PEOPLE'S NEWS

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More NATO!

Last week's European Council Conclusions on external security and defence continue the rush towards a blending of NATO with a putative EU army. The Conclusions state:

"In order to strengthen Europe's security and defence, the European Council confirms previous commitments in this respect and the need to do more, including committing significant additional resources and reinforcing cooperation for the development of required capabilities as well as committing [itself] to making such capabilities available when necessary.

"The European Council:

—endorses the Council conclusions of 14 November on implementing the EU Global Strategy in the area of Security and Defence and calls for rapid and comprehensive follow-up by the High Representative and Member States;

—welcomes the European Defence Action Plan as the Commission's contribution to developing European security and defence policy and calls on all relevant actors to take work forward;

—urges swift implementation of the common set of proposals which follow up on the Joint Declaration signed in Warsaw by EU and NATO leaders, avoiding duplication and ensuring complementarity between EU and NATO.

"The European Council calls for the work on external security and defence to be taken forward speedily and asks the Council to report back in March so that the European Council can review progress. It will provide further strategic guidance in June.

"The European Council will keep the issues related to security and defence on the agenda, with a view to regularly assess progress and determine, on that basis, appropriate strategic and political priorities."

You can draw your own conclusions.

Some recent exchanges in the Dáil can be read at www.kildarestreet.com.

WE DON'T
WANT EU MILITARY
EXPANSION

VÓTÁIL NÍL

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One of the People's Movement posters from the second Lisbon referendum campaign.

“If you drink with the right person, then you can get the information” The EU is pushing more of its law-making out of public view

Most people have never heard of “trilogues.” The word does not appear in the EU treaties, and is not officially part of the EU legislative procedure.

Yet since the Lisbon Treaty the number of trilogues has skyrocketed, and during the last legislative term more than 1,500 trilogue meetings have taken place. Almost all EU laws now go through this process, in which the EU Commission, Parliament and Council informally attempt to reach early agreement. But trilogues are exempt from normal transparency provisions.

The view that most deals in Brussels are made behind closed doors is probably more true for trilogues than for any other part of the legislative process—a process that is often more transparent than in most member-states.

Essentially, the EU is pushing more of its law-making out of public view.

Last week the heads of the Commission and Parliament and the sitting president of the Council embraced “priority treatment” for about forty draft laws, including reform of the euro-zone budget.

This means, in effect, that legislators, under pressure from EU leaders, will be forced to agree on the most sensitive issues in closed-door “trilogues,” confirming a recent trend that has seen less public scrutiny of far-reaching legislation in parliamentary committees and plenary sessions.

Concerned about how crucial negotiations are being pushed into the shadows, transparency campaigners and corporate lobbyists have formed an unlikely coalition in response.

In the past, EU laws proposed by the Commission generally went through up to three rounds of debate and amendment between the Council and the Parliament before being put on the statute book. This meant that all 751 members of the Parliament had the opportunity to scrutinise draft laws, while the positions of individual governments were fixed before final negotiations began.

In recent years legislators have preferred to complete legislation as early in the process as possible. “First readings” save time by keeping sensitive negotiations free of political posturing, the institutions argue. However, critics charge that this approach to law-making limits democratic supervision and undermines trust in EU institutions, as neither the Council nor the Parliament announces when these closed-door meetings take place or make public any of the documents from the sessions. The absence of a paper trail makes it almost impossible to know why or how decisions were taken.

“If you drink with the right person, then you can get the information,” said Sven Giegold, a German Green Party representative. “The meetings are a major transparency black hole,” said Alberto Alemanno, professor of EU law at the École des Hautes Études Commerciales in Paris, “where large concessions are won and lost with very little oversight and without public disclosure. Originally a short-cut for overworked MEPs and officials overwhelmed by co-decision files, trilogue has become the norm for thrashing out agreements on most EU legislation.”

During the last legislative term, according to Alemanno, there were 1,500 trilogue meetings, and as a result more than four-fifths of Commission initiatives were adopted at the first reading.

A former secretary of the EU Parliament’s Civil Liberties Committee, Emilio De Capitani, was among the first to orchestrate an informal meeting between the institutions—what later evolved into the trilogues—to meet a tight political deadline in 2001 on the creation of the office of European Data Protection Supervisor. However, De Capitani says he helped open Pandora’s Box and is now suing his former

employer in the EU Court of Justice for violating the transparency provisions of the Lisbon Treaty.

The Parliament defended the practice last year when it rejected De Capitani's demands for access to sensitive documents, saying: "Full disclosure of the compromise proposals before agreement … might affect the required mutual trust between the institutions and, thus, the negotiating process, thereby diminishing the chances of reaching an overall agreement."

Many members of the EU Parliament agree, saying that the secretive process ensures that legislation gets done faster. "It isn't perfect but it's more efficient than the formal procedure," said a Czech Liberal member, Dita Charanzová, a member of the Internal Market Committee.

