

Trade Justice Scotland Coalition



Draft Just Trade Principles Motion

Council notes that:

- The Transatlantic Trade and Investment Partnership (TTIP), the trade deal between the EU and US, stalled at the beginning of 2017, due to widespread public and political concern on both sides of the Atlantic.
- The Comprehensive Economic and Trade Agreement (CETA), between the EU and Canada, despite similar concerns, was passed by the European Parliament in February 2017 and is now awaiting ratification by member states.
- CETA will allow corporations to use a new Investor Court System (ICS) which affords transnational companies rights over elected governments.
- The effects of trade deals like TTIP and CETA go well beyond traditional goals of trade agreements, encompassing a wide spectrum of public policies. These include the harmonisation of regulatory standards; opening markets in the service sector; and the opening up of public procurement markets.
- The current UK government has indicated that it plans to use TTIP and CETA as the basis for any new trade agreements that it negotiates after Brexit.
- In the last two years, ten local Scottish Councils passed motions opposing TTIP and CETA (Dundee, East Dunbartonshire, Edinburgh, Fife, Glasgow, Inverness, Midlothian, North Ayrshire, Stirling and West Dunbartonshire), which demonstrates widespread concern amongst local authorities about the negative impacts of these kinds of trade deals.

This Council believes that:

- This new generation of trade deals represents a real threat to local democracy, affecting the freedom local authorities have in decision making, when these decisions affect the profits of multi-national companies.
- These trade deals could also negatively impact on local services, employment and suppliers, as power is transferred from local and national governments to international corporations.
- A different system of trade is needed, which honours obligations to human rights, workers' rights and climate change commitments.
- Trade deals should be used to help build a fairer society and protect the planet

This Council therefore agrees:

- To endorse the Trade Justice Scotland Coalition's ten principles for just trade, as an alternative to trade deals like TTIP and CETA.
- That the Leader of this Council should write to the Secretary of State for Communities, Social Security and Equalities; the Cabinet Secretary for Finance and Constitution, and local MPs and MSPs to warn of the impact that a new generation of trade deals might have on Council decision-making after Brexit, and to call for them to endorse the Trade Justice Scotland Coalition's principles for just trade
- That the Leader of the Council will write to COSLA to express concern about the impact that future trade deals, negotiated by the UK government after we leave the EU and modelled on TTIP and CETA, might have on local council decision-making, and ask them to raise these with the UK government and Scottish government on this Council's behalf.

The Trade Justice Scotland coalition's ten principles for just trade are as follows:

1. Trade policy and trade negotiations should begin with, and continue to create, opportunities for meaningful consultation with the public, with the UK parliament, and with the devolved administrations.
2. Trade rules should comply with human rights, labour standards, environmental standards and climate commitments.
3. Trade agreements should focus on trading in goods. Public services, patents, local and national government procurement, domestic regulation, migration, investment and data privacy lie outside the scope of trade agreements. A policy of "positive listing" would reinforce this principle.
4. Domestic courts rather than 'corporate courts', (which give foreign companies special legal rights outside of the national legal system) should deal with trade disputes raised by corporations. The Investor State Dispute Settlement mechanism, the Investor Court System and the proposed Multilateral Investment Court are heavily weighted against governments.
5. Trade agreements should include mechanisms for individuals, groups and communities to bring grievance proceedings for harm caused by the trade agreements. The requirement for a periodic review of the social, environmental and human rights impact of a trade agreement should be written into the text, with a provision for parliament to withdraw from a trade agreement if it is too damaging.
6. A compensation package and alternative decent work for those who lose out as a result of a trade deal should be a pre-requisite of any trade negotiation. When agreements are between developed and developing countries, the developed countries should provide finance for this.
7. Trade agreements must ensure tariffs and trade preferences take social and environmental considerations into account, so that goods with less environmental impact and higher social welfare, for example Fair Trade goods, receive greater preference.

8. Trade agreements should commit countries to raising standards to the highest, not lowest level, including meeting international and national human rights, labour, environmental and climate obligations.
9. A just trade system should be based on solidarity not competition. Within this system trade deals could facilitate the sharing of knowledge and technology, for example low carbon energy and generic medicines, particularly with countries in the global south.
10. Foreign aid should be kept as a separate issue from trade, so that it cannot be used to persuade a country to open up its domestic markets