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The Euro Group —a post-democratic autocracy

Over the period of the financial crisis a new centre of European power has developed: the “government” of the euro area. The expression may seem badly chosen, as it remains hard to identify the democratically accountable institution that today implements EU economic policies.

Characterised by its informality and opacity, the central institution of that government, the Euro Group of finance ministers of the euro area, operates outside the framework of the EU treaties and is not accountable to the EU Parliament or—more importantly—to national parliaments.

Worse, the institutions that form the backbone of that “government”—including the EU Central Bank, EU Commission, EU Council, and Euro Group—operate in combinations that vary from one policy consideration to the next, whether Troika “memoranda,” European semester “budgetary recommendations,” or bank “evaluations” under the Banking Union.#



These different policies are largely the product of a “government,” as a hard core has

emerged from the ever-closer union of national and EU economic and financial bureaucracies—the German and French national treasuries, the executive board of the ECB, and senior economic officials of the EU Commission. These entities, in their various combinations, are where the euro area is governed from and where the political tasks of co-ordination, mediation and balancing among the economic and social interests are carried out.

In 2012 the ratification of the Fiscal Treaty contributed to consolidating this new power structure. From then onwards this EU executive has only seen its competence expand. Over a decade its scope for intervention has become significant, including “budgetary consolidation” (i.e. austerity) policies, far-reaching co-ordination of national economic policies (Six Pack and Two Pack), the setting up of “rescue plans” for member-states facing financial distress (memorandum and Troika), and the supervision of all private banks.

The elusive government of the euro area evolved in a sort of democratic black hole. You only have to ask: *Who controls the drafting process of memoranda of understanding, which impose significant structural reforms in return for the financial assistance of the European Stability Mechanism? Who scrutinises the executive operations of the institutions making up the Troika? Who monitors the decisions taken within the EU Council (of the heads of state or government) of the euro area? Who knows exactly what is negotiated within the two core committees of the Euro Group, namely the Economic Policy Committee and the Economic and Financial Committee?*

It is certain that neither national parliaments, which at best simply control their own

executive, nor the EU Parliament, which has been carefully sidelined from the governance of the euro area, do so. The euro-area government has been dubbed a “post-democratic autocracy,” but it might equally be characterised as neo-feudal.



It is critical to keep in mind that it is not just a matter of principle, nor an issue of “checks and balances,” but has a real impact on the very substance of the economic policies carried out in the euro area. It leads to a form of generalised indifference towards dissenting voices and favours a significant lack of responsiveness to the very pointed signals sent by national electoral processes, which in recent years have persistently featured the rise of far-right populism.

The fundamental fact is that this power structure overstates the importance associated with financial stability and “market confidence” and plays down the issues that are most relevant for the majority—employment, growth, fiscal convergence, social cohesion, and solidarity—and that come to the fore only with great difficulty.

And this state of affairs can only be expected to intensify as the terms of the fiscal treaty become embedded in EU institutional practice. And yet a deafening silence surrounds our membership of the euro area, and we quickly forget the treatment undemocratically meted out to us by our “partners” during the past decade.

Similarly, a concise set of EU operating principles can be identified.

The first is that integration has absolute

priority over all other competing values, including democracy.

The second is that EU decision-makers follow, wherever possible, the strategy of a *fait accompli*—the accomplished fact that makes opposition and public debate useless.

The third is that ultimate ends are largely irrelevant: what counts are procedures and the expansion of EU competence, with the EU Court of Justice playing a major role in that continuing process.

These strategies have been evident in decision-making on EU policies, such as the introduction of monetary union and, in particular, through the merger of the final elements of the Western European Union with the EU. This was done through the adoption of its mutual defence clause under article 42.7 of the Treaty on European Union, as amended by the Lisbon Treaty.

They are also exemplified in the traumas inflicted on this state from multiple repeat referendums on the Nice and Lisbon treaties, which were rejected because their foreign-policy elements were seen to violate fundamental principles of Irish foreign policy and neutrality, and from the imposition of a debt of €85 billion on this state, which has been used to pay for the reckless behaviour of financial institutions based in Frankfurt, which are still unregulated today.

Planning an escape

The Government’s recently published position paper on Brexit reveals that it has abandoned any attempt to seek a “special status” for Northern Ireland in the European Union or in the United Kingdom.

