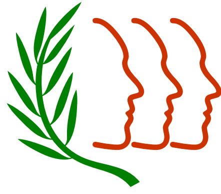

PEOPLE'S NEWS

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Report reveals increasing poverty throughout EU
The mirage of "social Europe"

Caritas Europa, an umbrella organisation that fights poverty and social exclusion, has just published a report, *Poverty and Inequalities on the Rise: Just Social Models Needed as the Solution.* It shows that more than a third of the population in Bulgaria, Romania, Greece, Latvia and Hungary are at risk of poverty and social exclusion.

In half the EU's twenty-eight member-states at least one in three children lives in poverty. The level of deprivation in Cyprus, Greece, Ireland, Italy, Portugal, Romania and Spain—the seven EU countries worst hit by the economic crisis—was particularly severe.

In Ireland more than a million people suffered enforced deprivation in 2013—more than double the rate before the economic crash—according to the Central Statistics Office. "Enforced deprivation" is defined as being unable to afford at least two basics, such as replacing worn-out furniture or having an afternoon or evening out in the previous fortnight.

The report found that the deprivation rate increased from 14 per cent in 2008 to 31 per cent in 2013. It has increased each year during the economic downturn. The average disposable income per person after taxes and social welfare transfers fell to €17,374, a decline of almost 2 per cent on the previous year.

A new study by UNICEF on the effect of the recession on children in forty-one developed countries places Ireland close to the bottom of the list. The report ranked Ireland in 37th place in a measurement of relative changes in child poverty. Only Croatia, Latvia, Greece and Iceland were placed below Ireland.

Almost half of Bulgarians (48 per cent) and more than 40 per cent of Romanians are at risk of poverty, while in fourteen of the EU's twenty-eight member-states one in three children are considered to be living in poverty.

The EU's official statistical agency, Eurostat, has found that one in four people were at risk of poverty and social exclusion in 2013, broadly supporting the findings. Eurostat identifies a person "at risk of poverty" as someone who is living in a household with an equivalised disposable income below the risk-of-poverty threshold, which is defined as 60 per cent of the national median equivalised disposable income (after social transfers).

Ukraine, the EU, and Russia

The European Union Committee of the British House of Lords recently examined the vexed question of the crisis in relations between the EU and Russia. The resulting report was published on 20 February.

The evidence of two European political figures from different ends of the political

spectrum is worth examining. The former president of the Czech Republic Václav Klaus told the committee: “I am afraid that the West, especially western Europe, has accepted a very simplified interpretation of events in Ukraine. According to the West, the Ukrainian crisis has been caused by external Russian aggression. The internal causes of the crisis have been ignored, and so are the evident ethnic, ideological and other divisions in Ukraine.

“Moreover, in April in our commentary on the situation in Ukraine we stated that Ukraine was a heterogeneous, divided country, and that an attempt to forcibly and artificially change its geopolitical orientation would inevitably result in its break-up, if not its destruction. We considered the country too fragile and with too weak an internal coherence to try to make a sudden change. I am sorry to say that it developed according to our expectations. I am afraid that Ukraine was sort of misused. The West suddenly and unexpectedly offered Ukraine early EU affiliation.

“The developments that have taken place since the spring of this year [2014] have proved that this approach cannot lead to a solution of the problem. It only deepens the division of the country, increases the tragic costs of its crisis and further destabilises the country. So I do not see that the politicians in Ukraine are looking for a political solution. They do not have any compromise proposals that they could offer to the people of eastern Ukraine to win their confidence. They rely on fighting, on repression and on unrealistic expectations of western economic and military aid.”

He then added: “I cannot see inside the heads of leading Russian politicians, but I do not believe that Russia wanted or needed this to happen. My understanding is that Russia was dragged into it. Dragging Russia into the conflict is a way of making Ukraine a permanent hotspot of global tensions and creating permanent instability in a country that deserves, after decades of suffering under communism, a quiet and positive evolution.”