Members of the EU Parliament often rely on the expertise of companies and activists to evaluate highly technical draft laws. But that gives corporate lobbyists and well-connected civil-society activists a line into the negotiating rooms and thus privileged access to sensitive information outside the public eye. Another win for the corporations!

Future of EU-Ukraine treaty still in doubt

The future of the EU-Ukraine treaty is not yet secure, as the Dutch prime minister, Mark Rutte, still needs to convince opposition parties to support the deal he "negotiated" at the EU summit on 15 December. Rutte intends to propose that the Netherlands go ahead with ratifying the agreement.

The Netherlands is the last EU state to conclude the treaty, which aims to formally incorporate Ukraine, politically and economically, in the NATO-EU bloc. The ratification process was frozen after the Dutch people rejected it in a non-binding referendum in April, but Rutte and EU leaders have agreed a formula to get round this decision.

A joint statement says that Ukraine is not in line to join the EU and is not protected by EU security guarantees. The Ukrainian president, Petro Poroshenko, welcomed the Dutch statement and called upon the Netherlands "to fulfil the relevant procedures to ensure its [the treaty's] swift entry into force."

The Dutch bill that enacts the ratification needs to be approved by both houses of parliament, but Rutte has no guarantee he will get a majority. The House of Representatives should be the least difficult. Rutte's coalition has 75 out of 150 seats, with only a single member needed to secure a majority. The trouble starts in the Senate, where Rutte's coalition has only 21 of the 75 seats; even with allies he would fall seven senators short. And senators may feel compelled to listen to appeals from the European People's Party (to which Fine Gael is affiliated).

At a press conference after the summit the president of the EU Council, Donald Tusk (EPP), made a plea to the Netherlands. "The ratification is important not only for Ukraine but also for Europe's geopolitical standing and credibility."

To try to reverse that position Rutte has been busy pushing a Cold War line that the collapse of the treaty would be a "victory for

Russia" and would hinder efforts to consolidate Ukraine's new position within the EU-NATO sphere of influence. He has blamed the referendum result on a "Russian media campaign to sway public opinion in the Netherlands."

The EU "association" agreement with Ukraine has been in limbo since April, when Dutch voters rejected it in a referendum. The agreement has to be ratified by all EU member-states before it can come into force.

Rutte proposed a "legally binding declaration" to cover the Dutch voters' objections. An official National Referendum Enquiry confirmed that the principal concerns of the No voters were the endemic corruption in Ukraine and the fear that as a result of this treaty Ukrainian membership of the EU would come a step closer.

Rutte's "legally binding declaration" changes nothing in the treaty and does not alter a word of the association agreement's text. This promises political association with and economic integration in the European Union as a possible step towards full-blown EU membership for Ukraine.

And what of Dutch concerns about corruption in Ukraine? The European Court of Auditors, an official EU watchdog, has reported that the country is the most corrupt in the whole of Europe. A public register of property that came into force in Ukraine on 1 November has revealed that the elite have shamelessly lined their pockets while the people live in poverty and the country is virtually bankrupt.

The president himself owns 102 businesses (despite a law forbidding him to own any). In a display of his own lack of belief in the viability of the Ukrainian state, Poroshenko has capital, principally in foreign currencies, stashed at his home and in the bank, apparently ready to make a quick getaway.

His fellow-ministers, senior civil servants and members of parliament follow the same practices.

In a recent investigation by an anti-corruption NGO, Transparency International, 72 per cent of respondents answered No when asked whether Ukraine was less corrupt than it was four years ago. According to more than 60 per cent of them, the most corrupt groups are the leaders of the government, members of parliament, the tax authorities, and judges, as well as the president and the prime minister. Almost 40 per cent said that in the last year they had had to grease palms on one or more occasions, for example in education and health and to the traffic police. A report by the Council of Europe, shortly to be made public, also says that corruption remains Ukraine's biggest problem.

But a declaration of the kind intended is worthless, even if it is signed by every EU member-state. According to Rutte, the most important partner in this accord, Ukraine, will not be asked to sign the "binding declaration." So, with or without the declaration, the association agreement is another step taking Ukraine into a far-reaching political association and economic integration with the European Union and a step towards EU membership.

In the meantime Rutte is carrying on the anti-people tradition of the EU in seeking to reverse the result of referendums—as was done with the Irish referendums in 2001 (Nice Treaty) and 2008 (Lisbon Treaty) and the French and Dutch referendums on the EU Constitution in 2005.

The EU's austerity regime: A short history

The economic affairs of the euro zone are run, in effect, by the Euro Group of nineteen finance ministers, together with representatives of the EU Central Bank and EU Commission.

The Euro Group has a president elected for two-and-a-half years by simple majority of its member-states. It is not responsible to any elected body, it has no written rules of procedure, and no minutes are kept of its meetings.

Usually the crucial decisions for the euro zone are taken behind the scenes by the German minister of finance, Wolfgang Schäuble, the president of the EU Central Bank, Mario Draghi, and the president of the EU Commission, Jean-Claude Juncker, with the other finance ministers rubberstamping what they decide.