The Joint Oireachtas Committee on European Union Affairs had recommended such an approach in its report on the implications of Brexit for Ireland. The committee had proposed “that the Irish and UK Governments negotiate bilaterally to have Northern Ireland recognised (in an EU context) as having ‘a special position’

in the UK, in view of the Good Friday Agreement. Recommends further that special arrangements be negotiated at EU level in that context, to maintain North-South relations and Northern Irish EU citizenship rights and protections attached to such rights.”



The committee was absolutely correct, in democratic principle, in believing that matters between Britain and Ireland that touch on Northern Ireland should be settled bilaterally between the two countries but was wrong under EU law.

They had either forgotten or were unaware of the fact that if the Republic seeks to remain in the EU when the United Kingdom leaves, it is the EU acting collectively by qualified majority voting under article 50 of the Treaty on European Union that will decide the Irish state's future relationship with Britain and Northern Ireland, and not the Republic's Government acting independently.

And Ireland will have 0.9 per cent of one vote in the taking of this decision, under the EU's new voting rules following the Lisbon Treaty.

Also, section 1 of the Northern Ireland Act (1998), which gave the people of Northern Ireland the right to determine whether to remain part of the United Kingdom or to become part of a united Ireland, does not provide for granting Northern Ireland such a "special position" within the United Kingdom. The demand for a special position has also been rejected by the Northern Ireland Assembly.

Now the EU's draft guidelines for Brexit negotiations, which the Government has signed

up to, spell it out very clearly: "There will be no separate negotiations between individual Member States and the United Kingdom on matters pertaining to the withdrawal of the United Kingdom from the Union."

In this situation, it is inconceivable that Irish interests will have priority or even be taken adequately into account by the twenty-six other member-states. If the eventual EU-UK agreement does not suit the Republic, and if the Irish Government has cast its vote against it, it will have to abide by it if it remains a member of the EU.

On the other hand, the many problems that will arise for the Republic and Northern Ireland if the Republic should seek to remain in the EU when Britain and Northern Ireland leave would largely disappear if Brexit was to be accompanied by an Irish exit from the EU.

A wide-ranging national debate is needed to explore the potential of the Republic leaving the EU, getting its own currency back and with it control over interest rates or the exchange rate and regaining the ability to negotiate commercial treaties with other states and to develop trade and other economic links with the world outside the low-growth EU and euro zone, with its dysfunctional currency, its bureaucratic zeal for ever more centralisation, and its ambition to turn itself into a world power under Franco-German hegemony.

There is also a strong case for believing that the relevant UK governmental powers that will be repatriated by Britain from Brussels should be devolved to the new Northern Ireland Executive in Belfast.

From proud neutrals to virtual members of NATO

The majority of Irish people, if asked to define neutrality, would identify it with non-membership of military alliances, coupled with a commitment to peacekeeping, specifically under the United Nations, in whose service Irish people have given their lives.

Others might identify it with support for self-determination in the context of decolonisation, or with policies of disarmament, particularly in opposition to great-power militarism.

As a result, Irish foreign policy is now characterised by a struggle between the Government—which supports interest-based ambitions under the EU’s common security and defence policy ambitions—and public opinion, NGOs, and non-governmental political parties, all of which continue to adhere to the centuries-long norms of Irish foreign policy, such as independence and the values associated with neutrality.

But, as Dr Karen Devine pointed out in her recent presentation to a Dáil committee, in two crucial periods—the early 1960s and the early 2000s—most traditional elements of Irish foreign policy were abandoned, to be replaced with EU-mandated strictures in the context of Ireland’s pursuit of membership of the EEC and the EU—legally created by the Lisbon Treaty.

The 1980s were the last time the Government held the position that neutrality permitted what it termed the positive merits of Irish foreign policy. These included UN peace-keeping, the nuclear non-proliferation treaty, decolonisation, opposition to South African apartheid, accepting refugees, opposing the financing by the United States of South American paramilitaries, increasing aid to the Third World, and supporting Palestinian self-determination.



There have since been several shifts and reversals in foreign policy. The first was the

extension of EU political co-operation into military affairs. Until the end of the 1980s successive Governments were against any such role in military affairs or security and defence policy.

The second reversal was the merger of the Western European Union—the European arm of NATO—with the EU. The third was signing up to the WEU’s “mutual defence clause,” or any version of a collective defence commitment.

By the early 2000s, however, the Government had reversed all three positions.

