

CETA:

THE IMPLICATIONS FOR IRELAND

A guide to engaging your public representatives on the Comprehensive Economic Trade Agreement (CETA) between Canada and the European Union



Comhlámh - development workers and volunteers in global solidarity, Ireland. Comhlámh is an all-island, independent, not-for-profit, association of members that operates out of a community development model.

With over 40 years of experience our mission is to nurture, guide and mobilise development workers and volunteers to work for social justice locally and globally.

This resource has been researched and written by the Comhlámh Trade Justice Group.

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Honorary Patron, Mary Robinson.

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INTRODUCTION

WHO WE ARE

The Trade Justice Group is a Comhlámh membership group which campaigns for global justice. We believe that trade should be used as a tool for countries and people to develop and prosper. Our main focus is on raising awareness and understanding of how unfair trade rules prevent some of the poorest countries in the world from moving out of poverty, and we are campaigning for change.

WHY CETA?

We, as the Trade Justice Group, generally focus our campaigning on unfair trade deals that impact the Global South - traditionally referred to as 'developing regions'. However, the Comprehensive Economic and Trade Agreement (CETA) - and its big brother TTIP - are part of a new generation of trade deals that have far reaching implications for people, the economy and the environment. Given that CETA is a sweeping agreement with massive implications for Ireland and the European Union (EU), we believe there is a need to bring attention to this deal.

WHAT IS CETA?

CETA is a free trade agreement between the European Union and Canada. If enacted, the agreement will eliminate most tariffs between Canada and the EU. Negotiated in secret since 2009, CETA was signed by the European Council on 28th October 2016 and ratified by the European Parliament in Strasbourg on the 15th February 2017.

IRELAND ON CETA SO FAR

10 Irish MEPs voted: six against (three independent and three Sinn Féin), four in favour (Fine Gael) and one was absent. There are no Fianna Fáil MEPs¹. While CETA has been passed at the European level, it will only be provisionally applied, and must be ratified at the national level in every EU member state before it comes into force in its entirety. Much of what is regarded as the more dangerous elements of CETA only apply when it is ratified at national level. Yet there has been no significant debate or discussion in the Dáil.

¹ <https://stop-ttip.org/cetacheck/>

THIS GUIDE

The aim of this guide is to raise awareness about CETA and its potential impacts. It provides information on CETA and seeks to stimulate public discussion around the agreement and ultimately lead to more critical engagement with TDs on the deal.

The guide is broken down into five key areas impacted by CETA and particularly relevant to Ireland:

1. **WORKERS RIGHTS AND LABOUR STANDARDS**
2. **FOOD**
3. **AGRICULTURE/FISHERIES**
4. **ENVIRONMENT**
5. **DEMOCRACY**

After each section there are a number of questions provided. These are questions that we encourage people to ask their TDs and government representatives. These are not intended to 'trip up' TDs, rather call upon them to research, inform themselves and be held accountable to the voters on the decision as to whether Ireland will ratify CETA.



MORE ABOUT CETA

CETA - WHY THE CONCERN?

The Comprehensive Economic and Trade Agreement is a trade deal between the EU and Canada. Officials in Ireland and the EU have said the deal is mainly about reducing tariffs on goods.

In reality, however, agreements like CETA are part of a new generation of free trade agreements, which go far beyond reducing tariffs. CETA has the potential to affect areas of policy such as health, employment, food, water, education, transport, environment, sovereignty and democracy. In short, it touches almost every aspect of our society.

KEY CONTROVERSIAL ELEMENTS

Corporations can sue governments in 'special courts'.

CETA gives corporations sweeping new rights to challenge our environmental, social and health regulations in special corporate courts. Once it comes into force, corporations can bypass domestic courts and sue governments for compensation under this Investor

Court System (ICS). This aspect of the deal does not come into effect until all member states have ratified the deal. (More about ICS on pages 11 and 13).

There has been widespread condemnation of ICS including questions regarding its legality from amongst others: the European Association of Judges, the German Magistrates' Association, 101 professors of law from 24 countries, and 122 legal scholars.

Many laws and regulations of the country fall under CETA.

CETA is also one of the first trade deals to require countries to explicitly list which of their regulations and rules they want excluded from the deal. In other words, anything not included in their 'list', even future laws and regulations, is automatically subject to CETA.

