



# PEOPLE'S NEWS

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## Water charges, the EU, and TTIP

Water charges can and must be defeated, by resistance and non-payment; but water as a human right must also be secured as a publicly owned and controlled resource, universally available. Remember, we had to fight water charges in the 1980s and again in the 1990s; so let's make this win a permanent one.

The origin of the present water charges lies in the EU's Water Framework Directive (2000), which provided for full "cost recovery" for the use of water and whose article 9 states: "Member States shall take account of the principle of recovery of the costs of water services ..." It also required member-states to adopt water-pricing policies by 2010. The directive was transposed into Irish law in 2003.



So the origins of these punitive charges, this time around, are the Water Framework Directive, which seeks to commodify the provision of water through establishing the principle of recovery of the costs of water services. The EU took advantage of the "bail-out" to make it a condition of the "loans." This will open the way for the sale of Irish Water, either in whole or in part, ostensibly to complete the single market or to promote competition "in the interests of the consumer." This is just one reason why there is such resistance to a constitutional referendum to

permanently retain Irish Water in public ownership. The other is TTIP.

The Transatlantic Trade and Investment Partnership is being concluded in secret by the European Union and the United States. Both sides have made clear their intention to use TTIP to get access to what are described as "public monopolies"—that is, public utilities, including water. These services would then be vulnerable to greater outsourcing and private tendering for the provision of services and, eventually, to privatisation.

TTIP would open up public procurement contracts to the private sector, meaning that social, environmental or "public good" goals in public procurement would be removed.

A private monopoly can fix its price at an unaffordable level, as Bechtel did for water in Bolivia, leading to a popular uprising, the termination of the contract, and the replacement of the government.

It would also make the nationalisation (or renationalisation) of services or resources virtually impossible, as corporations would be able to sue for loss of future and expected profits. This is facilitated by the inclusion of an investor-state dispute settlement (ISDS) clause in TTIP. The TTIP agreement increases the pressure for the privatisation of "services of general interest," such as water services.

Foreign suppliers of services of general interest should not be entitled to claim "forgone profits" through ISDS. This provision in effect would further legalise neo-liberalism as the economic and social framework in Ireland and the EU.

But even if ISDS is removed from TTIP, the

main goal remains: to remove regulatory “barriers” that restrict the potential profits of transnational corporations on both sides of the Atlantic. Yet these “barriers” are in reality some of our most prized social standards and environmental regulations, such as labour rights, food safety rules, regulations on the use of toxic chemicals, and digital privacy laws. The stakes could not be higher.

Public water provision is only one of the services under threat from TTIP. Both water charges and TTIP must be defeated!

### The Berlin road to an EU army

Prominent German think tanks and politicians have been repeatedly calling for the establishment of an EU army but recognise that there are obstacles standing in the way. In a paper prepared by the German Institute for International and Security Affairs for the Ministry of Defence a researcher recommends avoiding the label “European army,” as efforts tending in the same direction but “under a different name” would have “more chances of success.”

In a paper published on the web site of the Ministry of Defence, the deputy director of the institute’s Security Policy Research Group, Claudia Major, wrote that the transformation of the global role of the United States and the present financial crisis offer “new options for European integration.” Because the United States will be “more tied up in Asia and Africa” in the future, the EU has to “assume more responsibility around the world.”

She writes that the “financial crisis” has clearly shown that “national sovereignty built on autonomy is illusory.

“The EU countries must make cut-backs and gradually accept that solutions must be found at a European level.” The writer, however, explicitly calls for “caution in the use of terminology,” because countries such as Britain would not “support a project labelled ‘European army’ in the foreseeable future.



“Efforts leading in the same direction, but under a different label, would have more chances of success.” Based on these considerations, the writer outlines

“two paths to a European army.” The first path would be co-operation on military policy between the governments of the EU member-countries. This “enhanced” co-operation could lead to the establishment of more joint combat units, such as the EU Battle Groups, which could serve as the “nucleus of a European army.” The second path would be the “transfer of national prerogatives to the EU.” This could lead ultimately to an “integrated European army,” with “European command structures,” which “no longer would be dependent on decisions by individual European countries.”

As the EU members are not yet ready to comprehensively “transfer their sovereignty,” only the “co-existence of national armies with initial vanguard forces of a European army” is possible today.

The researcher sees the creation of a “common European arms market” as another possibility for establishing an EU army. Bilateral projects in the area of arms development and production are particularly well suited for this purpose. “They could ... enhance the inter-operability of the groups of states and the engagement capability of these groups in periods of austerity and serve as models for other countries, if successful.”

Recently a member of the Institute for Peace Research [*sic*] and Security Policy in Hamburg, Hans-Georg Ehrhart, expressed a similar view in an interview in the German business press. Ehrhart calls for removing “national hurdles” so as to establish a “functioning European arms market” and spoke in favour of EU countries engaging in joint “military requisites planning.”

Like Claudia Major of the Institute for

International and Security Affairs, Ehrhart avoids the term “EU army”; instead he refers to a “closer co-operation” in the area of military policy. “That should not be called the European army, just as we do not refer to NATO as the Atlantic army.”

German politicians, military officials and the media consider the subordination of combat units of other EU countries to German command to be a role model for a future EU army. As the German press puts it, the Bundeswehr is the “trailblazer for a European army.”

The integration of a paratroop unit from the Netherlands in the covert operations and counter-insurgency unit of the German army’s Rapid Forces Division (DSK) is considered a “milestone of integration.” An armoured contingent from the Netherlands will soon be integrated in a German cavalry (mobile armoured) unit along the same lines.



The European Air Transport Command stationed at Eindhoven in the Netherlands—at present under a German commanding officer—is also being praised as an “effective model of co-operation.” According to its own accounts, the Bundeswehr sees the EATC as a clear extension of its “radius of operations,” providing bases stretching “from the Baltic Sea almost to Gibraltar.” The subordination of the Netherlands’ 11th Airborne Brigade under the command of the German army’s Rapid Forces Division is presented as evidence.