In June 1995 the German foreign minister, Klaus Kinkel, called for the EU to play a more significant defence role, proposing the gradual merger of the EU with the WEU, and demanded that the neutral states join it. In opposition, the then leader of Fianna Fáil, Bertie Ahern, rejected the merger of the EU and WEU, planned for inclusion in the Amsterdam Treaty. He stated: “We do not want to see the EU-WEU amalgamation or the incorporation in the treaty of alliance obligations or nuclear doctrines.”

In Government some months later, in June 1999, the minister for foreign affairs, David Andrews, stated in the Dáil that the question of integrating the WEU as an institution in the EU was problematic and should be dropped, and that the related issue of the mutual-defence commitment under the WEU’s article V should be left to one side.

At the EU level, however, the Ahern Government had actually agreed to the merger in 1999, including the final element, which was the transfer of the WEU’s mutual-defence clause to the EU. This happened through the draft EU constitution of 2004, which was reconstituted as the Lisbon Treaty and ratified by the Irish Government in 2009.

The third policy reversal concerns Ireland’s membership of the WEU and the assumption of its mutual-defence clause. Ireland’s membership through the back door, through the merger of the WEU with the EU, overturned official

Government policy as stated in the white paper on foreign policy in 1996: “The Government will not be proposing that Ireland should seek membership of NATO or the Western European Union, or the assumption of their mutual defence guarantees.” This was reiterated by the Fianna Fáil Government when it was stated that “Ireland was not a member of the WEU and had no intention of joining it.”

The fourth foreign-policy reversal concerns the meaning of the concept of “military neutrality.” By early 2004 neutrality had been narrowed down to a definition comprising non-membership of “pre-existing military alliances with mutual automatic obligations.” To fit the neutrals’ proposed constitutional amendment for states’ military responses to be optional rather than automatic, the then minister for foreign affairs, Brian Cowen, had proposed to the EU that the wording should be that “it may request that the other Member States give it aid and assistance by all the means in their power.”



The Irish Government, and those of other neutral states, failed to have their amendment adopted during the negotiations on the EU constitution, and the WEU’s automatic mutual-defence clause was inserted in the full text of the constitution that became the Lisbon Treaty. Once ratified, this resulted in the eradication of Irish military neutrality and in effect changed the Government’s concept of military neutrality to include membership of this merged WEU military alliance.

The fifth and final policy reversal was the adoption of what was called the “sharp end of peacekeeping” in the Petersberg Tasks and NATO-led missions. Bertie Ahern had agreed with the statement in the white paper on foreign policy (1996) that “neutrality has come to be regarded as a touchstone in terms of our approach to international relations,” and he added that “we are under no obligation to associate with pre-existing Cold War and nuclear based military alliances, even for peace-keeping purposes.”

He reversed this policy, seemingly without any level of serious debate regarding the legitimacy or effectiveness of NATO peace support linked to Ireland’s membership of the “Partnership for Peace” or crisis management operations under the WEU’s Petersberg Tasks. He now pointed to a need to accept what he called “organisational realities” in Europe and the settled preference of all our “partners” to work mainly with and through existing structures in developing the EU’s common foreign and security policy. These are in effect the WEU and NATO.

The Government was more concerned with constructing the EU as a global actor, seen through its claim that Ireland should participate to “signal the strength of the EU’s capability to undertake a robust and large-scale mission.”

The Government has been neither honest nor realistic in executing “a clear move away from traditional UN operations in favour of the post-Cold War model of ‘tendered out’ or delegated peace support operations.” Neutral states have traditionally resisted power politics and high-intensity military operations, to the extent of questioning the motivations behind interventions in the Middle East, Africa and Asia by larger powers during the Cold War era.

It is supposed that, in the post-Cold War era, “the end of purely alliance-driven policies left more space for an altruistic or value-driven foreign policy.” Ireland’s attributes as a neutral post-colonial state with no history of exploitation or interference in other states

makes it a good peacekeeper and potentially a provider of good offices in conflict resolution. However, uncritical involvement in interests-oriented “robust military interventions” under the common security and defence policy on the EU’s margin will reduce Ireland’s standing and defeat ethical foreign-policy goals.



Turning to foreign policy, the EU Commission and Council have sought the eradication of neutrality. Charles Haughey argued in Dáil Éireann, from the opposition benches: *“Those who consciously or unconsciously are seeking to force us to abandon our neutrality are foolish in failing to appreciate the potential value of Irish neutrality to the Community in the international arena. Our neutrality emphasises the peaceful nature of the Community ...”* But successive Governments have failed to resist the demands from the EU to eradicate neutrality.

