



PEOPLE'S NEWS

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www.people.ie | post@people.ie

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The real Phil Hogan



Criticism of the Government's nomination of Phil Hogan as Ireland's member of the EU Commission has tended to focus on his lobbying in 2012 to prevent a Traveller family being given access to social housing. On those grounds Nessa Childers, an independent member of the EU Parliament, reasonably described the nomination as a "step backwards for equality."

The other main strand of criticism concerns his agreement on bloated consultancy payments for the establishment of Irish Water, an issue that Sinn Féin in particular is emphasising. Again, the criticism is legitimate and important, as is the fact that he spent the summer appointing former Fine Gael and Labour Party councillors to state boards, and that he quashed inquiries into planning irregularities, including in his own fiefdom of Co. Carlow, when he took office as minister for the environment.

An article in *Irish Left Review* by Andy Storey points out that the problem with Hogan goes well beyond anti-Traveller racism, the wasting of public money, the dishing out of sinecures to political cronies, and taking a

relaxed approach to dodgy planning. Most politicians engage in all the above. Hogan's real importance lies in his being a prime example of the noxious nexus between political and corporate power in Ireland.

The Moriarty Tribunal in 2011 concluded that the former minister Michael Lowry had "an insidious and pervasive influence" over the awarding of a mobile phone licence to Denis O'Brien's Esat Digifone consortium; in fact the tribunal described Lowry's conduct as "profoundly corrupt to a degree that was nothing short of breath-taking." In July 2010 Lowry was an honoured guest at Phil Hogan's fiftieth birthday party, and only days after the publication of the Moriarty report Hogan had an official meeting with Lowry—allegedly to discuss unrelated matters.

But then, this should not be so surprising. Hogan has form here. As Jody Corcoran has reported, "Hogan was personally engaged in the extraction of at least two significant sums of money from O'Brien, or his companies or associates, for Fine Gael at or around the time of the granting of the licence." Coincidentally, Siteserv—a company owned by O'Brien that had substantial debts owed to Anglo-Irish Bank, now owned by the state (i.e. you and me) and now written off—has won some of the contracts for installing water meters—water charges, of course, being another of Hogan's legacies.

O'Brien, who Hogan "ran into" at the Mount Juliet Golf and Country Club in March, is not the only controversial businessman Hogan has been associated with. In the 2000s Michael Fingleton, then managing director of Irish Nationwide Building Society, personally approved a loan of €450,000 to Hogan to allow

him buy a house in Dublin 4, with Hogan having to repay only the interest on the loan for a decade. Fingleton then lent him €430,000 to buy a Portuguese holiday home, on the same generous repayment terms. A report in the *Irish Independent* on the matter charmingly described the second loan as having been processed with “what appears to have been ... minimal paperwork.” How probable was it that we would ever have had a serious banking inquiry when a senior Government minister had personally profited from the shady practices that created the property and banking crisis in the first place?

In February 2009 Hogan declined to follow his party leader’s example and take a 5 per cent cut in his salary of €110,000, stating that “my personal circumstances don’t allow that at the moment.” (God knows how dire his personal circumstances would have been if he had been obliged to meet normal repayments on his property loans.)

In April 2012 a Kilkenny woman texted Hogan to complain of the hardship the household charge was causing her, to which Hogan responded: “Would you ever relax and feed the children.”

The man is demonstrably a hypocrite and a boor (appropriate enough qualifications for an EU Commissioner these days). Even more importantly, he is the embodiment of the crony-capitalist links between business and politics in Ireland, links that are forged and greased through political donations, personal favours and friendships, opaque meetings, and secret business dealings.

In that sense Hogan is the perfect representative of the Irish elite and an eminently apt person to fulfil that representative role in Brussels.

Remembering Albert Reynolds

On Tuesday 16 June 1992, as the referendum campaign on the Maastricht Treaty came to a close with the result in doubt, Albert Reynolds

used broadcasting legislation to address the nation just before the media embargo. He appealed to the country’s undecided voters to “show leadership in Europe,” warning that a No vote on European economic and political union would cause interest rates and mortgage payments to rise. Earlier Reynolds told voters that if the treaty was rejected, jobs and investment in Ireland would be lost.