The DSK specialises in covert operations

and counter-insurgency and hopes to greatly enhance its combat strength by taking command of the Dutch brigade. It includes the German Special Forces Commandos (KSK), which were involved in extra-judicial executions in Afghanistan.

The two units are oriented towards similar combat situations. According to the DSK, these include “operations against unconventional forces,” such as “terrorists, guerrillas, or partisans,” but also commando actions “behind enemy lines,” as well as attacks with the objective of “quickly assuming control of elements of infrastructure, such as ports or airfields.”

At the 1st German-Netherlands Corps, stationed near Münster, Germany’s massive drive for military co-operation has become a reality. Created in 1995, the 1,100-strong unit can be available, if needed, within a few days to both NATO and the EU for combat missions anywhere in the world. The corps commando has participated in combat operations in Afghanistan and, according to its own accounts, has a “highly mobile, totally self-sustaining command post, which can be used completely independently of local infrastructure.” The unit’s motto is *Communitate valemus*—“Together we are strong.”

The vice-president of the EU Parliament, Alexander Lambsdorff of Germany, summed up the process very well, declaring in a recent newspaper article that “only a European approach” to military matters can ensure that the “economic giant” Germany will not remain a “political dwarf” when enforcing “western values and interests.”

### **Kenny misleads Dáil on EU lawmaking changes**

*“I am satisfied that Ireland’s capacity to safeguard our interests within the EU will not be materially affected by the move to double majority voting. The new system offers clarity and improves the overall efficiency of decision-*

*making. It is important to note that while the provisions on population tend to favour larger member-states, the requirement regarding a majority of member-states are to the benefit of the smaller states. It ensures that decisions in the EU cannot be taken unless they command genuine support from a majority of member-states representing a significant majority of the EU's population."*

Thus Enda Kenny in Dáil Éireann on 4 November, in reply to a question from the independent TD Finian McGrath.

**Point 1 with regard to this erroneous statement:** Ireland's voting weight is diminished from 1 November last. (See table below.) Therefore the country's capacity to "safeguard our interests" will most certainly be "materially affected."

**Point 2:** Weighting votes on the basis of population is in fact a power grab by Germany in particular, supported by France, Italy, and Britain, to increase the weight of the big states.

**Point 3:** With Germany and France between them having one third of the EU's population, and half the population of the euro zone, this provision of the Lisbon Treaty gives these two states a blocking minority on any issue if they can get two or more smaller allies (as a blocking minority must include four states).

**Point 4:** The Franco-German duo now have an even more powerful say in pushing through whatever laws or policy measures they might wish for.

It is unfortunate that no-one reminded Kenny that Germany, as the most populous EU state, with 82 million people, will have 16 per cent of the total vote under this new system, as against its present 8 per cent (29 votes out of 345 under the old Nice arrangement). France, Britain and Italy will have 12 per cent each, as against their present 8 per cent each; while the Irish state, with its 4.6 million people, will have 0.9 per cent of a vote, compared with its present 2 per cent (i.e. 7 votes out of 345). The

relative weight of the other smaller EU states will also diminish correspondingly.

And at the same time the EU can now adopt laws in forty new policy areas as another consequence of the Lisbon Treaty.

Until 1 November the method of making supranational laws on the EU Council of Ministers was that Germany, France, Italy and Britain had 29 votes each, out of a total of 345—a qualified majority for adopting an EU law being 255, and a blocking minority being therefore 90. Ireland had 7 votes under this system—that is, 2 per cent of the total of 345 votes. A majority of EU states had also to be in favour of any new EU law.

The new method of lawmaking now adopted is that EU laws will be made on the Council of Ministers by 15 out of the 28 member-states, as long as those states comprise 65 per cent of the aggregate EU population of some 507 million.

Since the Treaty of Rome in 1957 the three or four biggest EU states had the same number of votes in making EU laws—up to now 29 votes each, out of a total of 345. Under the new system Germany for the first time will have a third more relative voting weight than Britain, France, or Italy—16 per cent on a population basis, as against 12 per cent for the others.

It is sometimes said that voting rarely takes place at the EU Council of Ministers, as if these voting weights do not much matter. In fact a process of "shadow-voting" takes place all the time, whereby ministers look around to see whether a qualified majority or a blocking minority exists for any proposal. Small countries rarely push matters to a vote if they see that the big countries are agreed on something.

Most EU legislation is thus made "by consensus" on the Council; but it is the voting weights that effectually decide whether there will be a consensus or not, and how matters will be decided when no consensus exists. Both before and after the Lisbon Treaty a majority of

EU states must be in favour of any new EU law. The change is to base the relative voting weights on population size.

Finally, was it a slip, or had he not been briefed by his civil servants, when Kenny failed to cite article 16.4 of the Treaty on European

Union in addition to article 238 of the Treaty on the Functioning of the European Union as the basis of the changes? We'll never know, because he was never seriously challenged on this or any other aspect of his totally erroneous pronouncement.

