

PEOPLE'S NEWS

News Digest of the People's Movement

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New EU voting rules mean even less say for Ireland

From 1 November 2014 a “qualified majority” in the European Council (the meeting of heads of state or heads of government of EU countries) will consist of at least 55 per cent of the member-states, including at least fifteen of the twenty-eight states and at least 65 per cent of the combined population of the European Union. A blocking minority must include at least four Council members, also constituting more than 35 per cent of the EU’s population, failing which the qualified majority will be deemed to have been attained.

A number of other arrangements govern the “qualified majority”:

From 1 November 2014 ... where the Council does not act on a proposal from the Commission or from the High Representative of the Union for Foreign Affairs and Security Policy, the qualified majority shall be defined as at least 72 % of the members of the Council, viz. 20 out of 28 representing Member States comprising at least 65 % of the population of the Union.

This “double majority” rule will make EU laws much easier to pass, provided the bigger states with large populations agree with them. They will also find it easier to assemble a blocking minority.

France and Germany between them have nearly a third of the total members. From this point onwards a blocking minority will have to include the minimum number of Council members representing 35 per cent of the population of the participating member-states. Germany, Poland and any other of a range of

countries, including France, Italy, and Britain, could easily assemble a blocking minority to prevent the enactment of measures they disagreed with.



Under the Nice Treaty, Ireland had 2 per cent of the weighted votes, while under the Lisbon Treaty’s population criterion it will have 0.8 per cent. In effect, its relative power will be reduced to a third of its present level. When Ireland joined the EEC in 1973 it had 3 votes in EU law-making, as against 10 each for the bigger states. Under the Nice Treaty it had 7 votes, as against their 29 each.

Under the Lisbon Treaty’s population-weighted voting system, Germany’s population of 82 million and the approximately 60 million each of France, Italy, and Britain, as against the Irish state’s 4.6 million, will give the big states almost total control of the new EU.

As the EU is enlarged, each state must have less influence in the whole. But what has happened with the Lisbon Treaty is a totally disproportionate increase in the weight of the big states, and a diminution of influence for the smaller ones.

Some 45 per cent of the power to make EU laws will be held by the four largest states—Germany, France, Britain, and Italy. In an EU of

28 states, 13 could be outvoted and have a measure imposed on them by 15, as long as the latter contains at least 65 per cent of the EU's combined population. So in future, Germany and France, because of their joint population, will be able to block any EU law if they can get two other countries to vote with them.

Also, from 1 November 2014 Ireland will be without a member of the EU Commission for a third of the time, while we will find ourselves bound by EU laws—superior to national law—proposed by a Commission in which no Irish person participates in making decisions.

Furthermore, the Government will not have the final say in who represents Ireland, even when the country has a representative on the Commission, but can merely make “suggestions,” instead of actually deciding. The members of the Commission would then be decided by a super-qualified majority of 20 of the 28 eight heads of government or heads of state.

In practice, the individual members of the Commission will be decided by the new president of the Commission, who will be appointed by the heads of government or heads of state, taking into account the outcome of the elections to the EU Parliament. However, the European Council will not vote on each individual Commission member but on the list of candidates as a whole. The complete Commission will then be put to a vote in the EU Parliament, which must accept or reject it *in toto*.

This means that the power to appoint the EU “government” in reality will go to an alliance of Christian Democrats and Social Democrats, who will be able to command the support of twenty of the twenty-eight heads of government or heads of state in the case of each individual Commission member and of 412 of the 751 members of the EU Parliament to endorse their collective choice.

It can be seen that under the Lisbon Treaty neither national parliaments nor the EU

Parliament—let alone citizens—will have a say in electing the new Commission, which will now be acting in effect as the government of the European Union, with greatly increased legislative, executive and judicial authority.

Thursday 23 October: People's Movement press conference and protest

The People's Movement will hold a press conference in Buswell's Hotel, Molesworth Street, Dublin, at 11 a.m. on Thursday 23 October to mark the coming into force of these new voting rules. Among the speakers will be Clare Daly TD, Thomas Pringle TD, Cllr Brendan Young, and Patricia McKenna.

