PEOPLE'S NEWS

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What a load of baloney!

After the burst of the property market bubble, following the post-2008 credit crunch, the EU Central Bank demanded that the government shift the losses of five Irish banks, worth €60 billion, onto the shoulders of the taxpayers—citizens who had neither a legal nor a moral duty to bear the burden of that load.

Why? To shield the German banking system from the repercussions of taking large losses and to prevent "contagion," which had the potential to derail the political project dearest to the hearts of all Europhiles: the euro.

We took our wrath out on that government and elected another one that nonetheless saw as its priority the full implementation of the savage "austerity" policy that came attached to the huge loans the government accepted in order to repay the banks' losses. The result was a catastrophic downward spiral for Ireland's economy and the well-being of its people.

Now the media are full of the "good news" that this "fiscal consolidation" scheme has succeeded: that Ireland has returned to the markets; that we now have the first tangible proof that the bail-out worked; that Ireland is about to regain its sovereignty, and Irish people can once more look the Germans, the French and the Dutch proudly in the eye, restored to the land of the free and the creditworthy.

So the EU elite have decided to declare victory, with Ireland as exhibit A, to declare that the combination of bail-out loans and severe austerity works. And if that requires being economical with the truth, so be it.

For those who don't wish to be economical with the truth, and those who are bearing the burden, let's look at some numbers:

- Number of people employed: Down by 13 per cent since January 2008.
- Number of people unemployed: Up from 107,000 in January 2008 to 296,300 today.
- Annualised domestic growth rate: –1.2 per cent.
- Net emigration: The number of people leaving the country is higher than the number coming in by 35,000. Gross emigration was more than 80,000 last year alone. In six years it went from the highest net immigration level in Europe to the highest emigration, overtaking the Baltic states and Kosovo. Meanwhile a group of students and other young people in Dublin has launched a campaign called "We're not leaving" after the Government sent out letters encouraging young people to seek jobs abroad.
- Government deficit as a proportion of GDP: 7.3 per cent.
- Public debt: 121 per cent of GDP in 2013, up from 91 per cent in 2010 and 105 per cent in 2011.

- Household debt: 200 per cent of GDP. There are people living on €50 per week or less after paying their bills. We have had eight austerity budgets since 2008; in the community sector there have been cuts of 35 to 40 per cent.
- Value of assets underpinning household debt: –56 per cent since the crisis began.
- Mortgages in arrears for more than six months: 17 per cent of all mortgages.

How can anyone claim that this constitutes a "success story" and a cause for celebrating the end of the debt-deflationary spiral?

There are two arguments on which EU triumphalism is built: firstly, Ireland's spectacular export performance (annual exports exceeding GDP), and secondly, the collapse of its ten-year government bond yields to levels that make it possible for the country's return to the money markets, rather than a return to the ESM for more bail-out loans.

When we turn to exports we find that Ireland is the largest floating tax haven on the planet. Companies like Google and Apple famously launder their income through the International Financial Services Centre in Dublin in a manner that massively reduces their tax payments while at the same time bolstering Ireland's GDP to ridiculously fictitious levels. (Anyone who disputes this must offer an alternative explanation of the fact that each of Ireland's Google employees produces €4.8 million annually!)

All this means that the wonderful export statistics translate neither into corporate taxes nor into a significant number of jobs from which the government could claim income tax and indirect taxes so as to service its debts.

Turning to the government bond yields, an interesting question arises: Why are they so low when the data above reveals that Ireland, in view of the sluggish domestic economy, remains quite incapable of refinancing its gargantuan public debt? Why are bond dealers no longer dumping Irish government bonds?

The answer is simple: because they have concluded that the ECB and Germany will never let Ireland default, given the EU's desperate need to proclaim the country as "proof" that their policies are working. Bond dealers, put simply, trust that the European Central Bank, either by means of Mario Draghi's "outright monetary transactions" (a scheme under which the ECB makes purchases in secondary, sovereign bond markets, under certain conditions, of bonds issued by euro-zone states) or otherwise, will find ways of allowing Ireland to redeem its bonds, even if the Irish people and their government remain firmly lodged in debt prison.

Ten-year government bond yields were at approximately 5 per cent in Ireland until early 2010, before the 2010 bail-out. They then spiked about the beginning of 2011, because of the bail-out and the uncertainty surrounding that action. But they quickly came down as investors realised that the country wasn't going to go bust, thanks to its access to the said bail-out funds.