**Changes in voting weight of EU member-states from Nice Treaty (2003) to Lisbon Treaty (2009)**

	Nice treaty	Lisbon treaty	Gain or loss	
<b>Winners</b>	Germany	8.2%	16.1%	+96%
	France	8.2%	12.9%	+57%
	Britain	8.2%	12.4%	+51%
	Italy	8.2%	12.0%	+46%
	Spain	7.7%	9.1%	+17%
	Romania	4%	4.2%	+5%
	<b>Losers</b>	Poland	7.7%	7.6%
Netherlands		3.7%	3.3%	-12%
Sweden		2.8%	1.9%	-32%
Greece		3.4%	2.2%	-35%
Belgium		3.4%	2.2%	-35%
Portugal		3.4%	2.1%	-38%
Czech Republic		3.4%	2.1%	-38%
Hungary		3.4%	2.0%	-41%
Austria		3.1%	1.7%	-45%
Denmark		2.0%	1.1%	-45%
Slovakia		2.0%	1.1%	-45%
Finland		2.0%	1.1%	-45%
Bulgaria		2.8%	1.4%	-50%
<b>Ireland</b>		<b>2.0%</b>	<b>0.9%</b>	<b>-55%</b>
Croatia		2.0%	0.9%	-55%
Latvia		1.1%	0.4%	-63%
Slovenia		1.1%	0.4%	-63%
Lithuania		2.0%	0.6%	-70%
Estonia		1.1%	0.3%	-73%
Cyprus		1.1%	0.2%	-82%
Luxembourg		1.1%	0.1%	-91%



## Correction

In issue 113 (2 November) we said that “some 45 per cent of the power to make EU laws is now held by the four largest states— Germany, France, Britain, and Italy—with the result that the influence of smaller states, such as Ireland, is negligible.”

The rounded-up figure is 54 per cent, not 45 per cent, for the four largest states—so we understated the diminution in influence of the smaller states, and conversely the increase in that of the larger ones!

## Big Tobacco wins judicial review on EU directive

The EU’s recently agreed Tobacco Directive will be challenged in the European Court of Justice after cigarette giants won a judicial review to examine whether the bill’s provision for more health warnings and product bans is disproportionate and infringes the rules of the single market.



*The tobacco directive was one of the most heavily lobbied EU bills in history (Photo: lanier67)*

The High Court in London has referred the case to the ECJ in Luxembourg, the ultimate arbitrator on the validity of EU laws. The ECJ is expected to take two years before making a decision, during which time the directive will remain in force.

The case was lodged by Philip Morris, the world’s largest tobacco manufacturer, among a list of claimants, including British American Tobacco and Japan Tobacco International.

The legislation, which was signed just before the EU Parliament elections in May, was subject to a bitter battle between members of the EU Parliament and ministers and was one of the most heavily lobbied EU bills ever. The rules eventually agreed will phase out the selling of menthol cigarettes, require manufacturers to put “Smoking kills” labels covering 65 per cent of packets, and impose limits on the amount of nicotine in e-cigarettes. Research for the EU Commission has found that smoking kills approximately 700,000 people every year within the bloc.

The final bill, subject to more than 1,300 amendments, was a significantly watered-down version of the proposal tabled by the former EU commissioner for health Tonio Borg, leading some members to accuse conservatives and liberals of being in the pocket of “Big Tobacco.”

Australia introduced plain packaging in 2012, and smoking rates have since fallen at their fastest pace in two decades, according to recent survey data, though the survey was criticised by tobacco companies.

Last month the World Health Organisation strengthened its Framework Convention on Tobacco Control at a meeting in Moscow. It added guidelines for annual increases in tobacco taxes to ensure that they are kept in line with inflation.

Already, thanks to the insertion of TTIP-style ISDS in much smaller trade treaties, big business is engaged in an orgy of litigation, whose purpose is to strike down any law that might impinge on its anticipated future profits. Philip Morris is suing governments in Uruguay and Australia for trying to discourage people from smoking.

Already in October one of America’s most powerful business groups, the US Chamber of Commerce, lodged an objection with the EU Commission to the Irish Government’s plans. A letter outlining the chamber’s objections to the Commission, along with a statement signed by seventy business groups, including

organisations from Britain to Korea, was handed to the minister for foreign affairs and trade, Charlie Flanagan.

Ireland would be the first EU country to introduce plain packaging for tobacco products, following Australia, the first country to introduce the measure.

## Belgian anti-austerity strike shakes new government

Workers from throughout Belgium converged on Brussels on 6 November to protest against the austerity measures of the new right-wing government of Charles Michel.



Approximately 130,000 people (100,000 according to the police, 200,000 according to the marchers) from both Dutch-speaking and French-speaking regions marched in one of Belgium's largest mass protests since the general strike of 1960–61. Workers in the chemical, pharmaceutical, transport, port, steel and aerospace industries struck and joined the protests.

They were protesting against the Michel government's plan to raise the pension age to sixty-seven, carry out a 10 per cent cut in the public-sector wage bill, force long-term unemployed workers to work for their unemployment benefits, cut spending on health, and push through a €3 billion wage cut by delaying the indexing of wages on prices. This last measure would cost the average worker €336 per year.

The Belgian trade unions called a series of rolling strikes in cities and towns throughout the country, leading up to another national

strike on 15 December.

The mass strike was the first answer by workers to the installation on 11 October of the Michel government, after months of contentious negotiations following the federal elections on 25 May. Michel's free-market Reform Movement serves as a Francophone figurehead for the government, whose core is a coalition of right-wing Flemish parties. The party received only a quarter of the Francophone vote.

The mass strike testifies to the deep opposition that exists to the austerity policies being pursued. It comes amid a series of strikes against social cuts around Europe, notably now among German train drivers and as the French government mounts a crackdown against protests over the murder by the police of an environmental activist, Rémi Fraisse.

The leader of the Socialist Party and outgoing prime minister, Elio Di Rupo, marched in the rally. He told the *Daily Telegraph* (London): "I share the concern of the people, and the measures of the government are unjust." Of course he failed to mention that his government had pursued largely similar policies.

This fact did not go without comment. The deputy prime minister, Alexander De Croo, mocked Di Rupo, pointing to the hypocrisy of his sudden conversion to opposition to social cuts. "Elio is marching with people who were marching against him," he told *L'Avenir*, referring to the government of 2011–14 that imposed billions of euros in cuts against workers.