There will be a short demonstration outside Dáil Éireann at 1 p.m., attended by TDs, and you are urged to do your best to be there. The form of the demonstration will emphasise Ireland's relative voting weight in the Council. The issue will also be raised in the Dáil later that day.

Confusion over whether TTIP and CETA require a referendum

Dominic Hannigan TD, chairperson of the Oireachtas Joint Committee on European Union Affairs, is among sixteen chairpersons of European Affairs Committees who wrote last June to the outgoing EU commissioner for trade, Karel de Gucht, calling for the proposed Transatlantic Trade and Investment Partnership (TTIP) between the EU and the United States and Comprehensive Trade and Investment Agreement (CETA) between the EU and Canada to be considered “mixed” agreements. This would require ratification of the treaties at the national level. The parliamentary committees told de Gucht that they believe:

that free trade agreements should be considered as mixed agreements, since they contain provisions that concern policy areas which are within the competences of the member-states. For CETA, as well as TTIP (as

well as can be foreseen at this stage), this is the case for certain elements of policy areas such as services, transport and investor protection. In the case of a mixed status, all Member-States, namely through their national Parliaments, have to ratify the agreement ... We feel that it is of great importance that trade agreements such as CETA and TTIP are ratified by the national parliaments.

In response to the letter, de Gucht was reported as “hoping to clarify the legal boundaries of trade policy under Lisbon through an opinion from the European Court of Justice and promising that he would give the letter his highest attention and reply soon.” No binding formal opinion has been delivered by the Commission or other EU institutions about whether TTIP and CETA are so-called mixed agreements or exclusive EU agreements.

Reportedly, as far back as 2012 it was the preliminary legal view of the Commission’s legal service that international agreements that contained chapters on “investment protection,” “investment liberalisation” and “investor-state dispute settlement” would be considered mixed agreements, in view of the shared competence that they entailed. More recently a fact sheet, “Trade Negotiations Step by Step,” produced in September 2013 by the Directorate-General for Trade—presumably on the ultimate authority of de Gucht—outlined the general rule:

Where the agreement contains provisions that fall under Member State responsibility (this is known as a “mixed agreement”), individual Member States also have to ratify the agreement alongside the EU according to their national ratification procedures.

The question comes down to whether individual elements of agreements fall outside the EU’s jurisdiction and under the shared or exclusive jurisdiction of the member-states.

The TTIP and CETA can be concluded only on the legal basis of article 207, paragraphs 3 and

4, in conjunction with article 218, of the Treaty on the Functioning of the European Union. In the final phase of this process the Council must decide whether to conclude the agreement at the proposal of the Commission and with the agreement of the EU Parliament (article 218, paragraph 6) where this determination is preceded by a Council decision on the signing and, where appropriate, provisional application of the agreement taken at the proposal of the Commission (article 218, paragraph 5).

Council approval is by “qualified majority” voting. On 1 November the Lisbon Treaty’s qualified majority voting arrangements will kick in, and Ireland’s share in the Council will be reduced from 2 per cent to 0.85 per cent, while its share in a blocking minority will fall from 7.7 per cent to 2.4 per cent. Germany’s voting share will double, while the voting share of France, Britain and Italy will increase by 50 per cent.

So the reality is that if the Commission has negotiated some goodies for German industry, and enough goodies for some other big EU member-states (having most votes in the Council and the Parliament), a majority for the proposed agreement is as good as certain, however bad it might be for the interests of smaller EU member-states, for the common good, for jobs, for democracy or human rights. It is also important to remember that both TTIP and CETA would take precedence over Ireland’s own laws and agreements.

Facing sustained criticism of CETA and TTIP, the German government now wants to delay the approval of CETA. At the end of September an expert report was published on behalf of the Ministry of Economic Affairs that provides a formal reason for the decision to delay the CETA approval process. The core argument is that the draft CETA agreement is structurally a mixed agreement—in other words, that the contracting parties are not just Canada and the EU Commission but also the individual EU member-states.