The argument bandied about was that we would lose £8 billion in structural funds (wherever Reynolds got that figure; Dick Spring said it was £7 billion), and people bought it.

Reynolds had not actually got his £8 billion at that point—that occurred about ten months later—but he maintained that Ireland’s negotiating position would be damaged by a No vote.



The picture shows Dick Spring, Albert Reynolds, John Bruton and Des O'Malley as they campaign for the Maastricht Treaty in 1992.

Ireland loses permanent seat on ECB

The loss of Ireland’s permanent vote at the Governing Council of the European Central Bank from January next is the result of a change in voting structures caused by the entry of Lithuania into the euro zone. Ireland will then be relegated to the second tier of smaller euro-zone countries, which will have less voting rights than the five biggest countries sitting on the council.

The arrival of Lithuania will bring the number of euro-zone countries to nineteen. As there can only be fifteen votes, the euro zone will move to a two-tier system. Five of the largest countries will form Group 1, and the

remaining fourteen, including Ireland, will form Group 2. Group 1 will share five votes in rotation, while Group 2 will share eleven votes in rotation.



Fianna Fáil cynically described the move as “a bad day for Ireland” and said it “nails the myth” that all euro-zone countries are equal. But it was Fianna Fáil that urged us to vote to adopt the euro, and rubbished any warnings of negative consequences.

Fianna Fáil’s spokesperson on finance, Michael McGrath, said: “This move nails the myth that all euro-zone members are equal. It has been clear for quite a number of years that the ECB’s policy has been dictated by the economic needs of France and Germany. That position has now been formalised. This represents a diminution in Ireland’s voice at the ECB Governing Council table. It can have ramifications when decisions are being taken on interest rates to suit the larger economies in Europe.”

And he never noticed before!

People’s Movement pamphlet on TTIP launched

Politicians, trade unionists, international development campaigners and civil society groups have come together to warn of dangers in the proposed EU-US trade and investment treaty.

The groups warned that the Transatlantic Trade and Investment Partnership would threaten democracy, attack workers’ rights,

erode social standards and environmental regulations, dilute food safety rules, undermine regulations on the use of toxic chemicals, rubbish digital privacy laws, and strangle developing economies.

Introducing a new People’s Movement pamphlet on the TTIP process, **Kevin McCorry** challenged those in political and business life who are blindly uncritical of the TTIP to tell the public how these standards and values are going to be protected in the face of such an onslaught.

Chlorinated chicken is perhaps the best symbol of the hazards European consumers would face if the TTIP deal is signed. Though the thought of eating chicken washed with chemicals we use to clean our bathrooms would prove disturbing to many, the negotiation process is shrouded in such secrecy that most people are not aware of what is involved.

The American poultry industry does not take steps to ensure that chickens do not become infected with pathogens during the various stages of rearing and slaughter, preferring to use chemicals to eliminate bacteria at the end of the production chain. In other words, chemical washes aim to make up for inadequate hygiene on farms and in abattoirs.

European agriculture has chosen another strategy for fighting meat-borne bacteria. The “farm-to-fork” approach is essentially based on the wise proverb that prevention is better than cure. The farm-to-fork approach requires a series of steps all along the production chain to ensure that food sold to consumers ultimately is safe.

In the case of poultry, hygiene stipulations at the farm level include the use of special clothing and footwear by farm workers to avoid bringing bacteria into poultry houses. This must be complemented with proper transport conditions as well as hygienic slaughtering and processing practices.



Jimmy Kelly, Irish regional secretary of the trade union Unite, said: “It’s no wonder that there is a veil of secrecy over TTIP: its advocates, both in the US and in the EU, know that citizens would not tolerate its proposed provisions. We all remember when the Government asked us to vote ‘Yes for jobs’ to the Lisbon Treaty. And we know how that ended. TTIP has been billed by the European Commission as the ‘cheapest stimulus package imaginable’; but the claims do not stack up.