## Italian groups seek restoration of national currency

Ireland was not the only euro-zone country to get a letter from the European Central Bank. *La Lettera*, as it has come to be called, was the secret diktat sent to Italy's then prime minister, Silvio Berlusconi, in August 2011, demanding drastic "reforms" of all kinds. A similar letter

was sent to the head of the Spanish government. The quid pro quo was bond purchases.

The implicit threat was that the ECB would refuse to carry out its responsibility as lender of last resort unless Berlusconi capitulated. He didn't, or was deemed not to have done so. Bond purchases were halted. Italy's ten-year yields spiralled above 7 per cent. Berlusconi was toppled. That letter is now coming back to haunt the ECB.

Beppe Grillo's Five-Star Movement has launched a petition to drive for Italy's withdrawal from the EU's economic and monetary union and for the restoration of economic sovereignty. It is organising for a consultative referendum to collect half a million signatures in six months and then go to the Italian parliament, in which it has 150 members.

Ever since the comedian-turned-politician burst on the political scene, the euro-zone elite have comforted themselves with the thought that the party is not really Eurosceptic at heart, and certainly does not wish to bring back the lira. This illusion has been shattered.

A referendum would not itself be binding, but a "law of popular initiative" certainly would be. For the first time, a process is under way in Italy that will set off a national debate on monetary union and may force a vote on membership of the EMU that cannot easily be controlled.

It is becoming more and more obvious that the honeymoon for the Matteo Renzi government is already over. The media darling and wunderkind snatched power in an internal party coup in February, on the assumption that Italy had touched bottom after six years of depression, a 9 per cent fall in output, a 24 per cent crash in industrial production, and youth unemployment of 43 per cent.

He believed the mantra, so widely put about, that Europe was on the cusp of a fresh cycle of self-sustaining recovery, lifted off the

reefs by world growth, and that all he had to do was float on the rising tide. Instead it has crashed back into slump.

Renzi's error is understandable. Wishful thinking has been pervasive. Italy is already in a triple-dip recession, its output back to levels first reached fourteen years ago. The OECD says the slump will drag on through most of next year. Growth will be just 0.1 per cent in 2015.

Note that the previous government under Mario Monti said three years ago that Italy's debt ratio would end 2014 at 115 per cent. In fact it reached 135.6 per cent of GDP in the first quarter of this year, soaring at a rate of 5 per cent of GDP each year, despite a series of austerity packages.

This is not a moral failing by Italy over recent years: it is the result of a rising debt burden on a shrinking base of nominal GDP. The point is very simple. The average interest rate on Italy's public debt is still around 4 per cent, so interest payments are near 5½ per cent of GDP. Unless nominal GDP grows at the same speed, the debt ratio must keep going up.

### **The left and the euro**

Leftist co-ordination against the euro has brought together politicians from a range of left-wing parties in Italy, along with academics and representatives of civil society, under the slogan "A leftist exit from the trap of the euro is not only necessary—it is possible."

Like the Five-Star Movement from the political right, they acknowledge that their initial illusions about the single currency have been shattered. "The single currency, conceived as an instrument for overcoming the imbalances between the European countries and to enable the union to face the challenges of globalisation, failed on both fronts.

"While the discrepancies between the strong and the weak countries as well as the inequality within the countries are increasing, Europe has become the epicentre of the global economic crisis.



“The monetarist doctrine and the neo-liberal treaties that serve as the foundations for both the Union and the single currency have wreaked havoc, but that notwithstanding, the European technocrats and oligarchs continue to impose impossible budget targets and austerity, aggravating recession, deflation, mass unemployment, and social decay.

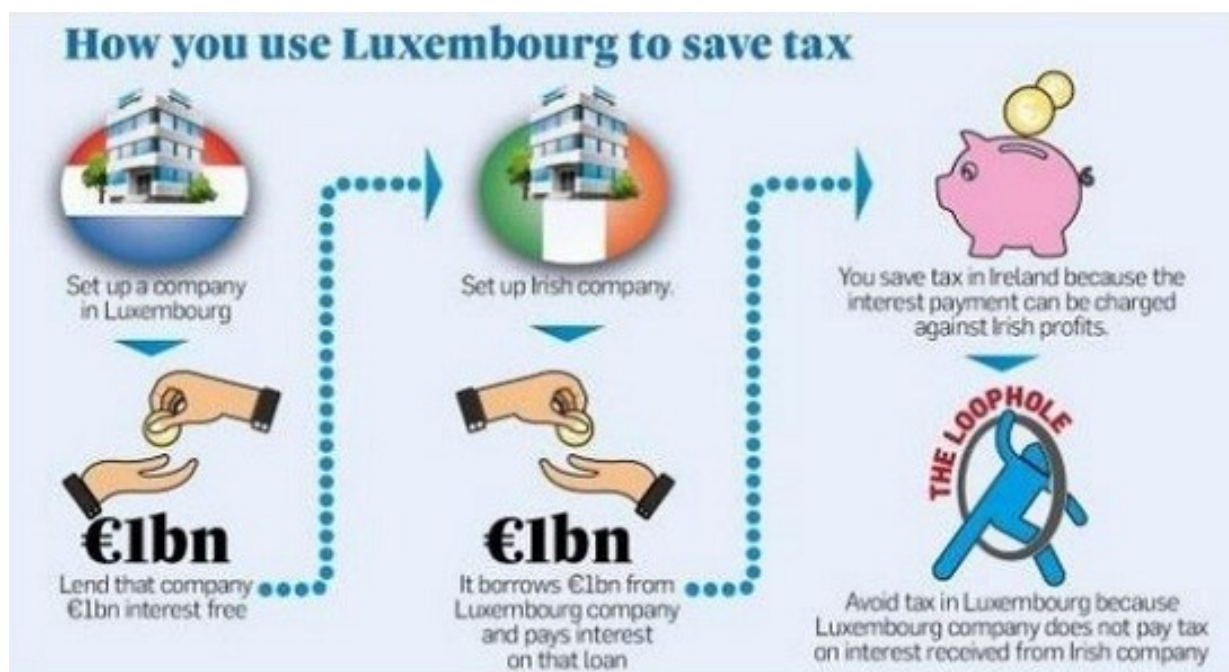
“The Renzi government, despite its flam-

boyant and contradictory announcements, is abiding by the dictates from Brussels, Frankfurt, and Berlin. While hitting the working people, they continue to offer gifts to large financial and industrial capitalism, pushing Italy into the abyss.”