The reasoning is that, as long as it remains

unclear who the contracting parties are in relation to all parts of the draft CETA text, the text cannot serve as a legally complete agreement and cannot become law. So, at first impression, the German government seems to be in support of the case advanced by Dominic Hannigan and his colleagues that the parliaments of all twenty-eight EU member-states must approve CETA for it to become law.

But a delay is not a rejection, and it is most likely that CETA will only be delayed until the conclusion of the TTIP negotiations makes it possible to drive through both agreements in parallel, relying on the fact that the common commercial policy extends the area of EU jurisdiction under which TTIP and CETA fall. It thus establishes a far-reaching jurisdiction on the part of the EU (article 207 (3) and (4), Treaty on the Functioning of the European Union), even if the agreements are divided into elements that fall outside the EU's jurisdiction and under the shared or exclusive jurisdiction of the member-states.

The Oireachtas Joint Committee on European Union Affairs would perform an important duty if it sought expert legal opinion on the following questions:

1. whether TTIP and CETA can enter into force only after they have been approved by EU member-states according to their respective constitutional requirements;
2. whether, in the case of mixed agreements containing provisions that fall under member-states' responsibility, individual member-states also have to ratify the agreement alongside the EU according to their national ratification procedures (at least one recent trade agreement with South Korea has been treated in this manner);
3. whether ratification should be by way of referendum or parliamentary approval.

TTIP negotiating mandate finally revealed



On Thursday 9 October the European Council finally published the secret negotiating mandate for the the proposed Transatlantic Trade and Investment Partnership, and it confirms our worst fears.

The continued classification of the seventeen-page document had become increasingly embarrassing as campaigners and NGOs criticised the negotiations as not being transparent. The paper explains the nature and scope of TTIP, a preamble and general principles, objectives, provisions about market access, regulatory issues and non-tariff barriers and rules, the institutional framework, and final provisions.

Member-states have refused to publish the speedily leaked mandate, despite calls from some members of the EU Parliament, and the EU Ombudsman, to do so. (You can find a link to the mandate at the end of this article.) The EU Directorate-General for Trade, under Karel de Gucht, felt that the continued non-publication had become a stick for TTIP opponents to beat them with, especially as transparency became a hotter and hotter issue. Meanwhile he lashed out against criticism, claiming that "pure lies are being told about TTIP."

The EU Ombudsman, Emily O'Reilly, who investigates complaints about maladministration in the EU institutions, opened two investigations into the Council and the Commission over the opacity of the talks.

The Commission must now grant full access to the negotiating documents.

■ “Directives for the Negotiation on the Transatlantic Trade and Investment Partnership between the European Union and the United States of America”:

<http://data.consilium.europa.eu/doc/document/t/ST-11103-2013-DCL-1/en/pdf>

■ People’s Movement pamphlet *Stop the TTIP*: www.people.ie/economy/ttip.pdf

■ “TTIP Chemicals: Revised Versions on Papers on Outline of Provisions and Modalities for eu-us-fta-ttip-draft-eu-chemicals”:

<http://www.bilaterals.org/?eu-us-fta-ttip-draft-eu-chemicals>

“Lies, damned lies, and statistics”

Benjamin Disraeli is reputed to have said, “There are three kinds of lies: lies, damned lies, and statistics.” The EU statistics agency, Eurostat, has just published figures showing that the region’s GDP has grown by 2½ per cent and, as a result, that Italy has escaped the recession—at least on paper. But Italians won’t feel richer.

Instead this is the product of a new accounts system used by the agency to calculate economic activity, which includes sectors ranging from research and development to—incredibly—arms-trafficking, smuggling, drug-trafficking, and prostitution.



October is the first month in which EU countries have to report data based on the revised regulation, known as the European System of National and Regional Accounts. This is based on the most up-to-date accounts system used by the United Nations, which is in the process of being implemented around the world. The United States has been using the

new rules since August 2013, with Eurostat estimating that this has inflated the US economic indicators by 3 per cent.

The main innovation is that investments in research and development are classified as assets that will create value in future years, a move that on its own is worth an extra 1.9 per cent. This new method also classifies military spending as an investment in the future.

The British Office of National Statistics estimates that British people’s spending on prostitution and illegal drugs bolsters the economy by as much as €13.8 billion.

