"It is the common fate of the indolent to see their rights become a prey to the active."
—John Philpot Curran (who defended leading United Irishmen)

PEOPLE'S NEWS

News Digest of the People's Movement

www.people.ie | post@people.ie

No. 102 **6 April 2014**

The EU secret state

Regulation 1049/2001 on public access to EU documents was meant to "enshrine" openness in the EU. At the time, many people argued that while the regulation was a step forward, far too much discretion had been given to the EU institutions to interpret the law to suit their interests and historically embedded practices. This is famously embodied in the Council and Commission's call for "the space to think": for lawmakers to meet, discuss and decide in secret and to inform the public only after a measure had been agreed.

And so it turned out. The Council uses article 4.3, the "space to think," to refuse access to half of all requests for access to legislative documents under discussion.

For example, it had been argued by EU Parliament negotiators during the passage of the regulation that there were checks and balances to ensure compliance by the institutions, such as three crucial references to enforcing an "overriding public interest in disclosure." Over the past twelve years applicants for documents who assert that disclosure is "in the public interest" are routinely turned down.

Statewatch, a British organisation that monitors the state and civil liberties in the EU, complained to the EU Ombudsman that the Commission's public register of documents was manifestly incomplete. The Ombudsman agreed and called on the Commission to comply with regulation 1049/2001 and to list all documents it produced and handled. The Commission simply refused to comply.

Most member-states in the Council are happy with the present set-up, which gives them the discretion to decide what is released and when (if at all). Some governments would back the Commission by making the regulation even more restrictive.

The Council's position is based on the creation of a regime in which the release of documents is controlled and that tries to ensure total secrecy where necessary.

The EU, led by the Council of the European Union, has constructed two complementary regimes for controlling and limiting access to the documents it produces and holds (including documents originating from other institutions, member-states, or agencies). These regimes ensure secrecy and deny democratic debate. The first regime is known as EUCI (EU classified information) and follows NATO standards. The classifications of documents are as follows:

top secret, where unauthorised disclosure could cause "exceptionally grave prejudice" to the essential interests of the EU or its member-states;

secret, where disclosure "could seriously harm" the essential interests of the EU or its member-states;

confidential, where disclosure "could harm the essential interests" of the EU and its member-states; and

EU restricted: information and material whose unauthorised disclosure could be disadvantageous to the interests of the European Union or one or more of the member-states.

The first three definitions rely on the concepts of "essential" interests and "grave prejudice or harm." "Restricted" relies simply on the notion of "disadvantageous" disclosures, which if made public could be embarrassing to the EU or its member-states and could lead to open comment and debate.

How many "restricted" documents are held by the Council, and how many are listed in its public register? In 2012 it was reported by *EU Observer* that the Council "sees between 600 to 1,000 new EU RESTRICTED documents each year."

Figures supplied by the Council to Statewatch in August 2012 show that a total of 110,156 restricted documents were produced or handled by the Council during the previous decade. Recently a source confirmed that in 2012 the Council produced or handled 7,500 restricted documents. This would mean that in the twelve-year period 2001–2012 the Council produced or handled 117,656 restricted documents.

The explanation provided with the figures suggests that "most classified documents relate to CFSP [common foreign and security policy], and a significant number are received by the Council from the Commission and the EEAS [European External Action Service]." However, according to the Council's annual report on public access to documents for 2012, only 13,817 "restricted" documents are recorded in its public register of documents, out of a total of 117,656 produced or handled since 2001. This means that 103,839 restricted documents produced or handled by the Council were not listed in the public register over the twelve-year period.

The discrepancy may illustrate the extensive use of the "originator principle" (or rather veto) under article 9.3 of Regulation 1049/2001, which states: "Sensitive documents shall be recorded in the register or released only with the consent of the originator."

The so-called "originator principle" is exercised by officials in the General Secretariat of the Council (the staff that prepared the documents in their own right or on behalf of the Council presidency), EU governments, and "third parties" such as the United States or EU agencies. There is therefore no means of finding out that this vast number of documents even exists, let alone their subject matter.