Italy, once the most pro-EU of countries, is beginning to wake up to the cost of euro-zone subservience.

### “Dark, secret rooms, behind closed doors”—Juncker’s murky past

Jean-Claude Juncker, the new president of the EU Commission, was the prime minister of Luxembourg for almost two decades. In that time he oversaw the growth of a financial industry that became a tax centre for at least 340 global companies, not to mention investment funds with almost €3 trillion in net assets—second only to the United States.



Partly as a result of the Swiss-style bank secrecy rules and government-blessed tax-avoidance schemes that helped draw so much capital, the people of Luxembourg have become the world’s richest after Qatar. The tax arrangements, described in leaked documents provided by the International Consortium of Investigative Journalists, allegedly enabled transnational corporations, including Apple, Deutsche Bank, and Glanbia, to reduce their tax liability on profits earned in other countries. The effective tax rates that resulted were as little as 0.25 per cent—beating Ireland’s estimated 2 per cent. The countries where the money was made received nothing.

It’s telling that these arrangements have long been shrouded in secrecy. Juncker made his country rich by picking the pockets of other countries, including those of the EU that he is now mandated to serve. The Commission was already conducting an investigation of Luxembourg’s tax arrangements. Juncker says he won’t interfere—but he won’t recuse himself either. Indeed his spokesperson says he is “serene” in the face of the revelations. He shouldn’t be.

Juncker's position as the head of the body investigating the tax practices he oversaw as prime minister is a clear conflict of interest. It's possible that the Commission will find nothing improper about Luxembourg's tax-avoidance paradise: the EU allows member-governments wide latitude in taxing companies, so long as they don't favour some over others. But with Juncker in charge of the Commission, any such exoneration will fail to command public confidence.

The EU is struggling to emerge from the financial crisis and is increasingly seen as elitist, meddling, and incapable of producing either fairness or growth. Now it's overseen by a man who spent his career as a quintessential back-room dealer while building and running an international tax haven at other European countries' expense.

This is the man who, in April 2011, admitted to having often lied in his career to prevent rumours spreading, and who said that monetary policy was too important to be discussed in public but should instead be discussed in "dark, secret rooms, behind closed doors." He furthermore stated: "I'm ready to be insulted as being insufficiently democratic, but I want to be serious ... I am for secret, dark debates."

And this man is the head of the EU!

### EU mission in Kosovo beset by allegations of corruption

The EU has asked a French academic to look at recent allegations of corruption against Eulex, its "rule of law" mission in Kosovo.

The EU's new head of foreign relations, Federica Mogherini, said on 10 November that Jean-Paul Jacque, who teaches law at the University of Strasbourg and at the College of Europe in Bruges, will "review" the corruption affair. He will work pro bono and submit a report, which is expected to be made public, in four months. Mogherini described him as an "independent expert" and said her decision "demonstrates our determination to shed light on these developments."



Eulex—the EU's biggest foreign mission, which employs 1,600 people and costs €110 million a year—was launched in 2008 to establish law and order in Kosovo. But last month the Kosovo daily *Koha Ditore* and a

Eulex whistle-blower, the British prosecutor Maria Bamieh, accused the EU mission of corruption.

Citing leaked documents, they spoke of three episodes between 2011 and 2013 in which Eulex officials colluded with criminal suspects, took a bribe to shut down a case, and quashed an internal affairs investigation. They also say that Eulex gave classified information to Serbian intelligence services, turned a blind eye to miscarriages of justice in courts, and failed to protect informants.

Maria Bamieh says she has more evidence on the "mismanagement of EU funds" in the Kosovo mission. "The recent downsizing of Eulex [from a staff of more than 2,000 to some 1,600] cost more money than it saved," she alleges.

Members of the EU Parliament have praised Mogherini for acting quickly; but there are question marks over Jacque's independence. The "expert"—who was a director dealing with justice and home affairs in the EU Council's legal services from 1992 to 2008—worked for an institution that drafted the Eulex mandate that he will now assess.

He might be doing the Mogherini job *pro bono publico*, but with more than ten years'

service as an EU official he is eligible for a generous pension. Based on his old pay grade, an EU official estimated that the pension “must come to about €5,000 a month.”

Maria Bamieh says that Eulex’s claim to be doing a thorough investigation into what happened is “a complete joke” and “a lie.”

And other former EU officials are asking bigger questions, such as, How is it that Eulex prosecutors failed to convict a single high-level suspect in the past five years? Research shows that in all the high-level corruption cases that Eulex handled since 2008—some twenty-five of them—not one resulted in the conviction of a suspect from Kosovo’s political elite.

There is a widespread belief that even if Jacque’s review “gets to the bottom of the allegations, it would only scratch the surface,” and that the EU and United States have been protecting Kosovo’s big men in what seems to have been “a pact of non-aggression” to prove to the wider world that its Kosovo project is a success, and out of fear that Kosovo politicians would cause instability if it tried to bring them down.

A former official at the International Civilian Office in Kosovo, Andrea Capussela, has acknowledged that “there was systemic subversion of the mission’s judicial function ... Since the beginning it implemented justice only in small cases. Eulex spokespeople will tell you that it secured 513 verdicts. But these are people who stole apples or cars.”

