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Draghi on how the EU can regain advantage on the global stage!



Former ECB chief Mario Draghi was asked last year by EU Commission President von der Leyen to prepare a study on how EU industry can regain advantages on the global stage. The report titled "The future of European competitiveness", calls for a carte blanche on defense. It claims that the EU's defense industry should have no restrictions on

accessing EU funding – €800bn **per year** - and that mergers should be permitted to help create 'national champions.' In a 328-page <u>analysis</u> with <u>recommendations</u>, Draghi supports the long-term European Defence Industry Programme (EDIP) the EU Commission proposed in the spring to make the bloc's industry war-ready.

The report, says that, "The EU's defense industrial base is facing structural challenges in terms of capacity, know-how and technological edge. As a result, the EU is not keeping pace with its global competitors," presumably in the arms trade and war making. It calls for Brussels to free up funding by modifying the EIB lending policies and the EU's sustainable finance frameworks rules to allow for military investments.

The main recommendation from the report is that, in order to fund improvements, EU member states need to agree to enter common borrowing and joint debt schemes for common infrastructure. Stopping member states from vetoing these schemes will ensure that the plan is properly financed and that individual members can't "delay or dilute" measures, Draghi suggests. See Figure 4 Page 168 for recommendations regarding 'defence'.

'Eurobonds', common borrowing schemes, have previously been supported by Ireland but have been met with some push back, from countries such as Germany. However, it is unclear, what impact the blocking of vetoes for such schemes would have on Ireland's position or whether the treaties would have to be amended necessitating a referendum in Ireland.

These are only recommendations, but from experience of previous 'reports', the Commission will likely draw significantly from them as they fit perfectly together with already existing plans and programs, such as the European Defense Industrial Strategy (EDIS) and the European Defense Investment Program (EDIP). A true EU militaryindustrial complex!

PEOPLE'S MOVEMENT GLUAISEACHT AN PHOBALL The next monthly protest against EU Militarisation will be held on Wednesday September 18th at Dáil Eireann, Kildare St. commencing at 1:00pm. No to an EU army! Withdraw from PESCO now! No to EU Battlegroups! Keep the Triple Lock Try to get along, if only for a short períod.

A familiar refrain!



On 21st August the Bundesrat, Switzerland's Federal Council <u>approved</u> the country's participation in the EU's Permanent Structured Cooperation (PESCO) Military Mobility and Cyber Ranges Federation projects. Co-ordinated by the Netherlands, the PESCO Military Mobility project aims to facilitate armed forces' movements allowing applications for cross-border transport and deployments to be processed and approved within days.

Asked whether Swiss participation in the PESCO Military Mobility project would allow EU members' convoys to move through Switzerland, A spokesperson said that: The Military Mobility project is solely intended to simplify administrative processes in international co-operation between authorities. Participation in the project does not entail any obligation or automaticity and respects Switzerland's obligations regarding neutrality. And to cap it all, <u>a study</u> by the Federal Department of Defence published late August stated that, "The neutrality policy must be revised, more focused on its security function and applied more flexibly." Now, doesn't all that sound familiar – the Irish template perhaps?

The Neutrality Hawks v. The Government of Ireland



Here is a new briefing document from the Transnational Institute. Authored by Niamh Ni Bhrian and edited by Brid Brennan, it sets out to provide arguments against the governments stated reasons for seeking to abolish the triple lock. It is essential reading for those who would seek to preserve our

neutrality and halt the government's headlong rush to involve us in EU militarisation and ultimately, NATO membership.

Saving the Triple Lock: The Neutrality Hawks v. The Government of Ireland

Another gift from the EU to the armaments industry



The idea of creating a portfolio for an EU defence (military) commissioner looks like it will now become a reality, since it was <u>announced</u> by Ursula von der Leyen as a promise for her second term as EU Commission president. A recent op-ed on EUObserver<u>argued</u> for a budget of "tens of

billions of euros" for the post, an exorbitant sum when compared to other areas. The budget of the <u>EU4Health</u> programme, for example, amounts to just €5.3bn over the whole 2021-27 period.

