



# PEOPLE'S NEWS

*News Digest of the People's Movement*

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No. 122

29 March 2015

## **Greeks do the decent thing: Irish EU officials helpful (as usual)**



The Greek parliament has overwhelmingly adopted a “humanitarian crisis” bill to help its poorest people, ignoring pressure from the EU to halt the legislation. The anti-poverty bill provides for free electricity and food stamps for the poorest households.

The bill had prompted a request from Declan Costello, a representative on the EU Commission’s team monitoring Greece, asking the government to stall the vote on what Brussels called “unilateral” measures, but the prime minister, Aléxis Tsípras, was defiant before the parliamentary vote, saying: “Some technocrats are trying to scare us with ultimatums.”

A Greek government spokesperson said: “The government has committed itself to adopting measures to tackle the humanitarian crisis ... The measures have a relatively low cost.”

The row over the anti-poverty legislation was sparked when a copy of an alleged letter from Declan Costello appeared on line. “We would strongly urge having the proper policy consultations first, including consistency with

reform efforts,” Costello wrote in the letter, quoted by the economics editor of Channel 4 News.

The Greek legislation calls for households that were cut off because they could not pay their bills to be given a capped amount of free electricity. Up to 30,000 households would also get a housing allowance, and 300,000 people would receive food subsidies. The legislation also includes help for people who have lost their job in recent months and no longer have social welfare coverage.

## **TTIP and education**

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

Under the investor-state dispute settlement (ISDS) process in the proposed Transatlantic Trade and Investment Partnership, 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’s 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 for regulating them.

The EU Foreign Affairs Council of Ministers has already excluded the audiovisual sector from TTIP, on the grounds of 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 US Congressional report on private colleges in 2012 revealed a drop-out rate of 64 per cent as well as “sub-standard 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 [pay], low student retention rates and the issuance of credentials of questionable value.”

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

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

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

### **Draghi calls for faster and deeper euro-zone integration**

The president of the EU Central Bank, Mario Draghi, has called for a “quantum leap” in the institutional convergence of the euro zone.

Euro-zone countries had not yet converged sufficiently to dispel doubts about the bloc’s cohesion, he said, while stressing that “we have now integrated too much to even entertain reversing the process: our economies are far too intertwined.”



Draghi has been pushing for deeper integration since early 2012, when the euro-zone debt crisis led him to work on a plan for a banking union, fiscal union, economic union, and political union. In 2011 his French predecessor, Jean-Claude Trichet, called for a central European finance ministry.

Draghi noted that the EU’s fiscal rules have repeatedly been broken, straining trust among countries. In response he proposed deeper institutional integration, with more “shared sovereignty” and strengthened accountability of the EU towards its citizens.

“In sum, my conclusion is that there must be a quantum leap in institutional convergence,” he said. “We need to move from a system of rules and guidelines for national economic policy-making to a system of further sovereignty-sharing within common institutions.”

Meanwhile, this week the German central bank proposed creating “a new European fiscal authority, which, in the style of independent national fiscal councils, is bound by a clear mandate to only assess budget developments with a view to complying with fiscal rules.” This new fiscal authority would replace the role of the EU Commission, as it would run less risk of “agreeing to inappropriate compromises at the expense of budget discipline.”

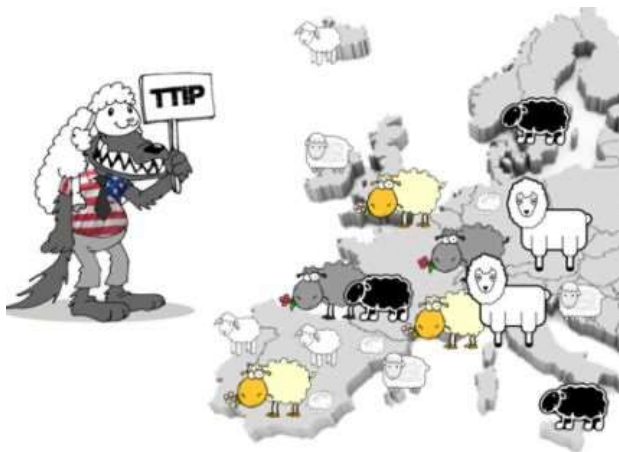
In other words, it wouldn’t succumb to political pressure when it comes to easing austerity or, in even other words, would not be

amenable to democratic influence.

And you thought the Commission was an undemocratic construct!