By 2012 the interest rates were close to 6 per cent. And with the announcement of the "outright monetary transactions" that year they crawled down to below 4 per cent at the beginning of 2013.

Now investors are convinced that (*a*) the Troika and ECB would back the country so long as it adheres to the rules and (*b*) Ireland would indeed adhere to those rules. If we assume that these two hypotheses are true—which they probably are—investors are looking at a 4 per cent yield for almost no risk in an environment where yield generally is completely dead.

This has nothing to do with "recovery," as the government is falsely proclaiming—quite the opposite, in fact. The recent growth figures, for what they are worth, are totally skewed by foreign profits being laundered through the country. (Have a look at the "Fixing the Economists" blog.

The claim of a successful Irish programme is complete rubbish. The government has got its interest rate down through a mix of Troika-ECB backing and confidence in the government's ability to follow the rules; but all the underlying economic problems are still there, and will not go away. The Irish debt-to-GDP ratio will continue to rise in the foreseeable future.

Since the 1980s Ireland has tried to run its economic policy essentially by appealing to the rest of the world—that is, by "sucking up." Whatever everyone else is saying, the Irish government will do with gusto. Mix this with a little bit of clever behind-the-scenes diplomacy and you have Irish economic policy.

After the crisis the Fine Gael and Labour Party government essentially followed the formula that is supposed to have worked so well in the 1990s and 2000s. So when the Troika said, Get your bond yields down through compliance … the government did exactly that.

There is a widespread belief that this will automatically lead to economic growth. This belief is entirely irrational, but that matters little. The politicians have convinced us that, as long as they achieve this target, all else will be well.

There is a profound sense of injustice but also a feeling that we can't do anything about it: that we're a small country on the periphery of the EU, powerless against the EU Commission, the ECB, and the IMF. And as long as we avoid the fundamental questions of membership of the euro and our continuing relationship with the EU, it will remain so.

A national debate on these issues would be a first but necessary step to empowering the Irish people once again.

"MALE" and "FEMALE" drones—what next?

The German government is promoting the production of combat drones by European arms industries. Seven EU countries, including Germany, have decided to accelerate the development and production of these highly controversial weapons by companies in EU member-states.

Production is scheduled to begin by 2020. The recent decision to waive the purchase of American and Israeli drones shows that Germany aims at the EU consolidating its own independent arms industry—the prerequisite also for an independent global military policy. Germany is also increasing its arms exports to countries outside the EU and NATO, as documented by the government's recent Arms Exports Report. This is designed to counterbalance cuts in the European and North American military budgets and to consolidate its arms industry.

At the recent meeting of the European Defence Agency in Brussels seven EU member-countries agreed to accelerate the production of combat drones. The objective is to produce "medium-altitude long-endurance" (MALE) drones for various purposes, including warding off migrants in the Mediterranean Sea as well as for military strikes. This project is to be discussed further at the next EU defence summit on 19 December.

Germany is one of the seven countries in this group, which the French minister of defence, Jean-Yves Le Drian, calls a "club of drone-using countries." The group also includes not only the Netherlands and Poland but also crisis-ridden Spain, Italy, and Greece, whose populations are suffering draconian austerity measures.

The decision to embark on the independent European production of drones shows that more than Germany is planning the use of combat drones. Major-General Jörg Vollmer, commander of German troops in northern Afghanistan, recently pressed for the use of combat drones by the German army. An "unarmed drone" can be used for surveillance but not for intervention; an "armed drone," however, can be used for "immediate reaction."

Beyond this decision, the competition for contracts between various European consortiums also reveals the power rivalries within the EU. The French Dassault Group is testing a stealth combat drone, "Neuron," in whose development Spanish, Italian, Greek, Swedish and Swiss companies are also involved.

Dassault and British Aerospace are also working jointly on the development of a stealth drone, "Telemos," to be ready for use by 2018, a project that Germany is observing with apprehension. In November 2010 France and Britain launched a far-reaching military and armaments co-operation, which would enable them to conduct military operations without German approval, thereby overcoming German dominance within the EU, at least in the military field. German government advisers are already speaking of a new *"Entente Cordiale."*

In the field of drone production Germany is countering the British-French "Telemos" project with, at the core, a German-French project. Last summer EADS, builders of the Airbus, presented the "future European medium-altitude long-endurance" (FEMALE) drone programme, with EADS, Dassault and the Italian firm Finmeccanica participating. The government-sponsored BICAS project, based in the premises of EADS at Ottobrunn, near Munich, is said to play a significant role in the development of the EADS combat drone.