Although the proposed defense commissioner post is presented as a means to better coordinate arms spending and procurement among the member states, in reality, it would simply be another gift to an arms industry that is already profiting massively from the EU's rapid militarisation. In 2023, the EU's military spending (excluding member state spending) increased by 47.6 percent to an unprecedented <u>\$8.15bn</u> (€7.67bn). And, where does that money come from? Read more here

The Strategic Dialogue on the Future of Agriculture



Following the farmers protests earlier in the year, the <u>Strategic</u> <u>Dialogue on the Future of Agriculture</u> brought together twenty nine organisations in the agrifood sector that were tasked to come up with joint recommendations for the future of EU agriculture.

The final text was agreed last week by environmentalists, farmers and food industry executives. Participants have drafted a 100-page document with a vision for the future of agriculture and food in Europe and a large set of policy. These will include suggestions on issues including how to distribute farm aid under the Common Agricultural Policy; reducing greenhouse gas emissions in the agricultural sector; and encouraging sustainable diets. Though the recommendations are intended as advice, von der Leyen said during her election speech in July that these would feed into a new "vision for agriculture and food" that she would present within the first 100 days of her term as President. We hope to have the report for our next issue.

China targets EU cheese and milk in anti-subsidy investigation



In response to EU – imposed tariffs, Beijing has <u>launched</u> an investigation into dairy products imported from the EU, putting the agri-food sector once again at the forefront of a trade war. EU <u>pork</u> <u>exports</u> to China have been under investigation by Beijing

authorities since June.

Ireland exported over 56,000 tonnes or \in 108 million worth of pork products to China last year, which China representing 12.3 per cent of the total value of Ireland's pork exports that year. Employment in the pig sector accounts for at least 1,300 on farms, with the total number employed in associated sectors such as pig meat processing, feed manufacture, haulage and services being estimated at 8,300.

Lobbying at the highest level



Günther Oettinger has a new job, having been hired as an adviser on cyber security, data protection and geopolitics for the Chinese fast fashion company Shein. The ex-commissioner was notorious for <u>his coziness with lobbyists</u> before becoming one of them himself. Oettinger, who was in charge of budget and human resources, then digital economy and later energy, left the Commission 10 years ago but remains one of the most high-profile examples of top EU public servants who have taken advisory and consulting functions for the private sector after spearheading the defense of EU interests.

There are an estimated 25,000 lobbyists working in Brussels; most of whom are representing the interests of corporations and their lobby groups to the detriment of public representation. Many also sit as experts on advisory bodies that have an undue influence on legislation.

Here are some examples of ex-commissioners who also took "advisory" roles

Here you can read about the extensive lobbying community in Brussels



EU troops in Ukraine - not yet!

In a 35-page draft review, presented to an informal meeting of Defence Ministers at the end of August, the EU's diplomatic service (EEAS) recommended a two-year extension until November 2026, of the European Union Military Assistance Mission in support of Ukraine (EUMAM), which has trained 60,000 Ukrainian soldiers on European soil.

Without a 'train as you fight' approach, Ukraine's armed forces must undergo more training when they return to their country, it warns but it stopped short of recommending the bloc send military instructors to the war-torn country, the German weekly *Welt am Sonntag* has reported. The review proposed the possibility to deploy some EUMAM instructors to Ukrainian training facilities, "in a discrete form", far from the battlefield and possibly in the western part of the country, although it did not recommend that they be sent – yet!

Not unsurprisingly, it pointed out that, "It is highly likely that an EU military presence on Ukrainian soil would be perceived by Russia as a provocation," the review said. "The fact that Russia can reach every location in Ukraine with their ballistic and drone assets contributes to the highest level of threat for deployed EU military personnel."

However, "Should the necessary political and operational conditions be met, the deployment of EU military personnel on Ukrainian soil is feasible," the document concluded, implying that there is a possibility of deployment if the conditions are right. Hence, the importance of retaining the Triple Lock as, no doubt, the current government would happily dispatch Irish troops to the front.

Who's watching Brussels?



<u>The Dublin Inquirer points out</u> that the EU elections were held some weeks ago and now the dust has settled but that for many of the EU's 450 million residents, the elections didn't disturb any dust. Here in Ireland, we may wake up to stories around what Mary Lou had for but the wheeling and dealing in the EU barely makes the headlines.