Under article 17.1 of Regulation 1049/2001, on public access to EU documents, the Council, Commission, EU bodies and agencies are required to state the number of sensitive documents not listed in the public register. Neither the Council nor the Commission give this figure in their annual reports on public access to documents.

Inevitably, we go back to Lisbon! The Commission has failed to implement the treaty, in this instance, to ensure that all legislative documents are made public as they are produced; this means that 60 per cent of Council documents relating to legislative decision-making are made public after the "final adoption" of measures.

The Commission is responsible for another, equally crucial failure. The Lisbon Treaty came into effect in December 2009, and article 15.3, paragraph 5, was meant to bring about greater legislative openness. It states: "The European Parliament and the Council shall ensure publication of the documents relating to legislative procedures" and gives effect to Article 15.2.

The intention of the Lisbon Treaty could hardly have been clearer: all meetings of the

EU Parliament and Council when discussing legislative acts are to be held in public, and all documents "relating to the legislative procedure" are to be made public. "All documents" is also unequivocal, meaning that all documents from the first to the last have to be made public.

More than four years later, nothing has happened. The Commission has failed to put forward a proposal to give effect to the intention of the treaty in article 15.

The reason for this failure is clear. To put into effect article 15.3, paragraph 5 would require deleting article 4.3 of Regulation 1049/2001.

Article 4.3, paragraph 1, states that "access to a document, drawn up by an institution for internal use or received by an institution, which relates to a matter where the decision has not been taken by the institution, shall be refused if disclosure of the document would seriously undermine the institution's decision-making process, unless there is an overriding public interest in disclosure."

Under this clause, in 2012 the Council refused access to nearly half the applications for documents concerning continuing legislative discussions that had not been immediately made public. 41 per cent of all initial applications were refused under article 4.3, as well as a portion of the 25 per cent of refusals given for "several reasons together."

The refusal to implement article 15 of the Lisbon Treaty also affects article 11, which says that EU institutions shall make available to citizens and civil society the means and opportunity "to make known and publicly exchange their views in all areas of Union action."

How can citizens and civil society make their views known on legislative matters if they do not know what is going on, and cannot find out?

The secrecy at the heart of the EU is just one more indicator of the lack of democracy and transparency in the institution that so fundamentally affects our lives.

RESTRICTED documents, appearance and reality, 2001–2012

Number listed in public register	Actual figure	Number not listed in public register
13,817	117,656	103,839

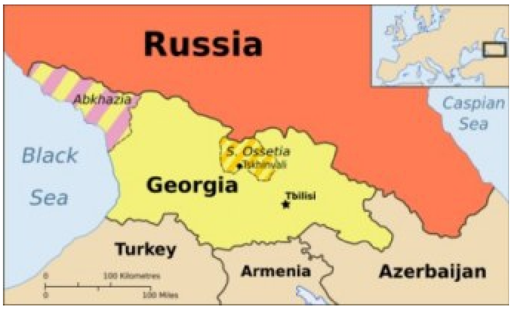
CONFIDENTIAL documents, appearance and reality, 2001–2012

Number listed in public register	Actual figure	Number not listed in public register
1,390	5,619	4,229

Further EU expansionist ambitions in Georgia

Emboldened by its success in Ukraine, the EU's recent summit meeting called on Georgia to sign the EU association agreement in June, ahead of schedule.

As in the case of Ukraine, Georgia is already integrated in EU military policy. The parliament in Tbilisi has recently voted to contribute Georgian troops to EU military operations in Africa.



Georgia's development, following the 2003 "Rose Revolution," is very similar to what Ukrainians find themselves confronted with since the February putsch. Simultaneous with military-political integration in Western alliance structures, and the country's accessibility for foreign investors, the population is sinking into impoverishment. Opinion polls indicate that today only 27 per cent of Georgians have a full-time job that pays a living wage.

According to the summit's final document, it was decided to sign "the Association Agreements, including the Deep and Comprehensive Free Trade Areas," that were initialled in Vilnius last November "no later than June 2014." The signing had originally been scheduled for August.

