



# PEOPLE'S NEWS

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## EU political union “inevitable,” says Noonan



Political union involving a more centralised EU is “inevitable”, according to Michael Noonan. As the debate on democratic control of new euro-area structures

develops “it seems in-avoidable that there is going to be movement towards a more centralised political Europe. All the building blocks that are being put in place, in my view, inevitably lead to some form of political union.”

Noonan also criticised “large countries” for their role in causing the euro crisis. When “the big countries broke the [budget] rules, those rules didn’t apply as far as the rest of the union was concerned.” He was reminding us of the breaching by France and Germany of EU budget rules in 2004.

A few days earlier, when asked how he would deal with the unexpected, whether he had a contingency plan in the event of some sort of euro-zone disaster, he replied: “When I was a kid I used to go under the stairs, you know. I haven’t worked out a better strategy since.”

It’s difficult to find an appropriate comment.

## The significance of the Pringle case

Even before the adverse judgement of the European Court of Justice concerning the legality of the European Stability Mechanism Treaty under EU law, Ireland had already paid more than €500 million in October as a first instalment of its legal obligation under the treaty to “irreversibly and unconditionally” contribute €11 billion in various forms of

capital to the ESM Fund. Now further payments will be required.



The judgement does not bode well for the future integrity of EU treaties, the Commission, and the institutional framework of the 27-member EU that has been built up

over the years and that the ECJ is supposed to exist to uphold. The set-up that the ECJ has apparently endorsed will inevitably move the seventeen member-states that use the euro down a different legal-political path from the rest of the EU.

In his dissenting judgement in the Supreme Court, Mr Justice Hardiman said that the ESM has introduced a new point of reference for the exercise of Irish government power in addition to the “common good of the people of Ireland” and “the aims of the EU.” The new point of reference is the interest of “the euro area as a whole or of its member-states.” The corollary is that the interests of members of the euro zone—especially the smaller ones—are completely submerged under the interests of the euro zone.

For example, there is no fixed commitment by the ESM to support Ireland should its assistance be required. The judgement is brutally frank: “stability support may be granted to ESM Members which are experiencing or are threatened by severe financing problems only when such support is indispensable to safeguard the financial stability of the euro area as a whole and of its Member States and the grant of that support is subject to strict

conditionality appropriate to the financial assistance instrument chosen” (paragraph 142).

In addition, such assistance “in no way implies that the ESM will assume the debts of the recipient Member State. On the contrary, such assistance amounts to the creation of a new debt, owed to the ESM by that recipient Member State, which remains responsible for its commitments to its creditors in respect of its existing debts.” Any financial assistance granted must be repaid, and “the amount to be repaid is to include an appropriate margin” (paragraph 139).

Although twenty-seven judges heard Deputy Pringle’s application, only one judgement was delivered, and we do not know if there were any dissenting judgements. Nevertheless we owe Deputy Pringle a debt of gratitude for his courageous and public-spirited action in undertaking this case. History will show how important it has been in reasserting the principles of democracy, accountability, and the rule of law.

### The legal acrobatics of the ECJ



A very perceptive person once said that the law is congealed politics. The truth of this was graphically revealed by the 27-judge decision of the European Court of Justice in the Thomas Pringle reference case.

The political stakes involved were of the highest order. The merit of Deputy Pringle’s case was also of the highest order. The legal acrobatics displayed by at least a majority of the twenty-seven judges in order to secure the

decision must also have been impressive, even though we will never learn how many judges dissented.

Take article 125 of the Treaty on the Functioning of the European Union (the “no bail-out” clause). According to the ECJ, the aim of the article “is to ensure that the Member States follow a sound budgetary policy,” and the prohibition contained therein is to ensure that member-states “remain subject to the logic of the market when they enter into debt, since that ought to prompt them to maintain budgetary discipline. Compliance with such discipline contributes at Union level to the attainment of a higher objective, namely maintaining the financial stability of the monetary union.”

Accordingly, member-states are prohibited by article 125 from granting financial assistance to other member-states if this would diminish the recipient state’s incentive “to conduct a sound budgetary policy” (paragraphs 135–136).

The European Stability Mechanism, with its initial lending capacity of €500 billion, to which Ireland is liable to the tune of €11 billion (the first €300 million having already been handed over), can provide various forms of funding and financial support to contracting parties that are having severe financing problems. Such support, however, is subject to strict conditions (in the form of macro-economic adjustment programmes) and can be granted only if it is indispensable to safeguard the financial stability of the euro zone as a whole.