This small group in effect runs the third-largest economy in the world.

The post-2008 economic crisis provided an opportunity for the strongest economy in the euro zone, that of Germany, to make a grab for total control of euro-zone countries' budgets.

In March 2011 Angela Merkel pushed for the Euro Plus Pact, which provided that the EU Commission would gain a supervisory role over national budgets before their national parliaments saw them. This called for schemes of harmonised company taxes, pension age, public pay policies and labour market policies throughout the euro zone.

A so-called Six-Pack and Two-Pack of EU regulations now govern national budgets for the EU and the euro zone, respectively.

EU member-states align their national budgetary and economic policies with the objectives and rules agreed at the EU level through the "European semester," from January to July each year. Outline national budgets must be submitted to the Commission every October.

In 2009 the German parliament made a balanced budget constitutionally mandatory. The German government then decided that this must be made mandatory for everyone else as well.

In 2012 Germany induced the other euro-zone countries, and the non-euro states apart from Britain and the Czech Republic, to adopt the Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union, also called the Fiscal Compact or Fiscal Stability Treaty. It laid down that EU member-states should each year run a balanced budget or a budget that is in surplus. If a country has total debt greater than 60 per cent of its GDP, as all the "PIIGS" countries (Portugal, Ireland, Italy, Greece, and Spain) had, the maximum gap between public revenue and public spending that a government is permitted in any one year (excluding interest on debt) is 0.5 per cent of GDP.

The treaty also provides for a "debt brake," which requires total national debt to be brought down to 60 per cent by regular annual steps. The Commission and ECJ may impose fines and other sanctions to ensure that this is done.

This is a scheme for imposing German

austerity rules without a commitment of German money. It forbids Keynesian-style economic stimulus policy by treaty.

In the same year, 2012, the euro-zone states adopted the European Stability Mechanism Treaty. This set up a permanent bail-out fund for the euro countries, to which all euro-zone members must contribute *"irreversibly and unconditionally,"* in proportion to their GDP. Under this treaty the Board of Governors and agents of the ESM have great power, are beyond democratic control, and enjoy complete judicial immunity for their actions. Access to this ESM fund requires prior adoption of the earlier Fiscal Compact or Fiscal Stability Treaty. These two treaties are essentially instruments for imposing a permanent austerity regime, beggar-my-neighbour competitive "internal devaluations," on the PIIGS countries.

This was in lieu of the external currency devaluation that would restore these countries' lost economic competitiveness but that they cannot implement because they no longer have their own currencies.

The political and economic consequences of this austerity regime threaten to ultimately tear the euro zone apart and in the short term to cause continual tension between its members.

The Six-Pack, the Two-Pack and the European semester gave the Commission more say over national budgetary and economic policies and a more influential role for itself but also helped split the EU and may ultimately lead to its collapse.

In a step of questionable legality according to the treaties, the ESM Treaty for the euro zone allowed the new ESM fund to lend directly to euro-zone governments. Also, the EU Central Bank lent massively to the euro-zone banks, in the expectation that they would in turn lend to governments and make a profit in so doing.

What has happened may be summed up as the ECB lending money cheaply to failed banks, which then lend that money at higher interest to failed governments, making a profit for themselves in so doing, while the real economy of the PIIGS countries suffers a credit crunch as banks give priority to repairing their balance sheets.

In 2014 the euro-zone states took another step to save the euro by agreeing to establish an EU Banking Union. This would shift the task of imposing controls on private banks from the national to the supranational level, where the ECB would exercise it.

Such a step would be a further reduction in traditional state sovereignty for the countries concerned. It would make it impossible for them to require their banking systems to pursue any notion of a national "common good" in the financial sphere. It would mean that governments would no longer have the final say in how banks deal, for example, with unsustainable house mortgages. It would foster even bigger "too big to fail" banks in the EU and strengthen neo-liberalism in financial services.

In the plans for Banking Union, what Germany's media have styled Merkel's "salami tactics" came once more into play. She had

agreed to the ESM Treaty setting up a permanent euro-zone bail-out fund only when the euro-zone states first inserted a provision for a permanent balanced budget in their national constitutions by means of the Stability Treaty.

She said Yes to the concept of banks being given direct loans from the ESM fund only if a Single Supervisory Mechanism and Single Resolution Mechanism for the euro-zone's banks were set up first. The first of these "mechanisms" allows the ECB to close down insolvent banks at the national level; the second provides for "bail-ins" by investors and depositors, who would have to lose some of their money if banks needed saving, and establishes a special fund for that purpose.

Germany also proposed that any cross-national funding to bail out banks would get German support only if countries looking for money agreed to so-called reform contracts. This refers to legally binding agreements that would commit euro-zone states to policies Germany approved of, with penalties attached for failure to fulfil them. They would be analogous to a service contract between master and servant, or employer and employee, except that it is states that would be contractually bound. Until this is achieved the German government will drag its heels on the Banking Union scheme, as was evidenced by its stance at the recent EU Council meeting.

