

## Goodbye to TTIP?

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As the [Guardian reports this morning](#):

*Barack Obama's ambitions to pass sweeping new free trade agreements with Asia and Europe fell at the first hurdle on Tuesday as Senate Democrats put concerns about US manufacturing jobs ahead of arguments that the deals would boost global economic growth.*

*A vote to push through the bill failed as 45 senators voted against it, to 52 in favor. Obama needed 60 out of the 100 votes for it to pass.*

The bill that failed actually referred to the Trans-Pacific Partnership, which very obviously has little to do with the UK or EU, but the implications of the vote are significant for the Transatlantic Trade and Investment Partnership (TTIP) as well, because it would very likely suffer a similar defeat. The TTIP is a trade deal between the EU and USA.

I warmly welcome this decision, backed by many US Democrat Senators who share my concerns about these treaties.

I am also aware of the paradoxical nature of that comment, precisely because I do not know what the TTIP says, and nor do those Senators. The deal is, at present, secret, as is the TPP. But that, in itself, represents one of the most significant dangers in the proposed deals. If these deals, which are supposed to support the growth in 'free' trade, the benefits from which are entirely dependent upon the existence of transparency, require secrecy for their promotion then it is entirely reasonable to presume that whilst they may deliver notional growth of maybe 1% in GDP that may come at the cost of considerable losses of freedom.

What are the freedoms that might be lost? The fears (and I stress, they are fears, but they are wholly reasonable ones based upon what we do know) are that:

\* The newly enforced common standards to apply across the treaty areas would reduce labour rights to those of the lowest common denominator country, threatening

many of the existing rights employees have in the UK that have been long fought for, and are much cherished. US worker protection is significantly worse than that in the UK;

\* The open markets that the TTIP might promote will require privatisation through opening access to the private sector in all parts of some of our vital public services, including the NHS and within state education. The option of saying something is reserved for the state to undertake precisely because, as is proven in the case of the NHS and state education, this is the cheapest and most effective option for supply, will be removed;

\* The rights granted to the owners of intellectual property will be enhanced. This might sound innocuous, but in practice intellectual property is the way in which most monopoly rights are now enforced, and the fierce legal battles that some of the worlds large IT companies enter into on the finest of details with regard to their supposed innovations are indication of how zealously they defend their supposed competitive advantage in ways that prevent others from developing newer and better techniques which would benefit society but which are prevented precisely to preserve existing monopoly profits. It has always been the case that progress has been dependent upon building upon past innovations: TTIP is very likely to harm that process and so in the long term will significantly damage growth and well-being.

\* Secret inter-state tribunal's will be given the power to grant compensation to private companies that sue governments who those companies claim denied them the right to participate in profit-making within their economies. So, for example, if new regulation outlawed the use of diesel engines because their impact upon the environment was considered too extreme then the manufacturers of diesel engines would be able to sue for their loss of profits from now until some unknown time in the future even though the ban would be for the benefit of society as a whole. The consequence would very obviously be that we would be locked in a time warp at the moment the treaty was signed meaning that thereafter change to the benefit of society based on new knowledge could be prevented by the enormous cost of compensation that would have to be awarded to those who own existing technology and we would have absolutely no way of knowing what those costs might be, or defending the country from such claims, because all these settlements will be made behind closed doors in secret courts whose directions would not have to be published.

There are, of course, other issues of concern with TTIP, including many relating to human rights; I have chosen to highlight some of the issues to make clear why I am so pleased that the US Senate has chosen to block fast track progress on these issues at present.

But let me add another note of warning. I have already discussed [the issue of the UK leaving the EU this morning](#). Those who advocate such a move say that the UK could sign its own international trade agreements if it were to do so. Firstly, TTIP shows that

is unlikely: the deal is with the EU. Second, the protracted nature of the negotiation shows how difficult this is and how much time is involved. And third, the corrosive nature of the TTIP deal shows what is now demanded.

The EU is a trade deal, and is imperfect, and I would welcome reform ( although not necessarily those that David Cameron would seek), but the fact is that such deals may have now reached a pinnacle; there are no more of consequence to be done because the process of globalisation has reached its limits. But in that case, for a major trading nation, like the UK, to walk outside all such arrangements at this point in time would appear to be a risk, just as much as signing TTIP would appear to be a risk too far, by some way.