“Let us be very clear: there is no evidence that TTIP will create the jobs we need. But what it may do is move jobs around—between sectors, and from countries with high labour and environmental standards to countries with low standards. In this zero-sum game, jobs will be shifted to locations guaranteeing the highest profit and the least regulatory inconvenience to corporations. Rather than creating new jobs, there will be competition for the same jobs—generating a race to the bottom in which all are losers.”

Mark Cumming, head of Comhlámh, spoke of the threat to developing countries. “Ireland and the EU have a proud tradition of promoting development aid. This commitment will be undermined through the TTIP, as it will negatively impact on countries in the global south. This deal will set global standards, and such processes of negotiation should be undertaken transparently in multilateral forums.”

Barry Finnegan, lecturer in the media faculty of Griffith College and researcher with

the Irish branch of the international civil society group ATTAC, said: “In relation to the investor-state dispute settlement (ISDS) mechanism included in the TTIP negotiations, why do foreign corporations need to have a legal right to bypass Irish and European courts so they can sue member-states for millions of euros in compensation when we improve our health and safety regulations, and our criteria for delivering public services? In the absence of a list of clearly identified problems with the Irish and European justice system, only one conclusion can be drawn from the TTIP negotiators’ desire for a private international court for foreign investors: namely, to avoid the jurisprudence and constitutional rights which accompany the application of justice in democratic societies.”

Mick Wallace TD said that, “contrary to what we are being told, the TTIP is not about creating jobs but about enhancing neo-liberalism, and insulating big business from the ballot box. Should we be surprised that the large corporations have much more of an input into the negotiations than the ordinary citizen?”

John Douglas, general secretary of the trade union Mandate and president of the ICTU, warned in a statement to the conference that, “as with all free-trade agreements, the focus will be on competition. Workers in Ireland and across the EU will be forced to compete with workers in the United States. This is something the Irish and European trade unions should be very wary of.

“Workers across the EU enjoy superior terms and conditions of employment than their counterparts in the United States. For instance, workers in the US are not entitled to any statutory annual leave, whereas workers in the EU enjoy a minimum of twenty days. These entitlements—that were fought for and won by the trade union movement across the EU—should not be lost due to ‘competition’ under the guise of a free-trade agreement that liberalises markets and regulations.”

Some extracts from the ICTU's response



Extracts from the ICTU's response to the EU Commission's public consultation on ISDS in TTIP

- Congress's view is that the ISDS system undermines national sovereignty and democracy, and the EU Commission's proposal to make ISDS more transparent does not render it legitimate.
- The Commission's consultation document is based on a false premise, namely that there is a need to balance the "right to regulate" with the "right to investment protection." There is no balance to be achieved, because the former must clearly take precedence in a democratic, sovereign state.
- ISDS provisions bypass existing judicial remedies in favour of secret and unaccountable dispute settlement mechanisms and therefore may be contrary to the Constitution of Ireland.
- Under the Constitution of Ireland the state is answerable before the courts for wrongs committed against companies for breach of their constitutional or legal rights. The Constitution is the canopy under which laws must be made (article 15.2.1), and justice must be administered "in courts established by law by Judges appointed in the manner provided by this Constitution" (article 34). The Constitution may only be altered following a referendum, provision for which is made in article 46.
- The ICTU raises the concern that ISDS tribunals usually consist of three for-profit arbitrators. Unlike judges, arbitrators do not have a flat salary but are paid per case, earning daily fees. Unlike national courts,

there is no system of judicial review, nor is there any appeal. ISDS arbitrators are free to represent the companies in the industry and act as ISDS arbitrators.

- ISDS is unacceptable and possibly unconstitutional, as it allows the state to be sued and the taxpayer to incur substantial liabilities by an *ad hoc*, offshore tribunal composed of unaccountable lawyers making decisions in private. Under the Constitution the state is answerable before the courts. The Constitution also provides that laws can only be made by the Oireachtas (article 15.2.1) and that justice can only be administered "in courts established by law by Judges appointed in the manner provided by this Constitution" (Article 34).
- Although the negotiation of the TTIP agreement is being undertaken by the EU, the agreement itself is not an "EU treaty," and therefore ISDS processes are not required to take into account the EU Charter of Fundamental Rights or the European Convention on Human Rights in their determinations.