The stepping up of the power struggle with Russia over Ukraine has compelled Berlin and Brussels to strengthen their positions as quickly as possible in two other countries of the six countries forming the ring separating Russia's borders from those of the EU.

From a geo-strategic viewpoint, Georgia incorporates various significant aspects. On the one hand it is an important element in the encirclement of Russia, which, over the past two decades, has been confronted with a growing amount of activity by the Western alliance (NATO and the EU) in various neighbouring countries, from the Baltic to Central Asia. Secondly, Georgia—at least from time to time over the past few years—has been pursuing a "united Caucasus" strategy, a destabilising policy of interference in the already conflict-ridden Russian North Caucasus, according to the web site German Foreign Policy.

Aside from its third function, as bridgehead against Russia, Western geo-strategists attribute also to Georgia a central role as the gateway to the quite narrow terrestrial path to the East, between Russia and Iran, in expansion from Europe to Asia. Georgia serves as the gateway to a sort of "terrestrial Suez Canal between Europe and Asia."

Then there's the not insignificant matter of Russia's recognition of the independence of the Republic of Abkhazia and the Republic of South Ossetia, which occurred in the aftermath of the conflict in South Ossetia and six months after Western recognition of the unilateral declaration of independence by Serbia's breakaway Republic of Kosovo in February 2008. The majority of the world's countries and the EU do not recognise their independence and officially consider them sovereign territory of the Georgian state.

The Georgian putsch in late 2003 was led by a pro-Western segment of the Georgian establishment and carried out by people in the entourage of the former minister of justice, Mikheil Saakashvili (recently spotted in Dublin at the congress of the European People's Party). They could rely on the enormous dissatisfaction within the population. The organisation, on the other hand, was "sponsored by foreign financial backers, such as George Soros."

This sponsorship paid off when, at the end of 2003, the putsch regime was formed. Eight of the twenty ministers were "young people, who had previously … been employed by western-financed non-government organisations." Following the putsch, Western money, which up to then had been used to sponsor "civil society" organisations, was redirected to the pro-Western government.

Until it lost the elections in 2012–13 the Saakashvili government had implemented an authoritarian rule, in which, for example, there were reports of "attacks on irritating political and economic personalities by officials of the justice and interior ministries." The Saakashvili government had been successful not only in setting the country up for foreign investors but also in preparing Georgia to become militarily involved with the EU. The military share of the country's budget sometimes reaches 25 per cent.

In 2012 Brussels and Tbilisi entered negotiations on a framework agreement, providing for the participation of Georgian troops in EU military missions. It was finally signed on 29 November 2013. The agreement explicitly includes EU interventions "around the world" and "marks Georgia's readiness to engage alongside the EU" in the future.

On 20 February 2014 the Georgian government resolved to contribute 150 soldiers to the EU's mission to be sent to the Central African Republic. Just as in Ukraine, the EU association agreement will draw Georgia into an uncertain future and difficulties with Russia but, perhaps more importantly, will draw it into future wars as the EU continues to expand militarily.

New corporate transparency rules will not include tax measures

A plan to make companies reveal how much tax they pay, country by country, has been abandoned, knocking back the efforts of those who had pushed to curb tax avoidance by transnational businesses.

Schemes used by Starbucks, Apple, Google, Amazon and other corporations operating within the law to minimise their tax obligations prompted heated public debate last year. The matter has since dropped off the political agenda, and lawmakers in the EU Parliament and member-countries have shelved proposals to toughen new transparency rules by forcing big companies to disclose how much tax they pay in each of the countries where they have operations.

Instead the rules due to be adopted by 2016 will be limited to disclosure of company policies concerning, among other things, the environment, respect for human rights, and management diversity. Even here, companies can keep information secret if it is deemed sensitive.

Irish politicians and their professional services firms that have done well from the status quo sing the surreal mantra of "a statute-based system which levies a 12½ per cent rate … [that] complies fully with global norms and EU laws" and that is "transparent," while ignoring the "double Irish" tax avoidance scheme.

