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*Committee on Employment and Social Affairs*

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**2014/2228(INI)**

1.4.2015

## **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on International Trade

on recommendations to the European Commission on the negotiations for the Transatlantic Trade and Investment Partnership (TTIP)  
(2014/2228(INI))

Rapporteur: Marian Harkin

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on International Trade, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to the Commission's impact assessment report on the future of EU-US trade relations, published on 12 March 2013,
1. Addresses, in the context of the ongoing negotiations on TTIP, the following recommendations to the Commission:
    - (i) to ensure that TTIP will both safeguard existing jobs and make a tangible and positive contribution to safeguarding and generating strong, sustainable growth in order to maximise the potential for creating higher-skilled jobs to meet the new needs of the labour market along with better and sustainable jobs in the EU in order to help achieve the 2020 target of 75 % employment, bearing in mind that trade is not an end in itself but a means of improving well-being; to fully respect and protect global labour standards; to guarantee that standards, in particular social, environmental and workplace health and safety standards, are protected and that such standards can be improved;
    - (ii) to provide Parliament with updated estimates of the impact of TTIP on employment and growth in the EU, with particular reference to the consequences for Member States from Central and South-Eastern Europe;
    - (iii) to ensure that steps are taken to modernise training systems in order to facilitate the development of new skills and better-qualified workers, thereby improving access to the labour market;
    - (iv) to ensure that the social and environmental impacts of a potential agreement are thoroughly assessed by means of an open debate;
    - (v) to gauge the risk that defining common social and environmental protection standards with the United States will weaken collective European preferences and exacerbate the economic and social divergences between Member States;
    - (vi) to ensure, across all chapters of the TTIP agreement, that it under no circumstances leads to the weakening, circumvention or invalidation of Member State and EU standards in the following areas: workers' rights, working conditions, social security, social inclusion and social protection, health and safety in the workplace, professional training, professional qualifications, free movement of workers and pensioners, social dialogue, anti-discrimination in the workplace and on the employment market; furthermore, to guarantee that TTIP includes comprehensive and binding provisions on labour laws and policies at all levels of government that are in keeping with the International Labour Organisation (ILO) Core Conventions and the Decent Work Agenda; to ensure that trade or investment is not encouraged through the weakening of labour laws; where disputes arise, labour provisions must be subject to a dispute settlement

mechanism, including the possibility of sanctions; in this respect ILO supervisory bodies can play a role;

- (vii) if final elements of the TTIP agreement should endanger or stand in the way of standards in these areas, to inform Parliament's responsible Committee on Employment and Social Affairs of this immediately so that consultation can take place and decisions be taken;
- (viii) to reject any agreement that might pose a threat to labour standards in Europe and lead to social dumping;
- (ix) to ensure that the dimensions of labour and social provisions are recognised, defended and fully integrated into all operational areas of the agreement so as to ensure a coherent and comprehensive approach to sustainable development in the trade agreement;
- (x) to ensure that on the margin of the TTIP negotiations the mutually beneficial mobility package arrangement is achieved, bearing in mind that visa facilitation for European service and goods providers and enabling professionals to work in the USA by recognising their qualifications is one of the key elements in taking full advantage of the TTIP agreement;
- (xi) to ensure that civil society can make a meaningful contribution to implementing relevant TTIP provisions; in this context implementation of and compliance with labour provisions should be subject to a monitoring process which involves the social partners and civil society in a process of social dialogue involving advisory committees, while also bearing in mind the broader dimension of Article 17(1) TEU; to ensure that civil society and the public concerned are informed and have access to all relevant negotiating texts and that Parliament and the Council have access to a consolidated negotiating text immediately after such texts have been discussed in negotiating rounds;
- (xii) to take immediate steps to guarantee Member States' right to legislate, fund, organise, set quality and safety standards for, manage and regulate all public services, including education, social services, health services, water supply, sewage disposal, waste disposal, social security, railways and public transport, energy, cultural and audiovisual services, etc. and to ensure the exclusion of public services (including water, health, social security systems and education) from the scope of the treaty;
- (xiii) to ensure an explicit exclusion of public services, as referred to in Article 14 TFEU, from the scope of application of TTIP, in order to ensure that national and local authorities have the freedom to introduce, adopt, maintain or repeal any measure with regard to the commissioning, organisation, funding and provision of public services, as provided for in Article 168 TFEU (public health) and Protocol 26 (Service of General Interest) thereto; this exclusion should apply whether the services in question are organised as a monopoly, operating under exclusive rights or otherwise, and whether publicly or privately funded and/or provided; such services include health and social care services, social security systems, publicly funded education, railway and public transport, and water, gas and electricity

services;

