TIPP-ing Point: The NHS must be exempted from impending Free Trade deals

The agenda behind the Health and Social Care Act

With the Health and Social Care Act (HSCA) and its regulations the NHS has been prepared for transnational investment in the run-up to a US/EU free trade agreement. The main focus of this agreement, officially called the US/EU Transatlantic Trade and Investment Partnership (TTIP), is regulatory harmonisation - of existing regulations but especially new regulations - to avoid future 'trade barriers'. The HSCA has therefore been subject, from its inception, to 'regulatory harmonisation' with the US.

International Trade Agreements

'Trade' and 'trade agreements' are different. People have always traded, but the international trade agreements to which we are being quietly signed up at the EU level are secretive legal straitjackets, and are effectively permanent in order to provide 'investor security'.

The international trade agreement agenda is the wider framework into which UK domestic policy, like the HSCA, fits. Yet these matters are not publicised by the EU Trade Commission and the media, including the BBC which has an office in Brussels, fail to report on it.

In international trade agreements the neo-liberal agenda, of privatising what is public and handing power to transnational corporations, becomes fixed. Trade commitments, at the level of international trade law, are beyond national and EU level law – the 'legal straitjacket' referred to above. Negotiated by the EU on our behalf, they apply to all levels of government including local government.

Although the focus is kept on trade-in-goods, for instance by Secretary of State for business Vince Cable, most trade in and out of the EU and the UK, is, in fact, in services. Commitments to liberalise trade-in-goods in trade agreements are very different to commitments to liberalise trade-in-services, which are about corporate rights. As the state effectively relinquishes control of the sector, corporations simultaneously gain 'rights'.

A country's trade-in-goods commitments reduce at-the-border tariffs for goods moved across borders. When a country commits a service sector to a trade agreement, it commits to opening that sector to transnational investors ('liberalising' it), and to keeping it open.

Service Commitments and Investor Protection

Service commitments inherently invoke certain rules: that transnational corporations must be treated at least as well as domestic companies i.e. domestic companies cannot be preferred (National Treatment rule) and that there is no limit on either the number of services that companies may offer in that sector or the number of firms that can come in (Market Access rule). This is supposedly to provide a level playing field, but actually, once allowed in, transnational corporations have inherent advantages in bidding, in respect of size and economies of scale, international access to credit, cheap labour, etc. The playing field is far from level.

The EU is now including ‘investor protection’ in its trade agreements which allows corporations to directly sue governments if their corporate ‘rights’ are infringed or profits ‘expropriated’, for instance by any new legislation that would limit future profit-making. So the HSCA and the section 75 regulations that put into effect international harmonisation therefore become ‘set in stone’ – irreversible even with a different government authorised by a direct electoral mandate to take such a step.

The Present Position

So the trade agenda is a corporate agenda. Trade agreements are negotiated by states (or the EU) but on behalf of corporations. In the EU corporations effectively run the trade agenda and trans-national financial services, with the City of London as host, play a major part.

In 2005, the World Trade Organisation (WTO) Doha Development round (so called because it was launched in Doha, Qatar in 2001) was stalling. The EU, with Peter Mandelson as Trade Commissioner, shifted to a program of bilateral and regional trade agreements. Crucially, bilateral deals are much more secretive – details kept hidden, in fact, until negotiations are completed. The EU now has bilateral deals either completed, under negotiation, or being considered, with most of the world, but the public hardly know anything about them.

The Future

A US/EU deal will see the world’s two biggest economies in a neo-liberal pact with the additional stated aim of gradually levering the rest of world into this agreement, achieving, in effect, the global corporation rights which Doha failed to achieve.

Public procurement (all government spending, including public services) is a big part of the global trade agenda. Corporations want rights, via trade agreements, to access public procurement bidding processes in as many service sectors and geographic areas as possible. Because of the power of the corporations who will most benefit, there are multilevel strategies for this: within the WTO, through bilateral trade deals, via EU internal regulations and via national legislation.

Converting the NHS from a universal, free-at-delivery, tax payer-funded public service to a transnational investment opportunity is a big prize - and an important liberalisation model.

Moreover, as trade commitments apply to all levels of government, the health responsibilities of Local Authorities will also be constrained by trade commitment liberalisation and corporate rights.

Public procurement is also a big part of the Canada/EU Trade Agreement (CETA), being negotiated for four years, with obvious relevance to the US/EU agreement.

So far with public awareness and resistance Canada has until now exempted public health from its free trade agreements. However, Canada is now under pressure from the EU to liberalise its public procurement, including public health, at all government levels – federal, provincial and city –to complete the deal. Without public knowledge, our public procurement is of course being committed to the CETA agreement.

and what can be done about it...

A June launch for the TTIP was announced in February by Presidents Obama and Barosso, after the 'awaited' final report of a 'High Level Working Group on Jobs and Growth' recommended it two days beforehand. However, David Cameron had already announced on 1st January that promoting the trade deal would be his priority in chairing the G8 this year i.e. before it was supposedly going ahead. It is clear that the deal and its regulatory harmonisation process have in fact been in the pipeline for much longer, with trade bureaucrat input to the preparation of new regulations, including those brought in under the HSCA.

The G8 Heads of State meeting will also be in June, in Northern Ireland and for once these usually secretly negotiated deals are out in the open and subject to media comment and scrutiny. If unchallenged, only Government and City driven message will be heard (as is already happening). Despite claims on "growth and jobs", and in the face of this barrage of spin, the media and public need to be made aware of the negative implications for public services in general and the NHS in particular.

To protect our NHS from this attempted corporate takeover of public health funding, and in solidarity with the Canadians, CALL FOR THE NHS TO BE EXEMPTED FROM THE EU'S TRADE DEALS WITH THE UNITED STATES OF AMERICA AND CANADA.