As the EU presses ahead with negotiations, the response from the ICTU would seem to have been totally ignored by the Commission, despite the fact that it was one of 150,000 responses to the consultation on the ISDS mechanism in the TTIP.

That is why it is essential to build opposition to the TTIP and CETA and to press for the scrapping of both processes.

The full response is available for download [here](#).

Europol head takes instructions from Americans

The head of the EU police agency, Europol, is taking instructions from the Americans on what EU draft documents he can and cannot release to EU lawmakers.

The issue came up over the summer when

the US ambassador to the EU, Anthony Gardner, told the EU ombudsman, Emily O'Reilly, that she cannot inspect an annual Europol report drafted by the agency's own internal data protection review board. The report describes how data concerning EU citizens and residents is transferred to the United States.



On 4 September, O'Reilly said she sent a letter to the EU Parliament asking the assembly "to consider whether it is acceptable that an agreement with a foreign government should prevent the Ombudsman from doing her job." She had wanted to review the report, originally requested in 2012 by a Dutch liberal member of the EU Parliament, Sophie in 't Veld, in order to assess whether Europol's refusal to allow access was justified.

But Europol said it was unable to allow O'Reilly to inspect the document, because it first needed the consent of the US authorities. Europol asked, and the Americans said No.

The Americans are unhappy because Europol had drafted the report "without prior written authorisation from the information owner (in this case the Treasury Department)." They say its release would breach "security protocols" and possibly "undermine the relationship of trust needed to share sensitive information between enforcement agencies." The response prompted O'Reilly to seek out Gardner in July, who took a similar line.

"If the US says, 'No disclosure,' then it won't be disclosed," in 't Veld said, "which is ridiculous, because we are EU citizens, we vote, we pay taxes, we have EU laws, and we decide what happens on this continent. Nobody else."

She said that a set of criteria must be created to justify why some EU-level documents are being classified as secret while others are not. "There is no operational information, there is no intelligence, there is nothing in the document. So you really wonder why it is kept a secret."

The report, drafted by Europol's Joint Supervisory Body, looks at how the EU-US "terrorist financial tracking programme" is being implemented. This agreement came under fire following revelations last year that the Americans were conducting indiscriminate and secret surveillance operations on EU citizens and their governments.

The media and the crisis

The Political Economy and Media Coverage of the European Economic Crisis: The Case of Ireland is a powerful new book by a UCD academic, Julien Mercille, that has just been published.

The book is a devastating study of the Irish media and the economic crisis. It shows that the media have played a leading role in presenting Government policies adopted in response to the economic crisis since 2008, and that they have largely conveyed Government views uncritically, with only a few exceptions.



The book covers the housing bubble that led to the crash, the rescue of financial institutions by the state, the role of the EU institutions and the International Monetary Fund, austerity, and the possibility of the EU's peripheral countries abandoning the euro. The

role of the *Irish Times*, *Irish Independent*, *Sunday Independent*, *Sunday Business Post*, *Sunday Times* and RTE are all subjected to rigorous analysis.

Throughout, Ireland is compared with contemporary and historical examples to put the arguments into context. Mark Blyth, professor of international political economy at Brown University in Providence, Rhode Island, and author of *Austerity: The History of a Dangerous Idea*, says of the book: “Anyone who cares about democracy and economic policy should read this book and be deeply worried by it.”

Constantin Gurdgiev of Trinity College, Dublin, praises the book as “an exceptionally rare example of an academically rigorous analysis forcing the powerful light of transparency and exposure into the murky world of Irish policy advocacy and punditry.” Seán Ó Riain, author of *The Rise and Fall of Ireland’s Celtic Tiger*, calls it “a stinging critique of how Irish media narrowed the debate on crisis and austerity.”