An report issued in October by the EU high representative for foreign and defence policy, Catherine Ashton, reiterated the appeal to member-states to develop drones with co-operative projects. And EU leaders will call for more co-ordination on drones when they meet in Brussels this month, according to a draft of the summit's conclusions seen by the business site Bloomberg. The meeting, on 19 and 20 December, will endorse the call by Ashton for the building of a community of states that use remotely piloted aircraft, as established last month by France, Germany, Spain, Italy, Greece, the Netherlands, and Poland. The EU will encourage "close synergies" between states and the EU Commission on regulating these aircraft, along with "appropriate funding from 2014," the draft says.

Austerity stripping away Europe's human rights

"Austerity" measures imposed by international creditors on member-states are eroding the social and economic rights of people, says the Council of Europe.

Cuts in public expenditure and selective tax increases aimed at curbing public deficits have not achieved their stated aims. Instead the rights to decent work and adequate standards of living have rolled back, contributing to deepening poverty in Europe.

The report notes that civil and political rights have also been eroded as some governments exclude people from having any say in austerity proposals, provoking large-scale demonstrations.

The latest twist is a revised draft law on public order in Spain that cracks down on civil disobedience. The law, if adopted, would mean that people could be fined up to €30,000 for insulting a government official, burning a flag, or protesting outside the parliament without a permit. Covering faces or wearing hoods at demonstrations would also be an offence. Judges would be able to impose fines of up to €600,000 for picketing at nuclear plants or airports or if demonstrators interfere with elections.

The EU Commission says it is unable to comment on the draft law because it is a national issue.

The Council of Europe in a report in October also condemned the Spanish police for their disproportionate use of force against anti-austerity protests. Undercover police at demonstrations are not held accountable for their actions, it says.

The report says that most national deficits did not result in unsustainable public expenditure from before the crisis but from the public rescue of financial markets. The rescue cost an estimated €4½ trillion between 2008 and 2011. The economic downturn and historical unemployment rates means that the worst-affected member-states lost out on vital tax revenue. Those worst affected include children and young people, the disabled, the elderly with low pensions, and many women.

France goes to war in Africa "to save lives"

The president of France, François Hollande, has just announced another military intervention in Africa, while the plan to send an EU battle group is still under consideration.

"This operation will be swift: it does not have the vocation to last long," Hollande said on the plan to send troops to the Central African Republic. With six hundred French soldiers already in the country, he pledged to double their number "within days, if not hours." France is a former colonial power in the resource-rich country, and French companies own uranium mines there.

Meanwhile a proposal to despatch an EU battle group to the Central African Republic is subject to approval by other EU states. Britain is in charge of the standby unit of 1,500 soldiers but is reportedly not keen on backing the venture.

According to a paper drafted by EU security experts, "an EU military force could make a meaningful contribution to the restoration of a secure environment for the civilian population, thereby facilitating humanitarian and development assistance operations from the EU due to its central role as donor."

Brussels nervous on public reaction to EU-US trade talks

The EU Commission has discussed with member-states how best to communicate to the public the pending EU-US trade deal called the "Transatlantic Trade and Investment Partnership." The meeting was attended by national officials in charge of dealing with media relations. A paper accompanying the meeting, called "Communicating on TTIP," obtained by the Danish magazine *Notat* outlines the EU's media strategy during the talks.

Formal talks on the agreement began in July, but the scope of the talks and what it could mean for consumers has been the subject of controversy. "The aim is to define, at this early stage in the negotiations, the terms of the debate," the paper states, "by communicating positively about what the TTIP is about rather than being drawn reactively into defensive communication about what TTIP is not."

However, the first notes of concern were sounded before the last round of talks held in Brussels earlier this month. A series of consumer groups and NGOs expressed fears that an agreement could water down EU standards on environmental protection and food safety, including genetically modified products. The charge was swiftly rejected by the EU's chief negotiator, Ignacio Garcia Bercero.

Although the negotiations are held behind closed doors, the Commission says that 350 representatives of NGOs, business and consumer groups met the chief EU and US negotiators for an update on the talks earlier this month.

EU competitiveness pact: time for action!

