



## **Free trade agreements: Health care and social services are not for trading!**

Resolution of the EPSU Standing Committee “Health and Social Services”

45th meeting on 22.09.2016 in Brussels

The EPSU Health and Social Services Standing Committee brings together on a regular basis the trade unions from some 25 European countries. During today’s meeting, the Committee members addressed the issue of the impact of the free trade agreements, and notably of CETA, on the provision, safeguarding and further development of healthcare and social services in Europe and agreed on the following Resolution:

Stronger trading relations are to be supported, but these require more protections for public services and workers’ rights, not fewer. Free trade agreements put healthcare and social services under pressure – and that is true of both institutions and employees in these two sectors. Through CETA, and foreseeably also through the agreements currently still under negotiation, such as TTIP or TiSA, painstakingly brokered standards to ensure public services and to protect employees are liable to be called into question. Under the banner of “private sector before public sector”, many governments have been pressing on with liberalisation, commercialisation and privatisation of public services and dismantling workers rights. The free trade agreements reinforce and follow this logic. In the event of failure to secure the exemption in principle of social and healthcare services from the free trade agreements, to make a positive list out of the negative list, to bring about substantial changes to arbitration tribunals and investor-state dispute settlement and to enforce European law in matters of “public procurement” and “health and social protection” (including the EU legislation on health and safety at the workplace), the expectation is that further liberalisation and/or commercialisation of healthcare and social services will also occur in Europe. Competition between suppliers of these services and/or of insurance would be promoted there, with consequences for security of supply, jobs and employment, as well as for the good quality and continuous supply of public services.

For this reason, the member unions of the EPSU, gathered together in Brussels at the meeting of the Health and Social Services Standing Committee of 22.09.2016 – based on an analysis of possible impacts of CETA and TTIP in the sector of health and social services – call for:

### **Immediate and full transparency and comprehensive democratic decision-making**

Immediate and full transparency must be established concerning the negotiating text of the European Commission and all other negotiating documents, so that an open and critical debate on CETA and also on TTIP becomes possible. This includes the organisation of a democratic decision-making process, so that the free trade agreements serve public interests. Due to the potentially far-reaching consequences precisely for the quality of and access to healthcare and social services as well as for the working conditions of the employees of these sectors, this process will not be possible without debates and decisions in the national Parliaments, the European Parliament, civil society, trade unions and interest groups.



## **Enforceable ILO core labour standards and safeguarding of work and social standards**

There must be no limitation or jeopardising of the international and European human rights standards and the internationally agreed labour, social and environmental standards. These standards must be complied with and enforced. The same holds for national labour legislation and collective agreements in the 28 EU Member States. Persistent breaches of human rights, labour and social standards – as enshrined in the EU context – must also lead to lasting penalties for the undertakings concerned.

## **Securing of the power to shape policy and legal autonomy of the States in Europe – no special rights of action and arbitration tribunals for investors**

The power to shape policy and legal autonomy of Europe and the Nation States must be ensured by means of clear wording and legal concepts. They must have the necessary power, institutions and structures at their disposal to protect the sensitive social and healthcare services sectors and to develop them further on the lines of good supply and good work. In addition, options to return already privatised fields in the healthcare and social services sector to the control of public and non-commercial suppliers must also remain possible in the future. This means that investors may not be given special rights of action in the form of investor-state dispute settlement in connection with international arbitration tribunals. Also proposals providing for bodies to coordinate standards for the healthcare and social services sector must be rejected. All provisions tending towards this should be removed from the free trade agreements. Price controls set within EU MS. aimed at containing costs of reimbursable pharmaceuticals could be viewed as quantitative restrictions potentially violating the trade rules. Reimbursement rules for the costs of treatment incurred abroad (as also defined in Directive 2011/24/EU) could trigger trade disputes both under CETA and TTIP.

## **Procurement law lies within European/national competence**

In connection with these two points is the call for public procurement to be subject to the regulatory autonomy of the EU and the Nation States and for the orientation of procurement practice towards the economically most advantageous tender to be ensured. Only in this way is it guaranteed that social objectives are also brought to bear in the implementation of economic, social, health and employment policy measures and local economy and employment, labour rights and social protection, as well as sustainable economic activity, can be promoted and implemented.

## **Public services have no place in free trade agreements**

Deregulation of standards which protect the public interest must be prevented. Market access rules foreseen in CETA and TTIP might interfere with planning procedures widely applied in the health and social care sector such as economic needs tests, quota systems, price controls or rules on adequate staffing levels. The prohibition of numerical quotas could serve to challenge healthcare planning procedures applied on federal, regional and local levels, thereby effectively bypassing the permissibility of economic needs tests. EU standards must be respected and not



be reduced to the lowest common denominator through “harmonisation”. In connection with this: access to education, healthcare and other public services must be ensured through an unequivocal, full exemption of public services from the free trade agreements. The positive list approach must be followed for all services and investor-state dispute settlement must be ended, as it could call into question democratically agreed legal standards and protective measures.

The recently agreed EU Canada trade agreement (CETA) meets none of these requirements. The EPSU Standing Committee will contribute to the EPSU #StopCETA (see [www.epsu.org/CETA](http://www.epsu.org/CETA)) campaign launched on World Public Services Day (23 June) to prevent ratification of the agreement.

Brussels, 22 September 2016

*This Resolution supplements previous position papers, press releases, etc. of the EPSU on CETA, TTIP and TiSA. It takes into consideration findings and conclusions of the working paper published by the EPSU in May 2016 “CETA and TTIP: Potential impacts on health and social services” (<http://www.epsu.org/article/new-epsu-working-paper-ceta-and-ttip-potential-impacts-health-and-social-services>).*