



## TTIP: Chance for global fair play with high social, health and consumer protection

The negotiations which have been ongoing since mid-2013 between the EU and the USA on a Transatlantic Trade and Investment Partnership (TTIP) offer a one-off chance jointly to develop rules for free and fair trade worldwide. The EU and the USA are the world's two largest economic regions by far with the highest environmental, consumer and social standards. They can set high, globally effective benchmarks and act as a model for other agreements of this type.

Confidence in the rationale and chances of TTIP has been challenged by false and sometimes completely exaggerated claims that an end to democracy, the rule of law and a massive decline in social standards is to be feared as a result of TTIP. Through a targeted NGO campaign, untrue statements and distortions have led to a broad uncertainty among policy-making circles in Germany which goes far beyond the feeling that prevails in any other country. The claims about a massive dismantling of high standards or a cultural sell-out by Europe are not substantiated either by the negotiating mandate or by the European Commission's stated objectives in the negotiations.

The truth is that TTIP is about fair play in transatlantic and global trade, about transparent rules, and not about reducing existing standards and protection rights.

### Error: TTIP hollows out high European social standards

- For environmental protection and social standards, the EU's negotiating mandate makes provision for a separate sustainability chapter in which the labour and environmental law aspects of trade and sustainable development are comprehensively addressed.
- The EU's negotiating mandate expressly rules out putting labour and social standards on the table. Even before the negotiations started, the EU and the USA jointly affirmed their commitment to a high level in this area.
- Drawing on the EU's existing free-trade agreements with third countries, the intention is that mechanisms will be enshrined in TTIP which promote decent work on both sides of the Atlantic. This should be achieved through effective domestic implementation of the International Labour Organisation's (ILO) core labour standards in line with the 1998 "ILO Declaration on Principles and Rights at Work".

### Error: TTIP impedes national social regulation and restricts democratic decision-making processes

- The European Commission published its detailed position on sustainability themes such as labour and social standards in the wake of the first round of negotiations. This position makes it clear that TTIP should not restrict the contracting parties in their freedom to maintain or further develop their own regulatory measures (e.g. minimum wage, protection against dismissal) provided that they are compatible with international standards and agreements.
- Through this explicit recognition of the right of each contracting party to determine and to modify their own social protection standards, the orchestrated fears that TTIP could lead to a fall in social standards and hollow out decision-making processes lack any basis.

### European Commission, EU-US Transatlantic Trade and Investment Partnership. Trade and Sustainable Development. Initial Position Paper, 2003

"The integration of environmental and labour considerations in the TTIP is without prejudice to each Party's right to regulate in order to reflect its own sustainable development priorities. This means recognising in the TSD [Trade and Sustainable Development] chapter each Party's right to define and regulate its own domestic levels of environmental and labour protection at the level deemed necessary, consistently with internationally agreed standards and agreements, as well as to modify its relevant laws and policies accordingly, while pursuing high levels of protection."

### Fact: The USA has committed to the principles of ILO core labour standards

- A demand increasingly made in the debate about TTIP related to enshrining ILO core labour standards in this agreement. A constructive initiative to this end has already been taken with the reference to the 1998 ILO Declaration on Principles and Rights at Work. With the Declaration, all ILO Member States, and specifically also the USA, commit to the principles set out in the core labour standards independent of whether or not the ILO Conventions in question has been formally ratified. Accordingly, the United States has also clearly committed to respect, to promote

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- To monitor implementation of the principles enshrined in the core labour standards, the 1998 ILO Declaration makes provision for a regular follow-up mechanism. This obliges Member States to report annually on their activities to enforce the fundamental principles. The reporting obligations provided for in ILO's Constitution for States which have not ratified all or particular core labour standards are markedly widened by the 1998 Declaration. They must subject their legislation and practice to concrete monitoring. The USA is intensively involved in this annual reporting process.

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## ILO Declaration on Principles and Rights at Work, 1998

"Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organisation to respect, to promote and to realise, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation."

## Fact: Formal ratification of all ILO core labour standards by the USA is neither realistic nor necessary

- Ratification of ILO Conventions is a highly complicated process in the USA due to the country's structure. Ratification of all core labour standards would entail extensive amendments to both Federal and State laws, and would lead to potential conflicts between the two law-making levels. This is even expressly recognised by the trade unions.
- To avoid conflicts between the law-making levels, the US Administration and social partners – namely the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) with the largest number of members and the United States Council for International Business (USCIB) which represents US employers in ILO – have reached a joint agreement that ILO Conventions whose ratification would require an amendment to State laws are not presented to the Senate for ratification. All ILO Conventions are examined from this angle by a tripartite committee.
- However, as an ILO Member State, the USA is in any event obliged to respect, to promote and to effectively implement the principles underlying the ILO core labour standards. Even critics of TTIP concede that the legal situation in the USA is essentially in accordance with the ILO core labour standards.

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## Publications (German and English)

### **An Opportunity for Employment and the Economy**

Joint statement by BDA, BDI, DIHK and ZDH on TTIP, 9 November 2014

### **Transatlantische Handels- und Investitionspartnerschaft (TTIP): Verhandlungen entschlossen vorantreiben**

Beschluss des Ausschusses Volkswirtschaftliche Fragen der BDA, 9. Oktober 2014

### **Chancen von TTIP für Sozialversicherungen stärker betonen**

BDA-Stellungnahme gegenüber Dt. Rentenversicherung Bund zum Entwurf einer Positionierung der Europavertretung der Dt. Sozialversicherung, 12. Juni 2014

### **arguments:**

TTIP: investment protection sensible and necessary

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