While Germany has created 25 pages of a negative list, Ireland's list is starkly short and relates only to a small number of specific industries. Examples include: flour milling, state mining licensing, barrister admission, cross border trade in veterinary services and protecting privately owned nursing homes. Key public services like healthcare and education are not protected in Ireland's negative list.

Cooperation on regulations.

CETA includes an agreement to 'cooperate' on harmonizing regulations between the EU and Canada. This convergence of standards is central to new generation trade deals like CETA, which seek to eliminate what they call "technical barriers to trade", or what we might call health and environmental standards. Canada's standards in many areas are a lot lower than in the EU, for instance in the areas of food production and animal welfare. Industry-dominated cooperation committees could pressure Europe into dropping its standards to match Canada's. Past examples of regulatory cooperation, such as in the North American Free Trade Agreement (NAFTA), have frequently led to lower standards.

Reduction of standards - 'Precautionary Principle' versus 'Science Based Approach'.

EU regulatory standards are based on the "precautionary principle" where the onus is on the industry to prove that their products are safe. Policy-makers in the EU have the power to protect citizens by withholding a product from the market if there is a suspected risk that it will cause harm.

In Canada on the other hand, they use something called the "science Based approval process". What this means is that the government must prove, absolutely and beyond any doubt, that a product causes harm before they can ban it. Proving scientifically the harmfulness of a product takes time, even when there are clear signs it causes harm, and many risky products can enter the market by this approach. For example, the EU enforced a short-term ban on a pesticide called neonicotinoid which was seen as responsible for up to 70% of bees dying in some parts of the EU. Since its ban, the bee population is recovering. The precautionary principle allowed us to ban neonicotinoids.

The precautionary principle is not mentioned at all in CETA. In fact, CETA undermines the precautionary principle by committing to promote science-based approaches in biotechnology, an area which includes Genetically Modified Organism (GMO) production, and excludes the right to apply the "precautionary principle".

CETA & OUR WORKERS' RIGHTS & LABOUR STANDARDS



Since joining the European Economic Community (EEC) over forty years ago, Ireland's work practices and labour standards have dramatically improved. As a member of the EU, Ireland has had to adhere to certain minimum rights relating to the workplace. These include the following:

- health and safety at work
- equal opportunities for women and men
- protection against discrimination
- labour laws

While within CETA the EU and Canada have reaffirmed their previous commitment to respecting international rules on protecting people's rights at work², in reality the actual labour protections within CETA are weak and inadequate.

KEY ISSUES

Labour protections are not enforceable.

While the chapter on trade and labour sets out a number of intentions, it is not enforceable as there is no penalty if companies operating in EU member states or Canada violate its provisions. CETA labour rules cannot be enforced through trade sanctions or financial awards (articles 23.10 and 23.11.1). Under CETA, a violation of labour rights would only result in a non-binding process of discussions and recommendations³. Therefore if CETA is ratified, our workers' rights and labour standards would be under threat.

Foreign investors' rights are far-reaching.

In contrast, CETA bestows far-reaching, highly enforceable rights on foreign investors, which can potentially allow them to claim hundreds of millions in compensation from governments if they introduce

social, health or environmental measures affecting companies' profits. While foreign investors get these favourable terms, workers are left with weak and unenforceable commitments on their labour rights⁴.

Status of labour rights is reduced.

The weak status of labour rights in CETA could seriously impact upon the hard-earned rights of workers and trade unions. CETA's market access and public procurement rules could weaken government's ability to include social and environmental standards in public contracts.

A rise in inequality.

A study from Tufts University, has forecast that CETA would lead to possible job losses of 230,000, while depressing wage growth. The European Commission's own impact assessment predicts serious job displacement in some sectors⁵. This would result in a further rise in inequality, as the gains from CETA would overwhelmingly go to owners of capital and not to workers⁶.



ASK YOUR TDs / REPRESENTATIVES:

- Based on the information we have about CETA, are we signing up to prioritising and protecting big business over the needs and rights of ordinary citizens?
- Is it acceptable that CETA contains no enforceable sanctions for the violation of labour rights?
- With regard to procurement, does this mean that small Irish companies are going to be in direct competition with large-scale Canadian based companies?