### The IFA pronounces on TTIP

EU negotiators must ensure that the interests of Irish and European farmers are not sacrificed in pursuit of a general trade deal with the United States, the Irish Farmers' Association has warned.



The president of the IFA, Eddie Downey, said it was clear from recent meetings with American stakeholders in Washington that the United States has ambitions for major agricultural exports into the EU market. “While recognising the potential opportunities from increased access to the US market,” he said, “the Government cannot countenance a trade deal that would damage farmers and Irish agricultural exports on the EU market.”

However, the IFA is concerned that an easing of restrictions could seriously disrupt the pattern of trade in Europe, with an influx of American imports lowering prices for a range of products and eroding producers' profit margins.

“As a fundamental principle, EU negotiators must insist on equivalence of standards. That is, all US imports must meet the same animal health, welfare, traceability and environmental standards as is required of EU producers,” Downey said, ignoring the plan to move towards a regulatory convergence agenda.

Regulatory convergence in TTIP can be broken down into three distinct processes:

**1. Mutual recognition** between the two trading blocs of a given set of safety standards is a trade facilitation tool. With mutual recognition, an American product that meets the US standards would automatically be allowed into the EU—even if it did not meet EU standards—and vice versa.

**2. Harmonisation.** After US standards on pesticides (for example) are accepted by the EU for products that it imports, the next step for the industry is to get those standards in the EU down to the same lower level.

**3. Regulatory co-operation.** Under TTIP's chapter on “regulatory co-operation,” any future measure that could lead us towards (for example) a more sustainable food system could be deemed “barriers to trade” and therefore refused before it saw the light of day.

Leaked EU proposals describe a new system of regulatory co-operation between the EU and the United States that would enable decisions to be made without any public supervision or engagement. Business would be involved from the beginning of the process, well before any public and democratic debate took place, and would have excellent opportunities to ditch important initiatives for improving food standards or protecting consumers.

Big-business groups such as Business Europe and the US Chamber of Commerce have been pushing for this corporate lobbyists' dream from before the EU-US trade negotiations even began. What business wants from regulatory co-operation is essentially to jointly write legislation and to establish a permanent EU-US dialogue for working towards harmonising standards—long after TTIP has been signed.

The IFA's position paper outlines a number of “red line” issues for the industry here. The association says that the EU must not reach a trade agreement with the United States that runs counter to the EU's objectives regarding

climate change by facilitating the replacement of carbon-efficient Irish produce on the EU market with carbon-intensive American imports.

A crucial point for the IFA is that there must be equivalence on standards of dairy hygiene between the EU and American systems before the removal of barriers to entry to the American market. The IFA also said that with “potential market opportunities for Irish sheep meat exports to the US” it is vitally important that the restrictions on access are removed. It also insisted that pork products permitted for import into the EU must meet equivalent animal welfare standards.

## Blockupy!

This week some 17,000 people gathered in Frankfurt to protest against the EU Central Bank. Two Irish members of the EU Parliament, Matt Carty and Lynn Boylan, attended the demonstration. The protest culminated in acts of violence, which of course attracted a great deal of publicity.



As for the point of the demonstration, the media reported that it was mainly aimed at the ECB's flash new head office, built at a cost of €1.3 billion. But it was about much more than that. The ECB is an institution with extensive political power, an institution with no democratic content. That has to change, and soon, was the message from the demonstrators, gathered under the name “Blockupy.”

The ECB is not supposed to be charged with any tasks beyond specifying the rate of interest

in the euro zone and ensuring a manageable level of inflation—about 2 per cent, the level seen by economists as the ideal proportion to keep the wheels of the economy turning. The ECB, however, merely pays lip service to these responsibilities, and in reality its influence reaches much further than that. It can create money by buying up government bonds, and offer temporary assistance to banks by issuing emergency credits.

That Greece has still not gone bankrupt is primarily because the ECB raised the ceiling for emergency credits to Greek banks ever higher. In February it went up by €10 billion, to €70 billion. The Tsípras government was therefore pushed into a corner by the ECB—and others. If it was not prepared to continue the harsh austerity policies of its predecessors, the ECB would simply turn off the tap, the Greek banks would no longer have any money to buy Greek state bonds, and the government would be bankrupt.

Not surprising, then, that Aléxis Tsípras was given short shrift by the other heads of government. They have a straightforward agenda: either SYRIZA imposes neo-liberal policies on Greece or the country sinks into bankruptcy. With the ECB in the background, they can impose their will on Greece, unless the Greeks decide to quit the euro zone; but, as things stand, Tsípras does not seem to want to do that. He has instead promised to come forward with a package of austerity measures.