Capussela said that Jacque should be asking, “How could the political intention not to go after the elite be transferred to [Eulex] prosecutors and judges? ... They were exposed to interference—almost criminal interference—by their managers.” He commented that some Eulex prosecutions may have failed because of “innocent incompetence”; but “if you don’t want the PM to go to jail, then you give the case to an idiot.”

Asked if some EU or American officials in Kosovo were themselves corrupt, Capussela

said there were several incidents of “serious conflict of interest.” He pointed to one example in which Christopher Dell, then US ambassador in Priština, advised Kosovo to hire the American company Bechtel to build an \$800 million motorway before stepping down to take a job with Bechtel.

The scandal began when Kosovo’s leading daily, *Koha Ditore*, obtained internal Eulex files showing that suspects in criminal cases had improper contacts with Eulex officials. The files also contain letters from Maria Bamieh to her superiors accusing her colleagues of corruption.

The Bamieh letters said that in 2012 and 2013 Eulex’s chief prosecutor, Jaroslava Novotná, and the former chairperson of Eulex’s Assembly of Judges, Francesco Florit, had shut down cases in return for money. They said Florit personally received a bribe of €350,000.

The only person who has lost their job so far is Bamieh. Eulex suspended her after *Koha Ditore* contacted the EU mission about the leaked files. Eulex officials in Priština are also using her suspension to spin a story that she is a disgruntled former employee trying to take revenge on her bosses; but, in an ironic twist, *Koha Ditore* says she was not the source of the leaked files, and that she began to speak out against the EU mission only after she was let go. Apart from speaking to *Koha Ditore*, she also spoke to AFP and to another Kosovo daily, *Gazeta Express*.

In a second story, *Koha Ditore* cited other documents showing that Eulex gave confidential information to Serbian intelligence services.

Bamieh also alleges that the EU mission turned a blind eye to a miscarriage of justice in a triple murder case, failed to protect witnesses, and lied to the press. She said two men who are in prison for a bombing in 2007 and for killing three other people the same year were convicted of the triple murder on evidence “that would never stand up in a British court.”

The men agreed to give Eulex information on the Kosovo mafia in return for promises that Eulex would re-examine the murder case and would guarantee their future safety. But, Bamieh said, neither promise has been kept. "They've been spilling their guts out, telling Eulex police everything that's happening ... Now they're saying: 'When Eulex goes [its mandate expires in 2016] everybody knows we've been talking and we're going to be killed,' and Eulex is doing nothing for them. There is no lasting protection offered to these individuals."

### Mícheál Ó Loingsigh



Mícheál Ó Loingsigh, who died last week, was chairman of the Common Market Defence Campaign, the non-party group that campaigned against Ireland's membership of the EEC in the 1972 referendum and provided the main arguments that were used by the various elements on the No side on that occasion. These included the Irish Congress of Trade Unions and the Labour Party, as well as both elements of the then divided Sinn Féin. He was also an active member of the Common Market Studies Group, which produced several pamphlets for the No side.

Following that he helped to establish the Irish Sovereignty Movement, of which he was chairman, and continued to campaign against the process of European integration during the 1970s and 80s and in defence of Irish neutrality.

In 1986 Mícheál Ó Loingsigh was a central figure in the Constitutional Rights Campaign, which was set up to help meet the expenses of

the legal challenge by Raymond Crotty to the Fitzgerald-Spring Government's mode of ratification of the Single European Act, which established the so-called "internal market" in the EC, later EU.

When Raymond Crotty won his case and the Supreme Court decided that any treaty that surrendered state sovereignty to Brussels must be approved by the people in a referendum and could not be done just by the politicians in the Oireachtas, Mícheál Ó Loingsigh led the Constitutional Rights Campaign on the No side in the resulting referendum.

He was a committed republican in his political views, a strong democrat and internationalist, a profound humanitarian, a warm friend, and a very fine human being.

### Summing up TTIP: An agenda for corporate plunder

Colin Todhunter of Global Research writes:

The corporate jargon surrounding the Transatlantic Trade and Investment Partnership (TTIP) deal is about "protecting investment," reducing "unnecessary" barriers and "harmonising" regulations that supposedly deter free trade between the US and the EU.

In principle, the notion of trade that is free and fair sounds ideal. But, across the world, the dominant ideological paradigm allows little scope for either. Markets are rigged, commodity prices subject to manipulation and nations are coerced, destabilised or attacked in order that powerful players gain access to resources and markets.



On 11 October, over 400 groups across Europe took to the streets to demonstrate



against the TTIP, which has just ended its seventh round of talks in Washington. While some groups are accused by supporters of the TTIP of being ideologically driven in their opposition, it is not ideology that drives this opposition. It is scepticism and suspicion fuelled by the prevailing practices and actions of powerful corporations and their ideological brand of neo-liberalism and rampant privatisation. The secrecy and lack of transparency surrounding the TTIP fuels this suspicion. The public has not been allowed to know who set the agenda for the negotiations or what specifically is being negotiated supposedly it's on our behalf.

The public is expected to put up and shut up and leave it all to those who know best: EU officials with their deep-seated conflicts of interest and big business. It has been mainly through leaked documents and recourse to freedom of information legislation that the public has gained insight into the nature of the negotiations.

### **The origins of the TTIP and the absence of transparency**

The deal was masterminded by the "High Level Working Group on Jobs and Growth" (HLWG), which was set up in 2011 and chaired by European Trade Commissioner Karel De Gucht and the then US Trade Representative Ron Kirk. In its final report, the Group not only recommended entering into the negotiations but went into some detail as to what should be put on the table, with the far-reaching aim of moving towards a "transatlantic market-place."

When questioned about the nature of the group, the European Commission (EC) said it had no identifiable members and stated that "several departments" contributed to the discussion and the reports of the (memberless) group. It even stated that there was no document containing the list of authors of the reports. A request by Corporate Europe Observatory (CEO) to disclose membership /report authors was met with the response:

"Unfortunately we [the EC] are not in a position to provide you with the information requested."