Finland and Sweden are expected to see the biggest change from the new system of reporting. Finland’s statistical office says that its GDP will go up by 4.3 per cent, while Sweden expects that its figures will be “adjusted upwards by slightly more than 5 per cent, of which about 4 percentage points are an adaptation to ESA 2010.”

Could this be a contributing factor in the recent surge in Irish GDP? Surely it forms the basis for a probing Dáil question, which might draw back the veil on some statistical “smoke and mirrors” while revealing some information on hitherto hidden social mores.

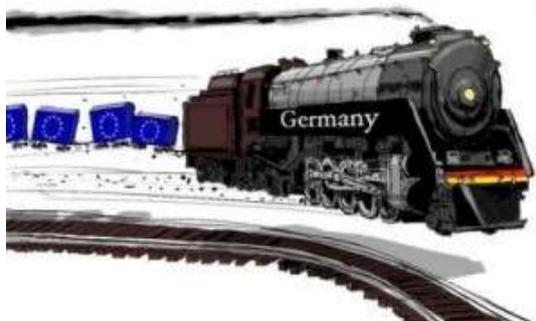
German exports plunge as euro zone heads towards stagnation

German exports plunged in August in a decline that led the managing director of the International Monetary Fund, Christine Lagarde, to warn that the euro zone risks following Japan and falling into a prolonged cycle of recession and stagnation. The IMF had also alerted the region to the risk of recession in the euro zone, she said, putting the likelihood of a drop in output at “between 35 and 40%, which is not insignificant.”

According to the Federal Statistical Office, exports fell by 5.8 per cent in August, compared with July on a seasonally adjusted basis—far above a forecast decline of 4 per cent. It was the biggest drop since the peak of the global

financial crisis in January 2009.

The news follows data earlier this week that showed a monthly drop in industrial production in August and a decline in factory orders.



As the euro zone's largest economy and manufacturer, Germany is relied on by the euro zone for driving its economic recovery. The French economy is also stagnant, while figures from Italy last week suggest that it has slipped back into recession. Economic growth among the eighteen euro-zone countries was flat in the second quarter, and it is likely to record a growth of nil this year.

For its part, the IMF forecast earlier this week that the euro-zone economy would grow by 0.8 per cent in 2014, rising to 1.3 per cent next year. It also warned that the currency area faced the threat of a triple-dip recession.

But despite faltering exports and low business confidence, Germany still recorded a surplus, and Lagarde stated that surplus countries should invest and consume more to stimulate growth, noting that "if the right policies are decided, if both surplus and deficit countries do what they have to, recession is avoidable." In a typical response the German minister of finance, Wolfgang Schäuble, replied that growth would not be "achieved by writing cheques."

Meanwhile the IMF has more than doubled its growth estimate for the Irish economy this year to 3.6 per cent. Of Ireland's total exports, 19 per cent go to the United States, 14 per cent to Britain, and about 32 per cent to the remainder of the EU, of which 8 per cent goes to Germany.

So, after more than forty years in the common market, the EU (counting Britain) still only takes less than half our exports. Could this explain why growth here seems high while that in the rest of the euro zone stagnates?

American politics, and Russia, influence TTIP talks

The political calendar and Russian sanctions shape TTIP diplomacy in the closing weeks of Karel de Gucht's term as the EU's commissioner for trade.

EU and American trade negotiators have met for a week of negotiations heavily influenced by the approach of mid-term elections in the United States and amid increasing pressure from the EU to reshape the talks.



The chief negotiators on the TTIP—Ignacio García Bercero for the EU and Dan Mullaney for the United States—said that the latest (seventh) round of talks, ending on 3 October, had dealt with regulation, a focus that suggests a lack of progress. In an assessment of progress the EU commissioner for trade, Karel de Gucht, said that regulation was an area where "substantial" work was particularly necessary.

The emphasis on regulation also reflected de Gucht's view that it made no sense to talk about lowering customs barriers and opening up the American market for public contracts before the mid-term elections in the United States in November. He said that these factors had prompted him and his American counterpart to postpone a planned meeting to

review progress.