Now, you could say that in this case the ECB is simply doing what governments also want to do. But say that the heads of these governments were not in agreement, and some of them had grasped the fact that further massive spending cuts would only drag Greece deeper into the mire and that austerity could lead, for example, to enormous social unrest, presenting the extreme right with fresh opportunities: in such an instance the ECB would be within its powers to independently decide Greece's fate by extending emergency loans, or not doing so.

Whatever else, there is no formal link between the European Council, in which all EU heads of government sit, and the ECB. At the end of the day, what it comes down to is a fundamental question of democracy.

### TTIPING the cap!



Obama and Kenny used the occasion of the annual presentation of shamrock to pledge support for TTIP, with Kenny stating that the next six months would be imperative in deciding whether the deal can come to fruition before Obama leaves office. “We’re very big supporters of this,” Kenny told reporters.

### Successful meeting in Newbridge



The secretary of the People’s Movement, Frank Keoghan, addressed a packed meeting called by Kildare Right2Water and chaired by Councillor Joanne Pender in Newbridge last week on the subject of “Water and TTIP.”

Councillors Mark Lynch and Brendan Young also attended, and there was a wide-ranging discussion on TTIP and the Comprehensive

Economic and Trade Agreement (CETA) between Canada and the EU.

### Irish data commissioner happy with EU-US data transfer agreement

A lawyer for the European Commission told an EU judge on Tuesday last that he should close his Facebook page if he wants to stop the United States snooping on him in what amounts to an admission that “Safeharbor,” an EU-US data protection agreement, doesn’t work.



“You might consider closing your Facebook account, if you have one,” the EU’s lawyer, Bernhard Schima, told the attorney-general, Yves Bot, at the EU Court of Justice in Luxembourg.

The monitoring site Statewatch reports that the panel of judges were discussing the implications of mass surveillance by the United States on the fifteen-year-old data transfer agreement that is supposed to “ensure an adequate level of [data] protection” whenever the personal data of EU nationals is transferred to firms in the United States.

Safeharbor underpins a multi-billion business for big tech firms like Google and Facebook, which need and use the data to target on-line advertisements for people living in EU countries.

But the agreement, adopted by the EU Commission, has come under intense scrutiny following the revelation in 2013 that spy hubs in the United States and Britain had, among other things, siphoned off data transfer flows by tapping directly into undersea cable networks.

Edward Snowden, the former National Security Agency contractor, says the spy agency had also used a program, dubbed “Prism,” that

granted it access to American technology firms such as Facebook. This led Max Schrems, an Austrian national, to lodge a complaint with Ireland's data protection commissioner, Billy Hawkes, on the transfer of personal data to the United States from Facebook Ireland.

Schrems says the protection of personal data transferred by the company to the United States cannot be guaranteed, in the light of the Snowden revelations. But Ireland's commissioner turned down the claim and refused to investigate, commenting that there was no evidence that Facebook was not complying with the Safeharbor principles.

Schrems appealed to the High Court, which found that the United States had "mass and undifferentiated" access to the data. The High Court adjourned the case and is now asking the EU Court of Justice to help clarify the data transfer rules.

A number of member-states spoke out in defence of Schrems. A lawyer representing the Austrian government, Gerhard Kunnert, told the judges that Safeharbor "is not in fact for the data of EU citizens but is at best a safe harbour for data pirates." A lawyer for the Polish government said that data protection commissioners should be allowed to suspend flows "when individuals' rights may be infringed."

The EU Commission, for its part, had already declared two years ago that the agreement was riddled with problems and then issued the American side with thirteen recommendations to ensure an "adequate" protection of privacy.

Those talks are still in progress, casting doubt on whether the Commission is serious in its efforts, despite calls from the EU Parliament to scrap Safeharbor altogether. It is up to the Commission, by means of so-called adequacy decisions, to determine whether US national law and international commitments offer Europeans sufficient data protection safeguards.

Asked by the judge if the protection of personal data in the charter of fundamental rights is applied when the Commission issues an adequacy decision, the Commission's lawyer replied, "No."



He added that "the decision of the adequacy cannot become invalid from one day to another, because of new developments." He noted that as long as talks with the Americans are continuing, the power of national data protection authorities to possibly suspend data transfers in individual cases is limited.