² http://trade.ec.europa.eu/doclib/docs/2016/july/tradoc_154775.pdf

³ <https://corporateeurope.org/sites/default/files/attachments/great-ceta-swindle.pdf>

⁴ [5] The Great CETA Swindle (2016)

⁵ http://trade.ec.europa.eu/doclib/docs/2011/september/tradoc_148201.pdf

⁶ Kohler, Pierre/ Storm, Servaas: CETA without blinders: how cutting 'trade costs and more' will cause unemployment, inequality and welfare loss, September 2016, http://www.ase.tufts.edu/gdae/policy_research/ceta_simulations.html

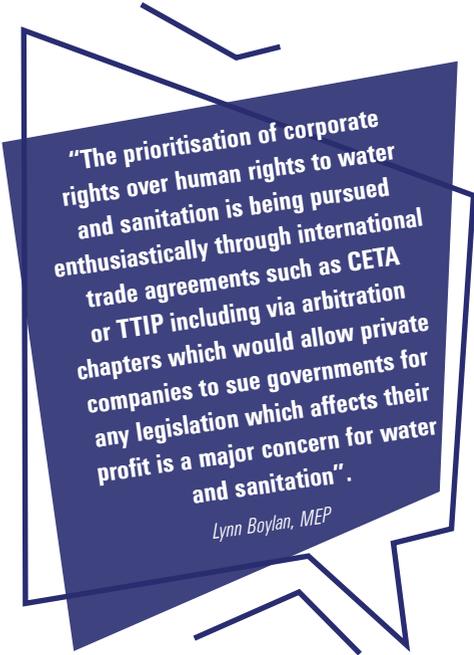
CETA & OUR FOOD

There has been a movement by people in Ireland and the EU to demand better quality and healthier food, using more just and sustainable food systems. Interest in locally grown, organic and minimally-processed food is expanding, along with public policy in the EU supporting these consumer choices. While CETA claims to increase the market access for EU food produce in Canada, the new rules proposed under CETA actually threaten to undermine citizen-led food and farm movements.

KEY ISSUES:

CETA puts our ability to maintain high standards in our food at risk.

Currently the EU does not allow the import of many food products from Canada, because they don't meet our high standards. Practices that are permitted in Canada, such as the surface treatment of meat with acetic acid, the use of hormones in beef production (e.g. Ractopamine, which is restricted in 160 countries but widely used in Canada), and the use of GMOs and chlorinated chicken, are restricted in the EU on the basis of the precautionary principle (see page 4). CETA includes an agreement to cooperate on harmonizing regulations between the EU and Canada.



"The prioritisation of corporate rights over human rights to water and sanitation is being pursued enthusiastically through international trade agreements such as CETA or TTIP including via arbitration chapters which would allow private companies to sue governments for any legislation which affects their profit is a major concern for water and sanitation".

Lynn Boylan, MEP

CETA means our high food standards will be judged on whether they are "barriers to trade".

CETA's chapter on technical barriers to trade gives Canada equal standing in consultations on our regulations and allows Canada to push for the delay of a regulation. The EU's precautionary principle has been challenged by Canada and the U.S. with regard to hormone-treated beef and GMOs at the World Trade Organization. EU regulations based on the precautionary principle are at risk of being regarded as a key barrier to trade.

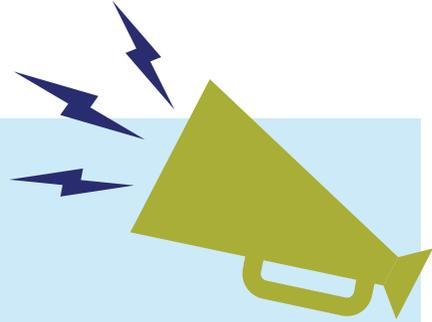


CETA puts our right to know where our food comes from at risk.

Country of origin labelling, which allows us to know where our food is coming from, could be challenged under CETA. Canada and Mexico, on behalf of the North American Meat Industry, challenged this consumer-led demand for country of origin labelling at the World Trade Organization. They complained that the law violated trade rules, and they won, even though 90% of US consumers supported the law. CETA's chapter on technical barriers to trade could open such measures up to challenge from Canada.

CETA puts our small farms and locally grown food at risk.