Sabine Lösing, a German Left Party member of the EU Parliament, quoted an article by the renowned political scientist John J. Mearsheimer in the recent issue of *Foreign Affairs*: “According to the prevailing wisdom in the West, the Ukraine crisis can be blamed almost entirely on Russian aggression … But this account is wrong: the United States and its European allies share most of the responsibility for the crisis. The taproot of the trouble is NATO enlargement, the central element of a larger strategy to move Ukraine out of Russia’s orbit and integrate it in the West. At the same time, the EU’s expansion eastwards and the West’s backing of the pro-democracy movement in Ukraine—beginning with the Orange Revolution in 2004—were critical elements, too. Since the mid-1990s, Russian leaders have adamantly opposed NATO enlargement, and in recent years, they have made it clear that they would not stand by while their strategically important neighbour turned into a Western bastion. For Putin, the illegal overthrow of Ukraine’s democratically elected and pro-Russian president—which he rightly labelled a ‘coup’—was the final straw. He responded by taking Crimea, a peninsula he feared would host a NATO naval base, and working to destabilise Ukraine until it abandoned its efforts to join the West.”

The EU did not accurately judge the combination of factors that led to the crisis in Ukraine, which began when the then president of Ukraine, Viktor Yanukovych, unexpectedly refused to sign a trade agreement with the EU.

The report itself shows that the EU simply did not take seriously Russian objections to the association agreement. Nor did it understand or take seriously Russia's very real fears about the possible cancellation of the treaty by which it retained the right to base a fleet rights at Sevastopol.

There is, of course, the general problem about so many people in the West assuming that Russia's supine, stunned posture under Yeltsin after 1991 was normal and likely to endure. A Russian witness, Fyodor Lukyanov, said that the EU Commission never showed any interest in discussing Russia's concerns over the planned agreement. The Russians never even saw the planned text until the summer of 2013, and plainly assumed that a resolution was still a long way off, not least because the EU was still very hostile to Ukraine because of the continued imprisonment of Yulia Timoshenko.

Paragraph 181 of the report is worth quoting in full: "Mr John Lough, Associate Fellow, Russia and Eurasia Programme, Chatham House [the Royal Institute of International Affairs, Britain's premier foreign affairs think-tank], informed us that Russia 'suddenly woke up' to the challenge, having believed the AA [association agreement] to be 'a totally under-resourced and hopeless initiative that was being conducted by an organisation with so many divisions in it.' Mr Lukyanov agreed that Russia was surprised that the signature was imminent, because the situation in Ukraine—'corruption, dysfunction,' and the detention of former Prime Minister Yulia Tymoshenko—suggested that Ukraine was far from meeting the requisite conditions. However, when the issue of Tymoshenko's fate was 'removed from the picture and the decision was made that it should be signed anyway,' then 'Russia woke up'."

There is some dispute about whether at that point the EU was ready to listen to Russia's concerns. This was greatly reinforced by moves in Kiev to deprive the Russian language of its privileges, and to make membership of NATO a national strategy.

But most pressing of all was the issue of Sevastopol. Paragraph 193 relates:

"In particular, Moscow feared that the 2010 Kharkiv Agreements, which had extended the Russian Navy's lease of Sevastopol as a base for 25 years from 2017 until 2042, would be renounced. Professor Roy Allison has pointed out that even in 2010 'President Yanukovych's approval of this extension was virulently opposed by Ukrainian opposition politicians, suggesting that efforts may well be made to revise it in the future.' On 1 March 2014, three former Ukrainian Presidents, Leonid Kravchuk, Leonid Kuchma and Viktor Yushchenko, called on the new government to renounce the Kharkiv Agreements. Mr Lukyanov said that President Putin's 'real motivation was national security and the risk that the new rule in Kiev would very quickly denounce' the agreements of 2010 that prolonged Russia's base in Crimea for 25 years."

■ The full report can be obtained at: www.publications.parliament.uk/pa/ld201415/ldselect/ldeucom/115/115.pdf

Poor Germans

An unbelievable total of 12 million people in Germany are classed as poor, according to a study by a German welfare association.

Poverty has reached a historical record figure, according to a report by the Deutscher Paritätischer Wohlfahrtsverband (German Joint Welfare Association). The report shows that

about 12½ million people were affected in 2013—an increase from 15 to 15½ per cent since the previous year.

"Since 2006 there has been a clear and dangerous trend towards more poverty," said Ulrich Schneider, general manager of the association. Within this period, the report states that the number of poor people in Germany grew by 11 per cent. The German government's assertion after the last poverty report that the income gap is closing Schneider described as "simply false."

As a result, Germany is nearing the European average with regard to poverty. EU statistics show that close to a quarter of the EU population were at risk of poverty or social exclusion in 2013.