The political calendar, including the change-over at the top of the EU's institutions, is just one of the difficulties complicating the talks. De Gucht had told members of the EU Commission that progress on TTIP would depend to a large extent on the negotiations on a Trans-Pacific Partnership (TPP) between the United States and eleven other countries. On the eve of the latest US-EU meeting, negotiations between the United States and Japan—the two largest countries in the TPP talks—broke up acrimoniously when the Japanese minister of economy, trade and industry walked out in response to American pressure to open Japan's agricultural market.

The United States is also coming under pressure from the EU to adjust its stance in the TTIP negotiations because of Russian economic pressure linked to the crisis in Ukraine. De Gucht travelled to the United States in early September to press for American gas to be exported to the EU "in view of the situation in Ukraine." He also pressed the United States to act swiftly to ease access to the American market for European food and vegetable producers, who have been hit by the Russian ban on the importing of most European foodstuffs in August. He described the Americans as open to the idea and suggested that it might be possible for exports of apples and pears to be redirected to the American market before the end of this year.

But de Gucht also hinted that the United States might seek reciprocal gestures on a highly sensitive topic: approval for eight applications to export genetically modified foods that are now awaiting a decision by the Commission. The Commission's minutes record that de Gucht "felt that a decision on the US's GMO export applications already submitted to the EU would probably make it possible to obtain progress on the Union's fruit and vegetable exports to the US market, thus benefiting both parties."

De Gucht's pressure on the United States for

the immediate opening of some markets for fruit is another sign that the TTIP talks are diverging from the normal pattern of negotiations, where initial agreement is reached on the issues that will be on the table—and issues stay there until a final deal is struck. The EU has also long sought the addition to TTIP of a chapter on energy.

Maintaining the ambition of the TTIP negotiations is also jeopardised by internal EU pressures to exclude an investor-state dispute settlement (ISDS) mechanism, an international system of adjudicating in disputes between states and investors. De Gucht warned other members of the Commission that excluding ISDS would have "serious consequences for the Union elsewhere in the negotiations." The Commission is expected within weeks to summarise the conclusions it has arrived at from the public consultation it held on this issue.

The political climate has also been influenced by pressures within the EU for more transparency. The Commission, the Parliament and the Ombudsman have all challenged the resistance from member-states to the publishing of TTIP material; and the parliamentary hearing of the incoming commissioner for trade, Cecilia Malmström, revealed opposition within the Commission to the assumption by member-states that all trade agreements need the approval of national parliaments.

The difficulty of maintaining confidentiality during the TTIP negotiations was emphasised again last week when the EU's position on regulation in the chemicals industry was leaked.

The Italian prime minister, Matteo Renzi, has said that Italy's support for TTIP is "total and unconditional," and that he hopes for "a leap forward" in the negotiations before the Italian presidency of the EU ends on 31 December.

“Sovereignty belongs to the French parliament”

The chairperson of the Euro Group, Jeroen Dijsselbloem, has told the Atlantic Council that France’s latest budget plans are “too far off target,” and that France should not be granted another extension of the deficit targets agreed with the EU Commission.

But the French minister of finance, Michel Sapin, responded that “Mr Dijsselbloem doesn’t represent Europe.” He was supported by his prime minister, Manuel Valls, who said: “We decide our budget ... One needs to respect France.” Sapin later added that “the European Commission has absolutely no power to reject, tweak or censure a national budget. Here, as elsewhere, sovereignty belongs to the French parliament.”

The dispute with France over its planned 2015 budget is a test of new euro-zone powers to police public finances, and is complicated by a wider debate about how to use government money to help the stagnating European economy.

And the Italian government has refused to amend its draft budget for 2015, despite reportedly being pressured by the EU Commission to do so. The minister of finance, Pier Carlo Padoan, said that Italy will cut its structural deficit by only 0.1 per cent next year—an effort likely to be seen as insufficient by the Commission.

Not much chance that Michael Noonan will emulate his “European partners” in this instance!

Nuclear energy back on the agenda

Two EU member-states are discussing their reliance on nuclear energy: one whether to expand it, the other whether to reduce it. Meanwhile a third country was given the go-ahead for a new nuclear power plant.