He also said that the Commission is unable to guarantee that "adequate" safeguards are respected. The revelation provoked an outcry from Schrems, who said that it was the most striking thing he heard.

Lawyers for Ireland's data commissioner said there is no evidence that the transfer of Schrems's data to the United States has caused him any harm.

The ECJ's advocate-general is to issue an opinion on 24 June.

## Next an Energy Union, as EU integration deepens

EU leaders agreed on 19 March to construct an Energy Union with what the Commission has spoken of as a "dynamic governance process."

Probably reflecting German views, the president of the EU parliament, Martin Schulz, has pronounced that the Energy Union should be "a part of the European structure, of the communitarian method, rather than left solely in the hands of member-states."

He called it a historic project, on a par with the Coal and Steel Community and the internal market—two crucial integration projects.

The president of the EU Commission, Jean-Claude Juncker, who is open about his wish to deepen European integration, has referred to the EU's four "fundamental freedoms" that underpin the bloc's single market: the free movement of people, goods, services, and capital.

"We've added a fifth freedom," Juncker added, without directly making this a legal principle, which is the free circulation of energy in Europe, particularly for inter-connection.



One area where the Commission wants to increase its influence is involvement in negotiations before EU member-states sign gas contracts with non-EU countries. The conclusions published after the meeting state that EU countries called for ensuring the full compliance with EU law of all agreements related to the buying of gas from external suppliers, notably by reinforcing the transparency of such agreements and compatibility with EU provisions on energy security. This proposal on "gas transparency" was the most controversial part of the discussions. Under the present EU treaty, energy is a so-called shared competence.

The legal text specifically states that EU countries keep the "right to determine the conditions for exploiting its energy resources, its choice between different energy sources, and the general structure of its energy supply," and reaffirmed that the right of member-states to decide on their own energy mix is respected.

But there is a natural tension already, and several measures have been taken that in some way limit EU countries in their choice of energy sources.

The EU decided that by 2020 a fifth of the EU's energy mix should consist of renewable energy. This binding target has been translated into individual targets. While EU countries are free to choose whether they select solar, wind, biomass or other "green" energy sources, it is restricted freedom. In the case of the Netherlands, for example, it has to have 14 per cent renewable energy in five years. (It now has about 5 per cent.) This means, of course, that it no longer has the sovereignty to decide to have, for example, more than 86 per cent of its energy from natural gas.

It is proposed that the Energy Union will cut across a number of policy areas, including energy, transport, research and innovation, foreign policy, regional and neighbourhood policy, trade, and agriculture, according to the Commission's plans. This will require a new EU-wide governance framework.

### **He can say that again!**

The chairperson of the Oireachtas Joint Committee on European Union Affairs, Dominic Hannigan, has warned that a British exit from the EU "would be a profound and fundamental change in the Irish-British relationship that would inevitably raise questions about Ireland's place in the EU."

### **How to measure the impacts of trade: the Copenhagen Report for the government on the effect of TTIP**

The report by Copenhagen Economics, published on 27 February, is sure to cause controversy because of its underlying rationale for the proposed Transatlantic Trade and Investment Partnership, which is that the agreement would help the United States and the European Union and, in the process, Ireland to emerge more firmly from the clutches of the

recession.

The method that was used is called a “computable general equilibrium” (CGE) model. It attempts to replicate an economy through a series of complex formulas that predict the trade flows between consumers and firms. It begins with an assumption of fixed full employment: jobs are never created or lost but simply move from areas that become less competitive because of the agreement to more competitive ones. It fails to account for the costs incurred by an economy when workers lose their jobs.

CER is inherently not concerned with the labour market and ignores regional variation, and therefore TTIP and CETA could be particularly bad for Ireland’s open economy.

There is disagreement over how to measure the effect of non-tariff barriers and therefore the possible positive gains that might be achieved by eliminating them. Depending on the assumptions made about these variables, the results of the analysis can vary widely, experts say.

The CEPR study for the EU Commission (using the CGE model) estimated growth in GDP over ten years for the United States and the EU of 0.5 and 0.4 per cent, or \$199 billion and nearly €95 billion, respectively. It says this translates into an average of an extra €545 in disposable income each year for a family of four in the EU and €655 per family in the United States—a figure that has been ridiculed by critics as overstated and misleading. (It would be enough to buy them one cup of coffee per week.)