Ireland has huge potential to be a producer of truly green, locally produced, sustainable food. However, with CETA, many of our small farms could disappear, replaced with factory farms. Small-scale Irish farmers would have to compete with big agri-business whose business model depends on lower standards.



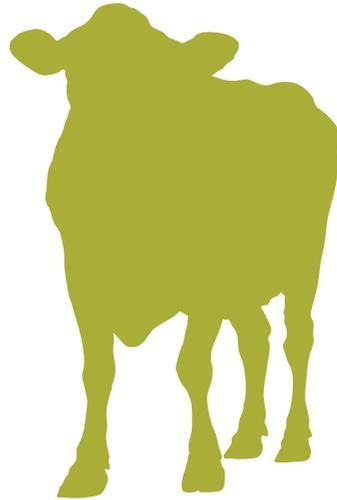
ASK YOUR TDs / REPRESENTATIVES:

- CETA's chapter on regulatory cooperation is very similar to the one in NAFTA which led to a lowering of standards in food production and animal welfare in Canada, and the disappearance of many small farms. Why are we signing up to an agreement that gives big corporations the power to influence our food safety rules and put many of our farms out of business?
- How can you ensure that Ireland's high food standards and citizens' health are protected after the ratification of CETA?
- Should GMOs come in through CETA, what will be the impact on our farms?

CETA & OUR AGRICULTURE/ FISHING INDUSTRIES

As we know, the farming sector is crucial to Ireland's economy and is the backbone of rural community livelihoods. Approximately 8.4% of our working population are employed in the sector and it generates billions of euro in revenue each year. Ireland's agri-food sector is heavily export-orientated and has moved towards developing high-quality sustainable agri-food products for this market.

While those in favour of CETA argue that it removes many customs duties on agri-food and will open up the Canadian market to European products, the flip side of this is that Ireland must allow imports in duty-free. While our poultry and eggs are not vulnerable to increased quotas for Canada, a few important products for the EU such as beef, pork and sweetcorn are. These higher quotas for Canadian producers could cause significant damage, particularly to Irish beef and fish markets.



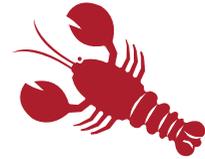
KEY ISSUES:

Competition for high value beef in a shrinking European market.

While there is a strong fear that regulatory cooperation in CETA will see falling food standards (e.g. beef that has been treated with hormones etc.), in the short term only the high value end of Canada's meat market can export to the EU. This is in direct competition with Ireland's key high quality beef export.

"CETA contains powerful tools for corporations to bully decision makers and sue for compensation if they introduce policies to protect people and the environment that may affect company profits."

*Pia Eberhardt on behalf of
Corporate Europe Observatory*



The quota is 55,000 tonnes of beef to the EU. If this is hind cuts, especially rib and sirloin (as expected), then this equates to 800,000 heads of cattle⁷. Given Ireland produces only 30,000 heads of cattle and with Brexit bringing a reduction of 60 million potential consumers from the EU market, there are very strong concerns about significant price drops of up to 16% according to an EU Commission study⁸. This could have an enormous impact on those with jobs in the beef industry.

Danger to lobster and scallop industry.

Fishing is a key industry for many parts of coastal Ireland, particularly Donegal. The main impact that reduced tariffs will have is on live lobster and scallops. The 8% tariff on these will be reduced to 0%, meaning larger Canadian fishing operations can sell their stocks much more cheaply⁹. There is a strong fear that this is going to have a significant impact on people making a living from fishing around the coast of Ireland.



ASK YOUR TDs / REPRESENTATIVES:

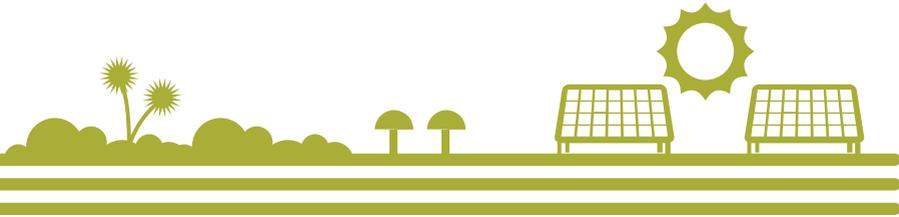
- How do you propose to protect jobs in Ireland's beef and fishing industries from the increase in cheap imports?
- Are you worried that the removal of the UK from the European market will lead to an increased saturation of agri-products on Ireland?
- Are you concerned that people in our rural areas are going to be left without livelihoods as their skills will not be transferable?
- Do you think that small scale Irish farmers are going to be pushed into larger agri-business in order to compete? What will happen to the farmers that can't / don't want to?