We not only provide offshore holding companies in Bermuda and the Cayman Islands for tax avoidance, we give them unlimited status under company law to ensure that they are not transparent!

According to a calculation by Finfacts, about €40 billion, or more than 40 per cent of Irish services exports of €90 billion in 2012 and related national output, resulted from global tax avoidance schemes. It should be pointed out that Ireland gains little from this tax cheating other than an unquantifiable number of jobs. We are merely assisting the big corporations.

Germany and Britain led the push to limit the new law. Member-states talk a good story about wanting more transparency for transnational corporations; but when it comes to putting their money where their mouth is, they don't want strong rules. The member-states killed this measure, standing by the big corporations.

It's just another nail in the coffin of a "Social Europe."

At last: is it time to print some money?

The European Central Bank over the next months will consider various options for "quantitative easing"—also known as printing money—to counter a very low inflation rate, the president of the ECB, Mario Draghi, has declared.

"The ECB Governing Council is unanimous in its commitment to using all unconventional instruments within its mandate in order to cope effectively with risks of a too prolonged period of low inflation," Draghi said. Quantitative easing was part of a "rich and ample discussion" among the central bankers of all eighteen euro-zone countries on what to do to counter the lower-than-expected inflation.

Quantitative easing is the purchase of financial assets from banks to increase the amount of money in circulation when there is a risk of deflation. At a mere 0.5 per cent, euro-zone inflation is well below the ECB target of 2 per cent. A negative rate means deflation, when prices drop and consumers spend less, in the hope that they will get a better deal in the following days and weeks.

The ECB has a whole web page devoted to deflation. It explains why deflation would be a disaster, and it explains why it has a policy of making sure they get nowhere close to deflation, even though they are not merely close but have actually achieved deflation in Spain. So there's one policy for the public and then there's the real policy, which explains why the ECB has not been acting: because they want to crush wages in the periphery.

Policy for dealing with the euro-zone crisis began from the assumption that Germany, the main creditor country, has pursued the right policies, while the debtor-countries have done everything wrong. But blaming the debtors and going easy on the creditor is clearly unjustified in the case of economic and monetary union (EMU). Asymmetric adjustment—wage cuts and deflation in deficit countries but unchanged policies in Germany—is bound to lead to disaster.

Competitiveness is a relative concept. If all countries were to try to improve their competitiveness by cutting wages, the result would be a race to the bottom. In that race no country would improve its situation: all would lose out, because domestic demand in the EU as a whole would fall.

If the authorities were really determined to stick to the agreed inflation target of 2 per cent, Germany would have to adopt a policy of wage increases exceeding its productivity path and an increase in unit labour costs exceeding the common inflation target, while the other countries would have to undercut the rate of growth in unit labour costs they have experienced in the past.

If Germany, under the impression of recession and economic weakness, does not manage to achieve wage increases clearly beyond 4 per cent, wages in the other countries, especially France and Italy, will have to fall in absolute terms. This would badly hurt their economies; and it would be very difficult for governments to convince their electorate of the need for such wage cuts.

When a country is forced into "internal devaluation"—in other words, wage cuts—to improve its international competitiveness, the deflationary effect of these wage cuts increases the real value of both domestic and foreign debt, because the nominal value of that debt remains unchanged while all income flows are reduced.

Surplus countries, on the other hand, have the benefit of lower interest rates on government debt, and in these countries the real value of all debts will fall, including those of the government, if adjustment takes the form of "internal revaluation," which means higher wages and unit labour costs, and higher inflation over time.

There is one obvious fact about a currency union that the Brussels elite often forget. The unification of money in a system of fiat money rests on the pillar of trust in those institutions that introduced the paper money and promised to guarantee its value. However, trust cannot be split into regional entities with different levels of trust in a monetary union. Trust is everywhere or nowhere.

In a monetary union, faith in the authorities of a monetary union should be grounded not only in their promise to stabilise the value of money: it also depends on their ability to prevent disequilibria among member-countries that may result from losses or gains in competitiveness, as well as on the willingness and ability of these authorities to ensure stable growth and high employment, with each member-economy "standing on its own feet." The euro zone goes totally in the opposite direction.