The Sierra Club spells it out

With 2.4 million members and supporters, the Sierra Club is the world’s oldest and largest grass-roots environmental organisation. It prefaces its recent submission to negotiators on the TTIP as follows:

Because tariffs in the United States and the EU are already very low, the TTIP will have little to do with traditional trade issues such as tariffs. Instead, much of the negotiations will focus on removing so-called “non-tariff barriers”—or regulatory differences—such as differences in environmental, food safety and chemical standards. This approach is extremely concerning; while corporations may see regulatory differences between countries as costly hurdles to international business, governments use regulatory supervision and product standards to pursue important public-interest goals, such as protecting clean air and water, mitigating climate disruption, ensuring

consumer safety, and guaranteeing the rights of workers.

Provisions of the TTIP relating to eliminating non-tariff barriers would be even more damaging if enforceable through investor-state dispute settlement, which would empower corporations to go before private trade tribunals to challenge public-interest policies that they see as hurdles to international business.



The existence of relatively low tariffs between the United States and the EU is not a reason to conclude that the environmental impacts of the TTIP will be limited. Indeed the TTIP’s focus on non-tariff measures indicates that the greatest impacts will come from commitments in non-traditional areas.

In recent years the use of ISDS [investor-state dispute settlement] to challenge a diverse array of government policies has expanded dramatically. The inclusion of ISDS in free-trade agreements and bilateral investment treaties has allowed corporations to initiate more than 568 cases against ninety-eight governments. Increasingly, corporations are using ISDS to challenge non-discriminatory environmental and climate policies.

With the TTIP the risks to environmental, climate and other public-interest policies are particularly strong; more than 3,000 European firms own more than 24,000 subsidiaries in the United States, and more than 14,000 American firms own more than 50,000 subsidiaries in EU countries. If ISDS were included in the TTIP, these thousands of firms would be empowered to use ISDS to challenge the policies of the US and European governments before private trade tribunals with no expertise in climate science or policy.

As only 5 per cent of these subsidiaries are covered by existing pacts with ISDS, the inclusion of ISDS in the TTIP would spell an unprecedented and unacceptable increase in ISDS liability for US and EU environmental policies.

EU Commission stifles citizens' voices on secret deals

The EU Commission has rejected a proposal from an alliance of European campaigners to hold a "European citizens' initiative" against the EU-US and EU-Canada trade deals (known as TTIP and CETA, respectively). This decision prevents citizens from forcing the Commission to review its policy on the agreements and to hold a hearing in the EU Parliament.

Negotiations on the TTIP and CETA have provoked strong opposition throughout the EU, the United States, and Canada. To express this opposition more than two hundred trade unions, social justice campaigns, human rights groups and consumer watchdogs applied for a citizens' initiative to force a rethink on the agreements.

The European Citizens' Initiative was created as a result of the Lisbon Treaty to give citizens of EU member-states formal petitioning rights over an unaccountable decision-making process. Citizens who collect a million signatures from seven or more EU states can force the Commission to formally respond to their request and to hold a public hearing in the EU Parliament.

According to article 11 of the Lisbon Treaty, "not less than one million citizens who are nationals of a significant number of Member States may take the initiative of inviting the Commission, within the framework of its powers, to submit any appropriate proposal on matters where citizens consider that a legal act of the Union is required for the purpose of implementing the treaties."

However—as we said at the time—the Commission might read it, act on it, or throw it

in the bin!



On 16 December 2010 the EU Parliament adopted a regulation governing the implementation of such initiatives. The regulation stipulates that it must have the backing of a million signatures from seven countries if it is to be successful. Smaller countries would need proportionately more signatories than bigger states—but that is hardly surprising! The figure for Ireland is 9,000.

A so-called "citizens' committee," comprising people from at least a quarter of EU countries—"at least seven persons who are residents of at least seven different Member States"—must be set up to register an initiative. At the point of registration the Commission would carry out an investigation to determine whether an initiative is "well founded" and has "a European dimension."

This is an outrageous decision by the Commission. These trade deals are already facing unprecedented opposition because of their secrecy and unaccountability, but now we are denied even the right to petition our own EU rulers. An unelected executive, facing growing vocal opposition, has put its hands over its ears and sided with the big corporations and against the people.

