PEOPLE'S NEWS

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An EU superpower in the making
The Irish government silent!

The EU is pushing towards the establishment of military structures, independent of NATO, as evidenced by recent decisions taken by its defence ministers (including our own Bilderberger, Simon Coveney, who has uncharacteristically maintained a stoic silence on the issue).

At their meeting last weekend the ministers decided, as provided in the Lisbon Treaty, that particular EU countries should enhance their military co-operation. The EU will establish a logistics hub and explore the creation of a European Medical Command.

They also planned the setting up of a nucleus for an EU civilian-military headquarters that could grow to become a general staff for an EU Army. Leading EU foreign policy makers called the EU a "superpower," expected to be a "global security provider."

The decisions taken by the EU defence ministers largely meet the demands for enhanced EU military co-operation that Germany has been pushing for. Recently the German and French foreign and defence ministers reiterated these demands in joint statements. The decisions include the demand to proceed with "permanent structured co-operation," as defined in article 42.6 of the Lisbon Treaty. Enhancing co-operation among particular EU countries, in fact, would lay the groundwork for creating an EU Army "from below."

However, the official founding of an EU Army is out of the question for as long as Britain is still a member of the EU. The British government considers NATO's structures sufficient and has no interest in building a counter-force to the United States; but Volker Kauder, chairperson of the CDU-CSU parliamentary group, said last week that "we should now be on course towards a European Army."

The decisions also include measures to enhance the EU's armaments co-operation—as has been demanded by Germany—particularly the development of European combat drones. The German government was unsuccessful with its appeal for establishing an EU military headquarters, but it will return to the subject.

The ministers agreed on a headquarters with "permanent operational planning and conduct capability." Command for combat missions will remain the responsibility of national headquarters staff. Italy's foreign minister said this headquarters is "not yet a European general staff" but the "premise of one."

The defence ministers leave no doubt about the objectives of EU military co-operation, "strategic autonomy," as they note in their final communiqué. These measures will be authorised by the EU summit in December.

Following Donald Trump's electoral victory in the United States the German Council on Foreign Relations claimed that "the defence of liberal democracy … has become our top priority." "Europe" must "prepare itself to assume more responsibility in foreign and security policy."

The EU is facing "increasing competition in the global market," explained Federica Mogherini, high representative of the EU for foreign affairs and security policy, late last week. They can succeed only if they "work together … with the full potential of a super-power, in the field of security and defence."

Mogherini, who uil now has acted in accord with Germany, was confident that there would be an increasing "demand for Europe" in global policy, a "request for a principled global security provider" and for "a superpower that believes in multilateralism and in co-operation."

"We are a superpower," declared Luxembourg's foreign minister after the meeting.

Goodbye, democracy! Hello, provisional application!

The EU Council has voted, in indecent haste, to give the Commission "provisional application" powers. So, incredibly, CETA becomes law even if the EU Parliament votes against it.

And our quisling government agrees, even though Seanad Éireann has rejected provisional application. This is a blatant example of Irish and EU "democracy" operating hand in hand.

CETA is referred to as a "trade agreement"; so what's the big deal? Well, like TTIP, CETA has a provision whereby they plan to set up a private "court," an arbitration mechanism in TTIP, called ICS or ISDS, that would allow companies with an operating base in Canada to bypass the Irish and EU courts and to sue any EU government for compensation when they feel that our laws interfere with their company profits. And the Commission and the Council—including Enda Kenny—can't wait to ratify it.

And do you hear anything about consultation with the civil-society organisations that have expressed deep concern on issues as varied as workers' rights, fracking, and food safety? Maybe they'll give us a referendum?

Not at all! We now seem to be living in a post-democratic, neo-feudal world, having ceded power to a small elite who govern us in the interest of corporations.

More than 3.4 million Europeans have signed a petition against it; 250,000 have marched through Berlin to oppose it; 3,000 German and Austrian companies have signed up to "SMEs Against TTIP"; the Irish, European and Canadian congresses of trade unions are against it, as are hundreds of civil-society organisations in Europe and Canada as well as thousands of politicians, academics, and practitioners and professors of law.

The German Association of Judges has even said that it "sees neither a legal basis nor a need for such a court."

When we accepted the Lisbon Treaty we signed away our right to negotiate international treaties when we gave the EU the status of a separate legal entity. Article 218 of the Treaties on the Functioning of the European Union states: "Agreements between the Union and third countries or international organisations shall be negotiated and concluded in accordance with the following procedure." It continues: "The Council, on a proposal by the negotiator, shall adopt a decision authorising the signing of the agreement and, if necessary, its provisional application before entry into force."

"Provisional application before entry into force" means simply that it will become law before its approval by the Oireachtas—and become law even if it's rejected by the Oireachtas!

Yes, it's hard to believe. But no wonder that the senators who took the time to examine it roundly rejected it and the Government's decision to ratify it at the EU Council.