In the euro zone, Germany can lay down the law to the others in a whole series of new treaties that smaller states must comply with, because, being outside the supranational EU "legal order," they have no power of veto over them. Germany has also mooted changes to the EU treaties following the Lisbon Treaty with the aim of copperfastening further integration in the euro zone. The French and other EU governments baulk at this, for fear that their citizens might vote No in referendums.

A fundamental problem for the euro zone is that Germany and its other northern European members refuse to expand their own economies so as to encourage imports from the southern PIIGS countries and thus stimulate the economies of the latter. This is what would normally happen between surplus and deficit areas inside a nationally based monetary union. Nationally, people are citizens of one state, regard themselves as one people, and share a common national solidarity that can underpin such policies. It is quite otherwise as between the different countries of the EU and euro zone. The rules of the euro zone put pressure on deficit countries to cut their deficit, but there is no corresponding obligation on surplus countries to cut their surplus.

Schäuble and Merkel push Greece to the limits

The sudden suspension of Greece's short-term debt relief measures on Wednesday last has sparked fierce criticism by a number of EU officials and laid bare the growing divisions among Greece's creditors.

The French member of the EU Commission, Pierre Moscovici, the president of the EU Parliament, Martin Schultz, the president of France, François Hollande, and the French minister of finance, Michel Sapin, together with many members of the EU Parliament from the GUE-NGL, S&D and Green groups, have echoed support for Greece and for the decision of its prime minister, Alexis Tsipras, to give a one-time relief package to low-income pensioners.

In essence, no official decision has been taken by the Euro Group, the European Stability Mechanism, or the EU Council. Instead there has been unilateral action by the president of

the Euro Group, Jeroen Dijsselbloem, without prior co-ordination with his colleagues. Creditors should respect their own part of the deal and conclude the second review of the bail-out scheme, and acknowledge that there are open issues that need to be addressed.

The Greek government is fully implementing the bail-out deal, moving on to the necessary reforms, providing safety nets for vulnerable social groups. It is possible that Tsipras's announcement was brought about by the German finance minister, Wolfgang Schäuble, and other circles pushing Greece to the limit.

Substantial issues include lowering primary surplus targets after 2018 and loosening tax rates so that the economy can become stable and growth can reach sustainable levels.

Even with such strict deadlines, the Greek government has achieved all fiscal targets for 2016, increasing public income, and reaching a higher primary surplus than expected.

This positive development prompted Tsipras to announce a one-time relief package for low-income pensioners—a substantive decision after twelve consecutive cuts in pensions between 2010 and 2014 and a loss of more than 30 per cent of GDP during the same period, with a considerable part of the population facing poverty and social exclusion.

At the same time the Greek side is trying to explain common sense to the International Monetary Fund and, particularly, Germany. The fund is demanding further cuts in pensions and wages, while Germany's finance minister is continually asking for more reforms, without specifying what kind of reforms are needed.

Since 2010 the IMF has failed completely in its projections for the performance of the Greek economy, something IMF officials admitted last July, stating that the fund's financial policy mix had decisively worsened the country's economy instead of saving it. Nonetheless it continues to ask for more austerity, rejecting any discussion on reinstating collective bargaining and insisting on the adoption of the same policy mix that caused recession in Greece.

As for Germany's stance, nobody expected such a biased, hypocritical and short-sighted approach by Wolfgang Schäuble. He has never recognised the big reforms of the Greek government, nor the fact that during the last couple of years Greece more than met its fiscal targets.

Schäuble keeps insisting on the need for the Greek economy to be more competitive, ignoring the burden that skyrocketing debt relief poses.

Although it is true that the Greek economy needs to be more competitive, "more of the same" won't do it. Just as in Ireland, it is certain that the economy will not be more competitive without reducing taxes or by keeping primary surplus at 3½ per cent annually for the coming years nor by cutting pensions and wages and further minimising public spending on social benefits.

Greece is making sacrifices and introducing reforms. The Greek people are suffering to keep Greece in the euro zone; but Schäuble is

one euro-zone politician who attempted to ditch them in 2015. Perhaps the Greek government should have listened then, and they could now alleviate the plight of pensioners without German interference. Moreover, they would also have regained control of their exchange rate and interest rates, regaining control of their economy.

■ Why Austerity Won't Save Greece.

Unhappy birthday

A quarter of a century after the summit meeting in the Dutch town of Maastricht that gave birth to the euro, the EU marked the anniversary on 9 December last with little fanfare.

Facing Brexit and never-ending problems with the single currency, the EU held only a low-key event, with speeches by senior figures, including Jean-Claude Juncker.

Juncker—who was Luxembourg's finance minister at the time—is the only original participant in the Maastricht summit who is still politically active.