Mighty economic decisions, green policies, sweeping laws, corruption, migration and deals with dictators, the European machine is

ploughing ahead, but with all the hush of an electric automobile along a country lane. Is the general apathy toward the EU based on a lack of understanding of what the EU does, it asks? A lack of trust? Is Europe to blame for the breakdown in communication, or is the breakdown a useful shield for decisions made by member governments?

In the book <u>Who's watching Brussels?</u> Lise Witteman brings a number of controversial EU decisions and breaches to the fore and highlights how Europe's watchdogs responded. Investigating the idea that the EU needs tighter monitoring, she poses the question: "How democratic can a centre of power be when almost no one understands what is going on or how decisions are made, let alone how you as a citizen can influence them?"The Inquirer, unusually for an Irish publication, says that *Who's watching Brussels?* really uncovers the hidden underbelly of the EU and explains the difficulties agencies face in the effort to weed out corruption.

Don't upset the applecart!



The Commission is supposed to deliver its seven-year, €1.2 trillion seven-year budget (MMF) by July 2025. But that could slide until after Germany's federal election in September 2025. With Chancellor Olaf Scholz's government looking likely to fall, delaying the MFF until after the vote would allow the Commission to explore the new government's sentiments on questions like using common debt — which Germany has long

opposed and France supports - to fund EU militarisation.

The CDU is more fiscally conservative than the incumbent Social Democrats and if current opinion polls are correct, the CDU will return to power after four years in opposition. Presenting options to fund EU militarisation close to the election would be politically sensitive because of the country's aversion to common EU debt. So, a softly-softly course is the more likely option.



EU priorities



EU member states are increasingly seeking drastic cuts to official development aid and scaling back on humanitarian aid pledges. Yet, in some EU countries almost everyone agrees that it is important that the EU funds humanitarian aid globally, with some such as Ireland <u>boasting 97-percent approval rates</u>. The consensus

reflects the urgent reality: in 2019 when the last group of MEPs took their seats <u>131</u> <u>million people</u> needed humanitarian assistance. Today, that number is at <u>308 million</u> due to conflicts, climate emergencies and economic factors.

Ensuring this investment and commitment to development funding requires a big change in the EU and member state approaches, as earlier this year, <u>EU leaders</u> <u>announced</u> nearly €2bn in cuts to existing programmes for health, education, human rights, and other development priorities to enable investment in migration control.

The EU and its Member States have, to date, mobilised €39 billion in military support for Ukraine. This includes €6.1 billion under the European Peace Facility. It starkly underlines EU priorities at a time when <u>as many as 2.5 million people in Sudan</u> could die from hunger by the end of this year and over 20 million need urgent relief aid.

The silent coup: the ever-expanding scope of the European Commission and the consequences for democracy.



<u>This report</u>, compiled by Thomas Fazi draws on a growing body of evidence and scholarship to demonstrate that this expansion of the power of the EU Commission has mostly occurred surreptitiously, through various forms of "competence creep" a process that we

have outlined on a number of occasions.

In the absence of formal treaty changes, and outside of the realm of democratic debate, we have witnessed a game-changing transfer of sovereignty from the national to the supranational level, at the expense of democratic control and accountability. This is what scholars have called "integration by stealth", "covert integration", or, in the words of political philosopher Perry Anderson, "the coup".

Draghi raising hackles – Irish Times



In a brief report, the Irish Times highlights tax policy: "To underpin investment, Draghi calls for an element of common fund-raising via a new EU debt instrument, a route certain to raise hackles in some European

states. He also calls for a more nimble EU, involving not only a sharp cut in regulation but also the end of the national veto on new legislation in more policy areas. This will be sensitive in countries like Ireland, which has long protected the <u>independence of tax</u> <u>policy</u>." One wonders what status that independence has now that the EU has effectively demolished it - though an obvious attendant issue is the low level of corporation tax levied by Ireland – but don't mention the proposal for common military spending!

Are large member states immune when it comes to sanctions?



Is France heading towards a debt crisis with the possibility that the deficit could rise to 6% of GDP this year? A government has not yet been nominated, and a rollover budget will not be enough to counter the discrepancy in expenditures and revenues compared to

the initial budget.