With regard to articles 207 and 218, for CETA to achieve "entry into force" and become binding in international law it would have to be approved firstly by a vote at the Council of Ministers—which has been hastily concluded—and then by a vote in the EU Parliament. But those parliamentarians might not understand how important this trade deal is for big business and so vote No; therefore "provisional application" is a way to bypass the "inefficiency" of the Parliament.

So if the EU Parliament rejects CETA (the majority of Irish parliamentarians are against it) the Commission can go ahead and provisionally apply it anyway as a result of the power given them by a vote of the Council of Ministers. And if the Parliament accepts CETA and a member-state parliament (or parliaments) rejects it, then the Commission will provisionally apply it anyway.

Furthermore, if the EU takes a decision not to conclude the agreement and notifies this decision to the other party, article 30.8.4 says that if CETA is provisionally applied, and that provisional application is then withdrawn, companies still have three years in which to take ICS or ISDS cases.

Nowhere in this process have civil society or the people a say in the outcome. Such is democracy EU-style—and Irish-style!

EU-Ecuador trade agreement

Like all free-trade agreements, the EU free trade agreement with Ecuador aims to create an even more favourable framework for opening markets for transnational corporations and creating binding mechanisms to protect their investments against the rights of peoples and the rights of nature, protected by the Ecuadorian Constitution.

In recent years the main resource for extraction and trade in Ecuador has been oil. Agricultural resources have also been grabbed, such as banana and shrimp. In addition, the way oil has been extracted, and the state's lack of concern, has led to an environmental and social tragedy in the Amazon—polluting rivers, land and air and contributing to the devastation of unique habitats.

This has also led to the disappearance of indigenous peoples through the spread of chronic diseases, among other negative effects.

The threat posed by extractive industries has increased even more in this area with the beginning of oil exploitation in the Yasuní national park, frustrating the demands of a broad social movement that requested a popular consultation but also disregarding legal, normative regulation or even such formulas as natural reserves or areas of indigenous protection. The dynamics of "free trade" will only accentuate these trends.

In addition, an increased number of energy projects (dams), open-pit mines and mega-infrastructures (roads) are being implemented. All those projects have a tremendous environmental and social impact, and the affected communities, women, environmentalists and other social sectors have mobilised for years against them.

These treaties only serve EU corporations and the European elite, enlarging inequality and injustice. On the Ecuadorian side they will only favour the already privileged and enrich agribusiness corporations, among others.

Ecuador was until now one of the countries in the region that had managed to resist free-trade agreements. The Ecuadorian government was able to gather the momentum of a decade of struggles and social movements, firstly against this agreement and against the free-trade agreement with the United States as well as later with the EU, betting instead on policies of regional integration and solidarity.

With the signing of this treaty, another dynamic begins. The present international economic situation calls for new solutions, not this path of free-trade agreements. In the medium and long term, as demonstrated by the results of the North American Free Trade Agreement, this EU agreement will intensify all the problems for the local and national popular economy as well as bringing about a serious loss of sovereignty.

Hayek's children

What can best be described as the "EU process" is the transfer of the capacity of peoples to define what constitutes the "common good" from democratically elected institutions to supranational agencies run by unelected bureaucrats.

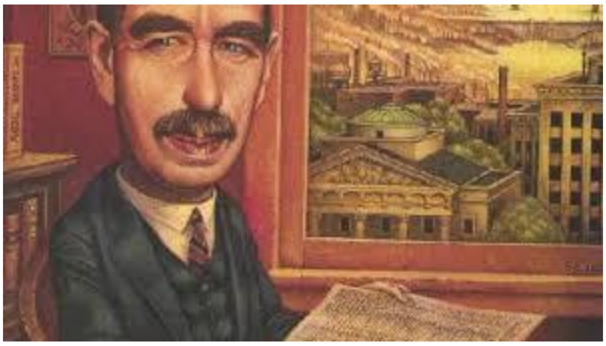
Successive EU treaties have consolidated that process and thereby weakened democracy in the countries under the remit of Brussels. But with the weakening of democracy has also come a weakening of labour vis-à-vis capital in the countries of the EU. This process is part of a longer historical process.

Suspicions that capitalism and democracy may not sit easily together are far from new. From the nineteenth century and well into the twentieth, the bourgeoisie and the political right had expressed fears that majority rule, inevitably implying the rule of the poor over the rich, would ultimately do away with private property and free markets.

The rising working class and the political left, for their part, warned that capitalists might ally themselves with the forces of reaction to abolish democracy, in order to protect themselves from being governed by a permanent majority dedicated to economic and social redistribution.

History shows that the left had more reason to fear the right overthrowing democracy, in order to save capitalism, than the right had to fear the left abolishing capitalism for the sake of democracy.