The Finnish parliament has been discussing the plan for a new nuclear facility, while the

French parliament will vote on an energy package that includes scaling back the country’s reliance on nuclear energy from three-quarters of its energy production to half by 2025.



The Russian company Rosatom last week moved a step closer to building a new nuclear plant in Finland, having received approval from the Finnish government to build the Hanhikivi 1 plant in Pyhäjoki. The decision supports a similar ruling from 2010, supplemented by additional information provided by the companies this spring. The utility is expected to apply for a construction licence in the middle of next year. Finland’s parliament has the authority to overturn the government’s decision.

The Green Party withdrew from the government in September because it opposed the approval for a new nuclear plant, on environmental grounds. The fact that it will be built by a Russian state-owned company is an equally important factor for many who are opposed to it.

Meanwhile the EU Commission approved a British plan for a nuclear power plant, with the commissioner for competition, Joaquín Almunia, announcing that a subsidy for the scheme did not constitute illegal state aid. Environmentalists fear that the approval of the British plan will set a precedent, encouraging other member-states to subsidise nuclear plants also.

Half the twenty-eight member-states of the European Union have nuclear power plants, which produce 14 per cent of the energy consumed in the bloc. Nuclear energy is the

source of about a third of the EU's electricity. In France, where nuclear energy is not a controversial issue, it accounts for about three-quarters of the country's electricity supply.

After the nuclear disaster in Fukushima in March 2011 several European countries decided to reduce their reliance on nuclear plants or to abandon plans for new ones. Germany decided to phase out all nuclear power plants by 2022. Switzerland (not an EU member) decided to cancel its plans for new plants and to phase out nuclear power by 2034.

A proposal to revive nuclear energy in Italy was struck down almost unanimously, with 94 per cent of voters opposing nuclear power in a referendum held three months after Fukushima. (Italy had used nuclear power plants from the 1960s until 1990, when they were closed in the wake of public antipathy towards nuclear energy after the Chernobyl disaster in Ukraine.)

The Belgian government decided in 2009 that the country should be nuclear-free by 2025. The first step would be the closing of two reactors in the northern Belgian town of Doel in 2015. The new centre-right government is considering keeping them open until 2025.

Now that more than three years have passed since the Fukushima accident, public opposition to nuclear energy is waning. Directly after the Chernobyl accident in 1986 the opposition to nuclear energy also increased. One year later the number of opponents declined again, although it was still higher than before the nuclear disaster.

The most recent opinion poll held by the Commission throughout the EU showed big disparities among member-states: only 29 per cent of Austrian respondents said they agreed that nuclear energy helps to limit climate change, while among Swedish people 73 per cent agreed with the statement.

In 1978 Austrians narrowly voted against nuclear power in a referendum, and the Austrian government has said it will take the

Commission to court for its decision to allow Britain its subsidy of the nuclear power plant at Hinkley Point in Somerset. 1978 was also the year in which the protests at Carnsore Point in Co. Wexford began, when large crowds converged on the area in protest against the ESB's plan to build as many as four nuclear power stations on the site. The protests continued until 1981, when the plan was quietly dropped.



In Germany the phasing out of nuclear energy has to be seen in the context of the influential anti-nuclear movement, which dates from the early seventies. The Green Party still has 63 seats in the 631-seat Bundestag, which helps keep environmental issues on Angela Merkel's political agenda.

In Britain, on the other hand, the Green Party has only one member in the 650-seat House of Commons. There was never a strong "Fukushima effect" in the country, and there is a sharp distinction between attitudes in Britain and Germany, partly through the framing of the nuclear debate. In Germany the nuclear question is "an old debate," already decided, but the British media have emphasised the fact that tsunamis are not a risk to Britain, and that domestic nuclear energy is "simply needed," both for fighting climate change and to have an amount of energy-independence. Some influential environmentalists in Britain, such as George Monbiot, see nuclear energy as a "lesser evil."



The EU Commission hopes that governments will decide to reduce their emissions of greenhouse gases by 40 per cent by 2030 but claims to be “technology-neutral” on how that goal is achieved. “It’s for the member-states to define their own mix,” said Humberto Delgado Rosa, director of mainstreaming adaptation and low-carbon technology at the Directorate-General for Climate Action.

