

TTIP – What kind of trade partnership and for whose benefit?

The new trade agreement from a feminist perspective

WHAT is the TTIP?

The TTIP – *Transatlantic Trade and Investment Partnership Agreement* aims at further opening the markets of the US and the EU member states for product imports, services and investments. The goal is to maximise liberalisation, guaranteeing the highest standards of protection of the investments of European and US groups and investors. As there has been an increase in similar bilateral agreements from 500 to approx. 3,000 since the 1990s, the TTIP should be discussed in a wider context. The agreements are to be safeguarded through the Investor to State Dispute Settlement mechanism, which gives corporations the power to bring a claim for compensation against a state.

This trade partnership aims at

- 1) further reducing tariffs that have already been reduced to a minimum;
- 2) reducing non-tariff barriers, which will be a main area of change;
- 3) creating optimum conditions for investors.

WHO negotiates HOW?

So far, it has been a partnership between the European Commission and “600 official advisors” and representatives of European and US corporations. It is thus a rather select partnership which excludes female partners. Women’s NGOs or advocacy groups, unions or other representatives of civil society have neither been included nor informed, nor have they been able to – as opposed to corporate lobbyists – access the relevant documents. This runs contrary to the fact that the subject of “negotiation” are developments in health, hygiene, diet, safety, environment and labour that were achieved by, among others, women’s organisations together with other groups of civil society. Moreover, it is the scope and quality of public goods as well as potential privatisations that are up for negotiation. In the vernacular of international trade, these achievements are called “non-tariff barriers” or “market entry and investment barriers”.

The negotiations, which began in June 2013, disregard any basic democratic rules such as transparency, the right to information or representative decision-making including all social groups. Especially from the perspective of feminist politics, democracy is a central accomplishment and the prerequisite for a jurisdiction whose laws and execution are co-determined by women. Only because there are laws and established ways to enforce them, women have rights they can invoke and claim before a court. The proposed ad hoc arbitration courts would render the achievements of such established ways of legal recourse obsolete as they are not subject to either national or international law.

Who benefits from this partnership?

The partnership promises welfare effects without disclosing the beneficiaries. The projected quantitative welfare effects are small and also uncertain, as a forecast until 2027 seems rather bold.

Tax money for corporations?

From our point of view, the TTIP is a large-scale redistribution project that will make the wealthy even wealthier. This is done through the expropriation of public goods through privatisations and the use of the public budget for, to name but one example, compensation payments states have to make following a court conviction. This way tax revenue, which could be used for (among other things) benefits for women, would be reallocated to corporations. These companies would contribute next to nothing to this redistribution of the tax burden, as group-taxation regulations are already very favourable in many EU member states. US groups are also spoilt by their country's taxation policy, having to pay (almost) no taxes. In addition, they are well-versed in redirecting wealth to their own pockets without creating anything in return (rent seeking). As opposed to that, many women have to constantly provide services in return for (often low) wages and also do a great deal of work without ever being financially compensated.

“Downward” harmonisation?

The trade and investment partnership is also said to create jobs. Notwithstanding the fact that the projected numbers are only a drop in the bucket, there is a fundamental question to be asked: when does gainful employment benefit women rather than exploit them? That would be the case when wages secure women's livelihoods, when salaried work and family work can be reconciled, when women can apply and further develop their skills in their jobs, when women have the possibility to reach the executive level, when they are (verifiably) covered and protected by social and labour law, when female employees can unionise and thus have female employee representatives and means of participation. Existing free trade agreements such as the one between Mexico, Canada and the US (NAFTA) show that all of the above-mentioned points should be met with scepticism, as the implementation of such agreements has entailed a rise in atypical employment and precarious jobs. Even though US corporations use diversity programmes to put women's employment on an equal footing with men's, they also increasingly subcontract female employees to whom these criteria do not apply.

To counteract this development, strong unions would be needed. The anti-union policies of US corporations and the wish for transatlantic harmonisation could push forward the already existing tendency to weaken the unions in Europe as well. This gives rise to the fear that, once again, women will be forced into low-wage jobs and precarious, atypical labour contracts that resemble exploitation.

Care trap?

Measured against all value added and the number of employees, the entire EU consists of service economies. In Austria, approximately 83% of employed women work in service jobs. One of these areas is care. The TTIP could open the market even further for profit-oriented care-facility operators. As women grow older than men and therefore require more care services, and as the majority of paid care workers are also women, it is essential in terms of welfare effects what care and work look like in these facilities, which standards of care apply and whether they are affected by downward harmonisation. This will also be a crucial factor in deciding how much unpaid care work women have to do.

Added value for women?

What remains of the promised welfare effects for women? Will there be more unpaid work as public goods become privatised, receive a price tag and are charged? Will relevant safeguarding provisions addressing health, diet and safety risks be loosened or even eliminated as they supposedly constitute non-tariff barriers? Will there be more unpaid consumption work as product labelling rules are reduced as non-tariff barriers, consequently requiring a lot of time and effort to gain information on ingredients – basically on the question of “what did they feed the chicken”? Will there be added geographical mobility requirements due to exacerbated work demands from employed mothers and fathers, resulting in less time and more expenses for their children? Will there be less free time because of (more) overtime?

WIDE demands: STOP TTIP!

On the topic of the TTIP negotiations, French president Hollande said on 11 February 2014 during his presidential visit to Washington, D.C., “We have everything to gain moving quickly. Otherwise, as we know all too well, there will be a build-up of fears, threats and tensions.” This is the opposite of a democratic negotiation process. **STOP TTIP!**

This position paper is based on the article “*Der internationale Frauentag und die vier Buchstaben: TTIP. Zum 8. März 2014 – verspätet*” (The International Women’s Day and the four letters: TTIP. On the occasion of 8 March 2014 – with a little delay) by Luise Gubitzer.

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