In the years immediately after the Second World War there was a widely shared assumption that for capitalism to be compatible with democracy it would have to be subjected to extensive political control—for example the nationalisation of key firms and industries in order to protect democracy itself from being restrained in the name of free markets.



John Maynard Keynes carried the day, while "free-market" champions such as Friedrich Hayek withdrew into temporary exile.

The development of the EU has meant a growth of supranationalism in Europe. This is rule by technocrats, supposed experts who are not elected, without democratic control. The EU Commission is a good example. Supranationalism leaves ordinary people cold. In the EU it means "Brussels talking to Brussels" as the elite groups concerned become ever more removed from citizens and voters in the different national communities they come from. It means the governments of the bigger member-states using the EU's supranational institutions to impose their hegemony on the smaller, while at the same time seeking to leverage the EU bloc as a whole into becoming a world power through which the government of each big state hopes to wield more influence externally than it can ever do on its own.

Lust for world power is the mainspring of EU supranationalism.

National democracy is to be sacrificed to that end, while economic laissez-faire is made a constitutional imperative everywhere in the interests of a powerful national economic elite, particularly those of the big countries.

Coinciding with this, mainstream economics has become increasingly obsessed with the "irresponsibility" of opportunist politicians who cater to an economically uneducated electorate by interfering with otherwise efficient markets, in pursuit of objectives—such as full employment and social justice—that truly free markets would in the long run provide anyway but must fail to deliver when distorted by politics.

Listen to the average Fine Gael or Fianna Fáil statement of political and economic "principle." In this view, the right kind of intervention sets the markets free from political interference; the wrong, market-distorting kind derives from an excess of democracy, more precisely from democracy being carried over by irresponsible politicians into the economy, where it has no business. Economic crises stem from market-distorting political interventions for social objectives.

To work properly, capitalism requires a rule-bound economic policy, with the protection of markets and property rights constitutionally enshrined against discretionary political interference; independent regulatory authorities; central banks, firmly protected from electoral pressures; and international institutions, such as the EU Commission or EU Court of Justice, that do not have to worry about re-election.

In the twenty-first century, democratic capitalist governments try to reconcile two conflicting principles, or regimes, of resource allocation: one operating by a "free play of market forces" and the other based on social need or entitlement, as certified by the collective choices of democratic politics.

Governments are theoretically required to honour both principles simultaneously, though substantively the two almost never align. In practice they may for a time neglect one in favour of the other, until they are punished by the consequences: governments that fail to attend to democratic claims for protection and redistribution risk losing their majority, while those that disregard the claims for compensation from the owners of productive resources soon lose their elite political support.

Not many people today would go as far as Hayek, who in his later years advocated abolishing democracy as we know it in defence of economic freedom and civil liberty. But the same effect is achieved by a sleight of hand. What is merely an ideological position is presented as "scientific knowledge," teaching citizens and politicians that true justice is market justice.

In the real world, however, it has not proved so easy to talk people out of their "irrational" beliefs in social and political rights, as distinct from the law of the market and the right of property.

People stubbornly refuse to give up the idea of a moral economy under which they have rights that take precedence over the outcome of market exchanges. In fact where they have a chance—as they must have in a working democracy—they tend in one way or another to insist on social commitments and obligations being protected from market pressures for "flexibility."

For the economic mainstream, problems such as public deficits and excessive private or public debt result from insufficient knowledge of the laws governing the economy, or from disregard of such laws in selfish pursuit of political power. In the language of mainstream economics, crises appear as punishment for governments failing to respect the natural laws that govern the economy.

Viewed objectively, standard economics is basically the theoretical exalting of a political-economic social order serving those well endowed with market power; it equates their interests with the general interest and represents the distributional claims of the owners of capital as reflecting good, scientifically sound economic management. The "economic" economy is also a moral economy for those with commanding powers in the market.

Restoring democratic decision-making away from the EU would therefore constitute an act of social as well as political emancipation of fundamental historical significance. Freeing peoples from the shackles of the EU is therefore not an optional extra for those seeking to follow a progressive agenda: it must be at the very core of such an agenda.

"Refugees at the gate"

The fact that a large number of refugees, especially from countries that have been subjected to the ravages of aggression and wars, are desperately trying to enter Europe is seen almost exclusively in humanitarian terms. But there is another aspect of the issue that has escaped attention altogether, namely that it is the first time in modern history that an attempt is being made to take the issue of migration out of the exclusive control of "metropolitan" countries.

Quite apart from the wars and aggression that metropolitan states unleash everywhere, even their "normal" *modus operandi* entails the dispossession and impoverishment of people in other parts of the world. The objective is to keep them trapped within their own universes, as a distantly located labour reserve, which it can tap from time to time by allowing carefully controlled migration to regions where it needs labour.

The assumption is that they can remain trapped in their own universes without a murmur, no matter what condition they are in. And of course it is on the basis of this assumption that it unleashes imperialist wars on Third World populations. The *modus operandi* of metropolitan states requires the fulfilment of this assumption.