But the Lisbon Treaty has a binding protocol attached, added (without debate) at the last minute. This protocol links the provisions of the European Atomic Energy (Euratom) Treaty to the Lisbon Treaty and applies the financial provisions of the EU to the European Atomic Energy Community. The Euratom Treaty binds EU member-states to “create the conditions necessary for the speedy establishment and growth of nuclear industries” while “facilitating investment to develop nuclear energy.”

The pro-nuclear lobby has been arguing for years that nuclear power is the solution to climate change, and this protocol is of great benefit to their campaign. We could see the diversion of larger portions of the EU budget to the development of nuclear power.

Furthermore, the Lisbon Treaty (at title XVI, “Energy”) states that “the Council may unanimously adopt measures ... significantly

affecting a Member State’s choice between different energy sources and the general structure of its energy supply.” With a pro-nuclear Commission, a legally binding Euratom Treaty, and exactly half the member-states using nuclear power at present, we will come under extreme pressure to acquiesce in the drive for a nuclear-powered EU under the guise of reducing greenhouse gases.

Of the fourteen member-states using nuclear power, three—France (13 per cent), Spain (9 per cent), and Britain (12½ per cent)—control 34.3 per cent of the vote in the European Council. Romania brings another 4.3 per cent, the Netherlands 3.3 per cent, and a reluctant Germany—a big manufacturer of nuclear equipment—a further 16.5 per cent, and there’s a possible majority in the Council in favour of nuclear power but comprising less than a quarter of the member-states.

So it may yet be back to Carnsore!

Successful meeting of TTIP Information Network



The recent event organised by the TTIP Information Network in Dublin was a great success. Well-attended workshops were held on food and agriculture, climate change and fracking, ISDS, privatisation, and workers’ rights, and a report back produced some good campaigning ideas.

The citizens’ petition was also launched; you can sign on the campaign’s web site (www.ttip.ie).

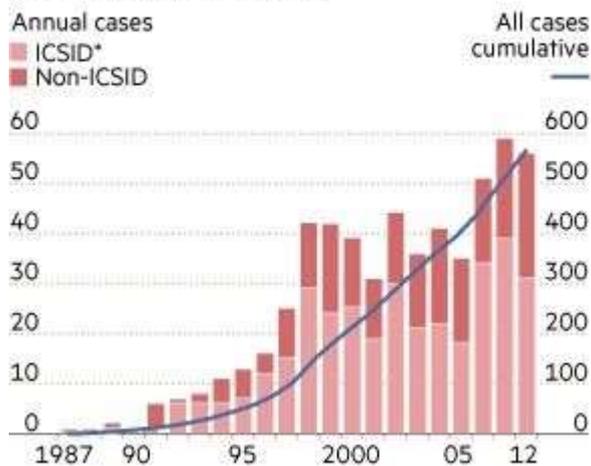
The contributions by the speakers on ISDS and workers’ rights can be viewed at <http://vimeo.com/108948150> (Paul O’Connell),

<http://vimeo.com/108968098> (John Reynolds), and <http://vimeo.com/108836747> (Brendan Ogle).

Some statistics on ISDS, as incorporated in TTIP

There were 514 known investor-state disputes in the world at the end of 2012. Fifty-eight claims were launched in 2012 alone, the highest number known in one year.

In court: ISDS cases



* The International Centre for Settlement of Investment Disputes

The United States has already faced nearly twenty investment claims under the investment chapter of the North American Free Trade Agreement. At least fifteen EU states have faced one or more investor-state challenges.

More than one in three cases at the International Centre for the Settlement of Investment Disputes related to oil, mining or gas in early 2013, up from one in four in 2000.

More than half the foreign direct investment in the EU comes from the United States, while more than half the foreign direct investment in the United States comes from the EU.

So far only nine EU member-states, all in eastern Europe, have a bilateral investment treaty with the United States (Bulgaria, Croatia, Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania, and Slovakia); TTIP would be one of the first EU-wide investment protection agreements.