The ECJ held that article 125 does not in principle prevent member-states from granting any form of financial assistance to another member-state but that “the activation of financial assistance by means of a stability mechanism such as the ESM is not compatible with Article 125 TFEU unless it is indispensable for the safeguarding of the financial stability of the euro area as a whole and subject to strict conditions.”

Article 125 does not prohibit the granting of financial assistance by one or more member-states to a member-state which remains responsible for its commitments to its creditors, provided that the conditions attached to such assistance are such as to prompt that state to implement a sound budgetary policy.



The instruments of the ESM “demonstrate that the ESM will not act as guarantor of the debts of the recipient Member State. The latter will remain responsible to its creditors for its financial commitments.” The granting of financial assistance in the form of a credit line does not imply assumption of debts by the ESM but rather “amounts to the creation of a new debt, owed to the ESM by that recipient Member State, which remains responsible for its commitments to its creditors in respect of its existing debts.”

Nor does the buying of state bonds amount to the assumption of debt, as the recipient state will still have to “repay the debts in question.” To this the ECJ added, quite remarkably, that the price of those bonds “may be significantly different from the value of the claims contained in those bonds, since the price depends on the rules of supply and demand on the secondary market of bonds issued by the ESM Member concerned.” And, of course, the ESM has no influence on those prices . . .

In any case, the ECJ continued by emphasising that stability support is only granted subject to strict conditions and when such support “is indispensable to safeguard the financial stability of the euro area as a whole.” In the ECJ’s view, the measures are designed to make sure that the receiving state implements sound budgetary policies. The ECJ also stated that, in relation to the measures on capital calls (in Ireland’s case the €11 billion), ESM members remain bound to pay their part of the capital.

The ECJ says there is no assumption of debt whatsoever on the part of the ESM, and the

receiving member-states are subject to strict conditionality. So in terms of the congealed politics of the judgement, the ECJ is not on the side of those countries that believe that their debts should be forgiven.

## A big “thank you” to our partners in Europe

Germany and France have ruled out offering easier bail-out terms to Ireland. The German minister of finance, Wolfgang Schäuble (seen on left sizing up Michael Noonan) and the French minister, Pierre Moscovici, said it would be a mistake for Ireland to demand the lower interest rates and longer repayment times that were granted to Greece last week.

Greece is a “very unique case,” Schäuble said, as distinct from Ireland, which is a “special case.”

“For Ireland, which is on the verge of regaining access to markets, it would be a devastating signal, and I would really advise them not to pursue this point any further.” This is advice that could easily be interpreted as a threat.

But the signal to the Irish people is even more devastating. The ministers simply don’t care, now that we have paid off most of the French and German bond-holders and are prisoners of the Anglo promissory notes to the tune of about €28 billion.

Michael Noonan said that easier terms might be too much to ask for, that Greece was saddled with “onerous” conditions for obtaining them, but that Ireland will see “if there’s something in the Greek deal that offers us another element.” It all sounds so fatalistic and points to the need for a national debate on renunciation of the debt as the only way to avoid the decade or more of grinding austerity now facing us.

Portugal is pursuing similar concessions, based on a pledge in July 2011 by European leaders to treat aid recipients equally. “We will see within the euro group in what terms Portugal and Ireland may benefit from that principle of equal

treatment,” the Portuguese prime minister, Pedro Passos Coelho, said.

### Activists open new front against the Troika

A number of Greek and German human rights activists have recently opened a new front against Troika-imposed austerity in Greece. The Greek activists Georgios Tragkas, Antonios Prekas, Panagiotis Tzenos and Dimitrios Konstantaras have been joined by the German civil and human rights activist Sarah Luzia Hassel-Reusing in proceedings at the International Criminal Court at the Hague, charging Christine Lagarde (managing director of the International Monetary Fund), José Manuel Barroso (president of the EU Commission), Herman van Rompuy (president of the European Council), Angela Merkel (chancellor of Germany), and Wolfgang Schäuble (German minister of finance) for crimes against humanity.



Hassel-Reusing’s indictment describes the widespread poverty and destitution and in particular the humanitarian catastrophe in the health system resulting from the Troika’s policies. One horrendous statistic tells all: the number of suicides in Greece has risen by 45 per cent since the crisis has begun.

