

## EU-US free trade agreement risks undermining democracy

Written by Eleonora Forenza on 4 November 2014 in Opinion  
Opinion

TTIP represents an empowerment of corporations against the interest of citizens, argues Eleonora Forenza.



On 11 October, thousands of citizens, social movements and NGOs throughout Europe voiced concerns on developments related to the free trade agreement currently in discussion between the European Union and the US.

Why are so many people protesting against this agreement? First, they reject how negotiations are being carried out: the lack of transparency and the undue influence of corporate power is apparent to all. The second reason lies in the objective of this agreement which is to wipe out what is considered an obstacle to free trade between both sides of the Atlantic, so called 'regulatory barriers'.

"TTIP will not only be about reducing tariffs, but it will deeply impact our environmental, food, social and labour laws"

Indeed, the transatlantic trade and investment partnership (TTIP) will not only be about reducing tariffs, but it will deeply impact our environmental, food, social and labour laws through the revision of regulatory frameworks. This will also be done through a strong liberalisation of the services sector, with the risk of undermining the social and environmental mission that many of these services play in European societies, for example, public transport, water management, healthcare and educational services, that traditionally are more protected in Europe than the US.

Furthermore, another controversial point is how the agreement will be implemented. The management will be transferred to a 'transatlantic council' tasked with monitoring whether regulations and laws are in line with the TTIP. Those risks will certainly be worsened if negotiators decide to adopt a legal instrument called the investor to state dispute settlement mechanism, which allows corporations to sue governments, for any action - at any level, including local government level - that limits a corporation's future profits. Imagine if 14,000 US firms had the possibility to sue EU member states through their almost 58,000 branches legally established in Europe, especially in fields such as GMOs, automotive, chemical, pharmaceutical, medical, and ICT industries.

The dispute panel will only take account of provisions contained within the agreement, disregarding values such as public health, human rights, environmental protection, labour and other social rights. Those forms of arbitration represent a clear blemish on the powers of our democratic institutions and risks reducing the room for any social or economic actions in the coming decades.

These are only some of the concerns that we are raising on this agreement, in countering the mainstream enthusiastic rhetoric on the TTIP and its effects on our economy. Past trade agreements have shown that rather than boosting our economy, they have destroyed our SMEs and manufacturing industrial fabric, profiting big corporations and multinationals.

Is there any alternative to TTIP? We believe so. We are aware that trade can mean the difference between wealth and poverty and we are convinced that a world with fairer trade rules has the potential to transform the lives of millions.

This is why we are supporting, together with hundreds of policymakers, social movements and NGOs the idea of an alternative trade mandate that puts people and the planet before big business. We are doing so because EU trade policy needs to be fundamentally democratised, as part of a wider democratisation of Europe and the GUE group in the European parliament will work in this direction.

## **About the author**

Eleonora Forenza is a member of parliament's international trade committee

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[US-EU](#) [1]

[Economic Affairs](#) [2]

[Internal Market](#) [3]

[Trade](#) [4]

### **Categories**

[Business and industry](#) [5]

[Economics and finance](#) [6]

[International Relations](#) [7]



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- [Magazines](#)
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- [Editorial Calendar](#)
- [Policy Events](#)
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[3] <https://www.theparliamentmagazine.eu/tags/internal-market>

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[6] <https://www.theparliamentmagazine.eu/categories/economics-and-finance>

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