⁷ <http://www.agriland.ie/farming-news/ceta-trade-deal-approved-in-european-parliament/>

⁸ <http://www.marianharkin.com/news/latest-news/single-article/article/ceta-deals-a-blow-to-irish-beef-sector/>

⁹ http://www.marinetimes.ie/news_2017/news0417_004.htm

CETA & OUR ENVIRONMENT/ CLIMATE CHANGE



In 2015, the Irish government joined 193 other countries and the EU in signing the Paris Agreement and committing to a global target of limiting global warming below two degrees celsius. However, there are many rules in CETA which will make it more difficult to fight climate change and protect the environment.

There is a real fear that CETA will make it difficult, if not impossible, for the Irish government to meet its existing commitments to fighting climate change and protecting the environment. The EU and Canada claim to reconfirm their commitment to sustainable development in CETA. However, CETA's environmental protections offer little in the line of effective enforceability.

KEY ISSUES:

Legal action against the Irish government.

CETA's investor rights under ICS allows for costly legal action from polluting companies if our government attempts to ban or regulate dirty mines or wants to phase-out fossil fuels, as it did in May of 2017 when Ireland banned onshore fracking. (More about ICS on pages 3 and 13).

This means that CETA is likely to hinder the implementation of current and future EU regulation for the protection of health, the environment and consumers. It's feared that the threat of legal action from powerful corporations could cause a 'chilling effect' discouraging our government from introducing progressive environmental legislation.

Blocking the transition to renewable energy.

As CETA encourages more trade, production and extraction, it is likely to increase CO2 emissions and contribute to rising global temperatures. For example, CETA's market access rules, which could prevent governments from regulating services which rely on fossil fuels¹⁰, are totally contradictory to the necessary energy transition to renewable energy and low carbon economic system.

Flying in the face of the 'precautionary principle': suspected risk no longer valid.

As outlined on page 4, there is a fear that the precautionary principle, which currently protects EU citizens by banning a product if there is a suspected risk that it will cause harm, may be replaced by Canada's science-based approach where risk must be unequivocally proven before a product can be banned. This means that policy-makers can no longer protect our environment by banning a product if there is a suspected risk that it will be harmful – but no undisputed scientific consensus.



ASK YOUR TDs / REPRESENTATIVES:

- How can the Irish government meet its targets set out in the Paris agreement if CETA comes into force?
- Why after five years of negotiations are CETA's environmental protections still not pinned down?
- How can you ensure that the ban on fracking will not be reversed with ICS if CETA is ratified? (More about ICS on pages 3, 11 and 13).
- As energy and environmental issues are not featured on Ireland's negative list (see page 3), how can we ensure that Ireland is not sued for legislating to protect the environment?

¹⁰ https://www.tni.org/files/publication-downloads/making-sense-of-ceta_22092016.pdf

CETA & OUR DEMOCRACY

Ireland and Canada are both democracies that value human rights and equality. Their similarities and positive attributes make it difficult to imagine that this trade deal could be harmful to our democracy and sovereignty.

KEY ISSUES:

Deal negotiated in secret.

The negotiations started in 2009, the deal was negotiated in secret between the EU and Canada until it was published online in 2015. The ratification process for CETA in the European Parliament was fraught with accusations of a rushed job¹¹, intended to move the ratification forward with as little democratic scrutiny as possible.

A legal system for corporations (ICS).

Like the better-known trade deal TTIP (previously under negotiation between the EU and the US), CETA includes an investor-state dispute settlement chapter. CETA contains

a new system proposed by the European Commission, called the Investor Court System (ICS). This ICS is open only to foreign corporations and investors. Should the Irish government make a decision e.g. to outlaw dangerous chemicals, improve food safety or ban fracking, a Canadian company (or a US company with a Canadian subsidiary) can sue the Irish government for compensation based on wide-ranging rights afforded to them under CETA. For example, companies can claim that they had a “legitimate expectation” of future profits. CETA goes further than any past trade deal in codifying extensive investor rights.