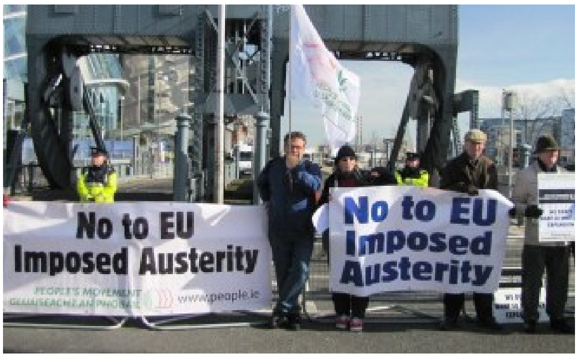
Youth and poor hit hardest by EU austerity

A new report by the charity Caritas depicts "an unfair Europe" struggling with "disturbing" poverty levels after a study of the impact of the financial crisis in Cyprus, Greece, Ireland, Italy, Portugal, Romania, and Spain.

The report depicts an unfair Europe in which social risks are increasing, social systems are being reduced, and individuals and families are under stress. "Cuts to public services disproportionately affect lower-income groups," the report says, "and problems accessing health care are impacting negatively on people's health."

And a report just published by the National Youth Council finds that 18 per cent of young people in Ireland experience serious deprivation—up from 5 per cent in 2007. This means that 18 per cent cannot afford to keep their house warm, to buy meat or fish at least every second day (if they wanted to), or to buy new, rather than second-hand, clothes.

Young people in large households, such as those living both with their parents and their partner or children, are the most likely to experience a high level of deprivation. The report also states that 51 per cent of young people gave cost as a difficulty in obtaining access to health care. This is the fourth-highest figure in the EU.



Child poverty in the EU has increased from below 20 per cent to more than 22 per cent in the last three years, reaching over 30 per cent in Ireland, according to Caritas. Even Cyprus, long considered an affluent society, has a poverty rate of over 29 per cent among older people, the report says.

Many unemployed and uninsured people have turned to their families for help, particularly in southern Europe; but after years of recession this resource is also running dry. Families are now exhausted: they cannot continue paying, and a second wave of poverty is expected, the negative effect of which will last for decades.

The report notes that many poor Italians rely on an EU food-surplus redistribution scheme, which was changed at the end of 2013. "Caritas Italy is concerned that this will cause a social emergency involving more than 4 million poor people, something that needs to be addressed by activating a national fund for food aid."

Caritas calls for an urgent shift from financial to social goals, accusing governments of failing to address the moral responsibility of banks for the crisis. "The financial system must not be insulated from risk, with the consequent incentive to reckless behaviour," the report says. "The same is likely to happen again unless a different approach is taken."

Caritas has 164 member-organisations in two hundred countries and territories around the world, providing food and assistance to the poor, immigrants, and war victims.

Smoke and mirrors on TTIP

The EU Commission launched a ninety-day public consultation last week in an attempt to address "misconceptions and misrepresentations" about a plan to include controversial rules on investor protection in an EU-US free-trade deal, the "Transatlantic Trade and Investment Partnership."

The mechanism, known as investor-state dispute settlement (ISDS), allows companies to take legal action against governments if their decisions risk undermining the companies' investments.

The Commission "paused negotiations" on the ISDS chapter of the trade talks in the wake of claims by NGOs that it could allow American companies to undercut environmental and social protection laws and enable corporations to sue governments and claim potentially unlimited damages in "arbitration panels."

The EU commissioner for trade, Karel de Gucht, said that the Commission was hoping to draw up "an improved system of ISDS which will address existing loopholes, prevent abuse, and provide a more accountable and predictable system.

"I fully agree with the many critics who claim that ISDS until now has led to some very worrying litigation against the state," he said, in a reference to a case being brought by the tobacco giant Phillip Morris against the Australian government over legislation requiring plain packaging for cigarettes.