Although the concept of “crimes against humanity” is usually meant to mean murder, extermination, torture, rape, or political, racial or religious persecution and other inhumane acts, Hassel-Reusing argues that it can also include a serious attack on human dignity or

grave humiliation or degradation of one or more human beings, and that this is happening in Greece.

She warns that an important dynamic of EU policy is to protect the financial sector, especially the big banks. The so-called Fiscal Stability Treaty, the European Stability Mechanism Treaty and now the proposed “reform contracts for all euro states” (a political agreement on a full banking union and, after 2014, a budget for the euro area) are all designed to build a new euro-zone and EU architecture better suited to serve those interests. Again and again the message is clear: “social Europe,” if it ever had any reality, is dead and gone.

Hassel-Reusing’s indictment was lodged with the ICC before the judgement from the European Court of Justice in the Thomas Pringle reference case, but she quite rightly identifies the “strict conditionality” demanded of would-be recipients of support under the ESM as being akin to the sort of conditions imposed in practice by the IMF and World Bank on many countries.

She quotes Prof. Jean Ziegler, former UN special rapporteur for the human right to food, that the conditions imposed by the IMF and the World Bank are the second-biggest cause of starvation in the world. According to Davison Budhoo, an economist and former IMF employee, the IMF has on its conscience the lives of millions of children because of the conditions it imposes. The Greek people, in the view of Hassel-Reusing, are being used as “experimental subjects for that policy,” and not at some time in the distant future but today.

The charge recommends that the investigation not be limited to the five people mentioned in the charge but that it also look closely at those who counsel them. She cites the influence of Goldman Sachs, Bilderberg and Deutsche Bank as being very important in this area.

## It's time to say No!



We can be certain that the overwhelming majority of the population will be worse off as a result of the 2013 budget. The policy of austerity has been a disaster for people on low and middle incomes. Yet some people have gained during this austerity period.

The latest Survey on Income and Living Standards reveals that the lowest 10 per cent of our population suffered a fall of nearly 20 per cent in their income, while the richest 10 per cent saw their income increase by 8 per cent. Meanwhile the Government predicts that real wages will continue to fall for the next three years.

Notwithstanding this, between now and 2013 the Government has agreed to pay, in the “greater interest” of the European banking system, the €31 billion plus €17 billion interest on the now defunct Anglo-Irish and Irish Nationwide alone. This is at the insistence of the European Central Bank.

The cost to the state in direct transfers to the banking sector is approximately €64.1 billion. This is equivalent to 40 per cent of GDP, making the Irish bank bail-out the costliest bank bail-out in Europe since the Second World War if measured as a proportion of national GDP.

In addition, the European Stability Mechanism Treaty commits Ireland to “irreversibly and unconditionally” contribute €11 billion in

various forms of capital to the ESM Fund, a fund that there is no guarantee we could have access to if this was to prove necessary.

There is no sign that the country faces any other condition but further social and economic devastation in the coming years, with a succession of severe budgets of which that of 2013 is merely the latest.

The 2013 budget is planned to suck about €3½ billion out of the already shaky economy, putting more jobs at risk and deepening stress, poverty and anxiety for many in our society.

It might be excusable if the money were to be used for productive social measures; but €3.1 billion—that’s €3,100 million—is to be blown on the Anglo promissory notes on 31 March next. That is the greater part of the take from the new taxes, charges and cuts introduced in the budget, and it will be spent on a bank that no longer exists and that was bailed out under pressure from the EU and ECB to ensure that “no bank should fail.”

The Government of the day made a political choice to “save the euro” and “prevent contagion.” The present governing parties, before they came to power, assured us that they would not, unlike the previous Government, support Anglo bond-holders. Who could forget Joan Burton, night after night telling us of the bonfire she would build for them, or the self-assurance of Enda Kenny as he proclaimed, “Not a penny for Anglo,” a sentiment echoed even by Leo Varadkar!

Well, another austerity budget is upon us as we head into Ireland’s austerity presidency. No doubt this one, like the 2013 budget, was written in Brussels and Frankfurt and approved by the Bundestag before the Irish Government had sight of it. They were just more careful this year to avoid leaks!

Of course, most of the Anglo bond-holders have been paid off by now on the strength of the promissory note (a sort of government IOU). So, in effect, on 31 March we will be paying €3.1 billion to the Central Bank of Ireland—

which we own—and it will then engage in a balance-sheet exercise, effectually burning the money and, in a supreme if painful irony, burning the people of Ireland instead of the bond-holders.

