

Next generation trade and investment agreements: upcoming challenges for public services Joint AK EUROPA / ÖGB Europabüro / EPSU / ETUC workshop 19 November 2019 Brussels, Belgium

Brief report

The workshop was jointly organised by the European Federation of Public Service Unions (EPSU), AK EUROPA, the Austrian Trade Union Federation Europe office (ÖGB) and the European Trade Union Confederation (ETUC). The aim was to take stock of the impact of trade and investment agreements on public services and to identify opportunities for further work.

Scott Sinclair, Director of the Trade and Investment Project, Canadian Centre for Policy Alternatives (CCPA) kicked off discussions with a presentation that recalled the many demands and expectations for an alternative trade agenda as set out for example in CCPA paper 'Beyond NAFTA 2.0: Toward a progressive trade agenda for people and planet.'. The relevance of this progressive agenda, which is very different from the Trump-style alternatives, has gained ground with recent debates on climate change. Calls for a New Green Deal present opportunities for a renewal of interest and support for public services/infrastructures, as these are crucial to tackling climate change both quickly and in a fair manner. We should aim for "private sufficiency and public luxury" and reverse the current trend of private wealth accumulation. Clearly, this entails addressing the obstacles to public services / general interest regulation that are found in trade and investment agreements. Market access requirements, investor protection, and restrictions on local development choices can all impede public intervention to transform economic models. As a matter of urgency there needs to be a moratorium on new investment agreements and an end to government support for companies that challenge climate-related regulations.

AK Expert **Oliver Prausmüller** pointed out that one of the biggest problems of the EU's "new generation" of trade and investment agreements with third countries is their expansion to ever more areas of life. This results in more pressure on regulations that protect the general interest, including in particular public services. He explained how the broad scope of negotiations of <u>CETA</u>, <u>TiSA</u> or <u>Australia and New Zealand</u> has increased pressures - and openings - for liberalisation. Hence, it is even more important to properly exclude public services from agreements. The joint study by AK EUROPA and EPSU puts forward a relevant and legally sound <u>model clause for the protection of public services</u>.

Oliver's <u>presentation</u> also drew attention to future risks for public services posed by new provisions in trade agreements concerning public-private partnerships (PPPs) and concessions, State-Owned Enterprises (SoEs), as well as proposals for rules on digital trade / e-commerce in the WTO. Strategies to protect public services and general interest regulation need to take account of this 'rolling agenda.' The <u>EU Commission's proposals for a conformity assessment agreement</u> published 25 October in the framework of EU – US trade relations also present additional risks. The AK CEO (Corporate Europe Observatory) briefing "<u>Trading away protection</u>" details how the outsourcing of regulatory checks to companies themselves or private registration illustrates in order to 'reduce administrative barriers to trade' may undermine workers, social and environmental standards.

How to build understanding of the role of public services and impact of trade agreements was addressed by **Lucile Falgueyrac**, trade policy assistant in office of Anna Cavazzini MEP. The appointment of Phil <u>Hogan as new Trade Commissioner-designate</u> does not indicate any change in the direction of European trade and investment policy. Given the many new Members of the European Parliament (MEPs), it is important for trade unions and civil society to be actively in contact with new members. She agreed that climate concerns are triggering discussions on the direction of trade policy, e.g. there are demands for a carbon border tax and, outside of the trade

context, many groups are pushing for there to be due diligence requirements on business for environmental and social (including tax) obligations. The Trade and Sustainable Development (TSD) Chapters offer little protection against the inroads made by investor protection provisions into public regulation in the general interest, which is needed more than ever in light of the climate crisis.

In terms of **conclusions**, the discussion made it clear that EU trade policy has to contribute to just transition. Against this background, public services and general interest regulation must be protected against market pressures so that they are able to develop their potential as an active force to mitigate and adapt to climate change.

Documents

EPSU website for meeting documents and presentations <u>Joint AK EUROPA, EPSU, ÖGB Europabüro, ETUC Workshop "Next generation trade and investment agreements. Upcoming challenges for public services"</u>

AK website article on workshop https://www.akeuropa.eu/get-public-services-out-trade-agreements
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Campaign "Rights for People, Rules for Corporations - Stop ISDS!"

ETUC Position: WTO Reform to promote sustainable development, social justice and decent work