Jeronim Capaldo, a research fellow at the Global Development and Environment Institute in Tufts University, Massachusetts, argued in his own analysis that TTIP would result in a drop in GDP for all EU countries and a loss of about 600,000 jobs in the EU—a prediction now supported by the German Association of Industrialists and the EU Commission itself. The EU commissioner for trade, Cecilia Malmström,

speaking at the Oireachtas Joint Committee on European Union Affairs later in the day, pointed to the EU Globalisation Fund as a source of support in this regard.

Capaldo’s model, in contrast to CEPR, did not assume fixed employment and instead included an employment estimation based on the relationship between growth in productivity and employment numbers, using data from the International Labour Organisation. The results changed dramatically!

Rudi von Arnim at the University of Utah has pointed out that the gains are small enough to be within the rounding margin of error, and could easily be offset by the adjustment costs associated with implementing TTIP. Increased social costs to the government, he says, such as paid-out unemployment benefits and trade adjustment assistance, could eat away as much as a third of the claimed GDP benefits.

Rashmi Banga, an economist with the UN Conference on Trade and Development (UNCTAD), says that the assumption of full employment in a CGE model always yields projections of net gains. He took issue with the assumption and the failure of recent models to ignore the adjustment costs of cutting non-tariff barriers. He pointed out that

(1) the assumption that expanding sectors can absorb the workers displaced by contracting sectors is unrealistic, because the rate of expansion does not match the rate of jobs being lost;

(2) workers are not necessarily transferable between sectors, because of sector-specific skill requirements; and

(3) because the cost of adjustment to remove non-tariff barriers—including higher levels of unemployment and lost tariff revenue—is neglected in recent CGE models, the gains of cutting non-tariff barriers are overstated.

The US Department of Agriculture found that the Trans-Pacific Partnership, a similar



agreement to TTIP, would have no effect on American GDP, because adjustment costs could theoretically not be offset by GDP gains. The model envisaged the elimination of all tariffs and tariff-rate quotas in the region but did not take into account the effect of other TPP chapters, such as services, investment, sanitary and phytosanitary rules, or rules of origin.

Bear in mind that the CEPR study found that, given that tariff rates between the United States and the EU are already relatively low, the most important benefits of TTIP would be found in the reduction of non-tariff barriers, with up to four-fifths of the economic gains stemming from those reductions.

To identify non-tariff barriers the Commission's study employed what is known as a "dynamic gravity model," which predicts the ideal amount of trade between two parties. The ideal amount and the actual amount are then compared, with the difference being attributed to the influence of non-tariff barriers.

However, this could lead to an over-estimation, because this difference is not necessarily entirely attributable to non-tariff barriers. Other factors, such as the weather, could cause trade flows to slow from year to year. These uncontrollable factors cannot be extracted from the calculation.

In the end, estimating the effect of reducing non-tariff barriers in TTIP is particularly difficult, because negotiations are still in progress, and it is not certain which non-tariff barriers will be addressed in a final agreement, while the promotion of TTIP by the government is just another part of the "good news" avalanche in the year leading up to a general election.

In the next issue we will look at the findings of the study.



### To know the truth and call it a lie

The reaction among German political parties to Jean-Claude Juncker's call for a full-blown EU army provides a cautionary tale for us all. Nowhere is this more so than in the case of the German Green Party.

The Green Party continues to dress up its fundamentally reactionary politics in a pretend liberationist garb. It now supports such projects as a supranational army.

At the end of the Second World War, Germans pledged that never again should war arise from German soil. Probably a majority of the German public still adhere to this outlook; but not the Green Party, who want the EU to be able to present what they describe as a "humanitario-military attitude" or a "mix of humanism and a strong attitude with an army."

Before the First World War the German Navy League mobilised state officials, professors and other members of the upper middle class behind German militarism. The life-style has changed. The well-paid Bundestag deputies, lobbyists and academic staff who operate the Green Party's Heinrich Böll Foundation no longer dress their children in sailor uniforms but in eco-clothing made from natural fibres.

In their choice of social models, alternative life-styles have replaced the reserve officer.

When it comes to their support for German imperialism, however, they are on a par with their predecessors of a century ago.

Functionaries of the Heinrich Böll Foundation now talk disparagingly about a “pacifist *Sonderweg*” (special path) and declare that it cannot be “permitted”; Germany must finally “come out of the comfort zone.” But a recent opinion poll shows that a majority in the German population favours caution in foreign policy, while a mere 13 per cent are in favour of new German military missions.