What the so-called “refugee crisis” of Europe is demonstrating is that this assumption can no longer be fulfilled.

Until now, migration streams have been dictated entirely by the requirements of metropolitan capital; now, for the first time, people are violating the dictates of metropolitan capital and attempting to give effect to their own preferences in the matter of where they wish to settle.

Wretched and miserable, and without being conscious of the implications of their own actions, these hapless refugees are in effect voting with their feet against the hegemony of metropolitan capital, which invariably proceeds on the assumption that people would meekly submit to its dictates, including in the matter of where to live.

In modern times one can distinguish great waves of migration, each dictated by the demands of capital. The first of these was the transportation of millions of people as slaves from Africa to the Americas, to work in the mines and plantations to produce commodities that were exported to meet the requirements of metropolitan capitalism.

Once the heyday of the slave trade was over, there was a new type of migration. One was from the tropical regions of the world to the other tropical regions, while the other was from the temperate regions of the world to the other temperate regions, in particular from Europe to the temperate regions of white settlement, such as the United States, Canada, Australia, and New Zealand.

The migrants from the tropical regions were not allowed to enter freely into the temperate regions (indeed they are still not). They were transported as coolies or indentured labourers from their habitats in tropical and sub-tropical countries, such as India and China, to where metropolitan capital wanted them, to work in the mines and plantations *in other tropical lands.* Their destinations included the West Indies, Fiji, Ceylon (Sri Lanka), Latin America, and California (where Chinese workers were employed in the extraction of gold).

The temperate-to-temperate migration was a part of the process of diffusion of industrial capitalism from the European metropolis to these new lands. It was a high-income migration, in the sense that the migrants came from relatively high-income regions and moved also to regions where they enjoyed high incomes. The tropics-to-tropics migration, by contrast, had nothing to do with any diffusion of industrial capitalism; and it was a low-income migration.

Another big stream of migration was in the post-war period. This period, stretching from the early 1950s to the early 70s, has been called by some the “Golden Age of Capitalism,” as it saw high rates of growth in the gross domestic product of metropolitan, especially European, economies, on account of the post-war reconstruction boom and the institution of state intervention in “demand management.”

Even though the rates of growth of labour productivity were also high, they were not as high as the rates of growth in GDP, which meant an increase in the demand for labour. In most European countries, however, populations were hardly increasing; the increase in labour demand, therefore, was met by importing workers from the tropical regions.

There was no free migration of labour from the tropics to the metropolis, but migration in specified numbers was allowed to meet the growing labour demand. The migrants—Turks in Germany, Algerians and others from former French colonies in France, South Asians and West Indians in Britain—took over low-paid jobs, releasing the local workers who had previously been employed in such jobs and who could now move up the job hierarchy. Post-war capitalism, in short, witnessed a large growth of an underclass of migrant workers in the metropolis.

But as the post-war boom, the so-called “Golden Age,” collapsed, the migrant workers and their descendants found disproportionate representation in the ranks of the unemployed and the underemployed. With the onset of the economic crisis in the present century their position has become even more precarious.

The EU has no answer to the problem of “refugees at the gate.” EU states cannot allow them in; and they cannot find solutions to their problems in their home countries. Either would be a humane course, but, as the last few years have shown, the EU is not for humaneness as far as migrants are concerned. And this fact is coming to haunt it.

Don’t write off TiSA!

It’s looking less likely that trade ministers will gather for an anticipated meeting in early December in Geneva, at which negotiators had been expected to wrap up the Trade in Services Agreement, though negotiators at the technical level are still expected to meet at the end of the month.

The effort to complete the talks on TISA has been hampered by friction between the United States and the EU, which the United States blames for dragging its feet on how to handle rules on data flows.

The agreement, being negotiated by the United States, the EU and twenty-one other governments, could now stagnate for a while, given Trump’s critical view of new trade initiatives.

It is unlikely that the Trump government in waiting has given any consideration to TISA, as NAFTA and TPP are scheduled to be the main items on the agenda during the first hundred days of its tenure. TTIP and TiSA will be dealt with down the road. When they do think about it they may look at it as being a different kind of trade agreement, because it is not dealing with industrial goods, and give it a new lease of life.

So don’t write off TiSA.

The tyranny of concepts

The “four freedoms,” the “single market,” the “common commercial policy” and the *acquis communautaire* are terms that we will need to get our heads around in the coming months as the British government sets about extricating itself from the EU.

The Treaty of Rome (1957) established the European Economic Community to complement the supranational European Coal and Steel Community of 1951. This foundation treaty established the four supranational institutions—the European Commission, Council, Court, and Parliament—to enforce the free movement of goods, services, capital and labour among the original six member-states and to establish a customs union with a common external tariff vis-à-vis outsiders.