CEO argued that the group should be subject to the transparency requirements set up in EC's rules on "expert groups," including transparency about who participated ...

European Commissioner De Gucht claimed that "there is nothing secret" about the on-going talks. In December 2013 in a letter published in the *Guardian*, he argued that "our negotiations over the Transatlantic Trade and Investment Partnership are fully open to scrutiny."

If that was the case, why then were notes of Commission meetings with business lobbyists released to Corporate Europe Observatory (CEO) under the EU's freedom of information law heavily censored?



The public is not allowed to know the positions held by the EU (unlike business interests) in these talks, who is being given access to whom and who is lobbying for what on whose behalf. High-minded platitudes referring to protecting the integrity of industry and the sensitive nature of negotiations have been used in an attempt to subvert democracy, prevent public scrutiny and secure the continued privileged positions and influence that big business has held in the talks. The arguments being used to justify the secrecy were thinly veiled disguises to try to hoodwink the public into accepting the legitimacy of these negotiations without question.

Documents received by CEO showed that De Gucht's officials invited industry to submit



wish lists for “regulatory barriers” they would like removed during the negotiations. However, there was no way for the public to know how the EU incorporated this in its negotiating position as all references had been removed.

CEO received 44 documents about the EC’s meetings with industry lobbyists as part of preparations for the EU-US trade talks. Most of the documents, released as a result of a freedom of information request, were meeting reports prepared by Commission officials.

The documents arrived almost a full ten months (!) after the request was tabled and 39 of the 44 documents were heavily censored. The documents covered only a fraction of the more than 100 meetings which De Gucht’s officials had with industry lobbyists in the run-up to the launch of the TTIP negotiations.

Were no notes taken during closed-door meetings with corporate lobbyists from, for example, the US Chamber of Commerce, the German industry federation BDI, chemical lobby groups CEFIC and VCI, pharmaceutical industry coalition EFPIA, Digital Europe, the Transatlantic Business Council, arms industry lobby ASD, the British Bankers’ Association and corporations like Lilly, Citi and BMW?

In the 39 documents which were “partially released,” large parts of text (“non releasable” or “not relevant”) had been hidden. In some cases, every single word had been removed from the document.

Not only was the text of the EU’s negotiating position secret, the public was even denied access to sentences in meeting reports that referred to the EU negotiating position. These were minutes from meetings with industry lobbyists who were clearly given information about the EU’s negotiating position in the TTIP talks, unlike the public. The sharing of information about the EU’s negotiating position with industry while refusing civil society access to that same information was a case of unacceptable discrimination ...

In many cases, parts of text were removed

because they contained the views of industry lobby groups “on particular aspects of the EU/US trade negotiations.” “Release of that information could have a negative impact on the position of the industry,” the Commission argued. It was unclear why the views of the lobby groups should be hidden from public scrutiny.

The Commission had also removed all names of lobbyists from the 44 documents arguing that “disclosure would undermine the protection of ... privacy and the integrity of the individual.” According to CEO, this was an absurd line of argument as these were professional lobbyists who are not acting in an individual capacity. There is clear public interest in transparency around who is lobbying on whose behalf and who is getting access to EU decision-makers.

### **What the corporations really want**

Despite being heavily censored, the documents showed clearly that removing differences in EU and US regulations is the key issue in the TTIP talks, with “regulatory barriers” coming up in a large majority of the meetings. For example, in a meeting with the European Services Forum in February 2013, a lobby group for global service players such as Deutsche Bank, IBM and Vodafone, the Commission suggested various options for regulatory co-operation such as “compatibility,” “mutual recognition” and “equivalence.”

In another meeting in February 2013, Business Europe (the most powerful business lobby in Brussels) stressed “its willingness to play an active role in the coming negotiations, in particular on the regulatory front.” The Commission noted the importance of EU industry “submitting detailed ‘Transatlantic’ proposals to tackle regulatory barriers.”

A leaked EU document from the winter of 2013 showed the Commission proposing an EU-US Regulatory Co-operation Council, a permanent structure to be created as part of the TTIP deal. Existing and future EU regulation

would then have to go through a series of investigations, dialogues and negotiations in this Council. This would move decisions on regulations into a technocratic sphere, away from democratic scrutiny. Policies could be presented to the public as “done deals,” all worked out behind closed doors between pro-business officials and business leaders. There would also be compulsory impact assessments for proposed regulation, which will be checked for their potential impact on trade. What about whether they protect people’s health or are good for the environment?

This would be ideal for big business lobbies: creating a firm brake on any new progressive regulation in the very first stage of decision-making.

Even without access to various sources of information, some of the main players that originally supported the deal included the biotech sector, Toyota, General Motors, the pharmaceutical industry, IBM and the Chamber of Commerce of the US, one of the most powerful corporate lobby groups in the US. Business Europe, the main organisation representing employers in Europe, launched its own strategy on an EU-US economic and trade partnership in early 2012. Its suggestions were widely included in the draft EU mandate.



Over the past couple of years or so, an increasing number of politicians and citizens’ groups have demanded that the negotiations be conducted in an open way, not least because there are concerns that the deal will open the

floodgate for GMOs (food multinationals, agri-traders and seed producers have had more contacts with the EC’s trade department than lobbyists from the pharmaceutical, chemical, financial and car industry put together) and shale gas (fracking) in Europe, threaten digital and labour rights and will empower corporations to legally challenge a wide range of regulations which they dislike.

One of the key aspects of the negotiations is that both the EU and US should recognise their respective rules and regulations, which in practice could reduce regulation to the lowest common denominator: a race to the bottom. The official language talks of “mutual recognition” of standards or so-called reduction of non-tariff barriers. For the EU, that could mean accepting US standards in many areas, including food and agriculture, which are lower than the EU’s.