While the report found that poverty increased nationally, the gap between the regions least affected and most affected by poverty rose from roughly 18 to almost 25 per cent compared with 2006. Single households with an income of less than €892 per month are considered poor; a family with two children is considered poor when they live on less than €1,872 per month.

Single mothers are particularly at risk of poverty, the report found, with more than 40 per cent in this group falling into the category of being poor. But although Germany's unemployment rate has been decreasing for years, poverty is rising among the entire population.

Schneider also expressed concern that, under present circumstances, unemployment could become more and more a part of everyday life, and set a dubious example for the younger generation. "In many regions, residents of entire streets have lived without a job for a long time. For the children who grow up there, dependence is completely normal."

A particularly alarming development revealed by the report relates to pensioners. The number of poor in this group increased dramatically, by 48 per cent, since 2006. Schneider called these numbers a "poverty policy landslide." No other population group shows a more rapid development towards poverty, he said. Since 2006 the proportion of those in poverty increased at four times the rate seen in other groups.

A continuing struggle

Greece-baiting seems to have become the favourite sport of the political and media elite. The new accepted wisdom is that Greece will never function in a rational manner, and that it will continue to make trouble in Europe because of its many deficiencies: widespread corruption, inept bureaucracy, lack of land registration, and last but not least, massive tax evasion.

The first and most important thing to understand is that the euro crisis is not primarily about Greece at all. Greece, just like any other country, has to live according to its own means, which requires it to adapt its wages to its own level of productivity. Wage growth should not exceed productivity growth plus inflation.

But countries should also not live *below* their means, which means that wage growth should not lag behind productivity growth. Greece has done the former, Germany has done the latter; and the jury is no longer out on which has brought more damage to its trading partners. Germany has systematically and seriously undercut its trading partners by putting political pressure on wages and—because of its superior size—is responsible for the large trade imbalances within the euro zone.

Ireland escapes some of the effects of this imbalance, as two-thirds of its trade is outside the euro zone; but the past few years have shown that it suffers from its membership of the euro zone nevertheless.

How can a sovereign country achieve growth in productivity and redistribute its social product? These are decisions that have

to be made by the people of the country, and not by any others. This goes beyond policy. Productivity covers almost all areas of life. It is an expression of life-style and of a general view of life and the things that a people desire. The people of individual countries have to be able to decide for themselves what it is they want and what they find important.

Matters of taxation and public spending are sovereign national decisions made by democratically elected governments. We have to respect such choices. We should refrain from giving advice to the new Greek government on such issues as the taxing of high incomes, proposals to increase wages for low-paid workers, and social welfare payments for unemployed people. It is not our business.

What need to be addressed internationally are proposals for fighting tax evasion. Why do we not discuss such proposals as unequivocally connecting tax liability to citizenship, or proposals for accomplishing the payment of appropriate taxes where the production and sale of goods and services take place?

Given the dire situation that Europe finds itself in at the moment, it is necessary that all countries have sufficient fiscal space to stimulate their economic growth. This requires a concerted campaign to get rid of the Stability and Growth Pact.

Greece needs €10 to 20 billion this year in order to correct the most serious errors made by the Troika in recent years; but all countries—Germany first and foremost—must borrow and spend money on a large scale in the capital market.

An over-emphasis on debt restructuring ignores the fact that, regardless of the level of debt, economic growth has to be stimulated. Otherwise the debt problem is unsolvable. One cannot expect debtor-countries to pay back their debt if at the same time policies are forced on them that make repaying their debt impossible. The senseless Greek debt relief from 2012 should be a lesson to all.

According to an estimate by the Deutsche Bundesbank, in conjunction with the latest data on the nominal gross domestic product from the Federal Statistical Office, the German current-account surplus reached a new record in 2014: it now stands at 7.4 per cent of GDP. The current-account surplus has never been so high, not even in the days preceding German reunification. West Germany's surplus, which exceeded 4 per cent in the second half of the 1980s, was considered extremely high. The present surplus of 7.4 per cent creates a major macro-economic imbalance inside and outside the European Monetary Union.