The Maastricht Treaty was only ratified by a whisker in a referendum in France and then rejected by Denmark, until the country won special opt-outs, and entered into force only in November 1993.

Juncker, however, used the anniversary to push for more integration, saying that the treaty's failing was too little integration, not too much.

The Maastricht Treaty required all EU members (with the exception of Britain and Denmark) to abolish their national currency and adopt a single EU currency. So far, 19 of the 28 have done so.

The internal "price" of a currency is the rate of interest: how much one has to pay to borrow money. Its external price is its rate of exchange: how much of one's currency one must pay to acquire the currencies of other countries. By adopting the euro the nineteen states concerned abandoned national control of their interest rates and their exchange rates. By doing this, their governments abandoned vital economic tools for influencing the supply of credit internally and their economic competitiveness externally in the interest of the common good of their own peoples.

The EU Central Bank has the exclusive right to issue euro banknotes. Its primary objective under the treaty is "to maintain price stability" (Protocol No. 4 in the Statute of the ECB). This means keeping the general level of price increases in the euro zone at or close to 2 per cent a year.

The ECB controls the money supply and credit conditions of the euro zone as a whole. In practice this means what mainly suits Germany and France—for between them these two contain half the euro zone's population.

The ECB was modelled on the pre-euro German Bundesbank and is independent of democratic control. The Treaty on the Functioning of the European Union (article 130)

states that it will not seek or take instructions from any government or from any EU institution. It is run by an Executive Board of six full-time members decided by the EU Council (prime ministers and presidents), voting by qualified majority, and a Governing Council consisting of the governors of the countries' central banks. Qualified majority voting ensures that the big states normally get the nominees they favour on the Executive Board.

Only 15 of the 19 euro-zone states have a vote at any one time on the Governing Council, which sets interest rates and decides monetary policy for the euro zone as a whole. The five biggest euro-zone countries share 4 voting rights, while the fourteen smaller ones share 11 voting rights, each on a rotating basis. This gives the bigger states greater influence on euro-zone monetary and banking policy.

The ECB, and national central banks operating on its behalf, are forbidden to offer overdrafts or other credit facilities to member-states, including the purchase of public debt instruments (article 125). This makes the ECB different from traditional central banks, in that there is no single government that it is responsible to, which could force it to inflate the currency and alleviate debt by printing money. This is to prevent the ECB, as a supposedly independent central bank, financing the borrowing of member-states. That would breach the principle on which Germany and others agreed to Economic and Monetary Union in the first place, namely that weaker euro-zone states would not impose fiscal obligations on the stronger.

The ECB sought to finesse this ban on bail-outs during the post-2008 financial crisis. Its "quantitative easing" policy, introduced in 2015, enables it to provide money without limit to the banks of the euro-zone states. Many legal authorities consider these measures to be in breach of the EU treaties, but the EU Court of Justice has stood over them in various judgements, for political reasons.

On the constitutional side the Maastricht Treaty introduced the term "European Union" for the first time, as encompassing at once the supranational relations of the member-states of the "European Community" and their "inter-governmental" relations in the areas of foreign affairs and crime and justice policy. In the latter areas states retained their traditional sovereignty for some years after the treaty. Unlike the European Community, this embryonic or notional European Union did not as yet have full legal personality. (For this reason the Maastricht Treaty was titled a treaty *on,* rather than *of,* European Union.)

A treaty actually establishing a federal-style union would have to wait until the EU Constitution was embodied in the Treaty of Lisbon seventeen years later, by which time people had got used to the name "European Union." The legal transformation into a full supranational union covering virtually all areas of government policy could then be made without people noticing the change, or realising that a real federal entity was being established. This is a further illustration of the deception that has marked the constitutional evolution of the integration "project" from its beginning.

EU Parliament highlights costs of CETA

The Comprehensive Economic and Trade Agreement between the EU and Canada will cost 204,000 jobs in the countries of the EU and will create sectoral distortions that will lead to long-term unemployment, according to a report by the EU Parliament's Employment and Social Affairs Committee. The committee rejected the agreement.

In addition to unemployment, the report warns of growing inequality and rising social tensions. CETA does nothing either for small or medium-sized firms but puts the interest of these important employers in the balance.

The committee also draws attention to the advantages the treaty would give to foreign investors, putting them before those of working men and women.

Finally, the committee notes that the treaty would come at the expense of trade with developing countries and calls into doubt the compatibility of CETA's arbitration system with existing EU compensation procedures.

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EU-Singapore trade opinion to be issued this week

On 21 December the EU Court of Justice will issue an opinion on the EU-Singapore trade agreement. This verdict will be an important precursor of a verdict that will determine how Brussels ratifies all its subsequent trade deals.

The opinion will be issued by the advocate-general, Eleanor Sharpston. The court's final verdict, which usually follows the direction of the opinion, is expected in the spring of next year.

Advocates-general are responsible for presenting a legal opinion on the cases assigned to them. They can question the parties involved and then give their opinion on a legal solution to the case before the judges deliberate and give their judgement.