Our politicians regularly tell us that we must work harder and longer, and for less pay, in order to be more "competitive." We must reduce or give up our hard-earned social protections, pensions and unemployment benefits in order to be more competitive. We must be more "flexible," which means we must sacrifice job security for ever more precarious and demanding work practices—in order to be more competitive.

Governments must observe "fiscal discipline," rather than stimulating economies out of recession, because such discipline makes us more competitive. Peripheral EU countries must surrender their sovereignty to the Troika in order to "regain competitiveness." We must sign free-trade deals, such as the Transatlantic Trade and Investment Partnership with the United States, because that will make us more competitive. We must not "over-regulate" the financial sector, or impose "excessive" environmental restrictions on businesses, because to do so would be to make us less competitive.

The competitiveness dogma will not solve the present euro-zone crisis, as it is downward pressure on wages (and therefore consumer demand) and on government spending that has locked European economies into spirals of decline.

More fundamentally, this discourse is really about boosting corporate profits at the expense of the welfare of the population and of the environment. We have the option of distributing work and income more fairly, so that everyone has access to a decent wage and fulfilling work, as well as high-quality public services; but to do so requires that we redistribute income away from financial capital and corporate profits more generally and towards the mass of the population, towards public services and towards environmental protection.

The true agenda behind this talk of "competitiveness" will be evident at the European Council meeting on 19 December, which will debate a proposed new competitiveness pact. To help draft this pact the chancellor of Germany, Angela Merkel, invited the president of France, François Hollande, and the president of the EU Commission, José Manuel Barroso, to a meeting in Berlin in March with fifteen members of the European Round Table of Industrialists, all of them chief executive officers of large corporations, two of whom were asked to chair a "working group on competitiveness."

The report of that group called for, among other things, reduced taxes, a rolling back of (limited) bank regulation, further erosion of labour protection, the streamlined facilitation of mergers and acquisitions, and privatisation. As *Corporate Europe Observatory,* put it, "the demands of the ERT appear to amount to nothing less than putting the European Union entirely at the service of corporations."

The TTIP, if adopted, would constitute another contractual arrangement between member-states and the Commission—a form of "troika for all"—that would see the further weakening of national labour laws, downward pressure on wages, and more ERT-style "business-friendly" regulation (or the lack of it).

This last element will increase the likelihood of another economic crisis erupting in the future. To avert such a crisis we need *more,* not less, regulation, especially of the financial sector.

The TTIP also features yet more intrusive mandatory rules on the economic policies of member-states, building on the Austerity Treaty and related measures that serve to reduce democratic control over vital areas of economic governance.

The pact must be rejected, for three main reasons. Firstly, it would deepen the European economic crisis by further depressing domestic demand and government spending at a time when stimulus measures are desperately needed for recovery. Secondly, it would take still more economic policy tools out of the hands of national governments and transfer them to unelected technocrats. And thirdly, in line with the aggressive "competitiveness" agenda long pursued, it would further degrade the quality of life of workers by forcing them to work longer hours for less pay in conditions of ever greater insecurity while simultaneously cutting the public services on which they depend. This is being done in the name of "competitiveness," but in reality it is for boosting corporate profits at the expense of ordinary people's rights to a decent life.

We'll continue to be "good Europeans"!

Recently Senator Marc MacSharry (Fianna Fáil) called for greater scrutiny of EU directives and regulations. He said that last year there were 53 acts of the Oireachtas and 590 statutory instruments, while there were 52 EU directives and 1,270 regulations proposed. "In reality, we only debated the 53 acts of the Oireachtas."

Introducing a private member's bill, the EU Scrutiny and Transparency in Government Bill (2013), MacSharry said the democratic deficit often suggested in respect of Europe was a reality.

But the Tánaiste, Éamon Gilmore, let the cat out of the bag, saying there was little point in lengthy debate about the substance of EU legislative measures at the time of their being transposed into Irish law, often by statutory instrument. Vigorously tugging his forelock, he explained that at that stage the policy issues were settled, and Ireland's obligation was to apply the law agreed at the EU level.

Of course what both MacSharry and Gilmore omitted to mention is that a more potent method of scrutiny involves reviewing the legislation before agreement in Brussels, as is done, for example, in Denmark. We might then mandate our representatives. But then we wouldn't do that, would we?

Meanwhile across the water …

Members of Parliament in Britain are urging that its scrutiny of EU issues and of laws emanating from Brussels should be overhauled to ensure greater accountability.