Deficit countries within the EMU are required to adhere to a rule that limits the deficit to 4 per cent of their GDP. If the deficit becomes bigger than this the EU Commission will push for a reduction. The surplus countries, on the other hand—presumably at the behest of Germany—have to face sanctions only if they reach 6 per cent. On top of that, three-year averages of balances are considered, meaning that for single years the results can exceed or fall below the limit (if compensated for in other years) without the Commission intervening. However, given the fact that the German government expects the surplus to increase again in 2015, a violation of the treaties is undeniable.

There is no doubt that long-lasting external deficits can be harmful to economies. But the same is true for surpluses. Without surpluses, deficits would not exist. If deficits create problems, surpluses create exactly the same problems.

Apart from this, the varying size of economies plays an important role. The current-account balance as a proportion of GDP in a relatively big country such as Germany, in absolute terms, is significantly bigger than the same proportion in a smaller country. A German surplus of more than 7 per cent does not lead to 7 per cent deficits in other countries but to much bigger ones. If, for example, there were only two countries, say Spain and Germany, a German surplus of more than 7 per cent would cause a Spanish deficit of almost 20 per cent.

These are some of the economic realities of the euro zone.

Master of the Universe

The chief executive of Ryanair, Michael O'Leary, has never hidden his plans for world domination; but his nomination to a secretive group said to truly govern world affairs may bring him one step closer to his goal.

O'Leary has been asked to join the notorious Bilderberg Conference, whose steering committee includes the former president of the EU Central Bank Jean-Claude Trichet and the former Italian technocrat-premier Mario Monti.

The group's reputation for the shadowy exercise of power is at odds with O'Leary's brash public image.

TTIP points to the demise of the public health service

A central part of the proposed Transatlantic Trade and Investment Partnership is "harmonisation" between EU and US regulation.

In Ireland during the past decade, under EU competition rules, the coalition Government is moving towards "harmonising" the Irish health service with the American system. This will open the floodgates for private health providers, which have made dizzying profits from health services in the United States while lobbying furiously against any attempts by President Obama to introduce free care for people living in poverty.

It means liberating the HSE budget to hand it over to the corporate sector; and among those companies waiting like vultures around a dying animal are the very same companies that spent a million dollars a day lobbying against Obama's reforms.

The president of the World Health Summit, Detlev Ganten, said the central question was whether free-trade agreements restrict a government's ability to choose its own political, social and cultural systems—including the capacity to implement policies that promote and protect public health.

The EU-US trade negotiations are intended to align the legal systems of the European Union and the United States with respect to infectious diseases, food safety, and tobacco policies. This would limit the ability of EU countries to regulate these areas, including access to drugs, health services, and nutrition.

Health communities would have to follow up and adapt to changes, Ganten warned. "This is about trade and commercial interests. What we should do is damage control and safeguard what we care about so that they are not getting worse through the negotiation of the trade agreement."

Health services, medical services (including midwifery and physiotherapy) and dental

services are all included in the TTIP negotiations. We already knew this, because we saw it with our own eyes in the EU's draft offer to the United States that was uncovered last month. Indeed the chief EU negotiator, Ignacio García Bercero, a member of the EU Commission's Directorate-General for Trade, acknowledges that health services are on the table.

The only area that has been excluded from the TTIP talks is audiovisual services, as a result of dogged insistence by France. All other public services are in, and could be traded away for further liberalisation if the American negotiators so demand.

If Enda Kenny wished to exclude the HSE or any other public service from the negotiations he could do as the French government has done. All that is needed is for no mention of health services to appear in TTIP at all.

García Bercero has confirmed that the National Health Service in Britain, and therefore also the HSE, is open to attack under the new rules for investor-state dispute settlement (ISDS) that TTIP would introduce between the EU and the United States. For the first time, American corporations would be able to bypass our national courts and challenge our national health policy before *ad hoc* arbitration tribunals, and to sue Ireland for hundreds of millions of dollars in "damages" as a result of future policy changes that might affect their bottom line.

This is one clear mechanism that would prevent any future government bringing the privatised sections of the health service back into public hands, as the cost of compensating private providers would render such a move instantly unattractive.

García Bercero would like us to believe that future challenges to the HSE would be "unlikely." Yet under similar rules Slovakia has already lost a multi-million-dollar case to the Dutch insurance company Achmea for reversing the country's earlier privatisation of health insurance.

The tobacco giant Philip Morris is now using ISDS provisions to sue the Australian government for billions of dollars over its new law requiring that all cigarettes be sold in plain packaging. Ken Clarke, the former British minister with responsibility for TTIP, has admitted that Britain could face exactly such a challenge from American health corporations if the treaty goes through.