Giving up the right to impose national controls on the movement of goods, services, capital and labour between countries, and agreeing to obey supranational decision-making in these policy areas, was an unprecedented surrender of state sovereignty by the governments concerned.

The politicians who agreed to it were doing something constitutionally unprecedented: they were depriving their own people of the right to make laws and decide policy over vast areas of government—a right that in some cases had been struggled for for generations. And they were depriving future generations of the same right.

The transnational free movement of goods, services, capital and labour is not an unqualified positive, at all times and everywhere, as EU spokespersons imply. The free movement of goods is fine for countries at similar levels of economic development, but it can inhibit industrialisation for less-developed countries or for poorer regions within countries.

Historically, the advanced economies of the EU launched their own industrialisation on the basis of trade protection. They became free-traders only when they had become economically strong.

The free movement of services can lead to a lowering of labour, health, environmental and other standards if the countless regulations enforcing such standards nationally are harmonised downwards rather than upwards, as tends to happen in the EU.

The free movement of capital deprives countries of control over their national savings. It can lead to a state or area becoming de-industrialised or afflicted with asset bubbles, or affected by violent movements in exchange rates, depending on whether there is a net outward or net inward movement of funds.

The free movement of labour can lead to unwelcome migration flows, a brain drain from poor countries, and the undermining of labour standards and community cohesion in rich ones.

The "common commercial policy" governing the movement of goods means that EU member-states no longer negotiate their own trade treaties: the EU Commission in Brussels now does this for them collectively. This gives the EU great power externally. Obtaining access to the EU market often requires non-EU states to conform to common EU technical, health and safety and environmental standards. This puts them under pressure to enforce EU rules that outlaw state aid and nationally preferential public procurement and export subsidies in their national economies.

The Lisbon Treaty extended the common commercial policy to cover trade in services, commercial aspects of intellectual property, and investment agreements with states outside the EU.

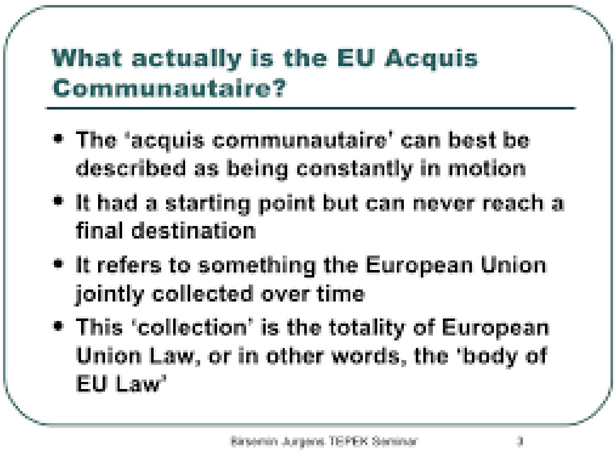
Bilateral and multilateral trade and investment treaties, which EU member-states previously negotiated with countries around the world, are now negotiated on their behalf by the Commission. Not surprisingly, the interests of the big states tend to prevail in these negotiations.

These commercial treaties open the way for European business corporations to take legal action against entire states abroad whose national regulations on health, labour or environmental standards are regarded as "barriers" to trade or affect corporate profitability.

The "single market" doctrine deriving from the Single European Act, which the EU Court of Justice has pushed to the limit through its judgements, shifts a wide range of what are essentially national matters to the supra-national level, where they can be imposed on some 500 million people by means of qualified majority voting in the EU Council of Ministers.

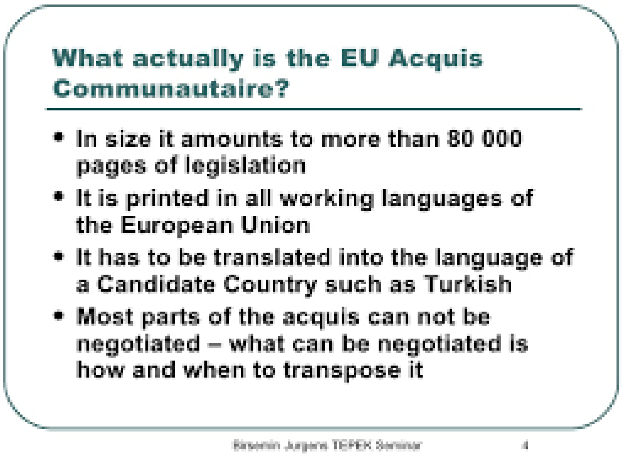
The EU Court of Justice has ruled that the EU has exclusive competence to negotiate international treaties externally for any policy area where it has exclusive competence internally. This has led to the EU becoming a major economic actor internationally.

Brussels regards all sorts of unrelated issues as "single market" ones, which it must decide under EU law—for example the length of working hours, emissions trading, work safety regulations, veterinary standards, driving tests, vitamin supplements, the size of lorries, and the dimensions of vegetables sold in supermarkets.