The three-month consultation includes a public debate on ISDS. The Commission will then complete a public report before deciding on the negotiating stance to take with the Americans. The French minister of trade, Nicole Bricq, has already stated her opposition to ISDS being included in an agreement, while Germany's minister of the economy, Sigmar Gabriel, insisted that ISDS should be excluded from the proposed agreement, arguing that existing national legislation was sufficient. "From the perspective of the German government, the United States and Germany already have sufficient legal protection in the national courts," he said.

For its part, the Commission maintains that the regime would be limited to investor relations and could not be used to overturn national law. "An ISDS tribunal cannot order the reversal of a national law under any circumstances," an EU official involved in the negotiations said. "The most it can order is compensation."

For the United States, keeping ISDS in the scope of the talks remains a priority. "A comprehensive 21st-century trade agreement should include appropriate protections for investors," the principal US trade negotiator, Dan Mullaney, said, "… and that does include ISDS."

In the end it's all smoke and mirrors, to give the impression that there was public involvement in the consultation and that it was accompanied by full transparency. In fact the pause was mainly brought about by the opposition to further erosion of government powers by the French and Germans and is mainly designed to give them time to sort out their reservations.

In the meantime the secret negotiations are given a veneer of popular legitimacy through a consultation process while negotiations on the EU-Canada agreement containing similar provisions lumber on.

David Cronin reports from the front line!

David Cronin, an Irish journalist and author based in Brussels, writes:

I spent seven hours today [31 March] in a police station cell. Why, because I tried to disrupt a feast of flesh-pressing between weapons dealers and top EU political figures!

As the annual conference of the European Defence Agency (EDA) was about to begin in Brussels, two peace activists poured buckets of fake blood outside the venue's entrance. Disguised as corporate lobbyists, I and a few others then sat down in the dark red puddle. We were promptly arrested.

The purpose of the action was to make the invitation-only attendees walk through "blood." This was entirely appropriate: the arms industry thrives on wars in which innocent people are killed as a matter of routine.

Stripped of their jargon, the speeches delivered at the conference had a sinister edge. Bernhard Gerwert, chief executive of Airbus Defence and Space, called for the EU to help finance the killing machines of the future through its scientific research activities. "Research and development is only worthwhile if we have the ambition to build the next generation of products," he said.

It was particularly grotesque that Dimitris Avramopoulo, the Greek defence minister, gave a keynote address. Until recently, Greece spent more on its military than any other EU country as a proportion of national income. One largely overlooked contributor to the Greek economic crisis is that it had been splurging on weapons from Germany and the US.

The unemployed, patients waiting for vital treatment and the homeless had nothing to do with this profligacy. Perversely, though, they are paying the price for it through reduced access to social services. Avramopoulo did not confess today that the level of Greek military expenditure has been irresponsible. Rather, he charmed his hosts by urging that the EDA be granted more power.

Considering that the agency has been explicitly tasked by the EU's governments to push for increased spending on warfare, his plea can only be interpreted as a desire to keep repeating the same foolish policies over and over again.

An important caveat is that these policies do not appear foolish to the establishment. If you are an arms dealer, it makes perfect sense to argue for more public support.

More than likely, it's coincidental that the EDA held its yearly get-together one day after Barack Obama visited Brussels. Still, it's fitting that the two events came so close together. The agency is fixated on building a European equivalent—or rival—to America's drones programme.

I'm sure that the EDA's guests were too polite to acknowledge that Obama has used this programme to flout the law. Under his presidency, the right to due process has been discarded. If Obama wants someone dead, all he has to do is put their name on a list.

In fact, I'd doubt that the word "drone" was used much, if at all, during today's proceedings. The EDA's newly published annual report refers to these monstrous warplanes as "remotely piloted aircraft systems" (RPAS).

Readers of this turgid document are told that drones (sorry, I mean RPAS) have "proven their value in the military sphere in recent operations." From previous experience, I know that the food tends to be excellent at the EDA annual conference (once upon I time, I was allowed to attend such events).