■ Read the Commission's refusal of the proposed initiative [here](#).

Deflation a real prospect for the euro zone

"Just as a bad cold leads to pneumonia, so over-indebtedness leads to deflation," wrote the

American economist Irving Fisher in 1933. The idea is that if there is too much debt, people spend all their money repaying it and so stop spending. Prices fall; inflation turns to deflation.

What could be bad about falling prices? Well, the debts don't shrink; so you end up using more of your income to service them, and you spend even less.

This actually happened in the United States between 1929 and 1933, leaving economists like Fisher—and indeed the whole of society—terrified that it might happen again. Economists call this the debt-deflation spiral, and since 2008 politicians have been haunted by the prospect of a repeat.

In Europe that fear is justified: deflation is now close. Germany's economy stagnated in the second quarter of 2014; Italy's and France's shrank by 0.2 per cent. And since 2012 inflation in the euro zone has been falling steadily, down to just 0.3 per cent last month.

In response, the European Central Bank slashed its interest rate to 0.05 per cent and announced that the EU will at last—like the United States, Japan and Britain—print money.

If it works, the euro zone will become the last of the big economic entities to go on life support; and what it tells us about the future of capitalism is worrying.

There are many problems specific to the euro crisis. This is the one region of the world where “rules” have triumphed over pragmatism, forcing pointless cuts in government spending and subjecting the people of its member-states to stringent austerity. The euro deflation crisis is also a symptom of a more general problem that affects the world economy: stagnation.

Last November a former US secretary of the treasury, Larry Summers, resurrected the term “secular stagnation” (“secular” meaning of indefinite duration). He warned that if you need zero interest rates to sustain growth, you

are in trouble. The dominance of high finance in a modern economy, its propensity to boom, bust and panic, means you are always going to need at some point—temporarily—to slash interest rates in the face of a crisis or downturn.

But when zero interest rates become normal, you can't. You have to print money as the anti-crisis measure, and this is less effective. Printing money takes time to work, in a way that cutting interest rates does not. The bigger danger with a world of zero interest rates is that it promotes stagnation.

Some economists believe that capitalism has simply run out of steam. Productivity, population growth and education levels can't go on rising fast enough to maintain growth.

Others believe recovery is just a question of time: write down the debts, heal the banks, keep the life-support machine on for long enough, and the patient will recover.

The tendency towards stagnation is higher in Europe than anywhere else. As Summers told the International Monetary Fund last November, a crisis on the scale of the one that Lehman Brothers triggered is not over until it's over. And what the president of the ECB, Mario Draghi, just did means it is not over.

If we do get secular stagnation it will be hard to get our heads around it—for the simple reason that it hasn't happened before. The one modern example is Japan, where deflation ruled from 1997 to 2007; but Japan is in some ways a poor example. Japanese people themselves have funded the country's debt—and it remains a big producing and exporting economy; but if the euro zone goes into stagnation it is a different matter entirely, as much of its debt is owned abroad.

EU-Canada trade deal: yet another threat to democracy

The campaign group War on Want has branded a trade deal being negotiated between Canada and the EU as “a threat to democracy.” It has

joined trade unions and other campaigners to call for the removal of a controversial clause that would give Canadian companies new powers to sue EU member-states' governments.

Canadian and EU negotiators met in Brussels last Friday to agree the final text of the Comprehensive Economic and Trade Agreement (CETA). Once it is agreed, no European parliaments, including Dáil Éireann, will have any power to amend it.



A leaked text of the deal—which has still not been formally made available to the European or Canadian public—reveals that it includes a controversial mechanism that allows large companies to sue governments over decisions they believe might harm their profits. Companies could use the “investor-state dispute settlement” (ISDS) mechanism to prevent a future Irish Government, for example, from protecting the health, education and other public services from privatisation.

Companies have used similar systems to sue the governments of other countries for reversing the privatisation of health services, introducing a minimum wage, putting health warnings on cigarette packets, and freezing energy prices.