The Green Party now share the concern of the mainstream neo-liberal SDP-CDU parties about an obviously growing gap between the political establishment and a sizable portion of the German population on questions of foreign policy. Despite the occasional radical rhetoric, the Green Party are part of that establishment and believe that attitudes must be changed. This forces them to come up with ideas about how this can be brought about.

They suggest that one way might be for Berlin’s already small circle of foreign-policy makers and its foreign-policy community to “seek to close ranks regardless of party affiliations and develop common concepts and initiatives.” But, more importantly, Germany must “take the lead in the revival of a common European foreign and security policy.”

The stance of the Green Party is simply more evidence that the campaign for a more aggressive global policy is deeply rooted in Germany’s foreign-policy establishment, and growing stronger.

The contagion has spread to the leadership

of “Die Linke” (the “Left Party”). Long considered an anti-war party, elements of the leadership are now seeking to align its stance with Germany’s official foreign and military policy. Recently leading party functionaries declared that “differences over foreign policy will not stand in the way” of a future coalition with the SPD (Social Democratic Party), which is part of the government coalition with the Christian Democrats. This statement was made following a secret meeting of leaders of the Left Party with the chairperson of the SPD, Sigmar Gabriel.

The Left Party’s spokesperson on the Bundestag’s Foreign Policy Committee, Stefan Liebich, regularly attends so-called “red-red-green” talks, meant to facilitate a convergence of Left Party political standpoints with those of the SPD and the Green Party. It was on such an occasion that Liebich also declared that he “does not preclude foreign missions of the German Bundeswehr” (federal army).



Before the 2014 EU Parliament elections a formulation characterising the EU as a “neo-liberal, militarist and, to a large extent, undemocratic power” was completely deleted from the text of the party’s election programme.

Those responsible should have remembered the remark of Berthold Brecht: “A man who does not know the truth is just an idiot, but a man who knows the truth and calls it a lie is a crook!”

## Why the agri-food community should oppose TTIP

*Dr Oliver Moore*

Here are some reasons that the agri-food community needs to oppose TTIP and fight for something far better as agri-food policy in the EU in general. After all, this TTIP debate also shows us that we need to try harder, here in the EU anyway. That's also part of the point in fighting TTIP.

In the United States the average farm is about thirteen times larger than its European counterpart. There are now only two million farms in the United States, compared with thirteen million farms in the EU.



Measures under **pillar 2** of the common agricultural policy on encouraging short supply chains, local food, green public procurement, protected designation of origin and protected geographical indication are all under threat with TTIP, as they can all be construed as barriers to trade. And now Phil Hogan is the EU commissioner for agriculture, a man with a strong business-as-usual agenda and record.

“In agriculture, some short-run impacts of an EU-US trade initiative could be a decrease in EU output, in particular for certain meat producing sectors ... Certain EU agricultural sectors could [thus] come under pressure to make workers redundant.” (EU Commission Impact Assessment Report.)

Standards differ on the two side of the Atlantic with regard to agri-food standards, safety, and animal welfare. Moves towards harmonisation mean that wherever the

standards are lowest, corporations can push for that to be the level; low standards somewhere equals low standards everywhere. There are many familiar examples from the world of agri-food: hormones in meat, chlorinated chicken, and stronger pesticides, such as Paraquat and class 1 organophosphates.

Here are just two of these in a little more detail.

**1. Growth hormones.** Many American farmers use ractopamine hydrochloride to keep pigs lean and boost their growth. But because the drug is fed to pigs right up until they are slaughtered, minute traces of the drug have been found in the meat, leading the EU to introduce another ban as a result of similar health concerns associated with the hormone.

However, in its submission to the US Trade Representative, the National Pork Producers' Council made it clear that “US pork producers will not accept any outcome other than the elimination of the EU ban on the use of ractopamine in the production process, which is in clear violation of international trade rules.”

**2. Anti-microbial resistance.** “A **problem** so serious that it threatens the achievements of modern medicine.” This is how the World Health Organisation describes antimicrobial resistance. (*Antimicrobial Resistance: Global Report on Surveillance, 2014.*) This has already been covered in some detail by the umbrella group Agricultural and Rural Convention ([www.arc2020.eu](http://www.arc2020.eu)): “Micro-organisms resistant to antimicrobials that emerge in animals may spread to human populations.”