Taking account of the regulatory burden of the *acquis communautaire*—that is, the totality of supranational EU law and policies "acquired" by Brussels to date—greatly changes the calculation of the costs of EU membership for individual countries.

Many EU rules reduce the competitiveness of small countries and of small firms vis-à-vis big ones. They tend to benefit the big states and the more monopolised sections of transnational business, for these are better able to bear EU regulatory costs. Such regulation weighs heaviest on small and medium-sized enterprises.



New EU members are required to adopt every single one of this vast superstructure of rules, set out in more than 100,000 pages of legal text. The only issue in EU accession negotiations is how many years they will be given in which to do this.

God may not provide

On 8 November 2016 Donald Trump managed to create the biggest upset in American politics, and the man who Michael Moore described as a "wretched, ignorant, dangerous part-time clown and full-time sociopath" will be the next president of the United States.

But, perhaps even more importantly, another item of news on 8 November was barely noticed. On that day the World Meteorological Organization delivered a report at the international conference on climate change in Morocco, which was called in order to carry forward the Paris agreement of 2015.

The WMO reported that the past five years were the hottest on record. It reported rising sea levels, soon to increase as a result of the unexpectedly rapid melting of polar ice, most ominously the huge Antarctic glaciers.

Already Arctic sea ice over the past five years is 28 per cent below the average of the previous twenty-nine years, not only raising sea levels but also reducing the cooling effect of the reflection of solar rays by polar ice, thereby accelerating the grim effects of global warming.

The WMO reported further that temperatures are approaching dangerously close to the goal established by the Paris agreement, along with other dire reports and forecasts.

There had been hopes that the Paris agreement would lead to a verifiable treaty, but any such thoughts were abandoned because the US Congress, dominated by the Republican Party, would not accept any binding commitments, so that what emerged was a voluntary agreement, evidently much weaker.

The effects may soon become even more vividly apparent than they already are.

In Bangladesh alone, tens of millions of people are expected to have to flee from low-lying plains in the coming years because of the increase in sea level and more severe weather, creating a migrant crisis that will make today's pale to insignificance.

With considerable justice, Bangladesh's leading climate scientist says that "these migrants should have the right to move to the countries from which all these greenhouse gases are coming. Millions should be able to go to the United States"—and to the other rich countries that have grown wealthy while bringing about a new geological era, the Anthropocene, marked by radical human transformation of the environment.

These catastrophic consequences can only increase, not only in Bangladesh but in all of South Asia, as temperatures, already intolerable for the poor, inexorably rise and as Himalayan glaciers melt, threatening the entire water supply.

Already in India some 300 million people are reported to lack adequate drinking-water. And the effects will reach far beyond.

It is hard to find words to capture the fact that humans are facing the most important question in their history—whether organised human life will survive in anything like the form we know—and are answering it by accelerating the race to disaster.

During the Republican primaries every candidate denied that what is happening is happening—with the exception of the sensible "moderates," like Jeb Bush, who said it's all uncertain but we don't have to do anything, because we're producing more natural gas, thanks to fracking; or John Kasich, who agreed that global warming is taking place but added that "we're going to burn [coal] in Ohio and we are not going to apologise for it."

The winning candidate, now the president-elect, has called for a rapid increase in the use of fossil fuels, including coal; the dismantling of regulations; the rejection of help to developing countries that are seeking to move to sustainable energy; and, in general, racing to the cliff as fast as possible.

Trump has already taken steps to dismantle the US Environmental Protection Agency by placing in charge of its transition a notorious (and proud) climate change denier, Myron Ebell. Trump's most senior adviser on energy, the billionaire oil executive Harold Hamm, announced his expectations, which were predictable: dismantling regulations, tax cuts for the industry (and the wealthy and corporate sector generally), more production of fossil fuels, and lifting Obama's temporary block on the Dakota Access pipeline.

The market reacted quickly. Shares in energy corporations boomed, including the world's largest coalminer, Peabody Energy, which had applied for bankruptcy but after Trump's victory registered a gain of 50 per cent.

One of the difficulties in raising public concern over the very severe threats of global warming is that 40 per cent of the American population do not see why it is a problem, as Christ will be returning in a few decades. About the same proportion believe that the world was created a few thousand years ago. If science conflicts with the Bible, so much the worse for science.

EU austerity condemns youth to poverty

Within the EU there is a gradual upward trend in the labour market. Significantly more people are now employed. But unemployment is still above the pre-crisis level of 7 per cent in 2008.

The same is true of youth unemployment. In the EU as a whole, 4½ million young people are still unemployed. And we observe in the EU today a continuing rise in the share of fully employed people who are threatened by poverty. In 2015, 7¾ per cent of full-time workers in the EU were at risk of poverty, compared with 7¼ per cent in 2013. Zero-hour contracts and precarious employment are the order of the day as the transfer of wealth to the rich continues apace.