Now a technical bit. García Bercero invokes the safeguard on services supplied "in the exercise of governmental authority" that was introduced in 1994 in the General Agreement on Trade in Services (GATS) and has since become standard in other trade agreements. Yet this safeguard is worthless in protecting public services in the modern era, as the definition of services supplied "in the exercise of governmental authority" requires them to be supplied (*a*) not on a commercial basis and (*b*) not in competition with any other service supplier. The HSE is unlikely to qualify for this protection on either of the two counts.

The Government has entered a reservation in the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada to the effect that Ireland "reserves the right to adopt and maintain any measure with respect to the provision of privately funded social services other than services relating to Convalescent and Rest Houses and Old People's Homes." So the latter are fair game, while the Government may adopt measures regarding social services—or it may not!

Under TTIP, American companies would have the right to supply hospital services or social services. It would also give transnational corporations the right, under ISDS, to claim massive compensation if the Government introduced initiatives (including, for example, public health regulations, health protection measures, and health promotion policy) that could potentially reduce transnationals' future profits.

Though the ramifications of TTIP cannot be predicted with accuracy, because of the secrecy surrounding the talks, all the indications from leaks and through comparison with its sister deal, CETA, are that within a couple of decades a public health service would be a thing of the past.

We do know from CETA, whose terms are public, that there are some exceptions for health and public services when it comes to market access. However, there is no exclusion from the investment chapter, which, as in TTIP, includes the highly controversial investor-state dispute settlement mechanism.

Government prepared for collapse of euro zone

The Government's Economic Management Council drew up contingency plans for the collapse of the euro when the single currency entered its most serious period of crisis, the minister for public expenditure, Brendan Howlin, has said.

In an interview with the *Irish Times* before the Labour Party conference Howlin publicly disclosed for the first time that "elaborate and detailed" plans were made for the collapse of the euro. He stated that a contingency plan existed for the reintroduction of the Irish pound, and that there were measures to increase security at banks.

The preparations were made when Italy was at the centre of the euro-zone debt crisis towards the end of 2011, months after Fine Gael and the Labour Party took office. The attorney-general, Máire Whelan, was also involved in drafting legislation to be used in such an emergency, he said.

Howlin defended the role of the Economic Management Council, which comprises the Taoiseach and Tánaiste as well as the minister for finance and minister for public expenditure. He said the council played a central role at sensitive times during the coalition's term of office, specifically citing negotiations on the liquidation of the Irish Bank Resolution Corporation (formerly Anglo-Irish Bank) and the promissory note deal in 2013.

For the first time, Howlin said the EMC also made contingency plans for the collapse of the euro. "Early on in our time there was a real existential threat to the euro, when Italy was under enormous pressure," he said. "We had to make contingency plans for the collapse of the euro at that time. They were scary, scary times. That was handled by a tight group of ministers.

"There were a number of things done. They were all anchored in the EMC. The attorney-general had to look at legislation. Key Finance people, Public Expenditure people were involved in discussions in relation to that."

When asked if the plan included the reintroduction of the pound, Howlin said: "All avenues were considered." When asked if measures were adopted to provide increased security at the banks, he said: "Yes, all of that."

A lacklustre defence of public services

Some of the "opposition" from EU trade union leaders to the corporate grab represented by international trade agreements such as the Trade in Services Agreement has more to do with mollifying members' unease about what is involved than with actually building strong campaigns of opposition.

A recent example of this form of opportunism would seem to be behind a statement by the secretary-general of the

European Confederation of Independent Trade Unions, Klaus Heeger.

Public services (known in EU jargon as "services of general interest" or "services of general economic interest") fulfil people's daily needs and are vital to their well-being. The quality of citizens' lives depends on these services, which are also essential for sustainable economic development and social cohesion.

The objective of the Trade in Services Agreement is "to facilitate and open up trade in services" between the EU and twenty-two other countries. Heeger quite properly called for the exclusion of public services from its scope; he acknowledged that "facilitation" means liberalisation and privatisation, and that all services, including public services, are on the table in negotiations on the agreement. But he then takes a step backwards and discovers that there is a "dilemma": either "isolation from the world" (i.e. opposition to the neo-liberal agenda) on the one hand or "to make sure that our social models and common goods that have been painstakingly acquired over centuries, are not drowned in globalisation and liberalisation dogmas, allegedly imposed by ruthless single market or free trade rules."