The US wants all so-called barriers to trade, including highly controversial regulations such as those protecting agriculture, food or data privacy, to be removed. Even the leaders of the Senate Finance Committee, in a letter to US Trade Representative Ron Kirk, made it clear that any agreement must also reduce EU restrictions on genetically modified crops, chlorinated chickens and hormone-treated beef.

Demands include an “ambitious liberalisation of agricultural trade barriers with as few exceptions as possible.” Similarly, food lobby group Food and Drink Europe, representing the largest food companies (Unilever, Kraft, Nestlé, etc.), has welcomed the negotiations, with one of their key demands being the facilitation of the low level presence of unapproved genetically modified crops. This is a long-standing industry agenda also supported by feed and grain trading giants, including Cargill, Bunge, ADM, and the big farmers’ lobby COPA-COGECA. Meanwhile, the biotech industry on both sides of the Atlantic is offering its “support and assistance as the EU and the US government look to enhance their trade

relationship.”

There is also the highly contentious investor-trade dispute settlement provision. It would enable US companies investing in Europe to bypass European courts and challenge EU governments at international tribunals whenever they find that laws in the area of public health, environmental or social protection interfere with their profits. EU companies investing abroad would have the same privilege in the US.

Across the world, big business has already used such settlement provisions in trade and investment agreements to claim massive sums from sovereign states in compensation. Tribunals, consisting of ad hoc three-member panels hired from a small club of private lawyers riddled with conflicts of interest, have granted billions of euros to companies, courtesy of taxpayers.

EU and US companies have already used these lawsuits across the globe to destroy any competition or threats to their profits by for example challenging green energy and medicine policies, anti-smoking legislation, bans on harmful chemicals, environmental restrictions on mining, health insurance policies and measures to improve the economic situation of minorities. Even the threat of litigation can mean governments shelving socially progressive policies.



Any form of state intervention that does not work to the advantage of big business is increasingly regarded as a “barrier” to trade, a potential curb on profits.

The TTIP is therefore also designed to undermine public sector service provision. That’s right, the public sector is regarded as a

“barrier” too. Private corporations could gain access to the lucrative government procurement market under the banner of free trade. We could well see an irreversible privatisation fest as US private interests bid to run state services such as the UK’s public sector National Health Service [or Irish Water] ...

A report published by the Seattle to Brussels Network (S2B) revealed the true human and environmental costs of the proposed deal. “A Brave New Transatlantic Partnership” highlighted how the EC’s promises of up to 1 per cent GDP growth and massive job creation as a result of the trade deal were not supported even by its own studies, which predict a growth rate of just 0.01% GDP over the next ten years and the potential loss of jobs in several economic sectors, including agriculture.

The report also explained how corporations were lobbying negotiators to use the deal to weaken food safety, labour, health and environmental standards as well as undermine digital rights. Attempts to strengthen banking regulation in the face of the financial crisis could also be jeopardised as the financial lobby uses the secretive trade negotiations to undo financial reforms, such as restrictions on the total value of financial transactions or the legal form of its operations ...

### TTIP in context

Despite sections of the mainstream corporate media glibly presenting the TTIP as a well thought out recipe for free trade, job creation and economic growth, albeit with a few minor glitches, such claims do not stack up. The TTIP is a mandate for corporate plunder, the bypassing of democratic procedures and the erosion of ordinary people’s rights and national sovereignty. It represents a pro-privatisation agenda that enshrines the privileges of the world’s most powerful corporations at the expense of ordinary people.

Ordinary people want powerful corporations to be held to account. They want

business practices regulated by elected representatives and public officials in order to protect the public good. However, why so many continue to blithely place such trust in certain EU institutions stretches the imagination: democracy in the EU has been sold to the highest bidder; the EC is a captive but willing servant of a corporate agenda. And now the TTIP presents an ideal opportunity for corporations to force through wholly unpopular policies.

Ultimately, the TTIP could draw Europe even closer to the US and consolidate the power of Anglo-US financial-corporate interests centred in the City of London and Wall Street. If events surrounding Ukraine tell us anything, it is that these interests have been instrumental in driving a wedge between Europe and Russia to prevent closer economic alignment between the two. By placing economic sanctions on Russia and, according to US Vice President Joe Biden, “embarrassing” the EU to force it go along with them, Europe’s trade with Russia will suffer. As a result, Europe now has added incentive to “embrace” the TTIP.

The TTIP is thus part of the broader geopolitical game plan to weaken Western Europe and divide the European continent by sidelining Russia. While the TTIP may appear to have nothing to do with what is happening in Ukraine or Syria, it must be regarded as another cog in the wheel to cement US global hegemony and weaken Russia [while establishing “standards” for the ultimate trade

deal with the biggest market in the world, China, whose institutions might not be so amenable to the demands of the corporations as is the EU].

## Return of the bondholders? Wednesday 3 December

BONDS  
BALANCE SHEETS  
& IRISH WATER :

AN INTRODUCTORY  
GUIDE

UNITE HOUSE  
MIDDLE ABBEY STREET  
DUBLIN 1

WEDNESDAY  
3 DECEMBER 2014  
7PM-9PM

SPEAKER:  
DR. CONOR MCCABE, UCD SCHOOL OF SOCIAL JUSTICE



A talk to be given by Dr Conor McCabe of UCD School of Social Justice and author of *Sins of the Father: The Decisions that Shaped the Irish Economy*. The event is being hosted by the trade unions Unite and Mandate.

This is an introductory talk and is open to all. The purpose of the talk is to give an overview of bonds, bond markets, and off-balance-sheet financing. Using simple and clear language, the talk will explain the methods and techniques used by bond-issuers and bond markets as well as shining a light on the ultimate beneficiaries of Irish Water bonds.