Unlike the court's judgements, the written opinions of the advocate-general are the work of a single author and consequently are generally more readable, and deal with the legal issues more comprehensively than the court, which is limited to the particular matters at hand.

The opinions of the advocate-general are advisory and do not bind the court, but they are nonetheless very influential, and in the majority of cases they are followed.

In this instance the court will decide whether the EU-Singapore trade agreement falls within exclusive EU competence or whether some thirty-eight national and regional parliaments throughout the EU should also have a say.

The ruling could have a significant impact on a whole new generation of trade deals that the EU is now negotiating or planning with countries including Japan, the United States, Australia, or even post-Brexit Britain.

But don't hold your breath! The ECJ has been on a long-term mission to expand the competence of the EU and is unlikely to come down on the side of national parliaments.

The Commission itself argues that the Lisbon Treaty of 2009 has widened its competence on trade and investment, and that new agreements need only approval by EU governments in the Council as well as the EU Parliament.

Countries such as Germany, France and Austria strongly oppose this view and say the treaties must be "mixed," which requires a vote by their national parliament.

The Irish government, being so enthusiastic about CETA and TTIP, couldn't wait to provisionally apply CETA, so exposing the Irish state to unacceptable risk of litigation through

the Investment Court system.

The vote on CETA is postponed to the plenary meeting of the EU Parliament in February, while the vote in the International Trade Committee is postponed until 23–24 January.

Here we go again!

Members of the EU Parliament have approved a plan by the Commission to use a controversial financial tool that helped to cause the sub-prime financial crisis in the United States in 2008.

The EU Parliament's Economic Affairs Committee has decided to support the Commission's proposal to "revitalise" the securitisation market: the repackaging of loans, mortgages or other contractual debts and then selling off the risk on those loans. The tools became so ubiquitous and so complex before 2008 that an underlying housing bubble in the United States was not detected, leading to the sub-prime mortgage crisis.

Since the crisis, financial institutions and investors have shied away from securitisation, although its popularity on financial markets has picked up again in recent years. The Commission said last year that the securitisation market needed to be "revitalised" because selling off the risk to repackaged loans can free capital on banks' balance sheets. It argued that this kind of activity could make more money available for lending to small and medium-sized businesses.

Five members of the EU Parliament from the GUE-NGL group had proposed a rejection of the Commission's proposal, because "securitisation will never be the solution to job creation or fostering sustainable growth, but rather will serve as a profit lever for financial institutions and to stimulate financial speculation."

Fionn Travers-Smith, campaigner and researcher for the non-profit group Move Your Money, commented that securitisation "was absolutely core to the financial crisis in the first place," and that alternative, safer measures exist for providing capital to small and medium-sized businesses.

In the EU Central Bank's most recent survey of small and medium-sized businesses in the euro zone, such businesses "continued to be less concerned about access to finance as an impediment compared with other factors related to their business activity." According to the survey, these firms are much more worried about finding customers, competition, cost of production, cost of labour, the availability of skilled staff, and regulation. Only 9 per cent said that access to finance is their biggest worry—down from 10 per cent in the previous survey, which is conducted twice a year.

The Commission had proposed the legislation in September 2015. The EU Council, where member-states meet, had already reached a common position less than ten weeks later.

So it seems that the Commission's "logic" is unsustainable, and the GUE-NGL dissenters have it right. It's the same old story!

EU "reform": Naïve or opportunist?

One of the most EU-critical left-wing parties in the EU, the Socialist Party of the Netherlands, recently hosted a conference of German, Portuguese and Belgian left parties to mark the twenty-fifth anniversary of the Maastricht Treaty.

The leader of the party, Emile Roemer, set

the tone for the conference, warning that change in the EU is now harder than ever. “A budget deficit below 3 per cent of GDP and a national debt below 60 per cent—these Brussels-sacred figures are leading to a stupid selling off of huge sections of the public domain and mean that we stagger from crisis to crisis,” he said.

He reiterated his party’s stance that “only a radical change of direction can put us on the right path. That’s why the Union must, as rapidly as possible, change both direction and tempo and begin a discussion on a better form of European co-operation, culminating in a new treaty—a co-operation in which Brussels no longer plays the boss and the member-states regain control of their own budget and their own policies, policies in which people are to the fore, not cash, bankers, and multinationals.”

Roemer made a number of proposals. “Abolish the European Commission. Restore national sovereignty. Invest in society, in employment and wages, and put an end to the obligation to join the euro zone as soon as a member-state meets the criteria. The euro has not turned out to be a binding agent but rather a divisive force and a sledgehammer with which to demolish social and democratic rights.”

Roemer’s conclusion was that “a new European treaty must top the agenda, so that we can have a progressive discussion as to how we can work once again for peace, security, and progress for all.”