Heeger seems to be announcing in advance that his efforts to defend this aspect of the "social Europe" model will not rock the corporate Europe boat, and that the legitimate fears of the more than 5 million affiliated trade unionists is based on nothing more substantial than "allegations."

His campaign slogan? A compromise dressed up in the usual "social Europe" rhetoric. The compromise would consist of agreeing on a so-called "gold standard" clause—a clause that would clearly exclude "as widely as possible" public services from the scope of the Trade in Services Agreement. It is not clear whether the European Confederation of Independent Trade Unions and its Social Platform partners want this clause included in a services agreement or whether it would only be in the form of a declaration, without any real legal effect.

The statement announcing the initiative has the usual "creative ambiguity" so beloved of "realists." While the clause "would deliver a clear political statement (and, depending on the circumstances, maybe even a legal and therefore enforceable one), a statement which—in addition to the exclusion of specific services, such as [core] governmental services, health, education, water supply or other public utilities—could serve as a political and legal argumentation bulwark to be triggered according to needs … [which] should firstly exempt public services as widely as possible from the scope of the agreement and would have to be inserted in the core text."

But to what effect? "Such [a] clause could *de facto* never fully guarantee that trade agreements have no impact on public services and protection standards (the mere facts that free trade is based on mutual recognition and the definition of common standards, and that all services, whether public or not, lie on the TISA negotiation table, clearly point into another direction)."

This latter statement can be seen as a nod in the direction of substantial retreat on TTIP and CETA further down the road.

So, at the end of the day, the most that its advocates can claim for the "gold standard" clause is that "it would represent a fundamental statement in favour of our democratic and fair principles, a basic irrevocable affirmation of what is important to us," while all the while corporate Europe, with the connivance of EU bureaucrats, whittles away more and more of our democratic and social rights.

Legal challenge to plain cigarette packaging

There's a big difference between the threatened legal case over plain cigarette packaging and what a similar case might look

like under TTIP (the trade agreement under negotiation between the EU and the United States).

An arbitrary deadline (20 February) set by Japan Tobacco International by which the Irish Government should halt the introduction of a draft law on plain packaging has expired. With the legislation not yet enacted, the Japanese corporation has threatened, through its Irish subsidiary, to sue two ministers, James Reilly and Leo Varadkar, unless they promise that no further steps will be taken to introduce the law.

In a direct challenge to a sovereign government proposing to enact legislation in the public good, JTI claims that the state has no right to enact such a law, and—in effect—instructs the ministers to halt its parliamentary passage while a British case in the EU Court of Justice continues.

But you can go to court at any time if you can afford to pay the lawyers. The big difference between this and a TTIP case is that JTI would not have to go to a court, where the rule of law prevails, but instead could take the state to an arbitration tribunal that exercises no identifiable jurisprudence, does not seem to take precedent into account, where there is no appeal, where the proceedings are in secret, and where the findings are not published unless the parties agree.

In the vast majority of known cases under this procedure the corporations win—an outcome that is by no means assured in the courts.

So TTIP would make things very much worse. As well as placing corporations on an equal, if not higher, footing than the state, TTIP would establish a parallel system of "justice" that would develop norms different from the state's legal system and producing different results. This would, over time, undermine the authority of the Irish courts in commercial claims.

The present caper is an example of "regulatory chill," which provides a disincentive for governments to legislate in the face of threatened litigation. Of course under TTIP we would have the Regulatory Cooperation Council, which would cosy up to the corporations and tell them what the government intends to regulate, and when, so they could reach a tidy arrangement if it didn't suit. The corporations would also be able to bring forward new regulations, or suggest existing ones that could be amended.

This is a graphic foretaste of the regime that would exist under TTIP—except that most disputes would never see the light of day but would be sorted out at the Regulatory Cooperation Council.

The illustration here is a sample of generic tobacco packaging that has been proposed in Australia. The country is now being sued under ISDS by the American tobacco company Philip Morris.

Another EU—deadly serious—con job

Because of the nature of power-sharing in the EU, some international agreements (so-called "mixed agreements") require the approval of both the EU Parliament and each member-state. It is generally accepted that both the Canada-EU trade agreement (CETA) and TTIP are mixed agreements and will therefore require a double ratification—by the full EU Parliament and all the EU governments.