This must be halted, because this burning of the Irish people will be an annual event, carried out at the behest of a Government we elected to stop it.

The Government doesn't have to pay this €3.1 billion: there is no way of legally compelling them to should they choose not to do so. **It's time to say No!**

### That German surplus



German incomes would be 16 per cent higher if Germany had followed the EU-wide inflation target of 2 per cent per year. This thesis was put forward in Berlin at the launch of the annual study of labour costs in EU countries by Gustav Horn, director of an institute supported by the trade union movement, the Institute for Macroeconomic Research.

Since the introduction of the euro, labour costs in Germany rose on average by 1.8 per cent annually, while growth in the euro area and the EU as a whole ranged between 3 and 3.6 per cent.

The institute also argues that Germany's low-wage service industries are one of the factors that helped fuel that country's export boom. According to its report, the gap between wages in manufacturing and the private services sector is 20 per cent—the biggest within the

EU. As a consequence, German industry profits from cheap inputs and is able to undercut other euro countries.

This was made possible by the "Agenda 2010" policy of the SPD-Green government led by Gerhard Schröder, which created a new low-wage sector.

Another factor is that since the 1990s the industrial trade union IG Metall, whose members are the wage leaders, was negotiating pay agreements that, while seeking compensation for inflation, also offered manufacturers a bonus with increases in productivity. In contrast, industries in neighbouring European countries adhered to the principle of a direct wage increase to cover inflation, without an extra productivity deal. This has meant that German industries became more competitive. In relation to the labour costs per product in Germany from 2003 to 2009 the report states: "The disproportionately low increase in unit labour costs increased the price competitiveness of the German economy against competitors from the euro zone."

And although in 2011 German labour costs rose higher than the average increase in the euro countries and the EU as a whole (2.7 per cent), it is the first time since the year 2000. The director of the institute believes this recent trend in 2011 would need to continue, and he warns: "To bring the currency union back into balance, the surplus countries need to respond, not only the deficit ones. This, however, is hardly going to happen."

This study notes that independent states with full sovereignty can respond to such German price-dumping or undercutting by devaluing their currencies. This solution is denied to members of the euro zone. They are competing at a price level well above their former national currencies, while the German economy can offer its products significantly below an estimated value of the German mark of €1.50.

This German think-tank, while not predicting the demise of monetary union, believes it

cannot be ruled out. If it does take place it would allow, for example, Greek tourism and agriculture to compete with Turkish prices and for Greek shipbuilding to compete with its South Korean counterparts. The report, however, fears that Greece's indebtedness would make it extremely difficult for the country to raise new money on the international capital markets.

Nevertheless, the report concludes that devaluation works, as was recently proved by Hungary and Poland. "Both countries benefited in terms of their competitiveness in the past year from the fact that their currencies have depreciated."

■ **In the next issue: Why the German surplus is important.**

### **What has fish got to do with peace?**

On 10 December the European Union will be presented with the Nobel Prize for Peace in Oslo. The very same day the EU will carry out an act of aggression against the people of the occupied Western Sahara when it begins the second round of negotiations on a fisheries partnership agreement between the EU and Morocco.

The first series of talks took place in early November and dealt with "technical questions." There was no mention of Morocco's illegal occupation of Western Sahara and its brutal oppression of the Sahrawi population or of its continued flouting of UN resolutions calling for a referendum on self-determination in the territory.

All the resolutions adopted by the UN so far converge on a single solution: the right of the Sahrawi people to self-determination and independence, a right that was confirmed by the International Court of Justice as far back as 1975.

Last December the EU Parliament rejected the extension of the original agreement (2007 to February 2012), because, among other things, it included the seas off the Moroccan-annexed

Western Sahara. Already an estimated €142.7 million of European taxpayers' money was paid to enable these vessels to fish Mauritanian and Moroccan waters between 2006 and 2012.



During the Spanish colonial period, fish from the seas off this coast were a coveted booty. In 1975, in violation of international law, Spain signed over its "Saharan provinces" to Morocco and Mauritania, but it continued to have access to the rich fishing resources. When Spain joined the EU a corresponding agreement between the EU and Morocco was arranged.

This long-standing agreement was and still is clearly a breach of international law. The exploitation of the resources of another country is permissible only if it is in the interests of, and with the acquiescence of, the population. This clearly is not. The human rights activist Aminatou Haidar has repeatedly stated that "these agreements have only resulted in the further oppression of the Sahrawi people by Morocco."