Confronted with the growing unpopularity of the EU, sections of European social democracy claim that “Another Europe is Possible.” This is undoubtedly true: many things are possible, and the left should certainly not be in the business of foreshortening political horizons—especially in an era of instability, flux, and change. The question is what such a strategy would actually entail, and the prob-ability of being able to achieve it. Without being able to provide a proper answer to this question, those who champion the demand stand guilty of either naïveté or opportunism.

The claim encompasses the democratising of the institutions and decision-making procedures of the EU as well as an alteration in the substantive content of existing economic law. In other words, it would require a revision of the EU treaties.

The provisions for changes to the EU treaties are clear and are spelt out in article 48 of the Treaty on European Union. Under the “ordinary procedure” concerning important amendments, “such as increasing or reducing the competences of the EU,” national governments (as well as the EU Parliament or EU Commission) can submit a proposed revision to the Council of the European Union. Then, if the Council “adopts a positive decision,” a convention will be called, comprising representatives of national parliaments, national governments, the EU Parliament, and the Commission.

This convention would discuss the proposed revision and make a decision by consensus, following which a conference of

representatives of the governments would be convened "with a view to adopting by common accord the amendments to the treaties."

And, of course, revisions cannot come into force until they are ratified by all EU member-states. Under the "simplified procedure" established by the Treaty of Lisbon, revisions concerning internal EU polices and actions can be made without the need for a convention or intergovernmental conference. The EU Council consults the EU Commission, the EU Parliament, and—if the revision is related to monetary issues—the EU Central Bank and then makes a decision on the basis of unanimity.

Once again, the revisions need to be ratified by all EU member-states.

This is an onerous but not impossible process. Treaties were, of course, adopted or amended in 1967 (Merger Treaty), 1987 (Single European Act), 1993 (Treaty on European Union), 1999 (Treaty of Amsterdam), 2003 (Treaty of Nice), and 2009 (Treaty of Lisbon)—as well as on the accession of new member-states in 1973, 1981, 1986, 1995, 2004, 2007, and 2013.

The overarching question is therefore one of likelihood, of political judgement as to whether it is possible to create the pan-European coalition necessary for a transformation opposite from and antithetical to the direction of travel of the EU for much of its history—at the very least since the creation of the single market.

Bringing about such changes would, at a minimum (using the simplified procedure), require building a political coalition that encompasses the entire EU Council (the Council of Ministers of the member-states) and enough support in the EU Parliament, the EU Commission, and—if monetary matters are involved—the EU Central Bank for those institutions not to advise and agitate against the change.

Left governments would have to be in office in all member-countries at once—an enormous co-ordination problem in twenty-seven member-states, given varying national election cycles.

Even were all this to go the right way, revision of an EU treaty would also require that such political transformations occur concurrently, and that there be broad general agreement among left parties and alliances on the direction, form and extent of change.

We should probably also factor in either passive or even active resistance from the EU bureaucracy, which contains many convinced neo-liberals, and acknowledge that such a complete overhaul of the EU would cause capital markets to go berserk, producing economic crises both in the member-states and at the EU level.

On the evidence, it is fair to say that any "reform" strategy faces a very heavy lift indeed if it is to bring about the dramatically transformed EU that its proponents envisage.

Given the steep climb to any possibility of "Another Europe," the progressive opportunities represented by Brexit and an Irish EU exit become clearer.

EU Parliament "Grand Coalition" pushes for Brussels government

In the EU Parliament the centre-right European People's Party (to which Fine Gael is affiliated) and the centre-left Party of Socialists and Democrats, together with the centre-right Alliance of Liberals and Democrats for Europe, have formed a "Grand Coalition."

This coalition is pushing for a federal Europe, while the general public in all EU countries who want just the opposite—"less Brussels"—are being ignored as people who "just don't get it." Systematically, the influence of smaller, critical political groups is being eroded.

The EU Parliament's Committee on Institutional Affairs recently voted on the

infamous Verhofstadt Report. This report, from the leader of the ALDE, Guy Verhofstadt, contains a whole series of proposed amendments to the EU Treaty.

Instead of proposing a looser form of EU co-operation, the report proposes a reduction in the number of opt-outs for member-states; and where national parliaments at present have the last word, Brussels would get its foot in the door and, should the proposals be passed, might soon be running the show. This applies to defence, the police and the system of justice, and social policy. Even the member-states' tax policies would be regulated at the EU level. The Commission would be restructured, becoming a true government, with its own ministers.

For Verhofstadt and the "Grand Coalition," all the protests in the member-states count for nothing. They hitch their federal dream to the interests of the big corporations and the tens of thousands of lobbyists who service them, rather than to the general public. These are the only real enthusiasts for an EU superstate.

The committee has also adopted a report on the EU Parliament's rules of procedure, and in this document also the "Grand Coalition" has imposed its will. As a result it will become even more difficult for the smaller groups and for individual members to operate effectively. Higher thresholds have been set for requesting roll-call votes (which enable voters to discover how their individual representatives voted) and for the presentation of motions. Putting questions, whether written or oral, will also be made more burdensome.