Sadly, I wasn't able to sample whatever delicacies were on offer this time around. I had to make do with cheese sandwiches, waffles and water, passed through the bars of a police station cell. But given that the EDA's activities are so nauseating, it's probably just as well my stomach didn't have to deal with anything more substantial.

"European citizens' initiative" down the drain?

The EU is supposed to be "neutral" on national decisions governing the ownership of water undertakings, and indeed the EU Water Framework Directive proclaims that "water is not a commercial product like any other but, rather, a heritage which must be protected, defended and treated as such."

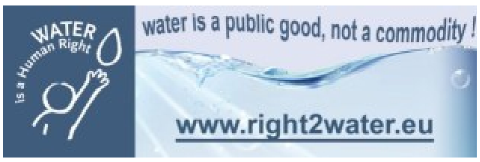
So why then did 1.9 million citizens of thirteen EU countries feel it necessary to sign a petition expressing opposition to EU moves to liberalise water and sanitation services?

They could point to so-called bail-out agreements in which the EU Commission has insisted on privatisation policies that include the selling off of municipal water companies. In Greece the bail-out agreement requires the selling off of the state's majority stake in the already part-privatised Athens and Thessaloníki water and sewerage companies, while Portugal is under pressure to dispose of its state-owned water company.

The Commission can maintain its officially neutral stance on the ownership of water services by pointing out that the privatisation measures are being carried out by the insolvent national governments themselves, in order to raise money to keep other public services running.

They could also point to early drafts of a "Concessions Directive." The directive is presented as necessary to regularise the way public authorities in member-states enter into partnerships with the private sector to provide services of general economic interest. A contract to operate public water infrastructure was obviously seen as a good example of a concession, while others include toll roads, waste disposal, and energy generation.

The Commission argued that there are no specific rules governing the award of such contracts, giving rise to risks of fraud, favouritism, and lack of transparency. While the proposed text restates that, in keeping with article 345 of the Treaty on the Functioning of the European Union, nothing in the directive will prejudice member-states' own systems of property ownership, it also talked of "a real opening up of the market" in respect of water, energy, transport, and postal services. This led campaigners to class it as another attempt to promote the privatisation of water and to demand that the Commission exclude water and sanitation services from the provisions of the directive.



By June 2013, 1½ million people had expressed opposition to the privatisation of water, and the Commission was forced to exclude water and sanitation services from the remit of the directive.

The petition, which was organised by a broadly based environmental and trade union campaign, Right2Water, under the "European citizens' initiative" process, had asked that water supply and the management of water resources not be subject to "internal market rules" and that water services be excluded from liberalisation and also to explicitly exclude these services from trade negotiations such as the Transatlantic Trade and Investment Partnership.

The Commission issued its response, in the form of a "communication," on 19 March. Significantly, it gave no explicit guarantee on any of the central demands of the Right2Water campaigners.

The Irish Government is in the process of centralising the state's water services in a single entity, Irish Water. The new authority is structured as a utility company, and housed within An Bord Gáis. The minister responsible, Fergus O'Dowd, has strongly denied that privatisation is on this Government's agenda. However, the utility model and the introduction of charges have led some people to suggest that privatisation will in the future become a logical next step.

It could be said that most of the difficult work that would be involved in privatising water is now being done: moving water services from the control of municipal and central government to a commercial enterprise, albeit state-owned; installing meters in 1.3 million households to allow for domestic charging; and creating a customer-supplier relationship between the water utility and every water-user in the country. Once all this "heavy lifting" is out of the way, a change in the ownership of the utility could be effected relatively easily.

Germany in renewed push for euro-zone parliament

Wolfgang Schäuble: "I also fell to the temptation of deregulation, deregulation, deregulation." (Photo: consilium.europa.eu.)

The German minister of finance, Wolfgang Schäuble, has said that discussions on revising the treaty to secure the euro zone's architecture will begin after the EU Parliament elections in May.

"After the EU elections the debate about treaty change will be back on the table," Schäuble said. "The federal government will plead for institutional improvements, at least in the euro zone. The monetary union needs a joint finance and economic policy, with corresponding institutions." He repeated his call for a euro-zone parliament and a permanent head of the Euro Group, the informal gathering of euro-zone finance ministers.