The European Scrutiny Committee of the House of Commons said that existing scrutiny was "incomplete," and had not changed hugely since 1998. It also wants more debates on the EU in the House of Commons and for the minister of state for Europe to answer questions regularly. It also said that each select committee should have a "European reporter" to act as a focal point.

The inter-party committee said that major changes within the European Union and in Britain's relationship with it necessitated a "radical" review of how Parliament deals with EU-related matters.

The committee's main recommendations are:

- Parliament should be able to object to EU proposals and to veto their application in Britain.
- Parliament should be able to unilaterally repeal existing EU legislation as applied in Britain.
- The government should make a commitment in advance to debates on measures of "strong" interest to members of Parliament.
- Ministers should be questioned in the House of Commons before EU summit meetings.
- Domestic select committees should scrutinise aspects of EU policy.
- EU committees should have permanent chairpersons, and should not be "whipped."
- Britain's representative in Brussels should give evidence to members of Parliament before their appointment.

The committee also said that broadcasters, including the BBC, must "improve the information" they provide to the public about EU-related matters and "ask themselves difficult questions" about their coverage.

The European Scrutiny committee leads parliamentary scrutiny of developments within the EU, and decides which EU documents are debated.

Euro zone "reform contracts" take shape

EU officials are in the process of putting flesh on the bones of a German idea of "reform contracts." The contracts would be aimed at those countries that it was felt were not making the necessary neo-liberal adjustments under other procedures. In return, the contracting country would be in line for low-cost loans or other forms of help.

The contracts would be part of the system of macro-economic and budgetary surveillance known as the "European semester." They would be accompanied by significant "monitoring," bringing back memories of EU-IMF-ECB Troika trips to bail-out countries and the loss of control of economic policy that these entail. Thus—in addition to the political pressure that can already be applied through bail-out schemes—precautionary credit lines, macro-economic surveillance and budgetary supervision "reform contracts" would be another step towards a fiscal union.

The loans would involve "limited fiscal transfers" between countries, the large majority of which would come through the lower interest on loans compared with the borrowing countries' usual market rate. A leaked early version of the proposal acknowledged that "loans would imply only limited fiscal transfers" between countries. "Indeed, the transfer element would be limited to a lower interest rate than the market rate of most beneficiary member states, capturing the positive externality of the reforms for the EU as a whole."

A mechanism for fiscal transfers would move the euro zone a step closer to a fiscal union, especially if the mechanism of loans for neo-liberal "reforms" were to form the nucleus of a euro-zone budget, so far only cautiously referred to by policy-makers as the euro zone's "fiscal capacity."

"The forms of support and means available could grow over time," the document says, "and come to constitute a financing capacity for the euro area."

The plebs must suffer!

That's the chilling message—admittedly expressed in less cogent terms—that powerful businessmen have delivered to senior political figures behind closed doors, David Cronin writes from Brussels.

I've got hold of briefing notes prepared for a lunch discussion between a group of chief executives and José Manuel Barroso, the European Commission's president, on 19 February this year. One of the businessmen's demands was that the austerity cuts undertaken throughout the EU should be made "more enforceable."

Representing such firms as Ericsson, FIAT, Telecom Italia, the software giant SAP and the chemicals manufacturer Solvay, these high-flyers all belong to the European Round Table of Industrialists. The brevity of their notes does not conceal their determination to crush ordinary people.

The only Irish member of this exclusive club is the former Aer Lingus CEO Gary McGann of Smurfit Kappa Group.

During that lunch the industrialists argued that the Brussels institutions should have a bigger say in dictating how each EU government spends its taxpayers' money. The ERT knew that it would be listened to.

Before the financial crisis erupted in 2008, the likelihood that nominally sovereign states would send their budgets to an unelected bureaucracy for prior scrutiny seemed remote. This week, however, Barroso sounded jubilant as he noted that such checking of budgets has now taken place for the first time. Echoing his dining companions in the ERT, Barroso warned against "reform fatigue." After acknowledging that "huge sacrifices" had been made, he contended that more are necessary.

It is noteworthy that Barroso hasn't offered to give up his pension or his severance pay when he steps down from heading the EU executive in October 2014. Instead it is the little people who will be making all the sacrifices.

I got a taste of the "reforms" we can expect in the foreseeable future from an ERT paper from December 2012. Marked "confidential," the paper argues that the EU should pursue objectives at marked variance with those set by trade unions (or "some social partners," as the ERT calls them).

