

**Danuta Hübner**  
**Chair of the Committee on Constitutional Affairs in the European Parliament**

***The Transatlantic Trade and Investment Partnership(TTIP):  
a trade agreement between the European Union and the United States:  
its challenges, opportunities and risks***

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Let me start by a comment on the impact of the US elections on the process of negotiating the transatlantic agreement on trade and investment. It goes without saying that it is up to the American administration to decide whether they want to continue negotiating with the EU of this unprecedented and potentially delivering a win win situation agreement. If this is the case then it is up to both parties to sit at the table and decide jointly whether a pause is needed and how long it should be. There should not be any problem with continuing discussions at the technical level till the very end of President Obama term. It is probably reasonable to expect that relaunching true negotiation would not take place before autumn 2017.

Those of Europeans who see a substantial value added in this comprehensive modern agreement worried during the presidential campaign when negative attitude toward international agreements and free trade were strongly expressed by Mr. Trump. We have also noted however that TTIP has never been mentioned explicitly. It is also rather a fact of life that there are many actors on the American political and economic stage, business community, congress members, consumers who would rather see TTIP as a good platform for future economic relations between EU and US.

We, European political elites at all levels of governance, from local through regional and national to European, as well as European institutions, we have failed to convince the public at large that the Union is here to make the globalization work for them.

We failed to explain that international agreements are the best way to shape globalization, to share with others European norms and standards, to protect European interests in the global world where not everybody, to say the least, shares our values and standards. Globalization will stay with us. Closing the door will not make it disappear. Not entering into international deals will deprive us of any impact on globalization. Making deals with friends, with countries as close to our value system as Canada and US is the best way to go.

We need a new debate on trade that would involve all potentially affected. Last time trade related issues were discussed publicly it was probably in

1990s. Then WTO rounds appeared from time to time in media with few debates among academics and experts. Free trade is associated by citizens with reduction of trade barriers, and in particular with lowering custom duties. Agreements were to protect producers. Today new trade potential is embedded in abolishing non tariff barriers and stronger regulatory cooperation. Those to be protected are consumers who expect food safety, environmental and labor norms to be respected. We need a debate on how we should shape our trade relations, so that we as citizens feel safe and benefit.

In this context let me say that the good side of this politically painful process of endorsing agreements like CETA or TTIP is that they awakened interest of citizens but also many groups of vested interest and give an opportunity to have a debate. There is a chance that the public awareness crisis will not go to waste.

But we as politicians cannot be naive. What we hear are not only genuine legitimate worries of European citizens. There are also various vested interests, economic and political that feed this debate.

The question is whether there is an alternative to new international agreements like the one with the US and Canada. Europe cannot afford becoming protectionist. At least 15% of our jobs depend on our involvement in the international trade relations. Threats to jobs do not come from trade and investments but rather from technological disruption, from robotization. During previous industrial revolutions disappearing jobs were more than compensated by jobs emerging in other sectors. Today, industrial revolution wipes out jobs across all industries. There is a space for the action of national governments here to help people adapt to those impacts of globalization. At the European level, it is the single market mechanism that works in this direction. Trade generates growth but how it is distributed depends largely on national policies.

To protect our interests and to maintain our impact on the shape of globalization, we need international agreements. They ensure our active and effective presence in global networks of various actors. This presence could be further supported by more efficient participation of the Union in international organizations. We must also intensify our action aiming at supporting improvement of our international competitiveness.

The way we do it as the European Union requires then more investment in the way the democratic legitimacy of such actions is provided. Parliaments are a natural provider of such legitimacy.

However, the challenge today is more complex. Citizens must feel they can influence the content of international deals. They must also feel in a tangible way that their concerns are taken into account. National governments will have to look anew at national procedures leading to the approval of mandate for negotiations of international trade and investment agreements. This is the time where public consultation can take place. Very few citizens know about

the already existing European instruments that independently of international agreements can provide compensation for the consequences of globalization at the level of companies. More can be done in this regard.

It is worth looking at CETA as a vehicle that takes us from a situation where European companies, European labor, European food safety standards, European geographic indications are less protected, if at all, in our trade relations with Canada, toward a situation where European firms, including SMEs, will have access to public procurement not only at federal but also at local level in Canada, where Canadians will produce hormone free meat to export it to Europe, where fifty of our geographic indications, all listed by member states, will be protected in Canada, and where at the same time nothing will be entering the single market without respecting European norms and standards. Without a comprehensive trade agreement we would not be able to ensure all that.

Trade policy has always been at the heart of the European Union. Both Custom Union and the Single Market have made trade the growth and competitiveness driver. Our living standards could grow because of how we benefitted from trade policy and trade agreements. The experience with CETA shows that Lisbon Treaty suffers from a structural weakness when it comes to trade agreements. It is not clear enough on competences when it comes to trade agreements. Common commercial policy is the exclusive competence of the Union. The consent of the European Parliament, a democratically elected institution representing European citizens is also part of this competence. To avoid confusion regarding the challenging concept of the mixed agreement we need a more accountable and at the same time more effective way of trade policy making.