There are 14,400 American corporations with more than 50,800 subsidiaries in the EU, and more than 3,300 EU companies with more than 24,200 subsidiaries in the United States. All these 75,000 cross-registered firms could be used for an investor-state claim under the TTIP.

About 42 per cent of the known completed investor-state cases were decided in favour of the state and 31 per cent in favour of the investor, while 27 per cent were settled (which could also involve payments or other concessions for the investor). So, in 58 per cent of cases the companies were partly or fully successful.

The legal costs in investor-state disputes average more than \$8 million and in some cases exceed \$30 million. They are not always awarded to the winning party.

The number of cases has almost doubled during the last ten years.

A sobering consideration amid “recovery” euphoria

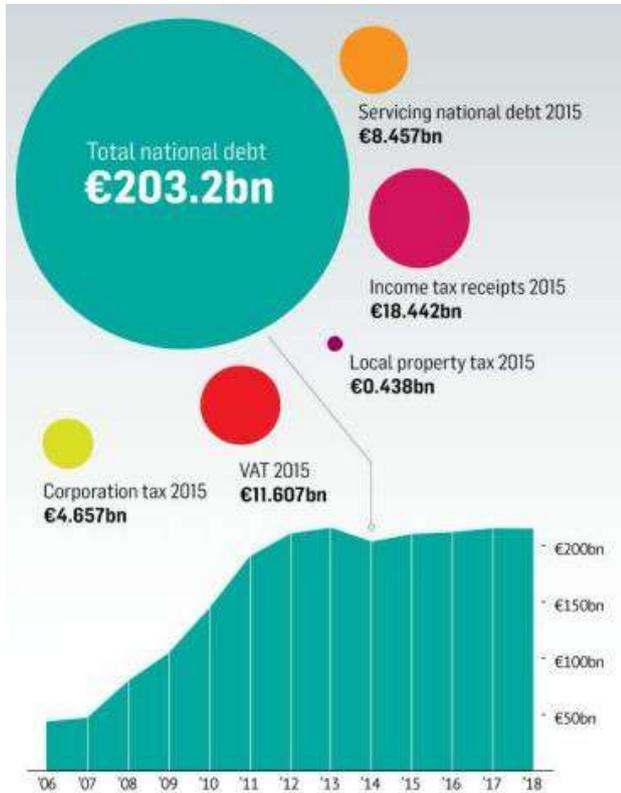
The *Irish Times* published the useful graphic below. It illustrates the increase of €160 billion in Ireland’s general government debt since 2006. More than €64 billion went into the banks, and only a small portion has been clawed back.

Ireland’s debt in 2006 stood at €43.7 billion; at a quarter of GDP or economic output this was then the second-lowest in the euro zone. By the end of this year the debt is forecast to reach a little above €203 billion, or 111 per cent of GDP, down from €215.6 billion, or 123 per cent of GDP, at the end of 2013.

The Government does not expect to raise enough tax revenue to meet all its expected obligations until at least 2018. Budget deficits will be run until then, meaning that the authorities will have to borrow more until they match incoming revenue with outgoing payments.

The exchequer borrowing requirement this

year is €7.9 billion, and a further €6.5 billion will be required in 2015. This is scheduled to drop to €3.2 billion in 2016 but to rise again to €3.9 billion in 2017 before an expected surplus of €0.5 billion in 2018.



Ireland’s borrowing rate is still large, as is the level of expenditure on interest on the debt, which is estimated at €8.25 billion this year, enough to meet the estimated €8.22 billion day-to-day cost of running the education system for 2015.

Finally ...

Phil Hogan’s cabinet has been completed, with the barrister Shane Sutherland (son of Peter Sutherland) coming on board. He is now beginning a stint with his third commissioner, having previously served in the cabinets of Charlie McCreevy and Máire Geoghegan-Quinn.

Sutherland senior was appointed to the EU Commission in 1985, with responsibility for competition policy ...

And ... the Dutch daily paper *NRC Handelsblad* reports that the incoming president of the EU Commission, Jean-Claude Juncker, is trying to remove investment protection clauses from TTIP, prompting his nominee for EU commissioner for trade, Cecilia Malmström, to threaten to resign.