Despite the defeat in the EU Parliament last December on extending the fishing agreement, the Commission quickly began renegotiations with Morocco. It was important to avoid "upsetting" the EU's Moroccan "partners." In early 2012 the EU Parliament, ironically, approved the same free-trade agreement on agricultural products with the same illegal practices, the looting of the Saharan colony. But more important than the export of tomatoes from Western Sahara to the EU is the income the Moroccan monarchy gains through the fish stolen off the coast of that country.

So, after a cooling-off period of less than a year, the two sides have renewed negotiations on the destructive industrial fishing by the EU of Western Saharan waters.

A successful agreement will serve only to secure the economic and political power structure of the Moroccan royal family. After negotiations on 10 December in Brussels it is therefore feared that early next year, in a third and final round of negotiations, an agreement will be made that will see the EU fishing industry resume its looting of the fishing resources of the Sahrawi people.

### **That peace prize again!**

At least six EU leaders, including David Cameron, skipped the Nobel award ceremony. Herman van Rompuy, José Manuel Barroso and Martin Schulz collected the prize in Oslo on 10 December.

Those staying away included the “big” countries—France, Germany, Italy, Poland, and Spain—and six others, including the Czech Republic, Sweden, and Britain. Four ministers from Norway’s euro-critical Centre Party also decided to stay away.

A joint letter by the World Council of Churches and the Conference of European Churches said: “The economic and humanitarian tragedy today in Greece challenges the EU as a peace-builder for the next generation,” while a joint letter by fifty-two former recipients of the prize, including artists, academics, and diplomats, said the EU should be disqualified because of its ties to Israel. “The role of the European Union must not go unnoticed, in particular its hefty subsidies to Israel’s military complex through its research programmes,” they wrote.

Three former Nobel laureates, Desmond Tutu, Mairéad Maguire, and Adolfo Pérez Esquivel, also wrote a letter attacking the EU as a party to conflicts around the world. “The EU is clearly not ‘the champion of peace’ that Alfred Nobel had in mind when he wrote his will . . . The Norwegian Nobel committee has redefined and remodelled the prize in a manner that is not consistent with the law,” they said.

### **EU proposes overhaul of euro zone**

European officials are proposing an overhaul of euro-zone institutions, aiming to create a common budget for the seventeen states that use the single currency. The process would require two rounds of treaty changes, one within the next five years and another, more profound exercise in the longer term.

The 52-page blueprint emphasises the need for the euro zone to be able to “integrate quicker and deeper” than the rest of the EU, with the euro zone now largely seen as paying the price for being established as a political project without the fundamental economic and financial structures to back it up.

The paper envisages progress in three steps. Within the next eighteen months the EU should set up a banking union and establish a “convergence and competitiveness instrument”—money that member-states would use for undertaking structural reforms. Countries with a budget deficit breaking EU rules would be obliged to use the instrument.

Within five years the “convergence instrument” would be built up into a separate euro-zone budget that would be funded by own taxes in the euro zone. This time frame would also see “further budgetary co-ordination (including the possibility to require amendments to national budgets or to veto them),” the paper says.

Ideas for the future include co-ordinating national tax and employment policies, euro-bonds, and a euro-zone budget managed by a treasury in the EU Commission. The president of the EU Commission, José Manuel Barroso, said the “main message” of the document is that both discipline and solidarity are needed for European monetary union to survive.



## “Ambitious solidarity” and “European defence clusters”



The new chairman of the EU Military Committee, General Patrick de Rousiers, speaking in Berlin about the EU's common security and defence policy (which will be the subject of an EU Council meeting in Dublin at the end of March), said:

“Today, we are confronted with financial constraints which are detrimental to our military capability. Yes, new equipment is profoundly more efficient than older ones, as it is proved in the field (Afghanistan, EU Navfor Atalanta, Horn of Africa, Libya . . .).

“We have been asked to do more with less. If we have less, we will do less but if we find comprehensive solutions with the same resources, we can do better together.

“This is not a situation which is unique for the EU only. NATO also finds itself in the same situation which underlines the necessity for a continued close co-operation between the two organisations.