- (xiv) to ensure that ratchet and standstill clauses do not apply to any public and social services; the full scope for the re-nationalisation and re-municipalisation of services must be safeguarded;
- (xv) to ensure that the specific challenges faced by SMEs and micro-companies, such as non-tariff trade barriers, red tape and trade diversion effects arising from TTIP, are fully taken into account; to ensure that SMEs benefit fully from an open market by creating an economic framework that encourages exports and a favourable, competitive and sustainable business environment; to ensure that the specific challenges faced by the 87 % of all SMEs in the EU that are not involved in export but rely on domestic demand are fully taken into account;
- (xvi) to simplify procedures and consider new mechanisms to help SMEs benefit from TTIP;
- (xvii) to create incentives and promote the uptake of corporate social responsibility (CSR), which must complement and under no circumstances replace labour and environmental laws;
- (xviii) to ensure that agreement on any dispute settlement mechanism regarding investment protection must take into account the results of the public consultation on investor-state dispute settlement (ISDS), be fully transparent and democratically accountable, explicitly state the Member States' right to regulate and under no circumstances restrict or hinder legislators from passing and enforcing laws both in the area of employment and in the area of social policy for their countries; a state-to-state dispute settlement system between the EU and the US – both of which have fully functional legal systems and a sufficient level of investment protection to guarantee legal security – is another appropriate tool for addressing investment disputes; the inclusion of any form of private arbitration courts in TTIP must be ruled out;
- (xix) to take steps to uphold a 'positive listing' approach in the agreement in relation to the chapter on trade in services and establishment whereby services that are to be opened up for foreign companies are explicitly specified;
- (xx) given the Commission's acknowledgement in its Impact Assessment report that there could be prolonged and substantial adjustment costs in the EU labour market, to ensure that there are realistic statistical projections on job losses/gains in the sectors affected and in each Member State and that these are constantly updated and published so that timely intervention can be made by the Commission to support the affected sectors, regions or Member States; to take into account external impacts and anticipate crisis scenarios in its projections; this support could be achieved through EU funding, including an adapted European Globalisation Adjustment Fund with an adequate budget;
- (xi) to ensure that the exchange conditions are subject to strict reciprocity in order to strengthen the EU's industrial fabric, protect SMEs, create jobs and prevent all unfair competition, in particular as regards social standards;

- (xxii) to take steps to ensure that regulatory cooperation does not restrict the right of governments and of the European Parliament to legislate in the public interest; steps must be taken to ensure that regulatory cooperation does not lead to the weakening of labour standards, including health and safety standards; it must be ensured that labour and social standards are not treated as non-tariff barriers or technical barriers to trade; stakeholders, including social partners, should be included in the process of regulatory cooperation in a balanced representation;
- (xxiii) to ensure that new EU rules adopted through the revision of directives on public procurement remain preserved and promoted in the framework of ongoing negotiations, particularly in terms of public market access for SMEs, the award criteria based on best value rather than lowest price, the markets for actors in the social economy, the possibility for contracting authorities to cooperate and form intercommunalities, and the thresholds below which the procurement is not subject to EU or international rules;
- (xxiv) to ensure, in order to safeguard the European social model against competition from Anglo-Saxon American capitalism, and that collectively funded public services and social security systems are not sacrificed; TTIP must not increase the pressure on Member States to reduce public expenditure as an easy way to become economically competitive and supply investors with an attractive business climate;
- (xxv) to ensure that governments have the opportunity to adopt socially and environmentally responsible procurement policies; procurement provisions should not prevent governments from addressing societal and environmental needs and the agreement must not restrict the ability to make social demands, as stated in the new EU directives on public procurement; in addition, public procurement policies should be in line with ILO Convention 94 regarding labour clauses in public contracts;
- (xxvi) to take rapid steps to ensure that the issue of aggressive tax planning is regulated, such as moving companies' head offices from the other side of the Atlantic to benefit from conditions that affect competition and have a negative impact on employment.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	1.4.2015
<b>Result of final vote</b>	+: 30 -: 18 0: 3
<b>Members present for the final vote</b>	Laura Agea, Guillaume Balas, Brando Benifei, Enrique Calvet Chambon, Martina Dlabajová, Arne Gericke, Marian Harkin, Danuta Jazłowiecka, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Adam Kósa, Agnieszka Kozłowska-Rajewicz, Zdzisław Krasnodębski, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, Emilian Pavel, Georgi Pirinski, Sofia Ribeiro, Maria João Rodrigues, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Tatjana Ždanoka, Jana Žitňanská, Inês Cristina Zuber
<b>Substitutes present for the final vote</b>	Daniela Aiuto, Georges Bach, Elmar Brok, Karima Delli, Sergio Gutiérrez Prieto, Miapetra Kumpula-Natri, Joachim Schuster, Neoklis Sylikiotis, Ivo Vajgl