On the substance of such changes Schäuble said: "The establishment of a euro-zone Parliament is just as conceivable as a full-time Euro Group head for us." He also stressed that as long as there is no combined economic and financial policy in the euro zone there cannot be any pooling of debt.

Do new pension rules facilitate a hidden bank bail-out?

Tapping pension funds is at the heart of a plan unveiled by the EU Commission to kick-start business investment.

European pension funds hold €2½ trillion, which should be put to work, says the Commission. The commissioner for financial services, Michel Barnier, said the Commission's blueprint on "long-term financing" was needed to further encourage alternatives to traditional bank lending, which remains stagnant more than five years after the beginning of the financial crisis.

"Our financial system must regain and increase its ability to finance the real economy," he said. "We need to diversify financing sources in Europe and improve access to finance for small and medium-sized enterprises."

The EU is seeking alternative sources of investment as its banks recover slowly from the financial crisis of 2008–09, while the countries hit hardest by the euro zone's debt crisis have seen businesses starved of cash. The EU has identified a big pot of cash in pension funds and is prepared to allow the banks to grow their balance sheets—already bolstered with taxpayers' money—while changing the rules for pension schemes to facilitate directing pension funds towards ever-riskier investments. It is, in effect, a hidden bail-out for the banks.

The EU hopes that its proposal will generate additional pots of savings that can be used for investing in much-needed projects to boost the region's growth and employment prospects. There are approximately 125,000 occupational funds operating within the EU, holding €2½ trillion in assets for 75 million people, or 20 per cent of the EU's population of working age. The Commission estimates that the EU will need to invest €1 trillion in its transport, energy and telecoms infrastructure by 2020.

Anglo once again!

The European Central Bank is reported to be putting the Government under pressure to sell the long-term government bonds associated with last year's Anglo-Irish promissory-note deal, and at a faster pace than the timetable originally outlined.

Members of the ECB's Governing Council are questioning the legality of the arrangement, under which the Central Bank swapped the promissory notes used to recapitalise Anglo-Irish Bank with long-term government bonds, and are considering whether the conversion of €25 billion of promissory notes into sovereign debt equates to monetary financing, something that is forbidden by article 123 of the EU Treaty.

A crucial aspect of the promissory-note deal agreed last year after months of negotiations was the length of time for which the Central Bank would hold the long-term bonds that replaced the promissory notes. The Central Bank agreed last year to sell the bonds, "but only where such a sale is not disruptive to financial stability." The average life of long-term government bonds is thirty-four or thirty-five years, compared with seven or eight years for the promissory notes.

The complex refiguring of the promissory notes used to recapitalise Anglo-Irish Bank was announced in February 2013 after months of negotiations. The president of the ECB, Mario Draghi, said at the time that, while the ECB had taken note of the transaction, it would be reviewing the arrangement as part of its monitoring of monetary financing in euro-zone countries.

Centenary of the Irish Citizen Army

The formation of the Irish Citizen Army was a direct result of the 1913 Lock-out, but it was not until 22 March 1914 that the members voted to adopt a constitution, elect an Army Council, and agreed rules and regulations that transformed their aspirations into a programme of action.

The Constitution of the Citizen Army was short and to the point:

1. That the first and last principle of the Irish Citizen Army is the avowal that the ownership of Ireland, moral and material, is vested of right in the people of Ireland.

2. That the Irish Citizen Army shall stand for the absolute unity of Irish nationhood, and shall support the rights and liberties of the democracies of all nations.

3. That one of its objects shall be to sink all differences of birth, property and creed under the common name of Irish people.

4. That the Irish Citizen Army shall be open to all who accept the principle of equal rights and opportunities for the Irish people.

5. Before being enrolled, every applicant must, if eligible, be a member of his trade union, such union to be recognised by the Irish Trade Union Congress.

Noble sentiments, indeed, that could usefully be consulted in these times when the rule of bankers and corporations is paramount.