Indeed the EU Commission has frequently cited this fact to bolster its assertion that both CETA and TTIP are being negotiated democratically, as the European public—through their representatives—will have their say in these final votes.

But a disturbing analysis published by

Greenpeace on its Austrian pages suggests that, built in to the CETA agreement, which is now going through a "legal scrub" before being presented for ratification, are a couple of sections that will allow the Commission to introduce the corporate sovereignty provisions anyway. According to article X.06 3 (*a*), *"This Agreement shall be provisionally applied from the first day of the month following the date on which the parties have notified each other that their respective relevant procedures have been completed."*

This means that CETA would enter into force provisionally as soon as the Commission and the Canadian government have notified each other that "relevant procedures have been completed." There's no explicit requirement there for those "relevant procedures" to include ratification by the EU Parliament or the member-states: the Commission might claim that the "relevant procedures" simply meant things like the legal scrub. One of the provisions of CETA is a corporate sovereignty chapter, so this too would enter into force at this point, regardless of what national governments might want.

Now suppose that the EU Parliament, or one of those member-states, does not ratify CETA, perhaps because of the investor-state dispute settlement (ISDS) mechanism, in which case the entire agreement would fail. But here's what article X.07 4 says will happen in that case:

"If the provisional application of this Agreement is terminated and it does not enter into force, a claim may be submitted pursuant to the provisions of this Agreement, regarding any matter arising during the period of the provisional application of this Agreement, pursuant to the rules and procedures established in this Agreement, and provided no more than three (3) years have elapsed since the date of termination of the provisional application."

In other words, even if CETA is rejected in Europe, thus causing the provisional application to be terminated, claims under the ISDS chapter would still be possible up to three years afterwards for investments made during the provisional period. This is no mere theoretical possibility: it is exactly what happened to Russia with the Energy Charter Treaty, which it never ratified but where an ISDS tribunal made an award of *$50 billion* against the country because of the treaty's provisional application.

What's even more troubling is that the EU Commission proposes to add similar clauses to TTIP, as the Greenpeace article notes: "A representative of the European Commission at a press briefing session in Vienna confirmed to Greenpeace that the Commission intends to propose a 'provisional application' for TTIP too."

This would be even worse than putting such sections in CETA, because, unbelievably, ISDS in TTIP *would apply retrospectively to all existing investments,* as the negotiating mandate specifies: *"The investment protection chapter of the Agreement should cover a broad range of investors and their investments, intellectual property rights included, whether the investment is made before or after the entry into force of the Agreement."*

This would allow corporate sovereignty provisions applying to huge numbers of existing investments to enter into force and remain there for some years even if TTIP were rejected by the EU Parliament or by one of the national governments.

So much for the EU's much-vaunted "democracy"—and another compelling reason to take the ISDS chapter out of both CETA and TTIP, or even question our continued

membership of that unrepresentative body.

"The Government is colluding in one of the most drastic transfers of power in world history. The secretive Transatlantic Trade and Investment Partnership, TTIP, which the Government and the mainstream media refuse to discuss in anything resembling a critical manner, contains a series of investor rights that will allow businesses to bypass national court systems and sue governments in private arbitration panels, including over health and environmental protection measures passed by the Dáil that they claim undermine corporate profit."—Mick Wallace TD.

"Greece should leave the euro"—Giscard

Valéry Giscard d'Estaing, author of the EU constitution (i.e. Lisbon Treaty), who was president of France before Greece adopted the euro, has said that abandoning the single currency would be the best way for Greece to solve its debt crisis.

"The fundamental question is whether or not the Greek economy can recover and prosper with a currency as strong as the euro," he said. "The answer is clearly negative. Greece needs to be able to devalue its currency.

"The entry of Greece into the euro in 2001 was a mistake. I was against it at the time. The Germans were too. They only accepted it because others, France in particular, insisted on it.

"The proposals of the new Greek government rely on a devaluation of the currency, quite simply because the programme it was elected on is impossible to execute with a strong currency. Greek production cannot regain its competitiveness with the euro at its current strength. As a result it cannot implement its economic programme, including raising the minimum wage and increasing social benefits.