“But at the same time, it is not accurate—in my view—to talk about ‘disarmament’ or even ‘demilitarisation’ strictly speaking, because Europe is not really disarming. Let’s not forget that EU military forces represent 1.6 million soldiers, in comparison to the 1.4 million American soldiers. As is shown on a daily basis they are committed both ‘at home’ and abroad in difficult and sometimes severe conditions.

“Across the European continent some €180 billion is spent on defence annually. It is only a third of what the United States is spending, but it roughly equals the sum of the defence budgets of China, Russia and Japan taken together.

“Considering only the large defence producers, the EU defence industry also provides over 350,000 jobs in overall military sectors. Meanwhile, despite the financial circum-

stances, there is also continuing development such as modernisation of equipment, development of new operational capabilities or streamlining of organisations for even better flexibility, readiness and operational effect than today.

“European armed forces have seven types of combat helicopter, four types of main battle tank, and four types of last generation fighter aircraft.

“In the European naval sector, European navies have 11 shipyards of warships, versus only one in the US, and 4 shipyards of aircraft carriers compared with one in the US.

“Europe has roughly more than 2,000 jet fighters, and 40 Air-to-Air re-fuelling assets.

“No fewer than 23 different types of armoured vehicles with varying calibres of ammunition will be commissioned in Europe in the next ten years.

“We have to think differently because we need to examine new ways to do ‘better with less’ and to have the ability of preparing for the future. We need to think differently because we have to foster complementarity between the EU Nations. That means to encourage, to support and to help facilitate new forms of partnerships in order to create a common destiny.

“We also have to think differently because we need to be convinced that an enhanced co-operation is the most promising way ahead. This co-operation is indeed not limited to equipment issues only, even if it seems to be what most people tend to think of at first.

“This co-operation should ideally comprise all capability aspects that will improve our collective capabilities, such as organisation, procedures, decision-making processes, individual as well as collective professionalism, education, training, exercises and logistic support, this just to mention some examples. The time has also arrived to encourage member states to pool and share the resources.

“However, let us bear in mind that ‘pooling and sharing’ is not a goal in itself. It is a method to achieve a goal, or an instrument if you so prefer. Of course, it does require a change of mindset from the way we have been used to act before. This presents in many ways ‘new challenge’ and it will take some time to adapt because it has also a strong political content, but I am confident that we gradually, but steadily, will succeed together.



“The European Air Transport Command in Eindhoven is running at full capacity and has certainly proved its usefulness. Four countries are co-

operating in this project and more countries are welcome to join the success. In framework of the Libyan crisis, EATC has proved all its relevance. By optimising the use of participating Member States’ air assets for routine training and logistic flights, it enabled those militarily involved in the crisis to make the best use of their Strategic Transport aircraft towards the area of operation. But the best is yet to come as EATC is also an organisation where concepts, doctrines and ways to operate are decided in a collective manner.

“What we really need to do is to be sure that when we want to operate together, we can do so and in such a manner that we can optimise resources and draw saving whenever possible.

“Such progresses are encouraging. But in our world in crisis, we also have to increase our collective anticipation in order to continue building ‘ambitious solidarity.’

“I believe in the creation of collective entities for land, maritime and air components that train in the same manner, develop employ-

ment concepts in common and share the same lessons learned, while respecting, when appropriate, the sovereignty of contributor States to decide whether they take part in an operation or not. Such à la carte entities would be more than symbolic.

“They would illustrate the will to share in doctrinal areas and implementation procedures.

“They would provide a guarantee of concrete progress and of best use of resources, without bringing into doubt the sovereignty which, quite naturally, is so dear to the States.

“After SKY TEAM and STAR ALLIANCE in the public air transport domain, we need to invent something similar in the military domain for land, naval and air forces. That is what I call ‘ambitious solidarity.’ There is a need for us to develop European Defence Teams in the environment I have just mentioned: Land, sea and air. I envisage ‘clusters’ which could be of different sizes and different groupings but always respecting sovereignty.

“It is therefore very welcome and encouraging that the issue of defence will be on the agenda of the European Council at the end of 2013. More specifically, there will be a focus on the development of Europe’s military capabilities.

“This is actually the first time since 2005 that the European Council will address the military domains. Such meeting is a chance and should allow us to proceed with the future capability development in a constructive way, using a concerted approach.

“It is my conviction that the current economic crisis will not constitute an obstacle that cannot be dealt with. We are at a critical junction and we cannot let this issue pass us by. ‘Ambitious solidarity’ and ‘European Defence Clusters’ are clearly the way forward.