150,000 people responded to an EU consultation on ISDS, launched following widespread public opposition to the inclusion of ISDS in both the EU-Canada deal and the bigger TTIP deal between the EU and the United States. Campaigners are calling CETA a “Trojan horse for the TTIP.”

But the negotiators are determined to seal the Canadian agreement, despite the fact that the EU has not released the results of its consultation.

John Hilary, director of War on Want, said

last week: “The EU-Canada trade deal grants sweeping new powers to transnational corporations to sue Britain and other European countries in secret tribunals that will cost the taxpayer billions. Yet none of this has been agreed by national parliaments, nor has there been any public debate over the deal.”

■ An excellent short presentation on the TTIP can be viewed [here](#).

Peripheral members are only an aside

Popular politicians from smaller countries miss out on important posts in the EU Parliament. In July the chairpersons of sixteen of the twenty standing committees were elected. Twelve of them are from one of the four largest member-states: Germany (4), Britain (3), Italy (3), and France (2).

The 29th member-state?



On the 21st of October last year the 33,000 citizens of the Most Serene Republic of San Marino, the oldest sovereign state and oldest constitutional republic in the world, which is entirely enclosed by Italy, were called to a referendum on whether or not they would like San Marino to engage in the process of accession to the EU.

Despite the low media coverage, this could have been the first milestone for San Marino in becoming the EU's twenty-ninth member-state.

At the end of the voting period, however, the quorum for the referendum was not reached, being short by about four thousand votes. Furthermore, the votes cast showed a

serious fracture in the country: 50.3 per cent voted Yes, while No was the answer of the remaining 49.7 per cent.

The referendum, promoted by a citizens' committee and supported by parts of the main political parties, triggered a polarised debate. Promoters of the referendum put forward as their main argument the fact that under the existing situation San Marino bears the consequences of EU legislation but has no voice in shaping it.

Promoters of the No vote made their voice heard as well. Their main concern was the difficulty of integrating such a tiny state—ten times smaller than the EU's present smallest state, Malta—in the EU. In reality, they argued, accession would mean that San Marino's voice would not receive sufficient weight anyway, while a negative vote would not entail an anti-EU view but a call for more convenient methods of co-operation, such as different bilateral agreements on the various issues of concern to San Marino.

It seems, therefore, that San Marino will continue the "pick-and-choose" approach of accumulating bilateral agreements and will not be joining the EU, leaving the national motto of "Liberty," as emblazoned on its flag, intact.

Fracking: Poland forges ahead

There are sixty-five shale-gas wells and drills in Poland—more than in any other EU country. Britain, the other member-state with plans to develop the resource, has only a couple of wells.

Poland plans to build fifty new shale wells every twelve months over the next few years, but the emphasis at present is more on exploration than on exploitation. The government has granted eighty-two concessions to prospect for unconventional hydrocarbons, seventy-two of them related to shale gas.

The companies that won concessions are Chevron, PGNIG SA, Polski Koncern Naftowy

Orlen SA, Grupa Lotos SA, Petrolinvest SA, Winsent Oil and Gas PLC, San Leon Energy PLC, LLNG Energy Ltd, Conoco-Philips BV, Moorfoot Trading Ltd, Cuadrilla Resources Ltd, BNK Petroleum, BNK Poland Holdings BV, Kaynes Capital SARL, Mac Oil SPA, and Basgas Pty Ltd.



But Leitrim shows the way! Leitrim county councillors have voted, for a second time, for an effectual ban on fracking in their development plan—despite a warning that the clause is illegal and could be overturned by the minister for the environment, community and local government, Alan Kelly.

The county manager, Frank Curran, in a display characteristic of Irish local democracy, warned councillors that the clause they wanted to insert in the 2015–2021 development plan amounted to a "complete prohibition" and was therefore not legally sound. "The council has no express power to do this," he said.

He also told councillors that he had been warned by the department that if they proceeded with the amendment the minister could use his "powers of correction" to remove it. The department warned that the policy on fracking in the draft plan was "not acceptable," and unless it was removed the minister would have to consider his dictatorial powers under the Planning and Development Act.

