

9 December 2009

European Central Bank the real decision makers on our budget

Taking part in a People's Movement budget demonstration outside the Dáil and the EU offices in Dublin today, former MEP and chairperson of the movement Patricia McKenna said: 'The link between today's budget and the European Central Bank must not be ignored or brushed aside. This budget has all the indications of being one of the most draconian budgets in the history of the state and Irish people have a right to know that they are paying a high price for the loss of sovereign power and influence over their own economy.'

McKenna said even Fine Gael has been forced (1) to acknowledge that 'Ireland is now a regional economy in a much larger economic and monetary union. We no longer have our own money, or our own exchange rate or our own interest rate. In addition, our own Central Bank has no real independent control over banking regulation or monetary policy. That is all coming from Frankfurt.'

The former MEP said: 'There is no doubt that this budget has been designed with the needs and demands of the ECB taking centre stage. If anyone believes that our government put together a budget in isolation of EU demands or without checking the acceptability of their proposals with the powers that be in Brussels and Frankfurt then they are gravely mistaken.'

'Meeting the requirements of the EU's stability pact will place an even greater burden on ordinary people. Ireland has been given an extremely tight deadline to meet the requirements of this stability pact and must get its debt to GDP ratio down to 3% by 2014. To achieve this in such a short time frame will require massive cuts that will further impact on those who can least afford them. If Ireland still had the sovereign right to decide its own deadline on this matter it could stretch the time frame to at least 2020 and thus lessen the impact it would have on the vast majority of ordinary people', said McKenna.

A recent report (2) by the Alliance for Lobbying Transparency and Ethics Regulation in the EU reveals how the European Commission formulates its financial policy almost exclusively on the basis of advice from the financial industry and the very people who were unable to predict the current financial crisis. The report reveals that, at all stages of the policy process, the very same financial sector that the Commission is seeking to regulate has a near monopoly on advising the Commission on how it should do this.

(1) <http://www.finegael.org/news/a/772/article/>

(2) <http://www.greenpeace.org/eu-unit/press-centre/reports/a-captive-commission-5-11-09>

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