The Commission was equally hostile to the continuation of Austrian, Finnish and Swedish neutrality during their accession negotiations and suggested that neutrality be in effect defined out of existence, because of its incompatibility with future EU defence policy. The concept was narrowed to just one characteristic, non-membership of a military alliance, which meant that the broader policy attributes of “active” neutrality were stripped out. It was renamed “military neutrality.”

In October 2002 the Commission identified a new priority: “the role of the European Union in the World.” The main objective of the EU’s common security and defence policy is

enhancing the EU’s image as a global actor. No-one talked much at the time about doing something for “the good of the world,” but many people were thinking about the good of the EU—or, rather, of its former imperial powers.

With the United Kingdom leaving the EU’s common security and defence policy as part of Brexit, Ireland will be missing the one big state that was aligned with its interests (for different reasons) in trying to slow down the militarisation plans adopted for the EU to create what the former president of the EU Commission José Manuel Barroso called a “post-imperialist” empire.

Ireland has never chosen to use its veto in EU negotiations. This is in contrast to such countries as Denmark, a state of a similar size and with a similar population, which has regularly exercised its veto and has actually opted out of the common security and defence policy to protect its perceived interests.

Ireland’s unwillingness to use its veto, combined with the lack of the restraining effect of Britain on German and French military ambitions after Brexit, means that Ireland will, without doubt, acquiesce in becoming part and parcel of the EU’s common security and defence policy and will participate in its missions in order to be considered “truly European”—a position continually adopted by the political elite.

In a rapid acceleration of EU militarisation, on 14 November 2016 the EU Council adopted a policy that set out the level of ambition and the way forward on the development of the EU’s security and defence policy and on implementing its global strategy in this area. In October 2016 the EU’s high representative for foreign affairs and security policy and the head of the European Defence Agency proposed an implementation plan on security and defence. A report by the Commission is forthcoming, entitled the European defence action plan; and the leaders of the EU and NATO concluded a joint declaration that was signed in Warsaw

late last year. Enda Kenny represented Ireland and happily participated in a process that made Ireland a virtual member of NATO.

It is important to remember that the common security and defence policy is an intergovernmental policy at the EU level and that the EU Parliament has no role whatsoever in decision-making, nor indeed can it initiate “legislation.” EU Parliament “co-decision” has been a central demand of pro-EU campaigners in Irish referendum campaigns, linked to their belief that the Irish people should fully support the EU’s common security and defence policy; but democratic control through the Parliament has never been achieved.

The EU seeks to develop the arms industry by establishing a “European defence technological and industrial base.” It seeks to “be able to respond with rapid and decisive action through the whole spectrum of crisis management tasks covered by Article 43” (of the Treaty on European Union). In achieving this goal the EU Council stresses the importance of the mutual-defence clause in article 42.7 of the Treaty on European Union, along with the practice of missions and operations under the common security and defence policy outside the EU’s borders.

These missions require member-states to allocate a sufficient level of expenditure for defence, as called for by the EU Council in June 2015. The Council is seeking enhanced EU financial instruments, as well as “financial solidarity and other forms of burden sharing,” for this purpose, which sounds like an ambition to introduce an instrument for defence spending similar to the euro zone’s European Stability Mechanism, to which Ireland has committed €11 billion worth of assets.

The president of the EU Commission, Jean-Claude Juncker, has made no secret of the fact that he seeks “a new approach to building a European security union with the end goal of establishing a European army.” A number of German government figures supported this call in November 2016.



In this respect, the EU is attempting to create the European defence community that was called for before the establishment of the European Coal and Steel Community and Euratom in the 1950s.

The EU and Monsanto

The EU’s conclusion that a potentially dangerous weedkiller was safe to sell was partially based on scientific evidence that was written or influenced by the manufacturer, an investigation by EU Observer and the Dutch magazine *One World* has revealed.



Earlier this year a court in the United States released a cache of hundreds of Monsanto’s internal e-mail messages that showed the firm’s involvement in at least two academic reports on glyphosate, sold under the trade name Roundup. A Monsanto employee admits in one of the messages that the company wrote a study on glyphosate and later attributed the work to academics. Another study on glyphosate was “redesigned” with the help of company scientists so as to create a more favourable outcome, the internal e-mail suggests.

Both studies were relied on by the European Food Safety Authority when it evaluated the safety of glyphosate in 2015 as part of the EU licence-renewal process.