For two years in a row, the French budget has deviated from its original target Last year the budget deficit was supposed to be 4.9% of GDP. But it turned out to be 5.5%. The deficit is already at 5.6% instead of 5.1% for this year.

Readers will recall the EU's <u>excessive deficit procedure</u>: members are required by the treaties to keep their budget deficits within 3 percent of GDP. However, it would appear that France as a larger member state is immune, though they have submitted corrective plans that have not been implemented. Now, *La Tribune du Dimanche* reports that Paris has asked Brussels to extend the Sept. 20 deadline for submitting its new plan to reduce the deficit but what's the chance it will be implemented? Now, if that was Ireland or Greece?

Guns or butter: Britain's rapprochement with the EU?



As the new Labour government seeks to build a closer relationship with the EU, foreign policy is to the fore. David Lammy, the foreign secretary, defines co-operation as defence, energy and the fight against climate change. He plans to attend the EU's council of foreign ministers in October, a possible prelude

to further joint meetings. Regular staff exchanges with the European External Action Service, the EU's diplomatic service have also been mooted.

As a member state Britain was cautious about a greater defence role for the EU, fearing that talk of building up European strategic autonomy would undermine NATO. Yet in recent years the case for the EU to do more has steadily gained traction. An institutional structure is emerging in Brussels: the European Defence Agency to facilitate joint projects, a European Defence Fund for research, permanent structured co-operation (PESCO) to co-ordinate military deployments and a nascent European defence industrial programme. But so far, British attempts to associate formally with any of these have proved largely fruitless. Even joining PESCO has been held up by a squabble with Spain over Gibraltar.

Read more here

From-soft-talk-to-hard-power: NATO nudges the EU



EU Commission President von der Leyen started her second term vowing to build a "real European Defence Union." According to the NATO dominated Munich Security Conference, this Union can become an important <u>enabler of a stronger European pillar within</u>

<u>NATO.</u> It proposes that the EU's new leadership team should swiftly agree on a concrete defense to-do list and rally member states behind it with ten priority items highlighted.

The Individual Tailored Partnership Programme (ITPP)



This article from last week in *The Journal* typifies the continual barrage of NATO propaganda that we are being subjected to. Assertions and scare tactics are being drip fed as the government eases public opinion towards NATO

membership and abolition of the Triple Lock. 'bet you never heard of the ITPP!

Goodbye Schengen and free movement?



Germany is escalating its migration policy and will impose border controls with all nine neighbouring countries, effectively overriding free movement within the Schengen zone. While these controls are initially set to last for six months, Germany has a history of extending

such measures beyond their original timeframe. The land border controls with Austria, for instance, have now been in place since 2015.

The Schengen Agreement permits the temporary reintroduction of border controls only as a last-resort measure in exceptional circumstances. Over the past year, Germany has claimed several such 'exceptional circumstances', referring to events like the <u>Paralympic Games to justify land border controls</u>. Germany's latest measure does not bode well for another EU freedom, that of free movement of people.

The EU sides with Agri giants



While we were enjoying our Irish summer, the merger between two Big Agri giants, Bunge, Canada's largest grain company and Viterra, received a green light from the EU Commission despite farmers' protests and food price inflation. After all, the fate of EU farmers heavily influenced the course of

the EU politics: EU elections, <u>the positioning of Ursula von der Leyen's European</u> <u>People's Party (EPP) against anything sustainable and green</u>, and subsequently also <u>the</u> <u>not so soft killing</u> of large chunks of the EU Green Deal by <u>that same EPP</u> of which Fine Gael is a member.

Bunge, COFCO, Cargill, and Louis Dreyfuss: they control 70 to 90 percent of the global grain trade. As it is enshrined in <u>EU Regulation 139/2004</u>, are not supposed to reduce competition in the single market. Mega-mergers, just like international free trade agreements, have long-lasting impacts on consumers and on farmers livelihoods.

Recently, the Commission published <u>a report</u> in which it admits how much market concentration has increased during the last 25 years. This deal is unprecedented in size within the global agriculture sector and will result in further accelerated concentration in markets <u>where economic power is already</u> very concentrated.

Read more here