The reasons for this include a growing low-wage sector and a division of the labour market into normal and atypical forms of employment. The increase in the numbers of "working poor" is alarming, as those affected are excluded from full social participation. When a growing share of people cannot live from their work over a long period, it completely undermines the legitimacy of the economic and social order.

And it can create considerable political instability. The question of the integration of refugees is just one issue that has seen an increased political polarisation in many countries. It seems clear that feelings of insecurity among a growing number of workers need to be urgently addressed.

It is obvious in Ireland that children and young people are not profiting from the economic recovery trumpeted by the Government. The share of young people threatened by poverty or social exclusion remains extraordinarily high, at around a shameful 20 per cent.

One can only imagine how high it might be without the "safety valve" of emigration. The following figures may give us some idea. In all twenty-eight EU countries, the opportunities for social participation among children and young people are still considerably lower than before the crisis. In the EU as a whole, 25 million children and young people (up to the age of eighteen) are threatened by poverty or social exclusion.

In Greece, Italy, Spain and Portugal the rates are even higher, with every third child being threatened by poverty. That is, a million more children and young people in these four countries are now at risk of poverty and social exclusion than in 2008.

The situation for young people in Greece remains especially dramatic. The share of children and young people there who suffer from serious material deprivation has risen once again, to 26 per cent.

The southern EU countries are additionally struggling with the problem of a high share of young people who are "not in education, employment, or training." These young people live entirely outside employment and training structures, which leaves them with virtually no chance of social advancement.

In Italy this group includes almost a third of young people. In Greece and Spain the rates are likewise significantly above the EU average of 17½ per cent.

The new social justice index also makes clear the growing gap between young and old. In the EU as a whole, many more children than older people are affected by poverty or social exclusion. While almost 10 per cent of children in the EU suffer from serious material deprivation, the rate among people over sixty-five is 5½ per cent.

The young people who have been left behind are becoming increasingly alienated from the EU. In the 2014 election for the EU Parliament, for instance, younger people were already the largest group of abstainers: 72 per cent of 18 to 24-year-olds did not vote, compared with 49 per cent in the 55+ age group.

One view sees the diminishing prospects for young people and a growing segment of workers not only leading to political apathy but also playing into the hands of extreme-right parties. But as EU austerity trundles on, fuelled by the Fiscal Treaty, more and more younger people are beginning to recognise the true nature of the EU and who it really represents. The winds of change are definitely blowing in member-states, and it is not to the advantage of the EU elite, as the calls for disengagement intensify.

In this regard it is vital that those who consider themselves left or progressive engage in this debate on the desirability of withdrawal from the EU—either for or against—and not to cede this ground to the politics of reaction.

A completely unsustainable economic model

Ireland has a completely unsustainable economic model. It offers low corporate tax rates and legal, or almost legal, tax avoidance to foreign investors.

But the ruling by the EU Commission to force Apple to pay €13 billion to the Irish government, together with Luxleaks, the Panama Papers, the Bahamas Leaks, etc., has emboldened the Commission to push towards a harmonisation of corporation tax—the CCCTB. And Brussels intends to have the project operational by 2021.

It’s a sign that the Irish model may not be sustainable for much longer.

The Government has been resisting such a change, but with Britain out of the EU it will lose a vital ally in the fight against EU tax harmonisation, while Germany, France and Italy are waiting to push ahead—as they have long campaigned for—to prevent member-states from offering lower taxes to attract investors.

The CCCTB project is aimed at harmonising the definition of taxable profit among the EU’s member-states. Its second aim is to establish a system to redistribute corporate tax revenue between EU countries.

The highly sensitive issue of establishing a common minimum tax rate does not appear in the proposal, and tax still remains a matter of national competence. The Commission says it has no intention of encroaching on the right of the member-states to set their own tax rates; but CCCTB and the sharing out of tax revenue among member-states could lead to a similar outcome.

Then there's Trump, whose only mention of Ireland during his campaign was to its being a tax haven. Following his election a senior economic adviser warned that "a flood of companies" will leave Ireland and other countries when Trump's new tax regime kicks in.

Whether it is ever introduced is another matter; and even if it is it is more likely to affect future than existing investment: who would want to abandon an effective tax rate of 2 per cent? That rate, however, poses a huge question for the Irish public and policy-makers, as foreign direct investment in Ireland is virtually tax-free; and if CCCTB is implemented, who's going to pay the shortfall? Surely not the Irish taxpayer?

Perhaps the confluence of Brexit and the long-term loss of a business model will persuade Ireland to consider following Britain out of the EU. This will obviously depend on whether Ireland can find an alternative model inside the EU—which is unlikely, given the constraints of the Fiscal Treaty and competition policy—and whether the euro zone successfully manages the various crises facing it, and whether the advantages of leaving outweigh those of staying.

