TISA) is to extend the power and influence of profit-making businesses to the detriment of public services, including education.

The NASUWT opposes the investment protection provisions (ISDS) which form a key component of the TTIP, as the NASUWT is particularly concerned about the proposal to give private corporations powers to sue democratically constituted governments where they act to put people before profit. The NASUWT is particularly opposed to measures in the TTIP that would afford special rights to foreign investors, which would pose a major threat to public services in the UK and which could lead to further privatisation of public services, and make it harder to return previously privatised public services to public control.

The NASUWT is further concerned that the TTIP would have profoundly detrimental consequences for schools and colleges. It would undermine the public service ethos of state-funded education, open the door to schools being run for profit, and increase the costs to governments and taxpayers as a result of the constraints that would be placed on governments to prevent them being able to act fully in the public interest.

The NASUWT expects that the sovereign right of democratically elected governments to act in the interests of the public must be assured and that core workplace and environmental standards must also be protected. The ISDS proposals are not compatible with these requirements and should be rejected.

The NASUWT further advocates that public services, including education and health, should be excluded from the TTIP and an alternative European trade policy is needed that puts public interests before the interests of big business. In this regard, the NASUWT is clear that education must be excluded from the TTIP discussions.

The NASUWT believes that a framework for trade investment could provide an opportunity to improve labour standards, create jobs and ensure greater prosperity. However, the current TTIP proposals do not achieve this. The NASUWT advocates that the proper involvement of trade unions and civil society organisations is vital in developing a framework for trade investment that is a basis for good jobs, decent living standards and democracy.

The UK Government has entered a special reservation in the TTIP to protect ambulance services. The NASUWT will continue to press MPs and MEPs to seek special reservations to protect public services, including education and health services, from the TTIP.

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