“A post-antibiotic era—in which common infections and minor injuries can kill—far from being an apocalyptic fantasy is instead a very real possibility for the twenty-first century.” (Prof. Sally Davies, chief medical officer for England.) 25,000 people die each year from AMR-related sicknesses in the EU.

The EU has more of a handle on it, bringing in a ban on antibiotics as growth promoters since 1997. Some countries, however, such as

the Netherlands, which went beyond the usual voluntary regulations (which essentially meant a shift from growth to therapeutic use) and introduced fines for non-compliance, have the best handle on it.

“If TTIP contains broadly worded investment protection clauses, ISDS could hamper the EU and Member States in efforts to establish regulations seeking to protect their citizens or the environment.” (Report Commissioned by the EU Parliament’s Environment Committee.)



ISDS gives companies the right to sue states for potential lost earnings. These potential losses occur if democratically elected governments bring in new or tighter regulations in such areas as environmental protection. To be very clear, what this means is that decisions citizens make through the democratic process may be successfully challenged by corporations if those decisions threaten profits for corporations.

Four examples from the report, given [here](#), involve hundreds of millions paid to corporations where health or environmental regulations improved.

(1) The [report](#) for April 2014 by the UN rapporteur on the Right to Health, Anand Grover, points out that “studies show that countries adopting market deregulation policies experience a faster increase in unhealthy food consumption and mean body mass index, an indicator of obesity.”

(2) “Self-regulation by companies has not had any significant effect on altering food marketing strategies.”

(3) “Bilateral investment treaties may subvert existing internationally agreed upon

guidelines and lower tariff and non-tariff barriers to trade, allowing freer import and export of unhealthy food products. For instance, free trade agreements have been directly linked to an increased consumption of soft drinks.”

(4) Endocrine-disrupters and pesticides: Endocrine-disrupters, found in pesticide combinations, among other things, are known or suspected to cause a number of health problems, including learning disabilities, attention-deficit disorders, and cancer, and are increasingly linked to obesity and metabolic disorders, such as type 2 diabetes.



The EU Commission has intentionally delayed legislation on endocrine-disrupters. “The endocrine strategy was blocked because of lobbying by the cosmetics industry,” the web site Euractiv reported. (From a [feature](#) on Euractiv.com by Robert Pederson of Arc2020.)

The EU Commission, in its revised strategy on endocrine-disrupters, is considering whether to propose changing EU legislation away from the precautionary principle governing the use of pesticides. This is a central demand in US-EU trade talks by the “crop protection” (i.e. agro-chemical and pesticide) industries on both sides of the Atlantic.

In May 2013 the agro-chemical lobbyists Croplife America wrote to the US Trade

Representative citing the ban on neo-nicotinoid as an example of the “abuse of the precautionary principle by the EU” and describing the “categorisation of chemicals as endocrine disrupters currently taking place” as “highly problematic.” They stated that this “runs counter to the science-based risk assessment approach used by the US Environmental Protection Agency.”

In June 2014 the Commission published a plan that contained an option to shift from the present approach of banning the use of all endocrine-disrupters in pesticides towards a model that could allow them to be used as long as certain steps are taken to mitigate the risk.

Recently it was announced that the United States and the EU will seek a “harmonised approach” on endocrine-disrupters in a pilot scheme. The initiative is one of three pilot schemes on chemicals launched by the United States and the EU in parallel to TTIP.

**Jobs.** On the basis of reports produced by corporate-funded think tanks for the EU Commission, the Commission has claimed that TTIP could create two million jobs and boost EU-US trade by more than \$120 billion within five years. On the strength of research financed by industry, a 1 per cent increase in GDP growth has been promised by negotiators.

The Commission’s own impact assessment on TTIP concluded that a growth rate in the region of 0.1 per cent would be a more realistic expectation. This would equal a growth rate of only 0.01 per cent of GDP over ten years, which economists have already dismissed as “trivial.”

Yet the socio-economic and environmental risks associated with such trivial economic benefits could be catastrophic. Increased competition could trigger economic restructuring that might even lead to the loss of jobs. The added competition between European and American industries could further increase the gap between the core and the periphery in Europe.

Business loses out by \$5 billion per year

because of stronger regulations in agri-food, regulations that could be lost with TTIP (protective legislation and tax policies; security-related measures; difference in trade-mark legislation; labelling requirements).

The Commission’s forecast on jobs and growth under TTIP is based on “highly speculative” modelling and “optimistic” general growth figures for the EU. It would result in “trivial” rates of growth in reality, “and the EU Commission knows this.” The Impact Assessment Unit of the EU Parliament says the Commission’s report fails “to adequately assess risks or drawbacks.”