"Modernising labour market policies and education systems is not about a 'race to the bottom,' as some social partners claim, but rather a 'race to the jobs of the future' before leadership is claimed by other regions of the world," the paper states.

A serious reading of the ERT's demands indicates that the "jobs of the future" will be precarious. It advocates, for example, that the Union's governments should "ease employment protection" by reducing payments to workers undertaking training or making a transition from one job to another. And it wants "wage evolution" to be dictated by such factors as "international competitiveness."

This can only be viewed as an assault on indexation schemes, such as the one run by Belgium, where pay increases are guaranteed when the cost of living increases.

The ERT is adept at using code. In June its chairperson, Leif Johansson (day job: running Ericsson), told EU governments that industry was "confronting a competitiveness battle that threatens the immediate and long-term ability of Europe to maintain a vibrant, innovative manufacturing base."

His prescription for fighting this "battle" is to ensure that corporations are involved in education "at all levels." If taken literally, this means that big business should have a say in what songs the effervescent staff may sing at the creche my baby daughter attends. Though Johansson hasn't gone that far (yet), the ERT has argued that industrialists should have a role in managing and setting the curriculum for schools and colleges. It has also argued for greater use of "public-private partnerships" in scientific research. That is code for giving big business a greater say in running universities.

Back in 2000 an ERT bigwig, Gerhard Cromme, argued in favour of the "privatisation of all schools, subjecting them to market forces and thereby encouraging competition. Schools will respond better to paying customers, just like any other business."

It should go without saying that schools are not "like any other business." Teaching children to read and write, to share and articulate, is quite different from churning out biscuits or assembling computer chips. In civilised countries, children with learning difficulties are not discarded on the grounds that they are too slow for the rat race.

The ERT's fingerprints can be detected on several initiatives that have shaped recent European history. Indeed the EU's fixation on "competitiveness"—a euphemism for destroying labour standards and the welfare state—largely originated with recommendations made by the Round Table in the 1990s. The ERT's intention was to transform this continent's economic policies so that they resembled more closely the rawer version of capitalism found in the United States.

If you think there is nothing particularly untoward about lunches between businessmen and politicians, then I recommend you take the following course of action: call Barroso's office and ask to meet him for a pizza. Assuming you are not super-rich, I suspect you might find it difficult to fix a date. And yet the European Round Table of Industrialists has no such problems. So whose voices are heeded the most?

■ *David Cronin is an Irish journalist and political activist living in Brussels. His latest book is* Corporate Europe: How Big Business Sets Policies on Food, Climate and War *(Pluto, London, 2013).*

The dictatorship of the eight

The EU Commission should be slimmed down, with only a handful of commissioners handling the bloc's main portfolios, according to a plan put forward by the the Dutch foreign minister, Frans Timmermans, who explained that governments should create a division of "A-level" and "B-level" boards for the EU Commission.

Eight A-board members would take the lead on the EU's biggest portfolios, such as the internal market, economic affairs, and justice and home affairs. They would also be solely responsible for initiating new legislation—which would result in eight unelected people initiating legislation for several hundred million people.

Meanwhile the remaining B-board members would take a supervisory role, keeping their right to vote on new legal proposals.

This "dictatorship of the eight" is unlikely to be accepted by small member-states, however, which fear that cutting the size of the Commission would lead to the bloc's largest countries getting a monopoly on EU decision-making.

The prospect of losing its permanent commissioner became a focal point in the No campaign in the first Irish referendum on the Lisbon Treaty in 2008. The treaty—and the failed EU constitution on which it was based—would have reduced the size of the Commission to eighteen, with countries taking turns to have a commissioner. Ireland secured a guarantee before the second Lisbon referendum that each member-state would keep a permanent commissioner.

Like David Cameron's British government, the Dutch government is undertaking a review of the scope of EU legislative acts, with a view to reducing the number of areas in which Brussels acts. Both reports are expected to be completed in 2014.

BASF sues EU for restricting pesticides harmful to bees

BASF, the German agrochemical company, has taken legal action in the General Court of the European Union to challenge the EU Commission's decision to restrict the use of the insecticide fipronil. BASF joins the chemical companies Bayer and Syngenta in challenging the EU's decision to restrict the use of certain pesticides that are harmful to pollinators.

The Commission's decision in July to restrict the use of fipronil came after its landmark decision to ban the neonicotinoid pesticides for two years.

But there is very big money at stake here, and these three companies are not going to give up trying to promote these products in the market.

