



**Quaker
Council for
European
Affairs**

**Health &
Trade
Network**

Taking a health lens to modern day trade agreements: Are TTIP and its global cousins bad for our well-being?

The Transatlantic Trade and Investment Treaty (TTIP) is an ambitious so-called ‘free’ trade agreement (FTA) between the United States and the European Union that intends to regulate 40% of the world’s trade. Supporters believe TTIP will boost the economies of the two negotiating partners by giving them a geopolitical advantage over countries such as India, China and Brazil. Opponents of the agreement argue that it will increase corporate power over national policy making, lead to a race to the bottom in transatlantic social and environmental standards and irrevocably effect publicly funded healthcare services or solidarity based health insurance systems.

At the same time as negotiating TTIP, the US government are also putting the final touches to a similar behemoth: the Transpacific Partnership (TPP) with eleven other Pacific rim countries. The EU are also involved in the Comprehensive Economic and Trade Agreement (CETA) with Canada, and the Trade in Services Agreement (TiSA). Trade agreements between countries were traditionally negotiated to reduce tariffs in order to increase trade. The difference with this new generation of trade agreements is that they go beyond tariff negotiations with an important new step: “regulatory flattening” which engrains the perception of legislation as barriers to trade and the source of discrimination against investors.

The Investor State Dispute Settlement mechanism (ISDS)

The original TTIP proposals included a chapter on the Investor State Dispute Settlement mechanism which mercifully woke thousands of European Citizens against the TTIP. ISDS has been used by tobacco, pharmaceutical and insurance companies to sue national governments. ISDS courts are secret, take place outside of national judiciaries and involve a small number of selected lawyers chosen by the corporations. In September of this year, trade Commissioner Malmström proposed a new system aimed at appeasing ISDS opponents, called the Investment Court System (ICS). However the changes were too shallow and since they would only apply to TTIP and not to any other trade agreements such CETA has not been enough to appease opponents.

Regulatory Cooperation: a killing for the alcohol and tobacco industries

While ISDS is the best known component of the TTIP, the Regulatory Cooperation Chapter should be given as much if not more attention by anyone concerned about health legislation and disease prevention on both sides of the Atlantic. Under the chapter, regulatory cooperation bodies would be set up in the EU and US that would review proposals for new legislation with a view to assessing if they would pose a threat to transatlantic trade. The US side would be invited to comment on national and EU legislation and vice-versa. Take for example, the current battle by the Scottish Government to implement Minimum Unit Pricing in Scotland in order to protect public health. The Scottish Whisky Association has taken the Scottish Government to court over this in a landmark case that went on the European Court of Justice and has now returned to Scotland for a final verdict. Imagine the extra pressure on the case if the United States government (and all the corporate lobbyists behind it) were to have also earmarked the proposed legislation as a ‘threat to transatlantic trade.’ The same idea can be applied to potential tobacco control legislation, taxes on unhealthy foods and soft drinks.



But the threat is not only one way. As the recent Volkswagen scandal has shown, it is not always the case that standards are lower in the US than the EU. Many states in the US adhere to a system called Three Tier that controls how alcohol reaches the consumer. Established in the aftermath of the Prohibition, the Three Tier system is intended to prevent producer and sales monopolies and maintain a higher price of alcohol to discourage levels of drinking that are bad for your health. The alcohol industry however has been trying for years to dismantle this structure, and now they are using the TTIP to advance this goal. In a recent presentation to the European Commission, the National Association of Beverage Importers in the US informed Commission representatives of the potential increase in sales for EU wine exporters if the Three Tier System was abandoned. The Commission have also publicly stated in conferences in Brussels that they see it as discrimination against European exports.

What can civil society organisations do?

It is clear from the common drive around the world to go beyond tariff barriers negotiations in international trade that many governing bodies are choosing the path of least resistance to corporate lobbying and have fully bought into the idea that we must evolve through trade or stagnate on the global stage. Given the cumulative effects to our health and the threat of climate change throughout the world that will only be contributed to by the increased movement of goods and people, it is extraordinary that this paradigm persists. What are our alternatives?

A civil society platform is being established to examine exactly this. The Health and Trade Network will promote a vision of a world where trade agreements include social protection and the right to health.

In order to combat the well-resourced, highly organised and well-connected profit makers, civil society organisations at least need to be highly organised and work together to turn the tide against the harmful effects of trade from the ground up. We need to prepare hearts and educate minds. For example, where a trade negotiator sees an opportunity for growth by increasing alcohol sales, we see the potential to increase mental health problems, heart disease, cancer, obesity and liver disease. Where the US government sees national legislation in the EU against GMOs as a barrier to trade, we see seed diversity and healthy diets. Where pharmaceutical companies see opportunities for increasing profits, we see patients priced out of the best treatments and health systems collapsing under the weight of unaffordable medicines. For these reasons, the members of the Health and Trade Network are coming together to gather evidence on, campaign against and offer alternatives to the current swathe of free trade agreements that are changing the way the world operates, not - we believe - for the better.

Emma Woodford, October 2015

Emma is the Founder/Director of the Health and Trade Network (HaT)

For more information about HaT, please visit our website: www.healthandtradenetwork.org or contact info@healthandtradenetwork.org to learn how to apply for membership.



QCEA briefing papers aim to inform Quakers and others about policy and institutions at the European Union and the Council of Europe. To see our other publications, visit <http://www.qcea.org>.

Quaker House, Square Ambiorix 50, B-1000 Brussels, Belgium

No. entreprise 0420.346.728

www.qcea.org | qceablog.wordpress.com | [@qcea](https://twitter.com/qcea)