The trial will be held at a special tribunal, overseen by corporate lawyers. Canadian subsidiaries of US-headquartered multinationals will also be able to use CETA to sue European governments. This is particularly worrying for Europeans as US corporations dominate the Canadian economy¹².



ASK YOUR TDs / REPRESENTATIVES:

A threat to public services.

The European Commission has claimed that public services are exempt from CETA¹³. This is not the case. In fact, according to the CETA text, any service which has a "commercial basis", or is "in competition with other suppliers", is included. This means that any public service that charges a fee, (e.g. public transport, healthcare and education), or competes with other providers in the market (e.g. public transport), could fall under CETA's provisions.

CETA threatens Europe's ability to renationalise public services. CETA's negative list approach (see page 3) means all public services are covered in the agreement and subject to free market rules, unless explicitly ruled out by governments. This is a first for an EU trade agreement. Ireland has listed very few exemptions; we have made no effort to protect the ownership or regulation of: education, health, water, transport, waste disposal, oil, gas, energy grids, amongst other important sectors.

- Why has the Irish government not protected its public services (like other governments) through the negative list? (See page 3 for more on negative list)
- How can the ICS mechanism be justified given that it supersedes our own domestic courts? Especially given that the government and citizens cannot use it to sue corporations, and that domestic companies do not have the same investor rights?
- Given all of the controversy and public outcry regarding the privatisation of water, why would you ratify a deal that could allow many of our public services to be privatised?
- The Association of European Judges, and the Association of German Judges, and hundreds of professors of law believe ICS is incompatible with EU law. How do you feel about Ireland ratifying this deal before confirming whether it is in fact legal?

¹¹ https://www.tni.org/files/publication-downloads/making-sense-of-ceta_22092016.pdf

¹² <https://corporateeurope.org/sites/default/files/trading-away-democracy.pdf>

¹³ <https://corporateeurope.org/sites/default/files/attachments/great-ceta-swindle.pdf>

WHAT YOU CAN DO

The ratification of CETA is not a given - there is still time to influence this. There are a number of things we can do to drive an informed conversation about CETA and the many ways in which it may impact the people of Ireland before our TDs vote on whether to ratify it or not.

Get in touch with your local politicians

Critical engagement with TDs on CETA is vital if the ratification of this deal is to be stopped. Please feel free to use the questions provided in each section to stimulate discussion. You do not need to be an expert on CETA but your representatives do need to be able to listen to your concerns and answer your questions. Remember, the questions are not intended to 'trip them up', rather they call upon them to research the answers and be held accountable to the voters on the decision as to whether Ireland will ratify CETA. Make an appointment with your TD, phone, use emails and Twitter to contact them directly.

Facilitate discussion in your local community

Parliamentary debate has been minimal on CETA so far. Let's set up more publicised CETA debates in our communities. Invite along local TDs and community members and start stimulating discussion on CETA. Get in touch with us (see info below) if you would like any support in doing this.

Encourage FF, FG & business lobbies to engage in public discussions

Pro-CETA politicians (mainly Fianna Fáil & Fine Gael), academics and business groups have been particularly quiet around the CETA debate. Many have been contacted to defend CETA publically for debates, but unsurprisingly given the many controversial elements, they have not participated. Now that the ratification of CETA is just around the corner, demand that your representatives defend their position in public.



Reach out to civil society and NGOs

Engage with civil society groups and NGOs on the issue of CETA. Many may not currently be directly involved in anti-CETA activities but given the far-reaching implications of CETA many may be interested in getting involved. Organise activities and demonstrations - it is important to increase the frequency and quality of media coverage on CETA.

Encourage discussion

Despite the many risks, CETA is still not very well known. Talk with your friends, family and community about CETA. Use social media to share information - #StopCeta will guide you to posts. Have you heard any debates on the radio or news? If not, contact radio and TV broadcasters to ask for the debate to be publicised.

Find out more

This booklet is quite short but please see the footnotes for links to good reports, which can provide you with more information on the impacts of CETA. Contact us for more detailed reading.

Get in touch

If you are interested in finding out more or being involved in Trade Justice activities, please get in touch.

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