"By leaving the euro it would only be joining the countries like the United Kingdom, Sweden, and the Czech Republic etc. that never adopted the single currency. This orderly exit procedure should, and can, take place peacefully, in everyone's best interest. It's what I would call a 'friendly exit.' Greece needs to be able to devalue its currency. If it does not do so, the situation will worsen, resulting in an even more severe crisis."

Ireland continues to suffer over fisheries policy

Back in September 2011 the then EU commissioner for maritime affairs, María Damanáki, acknowledged that Ireland had suffered under the EU common fisheries policy but promised a "level playing field" following the review of the policy then being conducted.

The new system has now been established, and the minister for agriculture, the marine and food, Simon Coveney, was asked earlier this month how successfully it was delivering.

The Republic has the third-largest sea area and the largest ratio of maritime area to land mass in the EU but derives only 1 per cent of gross domestic product from the maritime economy, according to well-established figures.

This is because, although it is a "big country" in fisheries terms, with some of the richest fishing grounds, Irish waters are now "common European waters," with "common European stocks," and therefore continue to attract other EU fleets.

The new common fisheries policy has failed to achieve what any proper fisheries policy should achieve, namely the continued economic viability of the country's fishing fleet and fish-processing industry while supporting families and communities that depend on the sea for their livelihood.

A central element of the new CFP is the setting of fishing levels on the basis of "maximum sustainable yield" by 2020. It is hoped that this might ultimately lead to healthy

fish stocks and more sustainable fishing patterns. But no-one involved in the industry is holding their breath!

The EU Commission last published a report on the performance of EU fishing fleets in respect of 2012. Coveney told the Dáil that a fleet report for 2013 for Ireland has been submitted to the EU Commission, and a report in respect of 2014 will be prepared and will be submitted before the EU deadline of the end of May 2015.

But, as the excellent Dónal O'Driscoll from Castletown Bearhaven, Co. Cork, and Tom Hasset from Cork, campaigning under the slogan *Fishing for Justice,* reminded us, we are still suffering under the CFP.

Balance sheet

EU funds received (1973–2013)	€72 billion
Ireland's fund contribution	€31 billion
Ireland's net benefit	*€41 billion
Ireland's fisheries, commercial value (1975–2010)	€201 billion
Ireland's share	€17 billion
EU's net benefit	€184 billion

EU's net benefit: more than €140 billion.

*The Yes campaign reported Angela Merkel as saying its net benefit was €56 billion (2009).

Sources: David Doyle, Public Accounts Committee; Eurostat database.

It's time to scrap TTIP and CETA.

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TTIP education and for-profit colleges

Proposals to make education a "traded" commodity could cost the Irish taxpayer millions, by allowing investors in "for-profit" colleges to sue the Government for loss of profit as a result of state investment in public education.

Under the proposed ISDS process in TTIP, so-called "for-profit" education companies would have the right to challenge measures that they felt interfered with their profits. This was confirmed by the publication of the EU initial offer in the TTIP, which included a commitment to open up all branches of education to private providers. Consequently, the TTIP could facilitate a flood of private American colleges into Europe and leave governments with limited policy space to regulate them.

The EU Foreign Affairs Council of Ministers has already excluded the audiovisual sector from TTIP, based on the public-interest goal of preserving and promoting cultural and linguistic diversity within the EU. The same

reasoning would justify an exemption for education from the TTIP.

A Congressional report in the United States on private colleges in 2012 showed a drop-out rate of 64 per cent and “substandard academic offerings.” It also revealed a financial imbalance in American institutions, with more than 22 per cent of income spent on marketing, 19 per cent taken in profits, and only 17 per cent devoted to instruction.

The study, carried out over two years, reported “substandard academic offerings, high tuition and executive compensation [salaries], low student retention rates, and the issuance of credentials of questionable value.”

In 2011 and 2012 privately owned American colleges sued the US government over the publication of a critical report, and the following year they sued it again over its attempt to introduce new regulations and protection for students. In July 2012 they won a case to strike out the regulation that would have damaged their profits.

In Britain the present government has opened up higher education to privately owned education companies, which are largely unregulated and uncontrolled, allowing them access to public subsidies in the form of student support. The amount of such support obtained by private providers has risen dramatically, from £33 million in the year 2009/10 to £270 million in 2012/13, with government forecasts predicting a rise to £600 million by 2015/16.

This expansion, led by privately owned companies, has been so fast that it has caused a budget deficit, resulting in deeper cuts to broader university funding.

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