Cosmetics harmonisation poses a threat to consumers

The cosmetics industry on both sides of the Atlantic is one of those that will probably have trade barriers removed or regulations harmonised if the Transatlantic Trade and Investment Partnership is signed.

Cosmetics products have become an indispensable part of our daily routine, including toothpaste, deodorant, make-up, hair gel, shampoo, and perfume. Research suggests that many people use more than fifteen different cosmetics products in a day.



A paper published by the EU Commission in May states that TTIP negotiators aim for *“mutual recognition of lists of substances that can be used in cosmetic products (positive lists) and of lists of substances that are prohibited or restricted in cosmetic products (negative list).”*

In the worst case, this would mean American cosmetics containing substances banned in the EU finding their way onto European shelves.

An indication of the range of chemical substances prohibited on either side of the Atlantic is the fact that the EU has banned 1,328 chemicals and additionally regulated more than 250 ingredients, whereas in the United States only approximately eleven substances have been banned at the federal level.

Tackling the labelling requirements of cosmetics under the TTIP also potentially poses a threat to health. For example, in the EU twenty-six fragrances that are suspected causes of allergies must be listed in the ingredients of products. Companies are obliged to identify those substances on the packaging, making it possible for sensitised people to refrain from purchasing them. In contrast, American cosmetics do not identify such ingredients, thereby preventing sensitised people from

choosing the right products.

There are also potential risks to human health caused by emerging technologies, such as nano-materials. While these substances may be beneficial in certain areas, they may also have unwanted effects on human health and the environment. Companies that wish to include nano-materials in their cosmetics products have to notify the EU Commission six months before placing them on the market.

Moreover, nano-materials have to be identified in the list of ingredients, whereas American consumers are not informed if nano-materials are used in the products they choose to buy. There is scientific evidence that humans are exposed to chemical substances capable of altering our hormonal system, known as endocrine disrupters. These are emitted not only by cosmetics products but also by a wide range of surrounding objects. These substances are suspected of being dangerous, even in small doses, as they add up to a chemical cocktail whose combined effect is much higher than at first expected.

While regulators in the EU have at least declared it a goal to act on endocrine disrupters and the “cocktail effect,” there is little appetite in the United States for integrating the latest science in risk management.

More “regulatory co-operation,” as envisaged by this trade deal, risks slowing down the much-needed answers to concerns over these emerging technologies and to newly recognised risks with nano and endocrine disrupters.

When it comes to protecting human health, the EU legal approach matches the saying “Prevention is better than cure.” This wise mantra has been adopted by regulators, who are entitled to set safety standards to prevent potential harm to human health, even when there is scientific uncertainty.

This approach to safety is usually referred to in a nutshell as the “precautionary principle.”

That principle is now under serious challenge from the TTIP.

Norwegian Consumer Council fears poorer consumer protection with TTIP

Randi Flesland of the Norwegian Consumer Council has added his voice to warnings that the Transatlantic Trade and Investment Partnership could lead to reduced protection for Norwegian and European consumers.

Although Norway is not a member of the EU, the proposed trade agreement between the EU and the United States would also apply to Norway through the EEA Agreement.

The Norwegian Consumer Council points to the secretive way the negotiations are taking place behind closed doors; the danger that a deal will be made at the expense of consumer rights; lack of knowledge about what is being negotiated; the danger that important consumer protections will be sacrificed,

particularly in relation to the production and sale of food, areas where there are large differences between Europe and the United States; questions related to the use of growth hormones and antibiotics, genetic modification and other methods to increase output in the production of meat; and the concerns of European consumer organisations that a deal will undermine a number of rights in the digital field, particularly when it comes to privacy. If personal information is part of the deal, the American practice applies for European citizens using American services.

Proposals that transnational companies should be able to sue national governments if a company believes new laws and regulations threaten its investments are undemocratic. Decisions would be made in parallel legal systems without public control; it would also prevent countries adopting progressive legislation for fear of legal action from companies.