**Lessons from the recent past:** The North American Free Trade Agreement increased trade between the United States, Canada and Mexico but resulted in job losses in all three countries: a net loss of almost a million jobs (879,280)—and not the creation of the 20 million jobs promised—and severe downward pressure on wages and conditions, worst of all in Mexico.

Oh, yes, and the jobs? Well, do you fancy chlorinating hens, or using Paraquat, as a former farmer, now farm labourer? How would your health be in this regard? Think of **pesticide drift** to get a taste of the life of a farm labourer with stronger pesticides and weaker rules.

So, to start to conclude, who is for and who is against TTIP as it is now being negotiated? And what are their interests? Who do they represent in essence? Let’s have a look.

From Corporate Europe Observatory: “When preparing the TTIP negotiations in 2012 and early 2013, the European Commission’s Directorate-General of Trade was lobbied by 298 ‘stakeholders’—269 of them from the private sector.

“Of the 560 lobby encounters that the Commission had—in consultations, stakeholder debates and behind closed doors meetings—520 (92 per cent) were with business lobbyists.

“Only 26 (4 per cent) of the encounters

were with public interest groups (the remaining 4 per cent were with other actors such as individuals, academic institutions and public administrations).

“This means that, for every encounter with a trade union or consumer group, there were 20 with companies and industry federations.”

### Conclusion

TTIP threatens citizens through weaker rules on hormones, endocrine-disrupters, pesticides and other inputs and processes; corporations having the right to sue countries for trying to make life better; farming (and increasingly farm labourers, not family farmers) being subjected to stronger, more damaging industrialised inputs; a worsening of diets; and a probable decline in the number of jobs, including agricultural and peripheral jobs.

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### TTIP deadline of 2015 likely to be missed

EU trade officials have conceded that the deadline of 2015 for agreeing the TTIP trade deal with the United States is likely to be missed. Trade negotiators have now concluded eight rounds of talks with a view to agreeing TTIP but were given a provisional deadline of December 2015 by the EU for agreeing a draft text.

The ninth round of negotiations takes place in Washington from 20 to 24 April. Massive demonstrations have been held in European cities against the proposed agreement.

One of the thorniest issues remains the investor-protection mechanism, known as ISDS, which allows firms to take governments to court if they discriminate against them or introduce new laws that threaten their

investments. But a lot of governments’ “concern” is pure posturing, as there is no indication that member-states want to open up the EU-Canada trade agreement, which includes an ISDS provision.

“We have started to make a proposal to reform this mechanism,” claims the EU commissioner for trade, Cecilia Malmström, which would make protection for investors “much more transparent and legitimate. We hope to put forward an EU proposal on ISDS later this spring ... I felt a very strong support [from ministers] for these reforms.”



The Commission has made it clear that an investor-protection regime should be part of TTIP. Malmström told a hearing of the EU Parliament that the EU would propose including an article in the text making it clear that governments are free to pursue public policy objectives they consider appropriate, and that investment-protection rules offer no guarantee to companies that the legal regime in which they invested will remain the same.

The Commission will also propose the creation of a permanent court to arbitrate on cases.

In January the Commission published a 140-page report of findings following an on-line consultation in which 97 per cent of submissions were opposed to the inclusion of ISDS. However, US trade officials insist that investor protection be included in the agreement.

## Protest at Dublin Castle



A protest organised by the People's Movement was held at Dublin Castle on Friday 27 March, during the launch of the Copenhagen Economics Study, to call for the scrapping of TTIP. Among those taking part were the TEEU, Unite, Uplift, and Comhlámh. A petition organised by Uplift was later presented to the EU commissioner for trade, Cecilia Malmström, before the hearing of the Oireachtas Joint Committee on European Union Affairs, which a number of us attended.

## Labour, austerity, and Dickens: a case of double double-think!



**Eamonn Maloney** (Dublin South West, Labour)

Link to this: [Individually](#) | [In context](#) | [Oireachtas source](#)

I do not like using the word "austerity". It is a very bourgeois word. When I was growing up we just used the word "hardship". The people in most working class estates do not use the word "austerity". I am aware it is cool for the career socialists to speak about austerity but it is an awful word. Hardship is much better, and people like Dickens used it. I do not know how the word "austerity" crept in but it did not come from the labour movement.

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