Only for the big groups will all this remain relatively simple, as they have enough MEPs in their ranks to meet the heavier criteria.

The fear for the "Grand Coalition" is that the minority in the EU Parliament may actually represent a majority among the people of the member-states of the EU.

Down with regulation!
The return of the Services Directive

The EU Commission has decided to postpone measures to boost the mobility of service-providers throughout the EU, aiming to avoid "unintended consequences" and a protectionist backlash.

The Commission was expected to announce a series of initiatives to change the functioning of the decade-old Services Directive by better controlling how EU member-states protect some business activities. Instead it had a debate in which concerns were raised about the possible "unintended consequences" of a proposal that could be seen as another deregulatory effort by Brussels at a time of growing protectionism in some member-states and amid heightened public awareness regarding "regulation" arising from the anti-TTIP and anti-CETA campaigns.

The Services Directive, also known as the Bolkestein Directive, drew heavy criticism in France when it was introduced in 2000. People took to the streets to protest against what they regarded as social dumping from eastern Europe, symbolised by the "Polish plumber." The directive is believed to have played a significant part in the rejection of the draft EU constitution by French people in the shock referendum of 2005.

According to an official, this is a “complicated proposal.” He pointed to the risk of a populist backlash and to the technical complexity of the text itself. He said the goal was to improve the functioning of the ten-year-old Services Directive, which has failed to deliver its full potential—or deregulation.

As part of this set of measures the Commission wants to adopt a European service e-card to improve co-ordination between the country of origin of a service-provider and the host state. The e-card would create a simpler and fully electronic procedure, through which the worker would contact a single interlocutor in their home country and in their own language. The responsible authority in a member-state would verify the data and transmit it to the host state.

Officials stressed that this instrument would not affect the member-states’ existing powers to apply national regulations and to decide whether service-providers from another member-state could work in the country.

The second proposal will ensure a preventive enforcement of the Services Directive to guarantee that all new and amended national regulations are justified and proportionate and do not discriminate against professional workers from another EU member-state.

This tool would help the Commission to avoid coming up with continuous infringement procedures against governments that put forward what they consider to be unjustified protection to shield some professions.

Finally, the Commission is also expected to issue guidance on what national reforms should be adopted to lift regulatory obstacles in the services sector.

The recommendations would be addressed to specific member-states. In a first phase the emphasis would be on selected professions in priority businesses. In a second phase the reforms would be evaluated and the remaining barriers would be addressed.

The Services Directive was adopted in 2006 and is seen as a crucial tool in removing barriers to operating in the EU’s internal market. At present only 5 to 10 per cent of the EU’s GDP is generated by cross-border services.

The original deadline for member-states to fully implement the directive in national law was 31 December 2009.

The services sector accounts for some 70 per cent of Europe’s gross domestic product and total employment. The freedom of establishment and the freedom to provide services are both central principles governing the single market for services. The rules entitle EU entrepreneurs to establish a business in any EU country or to temporarily supply services across borders to other EU countries without setting up an establishment there, for example by moving across borders or by means of the internet.

Put “citizenship” up for sale, suggests EU politician

Guy Verhofstadt, the Belgian chairperson of ALDE (the Liberal group in the EU Parliament), has proposed that, in the wake of Brexit, British citizens who wish to do so should be allowed to pay to take out “EU citizenship.”

This is a pretty blatant attempt by Verhofstadt to push the “United States of Europe” agenda. Up to now “EU citizenship” has come along with the nationality of one of its member-states.

Verhofstadt is blind and deaf to public concerns. Yet he is a powerful figure in the EU Parliament, and is its representative in the Brexit negotiations. Also, now that Martin Schulz has announced that he will resign as chairperson of the Parliament to return to German politics, Verhofstadt could be a serious contender for the job.

Verhofstadt is up to his neck in all sorts of business goings-on, extending as far afield as Ukraine, where he acts as a representative for major corporations.

Equally important, he makes no secret of the fact that he wants to proceed as swiftly as possible to a completely federal Europe, to what amounts to the United States of Europe. In December the EU Parliament will vote on his report to that effect, and there is a strong chance that it will be adopted.

It is downright dangerous that so many members of the EU Parliament, with Verhofstadt in the lead, continue to try to foist a federal EU on us. It is principally the cosmopolitan upper crust of the population of the member-states that supports a federal Europe, while people with less to spend are becoming increasingly critical of the EU. They can see very well that the EU represents not their interests but those of major corporations.

Verhofstadt is also behind proposals to limit the power of the Council of Ministers, in which member-states are directly represented, and upgrade the Commission so that its members become EU ministers, with European taxes, a European army, and a European police force and judiciary.

Now Verhofstadt wants to add a new dimension to EU “citizenship” by putting it on sale to Europhile British citizens who are opposed to Brexit. Such citizenship would mean that they would remain free to work or to establish a business in any of the member-states, and would retain the right to vote in EU elections.

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