

## CETA matters as much as TTIP

by Maude Barlow, national chairperson, Council of Canadians

*(The following is an extract from a [longer article](#), 'Fighting TTIP, CETA, and ISDS. Lessons from Canada', published by The Council of Canadians).*

Many Europeans know a great deal about TTIP, the deal with the US, and are deeply concerned about it. Fewer Europeans have heard about CETA. Many who have, however, are less worried about the deal with Canada. Aren't Canadian standards, values and regulations in areas such as health, labour, human rights, food safety and environmental protection closer to those of Europe than those of the US?

This is an argument we hear in Canada. Many Canadians were opposed to the free trade agreements with the United States out of a fear that we would be forced to harmonize our social standards downward. However, many Canadians are much more open to a deal with Europe because they don't perceive a similar threat to our way of life.

But this thinking misses several points. First, it doesn't matter who has the highest standards to start out. What matters is how the corporations from both sides of the Atlantic will use the regulatory cooperation and ISDS provisions of CETA to lower standards across the board. As well, in both Canada and Europe, there are internal processes already deeply committed to the deregulation of environment, health and labour standards, as well as the privatization of public services. CETA will speed up the pace of this process in both Europe and Canada.

But perhaps the most important reason Europeans should be concerned about CETA is that it is a back door for American corporations to challenge standards and regulations in Europe through their subsidiaries in Canada. All an American agriculture, energy or drug giant would have to do is to challenge European standards through ISDS using their existing subsidiaries in Canada, and many are already here, or set one up.

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If Europeans are able to keep ISDS out of TTIP, but CETA in its current form is allowed to be implemented, American corporations will have as much access to

sue Europe as if TTIP containing ISDS had been signed.

Timothé Feodoroff of the Transnational Institute says CETA will empower big American oil and gas companies to challenge European fracking bans and regulations through the back door. The companies would just need to have a subsidiary or an office in Canada, he notes.

Already, Canada used the then ongoing CETA negotiations to get Europe to weaken its Fuel Quality Directive, a key piece of EU legislation allowing it to distinguish between various kinds of fuel imports based on their CO2 emissions. [Friends of the Earth Europe say](#) this will allow crude from Alberta's tar sands, where CO2 emissions are 23 per cent higher than conventional oil, unfettered access to Europe. This is a scenario the Canadian government is promoting.

Mike Hudema of Greenpeace Canada lamented that rather than tackling the climate crisis in Canada, the Canadian government is bullying other governments into weakening their climate efforts in order to sell more dirty oil.

Many Europeans are also worried that TTIP will eventually lead to lower standards for food safety and animal welfare, which are generally higher in Europe than in the US. CETA is a back door for American corporations to challenge standards and regulations in Europe through their subsidiaries in Canada.

Friends of the Earth Europe and the US-based [Center for Food Safety warn](#) that the regulatory cooperation requirements of TTIP clearly give a new body made up of trade and regulatory experts the right to filter all new food safety rules, transferring power from governments to industry representatives.

Already there are signs of compliance. Europe dropped its ban on beef washed in lactic acid in order to smooth the way for both CETA and TTIP talks, as both countries allow this practice and are keen to open up the European market to their beef exports. However, if, in the future, the EU decided to bring back the ban on this practice, US agribusiness companies could sue for compensation through CETA.

Food and Water Watch Europe (FWWE) warns, in an important report, that TTIP and CETA can be used to challenge Europe's stricter laws on GMOs. Today, [reports FWWE](#), Europe has only one biotech crop approved for cultivation and grows less than one-tenth of a per cent of the global genetically engineered cropland. US biotech companies like Monsanto and Dow could challenge

delayed approvals in Europe through the TTIP or CETA ISDS provisions, and European biotech companies such as BASF and Syngenta could attack US attempts at food labelling initiatives.

American private health companies could also use CETA to challenge public health services. John Hilary of Great Britain's War on Want [points out](#) that health services, medical services and dental services are all included in the TTIP negotiations. Hilary says that this puts England's National Health Service (NHS) in jeopardy. After years of privatization there is growing demand to bring the NHS back under public control. But, as he notes, any future government that would attempt to do that could be faced with investor-state challenges under TTIP, and if TTIP is not ratified or does not include ISDS, then under CETA.

