

USA

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A Conversation on Trade Unions and TTIP

PRESIDENTS OF THE GERMAN AND AMERICAN TRADE UNIONS OFFER THEIR VIEWS ON CURRENT TRADE NEGOTIATIONS AND THEIR IMPLICATIONS FOR WORKERS

As the Transatlantic Trade and Investment Partnership (TTIP) enters its ninth round of negotiations in New York on April 20th, 2015, concerns on both sides of the Atlantic remain about the impact the final treaty will have on production standards, consumer protection, and job security. Labor organizations remain actively engaged in the TTIP process. Labor groups' concerns and suggestions for TTIP were the topic of discussion at an event hosted by the German Marshall Fund of the United States and the Friedrich-Ebert-Stiftung. The two speakers were Reiner Hoffmann, president of the German Trade Union Confederation (DGB), and Richard Trumka, president of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO).

A common theme of the two trade union leaders was harmonizing standards between the European Union (EU) and United States (U.S.). Stressing the need to protect high production standards between European and American companies, Mr. Hoffmann emphasized that TTIP must strive to achieve "harmonization" of production and labor standards. Mr. Trumka agreed, suggesting that by harmonizing standards to the highest denominator, "the rest of the world" would have to use U.S.-EU standards as a benchmark. Such calls by trade unions, Mr. Hoffmann asserts, would challenge current business practices among some European companies that lower their labor standards when establishing an American presence. If the final TTIP treaty fails to incorporate harmonized standards, Mr. Trumka predicts that EU companies would move operations to the U.S., temporarily increasing job opportunities for workers in America, but ultimately lowering standards for transatlantic workers. Inclusion of such standards in a final TTIP agreement would make support from the DGB and AFL-CIO more likely.

Mr. Hoffmann's approach to TTIP centers on what he calls "fair trade", rather than "neoliberal free trade". "Fair trade" would allow the benefits of trade to occur and provide protections for workers against the negative effects of globalization that can result from free trade agreements. Continuing his protest against neoliberal policies and their effects on workers and economies, Mr. Hoffmann stressed the need to include specific protections of "services of general interest" from privatization and provide governments the right to "re-communalize" privately-owned public services.

Providing an American labor perspective on TTIP and other trade policies currently under consideration in the U.S., Mr. Trumka's envisions a TTIP "agreement that works for everybody". The secrecy with which free trade agreements, such as the Trans-Pacific Partnership (TPP), are being negotiated represents, in Mr. Trumka's opinion, a significant roadblock to ensuring that American (and European) workers and consumers are not adversely affected.

Given these priorities, Mr. Trumka expressed serious concerns regarding the expedited introduction and debate of the Trade Promotion Authority (TPA) or "fast-track" legislation currently working its way through Congress. Current language in the TPA bill still limits, in Mr. Trumka's opinion, Congress' ability to amend trade agreements, set negotiation objectives, and ensure transparency, thereby making it difficult to get a trade agreement that "works for everybody".

TPA faces significant Democratic opposition in both houses of Congress. Republicans largely support TPA, however some concerns exist about increasing executive power. This means that in order for Congress to pass TPA, Democrats in both houses of Congress will have to vote for TPA. Senate Democrats largely oppose TPP and TTIP as perceived threats to American jobs and as a political threat to traditional labor union

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support for the Democratic Party that is often crucial for Democratic candidates in elections. The AFL-CIO recently froze all political campaign contributions in order to focus its financial resources on fighting TPA – campaign contributions that typically go to Democratic candidates. The stark divide between trade unions, Senate Democrats, such as Elizabeth Warren (D-MA), and the Obama administration illustrates the divisive nature of current free trade negotiations in the United States.

In response to a question regarding a European perspective that the only path to TTIP ratification by the U.S. is with TPA, Mr. Trumka emphasized that President Clinton successfully negotiated the U.S.-Jordan Free Trade Agreement (2001) without TPA. Additionally, Mr. Trumka offered six improvements to TPA, largely involving increasing the authority of Congress to set and control trade objectives that would create a “TPA that actually works” and provide greater degrees of transparency in the negotiation of trade agreements.

The AFL-CIO views labor rights and standards as a high priority in the debate surrounding TTIP and TPP negotiations. Mr. Trumka expressed outrage at the current state of unions in the U.S., criticizing anti-union sentiment and action by businesses. Along with Mr. Hoffmann, Mr. Trumka supported the idea of incorporating the Core Labor Standards (CLS) of the International Labor Organization (ILO) into the TTIP treaty in order to protect and enforce worker’s rights. This is an especially crucial point from the American labor perspective as the United States has not ratified the core CLS of freedom of association and the right to collective bargaining that unions view as fundamental.

The inclusion of investor-state dispute settlement (ISDS) in TTIP and TPP is a concern for both labor representatives. According to the AFL-CIO, ISDS allows those who invest in foreign countries to challenge any laws and regulations that might reduce expected profits or violate “fair and equitable treatment” outside of the host nation’s judicial system. Mr. Trumka described ISDS as a system of “secret tribunals” with the power to overrule regulations and tendency to favor large corporations, resulting in the continuation of sub-par labor standards, especially in developing nations. Even if ISDS is not included in the final TTIP treaty, Mr. Hoffman raised concerns about the presence of an ISDS clause in the Comprehensive Economic and Trade Agreement (CETA)

between the EU and Canada. Unless the ISDS clause is revised or eliminated from the CETA agreement, Mr. Hoffmann suggested that it would be possible for companies to shift business to Canada or other nations with ISDS, thereby undermining the success of a potentially ISDS-free TTIP agreement to protect citizens and the environment, improve labor conditions, and increase transparency in litigation involving multi-national corporations.

Exploring the transatlantic implications of TTIP, both Mr. Reiner and Mr. Trumka offered perspectives on the geopolitical nature of TTIP. The true impact of TTIP, according to Mr. Reiner would be a “shaping of globalization” through the creation of a “reference model” for social and labor standards across the world. Mr. Trumka questioned the extent of geo-political impact that TTIP and TPP would have if issues of currency manipulation, rules of origin, and environmental standards are not included and rigorously enforced. In Mr. Trumka’s opinion, a treaty that fails to discuss such issues represents a “weak agreement”. Mr. Reiner cautioned against incorporating energy policy with TTIP given the diverse national energy policies of EU member states and the U.S. that could pose a stumbling block to successful negotiations.

Trade unions from both sides of the Atlantic express concerns about trade agreements currently under negotiation. Although the focus of EU and U.S. trade unions on these agreements differs slightly, raising production standards, promoting “fair trade” globalization and building transparent systems of negotiations that promote worker’s concerns are common themes. Mr. Hoffman and Mr. Trumka’s discussion indicates that these themes form the basis of labor’s actions and reactions toward ongoing TTIP negotiations.

By: ~~Soleil Sykes~~