Travelling circus likely to stay on the road for the foreseeable future

Although members of the EU Parliament recently supported the idea of a single seat for the European Parliament, the decision is not binding. It merely calls for the parliament to use its power under the EU treaties to launch a procedure to change the treaty, with a view to allowing the parliament to decide to meet in either Brussels or Strasbourg.

The parliament now spends forty-eight days a year in Strasbourg. A study by its own secretary-general revealed that the annual cost of shuttling members and officials to Strasbourg and maintaining the buildings is more than €100 million. It also results in approximately 20,000 tonnes of carbon dioxide emissions.

EU "civilian" mission training paramilitaries in Libya

The EU's "civilian" border mission in Libya is training paramilitary forces, amid a wider European and American effort to stop Libya becoming a "failed state." According to an internal EU paper quoted by *EU Observer,* a blueprint for the EU Border Assistance Mission in Libya (EUBAM), its "main effort" is to build up the "operational level" of Libya's Border Guard and Naval Coast Guard. Both units are part of Libya's ministry of defence.

The Border Guard, a gendarmerie of some nine thousand men responsible for land borders, is under the direct command of the Libyan army's chief of staff. The Naval Coast Guard of 6,500 men, which looks after maritime borders, also reports directly to the top.

The EU document says that EUBAM will take Border Guard and Naval Coast Guard battalions out of the field, train them in secure sites, and then "redeploy" them in action.

EUBAM's 111 operatives will be unarmed (though heavily guarded). Many of them will have a civilian background in EU police and customs, but the EU document states that EUBAM should also recruit people with "military expertise" to "provide specialist skills."

For its part, the EU "embassy" in Tripoli, which is to work hand in hand with EUBAM, is already hosting security advisers from Belgium and Italy. One of them, Luigi Scollo, who was there until September, has the rank of brigadier-general in the Italian army. As well as training paramilitaries to stop migrants heading for EU countries from its land and sea borders, the EU is trying to build up Libya's capacity to spot and stop migrant boats in the Mediterranean Sea.

The EU paper notes that the Libyan navy is reactivating a coastal radar capability called VTMIS. The EU itself has earmarked €4½ million for "strengthening their [north African countries'] maritime border surveillance systems" under a project called Seahorse, with Libya already signed up.

In December the EU is launching a new IT system, Eurosur, to co-ordinate maritime surveillance among eighteen member-states; but it is playing down the Libya-Eurosur connection. According to an EU spokesperson, "neither Libya nor any other third country can be linked to the Eurosur communication network, because the participation in this network is strictly limited to Schengen member-states," a reference to the EU's passport-free Schengen zone.

The spokesperson acknowledged that some Libya-Eurosur "co-operation" is possible. The official line is that the EU and US initiatives serve EU security and aim to build a better future for the Libyan people. But other interests are also at stake.

According to Libya's oil ministry, the country is now producing 700,000 barrels a day but could quickly get back to pre-war levels of 1.4 million barrels if things go well.

EU and US oil contracts aside, Libya has a lot of money to spend on hardware. The EUBAM document noted that in 2012 Libya spent only 40 per cent of its national budget—mostly on wages for civil servants—because of administrative chaos.

If things get back to normal, Italy, for one, is poised to take advantage. Italy was delivering €100 million a year in weapons to Libya before the war broke out. One Italian scheme, the "Land Scout" radar network, which it began installing in 2010, at a cost of €152 million to the Italian government, kills two birds with one stone. It tracks the movement of migrants on land, helping the EU to keep out unwanted migrants. At the same time it will put the rest of the Land Scout price tag, some €148 million of Libyan oil money, into the pockets of two Italian firms, Finmeccanica and GEM Elettronica.

If the project becomes operational, EUBAM employees will be well rewarded for their work. According to a separate EUBAM budget document, the head of the mission, a former head of Finnish customs, Antti Hartikainen, is being paid about €250,000 a year. A lower EUBAM officer gets €120,000 a year, as well as removal allowances and reimbursement for flights to visit family members at home. EUBAM employees can take up to ninety-two days of holiday a year.

The EU plans to spend €75,000 a year on PR, making television and radio clips, printing leaflets, and organising press conferences. This "visibility" is badly needed for building a positive image for EU intervention. The EUBAM blueprint notes that average Libyans are "still very grateful" for British and French help in toppling Gaddafi—but adds that "a recent survey carried out by the EU demonstrates that less than 50 per cent of Libyans know what the EU is."