EPSU

EUROPEAN PUBLIC SERVICE UNION

EPSU calls for rejection of CETA
because it's a bad deal for citizens

A huge trade deal between the European Union and Canada threatens to be passed this year, with barely a whisper about its far-reaching consequences for workers' rights, public services and democracy as a whole. The Comprehensive Economic and Trade Agreement, also known as CETA, has slipped under the radar of the media and public, despite much controversy surrounding its details. Often overshadowed by trade negotiations currently underway between the European Union and United States over the Transatlantic Trade and Investment Partnership (TTIP), CETA's importance has been largely underestimated.

EPSU wants this to change. Unlike TTIP, CETA's text has already been finalised. A College of Commissioners meeting on 5 July 2016 is expected to agree its final CETA proposal, with official signature in the Council expected to happen as early as September / October this year. With the finer details now made public, it is clear that the EU-Canada agreement is not a good deal, and moreover sets a worrying precedent for future trade deals – including TTIP.

We have summarised these concerns into six main points.

1. **Public services are included CETA.** The European Parliament has recently made firm recommendations to the Commission that public services should be excluded in their entirety from bilateral trade deals, irrespective of how those services are financed and organised. Yet the patchwork of protections for public services offered by CETA does not do the job. No fewer than 11 EU member States have committed **long-term care,** such as residential care for the elderly, in CETA. Such commitments could stand in the way of measures to protect the healthcare and long-term care sector against the asset-stripping strategies of financial investors that led to the collapse of, for example, Southern Cross in the UK.

2. **CETA is the first EU agreement with a 'negative list' approach** for services commitments. This means that all services will be subject to market liberalization, unless an explicit exception is made, and marks a radical departure from the positive lists – where services are committed one by one – used previously in EU trade deals. The negative list approach thus expands the scope of trade agreements and makes it more difficult to anticipate and regulate new services that emerge in the future.

   Furthermore, the inclusion of **'standstill' and 'ratchet' mechanisms in CETA** will lock-in present and future liberalisation, so limiting future efforts by governments to extend regulation or renationalise services. This would apply even when past liberalisations have proven to be failures and when it is in the public interest to bring services back under public ownership. Such provisions stifle the development of good governance and local responsibility, especially for local and regional governments. The European Parliament has in its recommendations on the Trade in Services Agreement (TiSA) rejected the use of standstill and ratchet clauses, precisely because they undermine democratic processes and accountability.

3. **CETA severely restricts the use of universal service** obligations in post and telecoms sectors. These obligations guarantee citizens universal access to basic services at affordable prices. CETA will also limit the freedom of public utilities to produce and distribute energy according to public interest goals, for example, by supporting renewable energy to combat climate change. Very few Member States have explicitly reserved their right to adopt certain measures with regards to the production of electricity.

4. **CETA contains far-reaching investment protection provisions**. While CETA's revised investor protection mechanism (Investment Court System – or ICS) is an improvement on the toxic and much-criticised Investor-State Dispute Settlement (ISDS), it nonetheless fails to meet the mark. Under ICS, investors will still be granted special rights over other groups in society to sue governments for policies that threaten their profits. This right will also apply to the many US companies that have operations in Canada. Previous attempts to regulate public services have already been targets of ISDS claims by private providers, and CETA threatens to continue this trend – rendering sectors including education, water, health, social welfare and pensions vulnerable to all kinds of investor attacks.
5. **CETA is weak on human rights, including workers' rights**. CETA lacks any clause saying that the respect for human rights is an essential element of the agreement. Nor does it include binding and enforceable measures to ensure that ILO core labour standards are respected in its sustainable development chapter. Furthermore, the public procurement provisions in CETA do not include obligations to respect labour and environmental standard, nor promote the use of social and environmental criteria in public tenders.

The European Commission has tried to bat away these concerns, reiterating past claims that the EU's "tried and tested" techniques for safeguarding public services in trade agreements have not seen any major problems in the last 20 years. But CETA is not the same as previous trade agreements. It contains a raft of new provisions that alter the balance of protections for public services and raises the worrying suggestion that the EU no longer has anything to do with public services; that each and every one is up for grabs by foreign investors should member states so wish. EPSU will not stand for this and will endeavour to prevent this bad deal from going through, on behalf of our members and for the protection of quality public services as a whole.