The documents, unsealed by an American federal court on 13 March, raise questions about the safety of the company's flagship herbicide. "You cannot say that Roundup does not cause cancer," a Monsanto toxicologist, Donna Farmer, wrote in one of the messages, dated 29 September 2009. Writing to colleagues in Australia about how best to respond to a critical press report, she says the company has not done the necessary "carcinogenicity studies" to prove it.

Monsanto is facing about 225 legal challenges in the San Francisco court from people who claim that Roundup is the cause of non-Hodgkin's lymphoma, a rare type of cancer. Most of the claimants are farmers who have worked with the weedkiller and fallen ill, or relatives of the deceased.

In an e-mail message dated 19 February 2015 Monsanto's head of product safety, William Heydens, proposes that in-house scientists write a study and that independent academics "just edit and sign their names" to it, without disclosing the company's involvement. Whether or not in 2015 the company went through with this plan is not known, but Heydens refers to earlier use of the same tactic: "Recall that is how we handled Williams Kroes & Munro ..."

The review by Williams is referred to more than thirty times in a report written by the German Federal Institute of Risk Assessment. Germany was rapporteur member-state for glyphosate, and the institute was responsible for supplying the European Food Safety Authority with an assessment report—an evaluation of all the scientific literature on the herbicide.

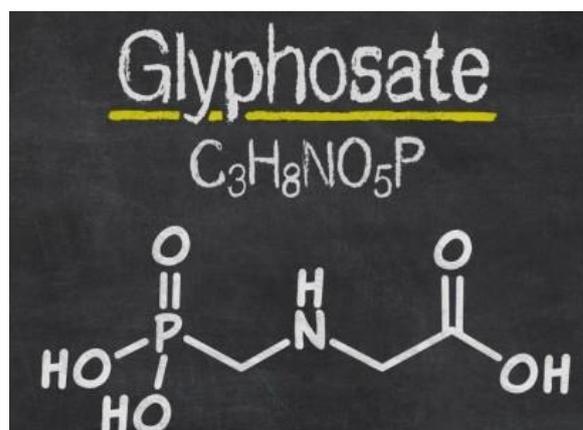
In one of the chapters of the report the agency uses the allegedly ghost-written literature review as a reference for concluding that

the active ingredient glyphosate is "generally considered to be of low toxicological concern."

Based on the evaluation provided by the German institute, the European Food Safety Authority concluded in November 2015 that there was not enough evidence that glyphosate causes cancer in humans. According to the authority, glyphosate is not genotoxic, meaning that it lacks an important mechanism that would cause damage to DNA in living cells and potentially cause cancer in humans.

The e-mail messages released by the American court show that this conclusion leans in part on a literature review carried out in 2013 by Dr Larry Kier and Prof. David Kirkland, both of whom were Monsanto consultants at the time. In the report by the German Institute of Risk Assessment that laid the groundwork for the EU authority's evaluation of glyphosate, the study has been part of the weight of evidence. "A new comprehensive review on genotoxicity studies of glyphosate and glyphosate-based formulations was submitted by Kier and Kirkland," the German report reads. "The authors concluded that ... glyphosate and its formulations were not genotoxic."

But the Monsanto e-mail suggests that, in the process of drafting this literature review, studies that showed an adverse health outcome were played down.



Before David Kirkland was contracted by Monsanto in 2012 the e-mail messages show that an earlier draft of the review was already put on paper by Larry Kier, a long-time

consultant to the company. “It unfortunately turned into such a large mess of studies reporting genotoxic effects that the story as written stretched the limits of credibility,” William Heydens wrote in a message dated 13 July 2012.

An effort was made to “redesign” the genotoxicity review paper, Heydens informs his colleagues, and also to add the independent scientist David Kirkland as joint author to add “credibility.”

The study by Kier and Kirkland was published in 2013 in the journal *Critical Reviews in Toxicology*. Its main conclusion is that glyphosate and formulated products such as Roundup do not “present significant geno-toxic risk” to humans.

A spokesperson for the European Food

Safety Authority said that the authority had already looked into the matter. “We have identified which of the reviews mentioned in the Monsanto emails were considered in the EU risk assessment, which are only two, and assessed their significance.” According to the spokesperson, the authority primarily relied on original studies and underlying research data: “There are no grounds to suggest that these two reviews of scientific studies improperly influenced the EU risk assessment.”

The EU discussions on renewal of the licence for the herbicide, which will expire at the end of this year, are expected to begin soon in Brussels. The EU commissioner for agriculture, Phil Hogan, has expressed the hope that the EU will come to an agreement for a ten-year relicensing of the weedkiller.