Similar threats exist to the movement to remunicipalise private water services. While water resources are exempt from CETA, privatized services are not. Once a municipality has privatized its water services, any North American investor in these services can challenge for compensation using ISDS. As Brent Patterson, Political Director for the Council of Canadians [points out](#), many public pension funds in North America are invested in private water services around the world.

What if England opted to stop paying higher water rates and bring its privatized water services back into the public realm, he asks? Canadian investors could challenge this. The Ontario Teachers' Pension Plan owns 27 per cent of Northumbrian Water Group (which sells its water services to about 4.4 million customers in England) and the Canada Pension Plan owns one-third of Anglian Water Services (which sells water to about six million people). Both are highly profitable enterprises for these Canadian pension funds and the tip of the iceberg.

Even by itself, CETA is a threat to environmental standards in Europe. Seventy-five per cent of the world's mining companies are based in Canada, as our country's stock exchange listing rules are very lax. An [industry report](#) found that Canada's mining industry has the worst environmental and human rights record of any country.

A Canadian company, Gabriel Resources, wanted to build Europe's largest gold mine in Romania and invested in early exploration. But local resistance to the open-pit Rosia Montana mine led to its cancellation. The company has let it be known that it intends to seek \$4 billion in compensation and would find CETA an important tool to advance its interests. CETA would also give Canadian mining company Eldorado Gold similar power to sue Greece if the Syriza government makes good on its promise to cancel the environmentally

destructive Skouries mine in the country's north.

## **How can we work across borders to defeat these deals?**

This report was written in an attempt to show Europeans why CETA is as important as TTIP, and to help build the movement among Canadian, European and American activists and organizations fighting these pernicious trade and investment agreements.

It is crucial that European activists and groups take up CETA as a priority as we have little time left to defeat it. This means, as the Seattle to Brussels Network wrote in a recent open letter to European governments and Members of the European Parliament (MEPs), we must demand that the European Commission undertake a comprehensive analysis of the CETA text, including the implications for human rights, health, employment, environment, and democratic policy space, in order for elected representatives to do their due diligence to protect the public good. The Commission and elected authorities have to be able to answer the growing concerns about CETA and organize public forums around them.

The Network also asks MEPs not to sign CETA, at least until we have credible answers to these many questions. 'In our opinion', [says the Network](#), 'the hypothetical 0.09 per cent extra growth predicted in the 2008 pre-negotiations study do not justify blindly signing a treaty that is primarily designed by corporate lobbies to increase pressure on our democracy and our rights..!'



As well, it is important that we work inside governments to get a commitment to send CETA for ratification to the legislatures of each of the 28 European states as well as to the European Parliament. Sufficient concerns have been raised about CETA and ISDS inside many governments and each should have a chance to vote on this controversial deal.

We in Canada will do our part in working with a (hopefully) new government after the federal election that will be more open to hearing our concerns about CETA than the current one.

In the end, perhaps the building of justice movements across borders, as we

have been doing on a wide range of issues, is the most important thing we can do. Clearly we have to challenge the economic and political agenda and the corporate power behind it that created a concept such as ISDS in the first place. Economic globalization, unlimited growth, deregulation of environmental, health and safety protections, privatization of public services, and the dominance of the market are all hallmarks of TTIP, CETA and ISDS, and we must replace these priorities with others if we and the planet are to survive.

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## **About the author**



Maude Barlow is the National Chairperson of the Council of Canadians. Maude is the recipient of twelve honorary doctorates as well as many awards, including the 2005 Right Livelihood Award (known as the “Alternative Nobel”). She served as Senior Advisor on Water to the 63rd President of the United Nations General Assembly and was a leader in the campaign to have water recognized as a human right by the UN. She is also the author of dozens of reports, as well as 17 books, including her latest, *Blue Future: Protecting Water for People and the Planet Forever*. She has been active in the fight for fair trade deals in Canada and around the world for decades.