Some thoughts on Brexit

Whether one regards the European Union as, on balance, a good thing or a bad thing is now essentially immaterial. The reason is that all Irish people, regardless of their attitude towards the EU, will be profoundly affected if Britain withdraws from the EU during the next few years, as now seems probable.

This is because it is the EU acting on the basis of "qualified majority voting" that will decide Ireland's future relations with both Britain and Northern Ireland—not the Irish government acting independently.

In this new situation, hard-headed realism rather than wishful thinking is called for from Irish policy-makers. People need to look with fresh eyes at Ireland's relations with the EU on the one hand and with Britain on the other.

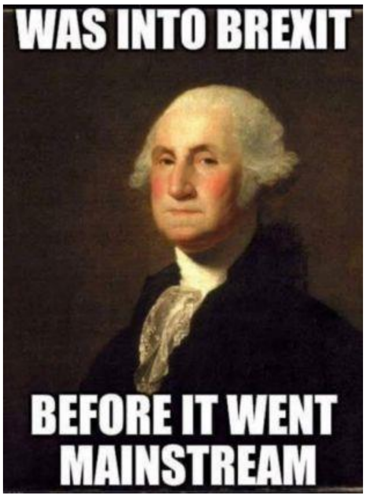
We seem now to be moving into quite a new phase of European and even world history, with the victory of the protectionist Donald Trump.

Such a situation calls in the first place for a radical reappraisal of the orthodoxy promulgated by the media and our political elite, an activity that has traditionally led to instant marginalisation.

1. Ireland is now on balance a loser, not a gainer, from EU membership. In 2014 it became a net contributor to the EU budget, paying in €1.69 billion and receiving €1.52 billion.

This means that in future any EU money that come to the Republic under the common agricultural policy, EU cohesion funds, Erasmus programmes, research grants and the like will in effect be Irish taxpayers' money recycled through Brussels.

Henceforth the EU will no longer be the "cash cow" that it has widely been regarded as for decades, and which is the basis of much Irish Europhilia, official and unofficial.



2. The foreign-investment case for Ireland staying in the EU diminishes significantly if Britain leaves. The principal attraction for foreign investors in the Republic is its low corporation tax rate of 12½ per cent—an effective rate of 2 per cent.

But our low corporate tax rate is already under attack in the EU, while our main ally in resisting such attacks, Britain, is preparing to withdraw, leaving us in a weaker position to defend the present arrangement.

Most foreign investment in Ireland is geared towards exporting to English-speaking markets, rather than continental ones. When Britain leaves the EU two-thirds of Irish exports will be going to countries outside the EU, as they are at present going to non-euro countries.

Outside the EU and euro zone, with an Irish currency restored, with the competitive exchange rate that this would make possible, with a corporation tax rate maintained at reasonable but enforceable levels, and a bank credit policy that encouraged investment for productive purposes, Ireland should become significantly more attractive for foreign investment than if it were to remain in the EU following Britain's departure. This would be simply because its competitiveness would increase as a result of its following an independent exchange-rate policy.

3. The Republic sends nearly two-thirds of its exports outside the euro zone and buys three-quarters of its imports from outside: 63 per cent of exports and 72 per cent of imports in 2013, the last year for which figures are available.

It does approximately a third of its trade with Britain and Northern Ireland, a third with America and the rest of the world, and only a third with the euro zone. Britain by itself is the biggest market for Irish exporters, with 40 per cent of all exports by Irish-owned companies going to that market.

As the British pound falls vis-à-vis the euro while Britain disengages from the EU, Ireland needs an Irish pound that can fall along with it, so maintaining its competitiveness in its principal export markets—Britain and America; and that is why the Irish state urgently needs to get its own currency back.

4. There is no legal way for a state that uses the euro to re-establish its currency other than by leaving the EU altogether, as the EU treaties do not provide for any country to revert to its national currency while retaining its EU membership.

Membership of the euro zone has caused, and is still causing, major problems for Ireland as the promised convergence between core and peripheral states has failed to materialise in the absence of fiscal transfers.

Ever since the Telesis Report of 1982 it has been recognised that Irish industrial policy should put less emphasis on foreign capital and more on fostering indigenous industry, with wider domestic linkages, oriented towards exporting. The policy instruments for doing this—most obviously an independent exchange rate and national control of credit policy—are available only if the state frees itself from the stranglehold of the euro and the EU Central Bank.

Last week the *Irish Daily Mail* published the result of an opinion poll that showed that almost four in ten Irish people would choose open borders and free trade with Britain over the EU. Even if half that number made that choice it would be significant, as, remarkably, this survey was taken before the adverse effects of Brexit have begun to be felt.

Perhaps Irish public opinion is racing ahead of the politicians and policy-makers. It wouldn't be the first time!

People's Movement · 25 Shanowen Crescent · Dublin 9 · www.people.ie
087 2308330 · post@people.ie