The financial cost of signing up to PESCO

“It was necessary to awaken the ‘Sleeping Beauty’ of the Lisbon Treaty”—Jean-Claude Juncker, referring to the EU legal text in 2010 that paved the way for the PESCO military initiative.

Today, Ireland spends less on defence in relative terms than any other EU member-state. But that is to change now that we have joined the EU’s permanent structured co-operation (PESCO)—the embryo EU army.

Over the next ten years the EU Commission wants to channel €40 billion into weapons research by means of a European Defence Fund. The amount of grants for security and defence research has grown exponentially, from €65 million in 2004–06 to a projected minimum of €3½ billion from 2021 onwards.

This process is heavily dominated by corporate interests and is exclusively decided upon by the EU Commission, the European Defence Agency, member-states, and the armaments industry. Civil society, and the EU Parliament, are kept almost totally in the dark.

The last Brussels summit also agreed that, up to 2020, the defence fund will provide €90 million from the EU’s budget—to which Ireland is a net contributor—for military research and half a billion for military development. This will be increased from 2021 to an annual half a billion for research into new military technologies, such as robotics and cyber-defence. Added to this is a further €1 billion for the development of new military technology.

The heads of state and heads of government have also asked that the European Investment Bank—of which Irish taxpayers own a share—support these arms projects. It also said that it should spend a further €1 billion a year on the joint procurement of high-technology items, such as surveillance drones. R&D projects would be entirely financed from the EU budget.

We will be paying a share of all these billions, at a time when homeless people die on our streets and our hospitals cannot cope. An uncaring FF–FG Government is egged on by its “partners in Europe,” most of which are former colonial powers heavily influenced by the arms industry and convinced that their EU can become a global power.

The Irish people have not been asked whether they want to be involved in this project, and the Government is happy to peddle the spin that we can opt in or opt out as we choose. This is true of individual military operations; but we have signed up definitively to participate in joint training, procurement, etc., and have signed up definitively to the financial commitments.

Given the record of Irish governments, it is highly likely that they will cynically unearth a “humanitarian” reason for participation in the
EU’s military adventures while “respecting neutrality.”

When we engage in UN missions the United Nations pays us (eventually); but not so with EU missions. The EU mission to Chad cost Ireland €59 million. That’s a lot of hospital beds.

PESCO is also to be closely connected to the new Co-ordinated Annual Review on Defence, a rolling assessment of the capability of individual member-states and the gaps in their resources. Needless to remark, this will further diminish sovereign control over the Defence Forces.

The Taoiseach, in his defence of joining PESCO, quipped that it was not as if we were buying an aircraft-carrier. But we have spent close to a quarter of a billion euros—or, a quarter of a billion—on one new ship, authorised by Varadkar as minister for defence, which will undoubtedly be deployed in the Mediterranean as part of an EU task force, again at our expense. Three other new ships were purchased or ordered recently, at a cost of about €75 million each—that’s another quarter billion!

Moreover, PESCO, which is enthusiastically supported by Varadkar, includes a list of “ambitious and more binding common commitments” that the member-states have agreed to undertake, including “regularly increasing defence budgets in real terms to reach agreed objectives.”

Ireland’s military budget will need to increase fourfold to meet the EU and NATO demand that we spend at least 2 per cent of GDP on defence. In 2016 we spent 0.5 per cent. Though that was still close to €1 billion, it was the lowest in the EU. Even Luxembourg, which is smaller than Co. Mayo, spent 0.6 per cent of its GDP on defence. So that’s another €3 billion a year, or €30 billion over ten years, frittered away.

All this merited only a grudged three-hour debate in the Dáil, allowing the Government to avoid a public debate. It speaks volumes about the lack of democracy in our country that this important decision should have been handled so cynically and contemptuously.

The question now is whether we want to become involved in future resource wars and geopolitical manoeuvrings orchestrated by the EU’s former colonial powers, which can easily dominate us in all EU forums, as they already do on issues of foreign policy under the common foreign and security policy.

No doubt as we move closer to a commonly equipped and jointly commanded EU army, and combat situations develop, such as Jacques Delors’ “resource wars of the twenty-first century,” we can expect Irish casualties.

The essential difference between PESCO and other forms of EU co-operation is the binding nature of the commitments undertaken by participating member-states, with the binding and inclusive character of the legal framework specifically underlined.

Permanent Structured Cooperation: Factsheet

We must ask ourselves whether or not we wish to act on the side of peace in the international arena. If the answer is in the affirmative, then the Government’s signing up to PESCO will surely demand a reassessment of our relationship with the EU and ultimately our continued membership of a militarised superstate.
Ever-closer union—with NATO!

Last week the EU Council adopted conclusions on EU-NATO co-operation, endorsing a common set of new proposals for further joint work.

“The European Council recalls that NATO co-operation with the non-NATO EU member states is an integral part of EU-NATO co-operation and in this regard, the Council welcomes the positive contribution of non-NATO EU Member States to NATO activities. Such activities are an integral part of EU-NATO co-operation and the Council strongly supports their continuation.”

EU Council Adopts Conclusions on EU-NATO Cooperation

A cursory reading of this factsheet underlines the alignment of the tasks agreed with those outlined for PESCO. In joining PESCO, we are de facto joining NATO.

EU-NATO Cooperation Factsheet

Integration of the European Fiscal Compact (Austerity Treaty) in the EU legal framework

Neo-liberalism is incorporated in EU law

As a reaction to the economic and financial crisis, the member-states of the EU imposed on themselves strict budgetary discipline and a reduction of existing debt. This austerity policy has been reflected in the so-called Fiscal Compact.

Last week the EU Parliament discussed the integration of this agreement in EU law. However, from the point of view of employees, the discussions should have concentrated on another issue: putting an end to neo-liberal austerity policy.

The Fiscal Compact, as part of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, is an agreement according to international law between twenty-five EU member-states (without Britain, the Czech Republic, and Croatia), which came into force in January 2013. This compact imposes on the member-states an obligation to observe strict budgetary discipline and a continuous reduction in their national debt.

In concrete terms, this means a maximum structural budget deficit of 0.5 per cent of GDP per year and a speedy reduction in the national debt up to the reference value of 60 per cent of GDP, as well as monitoring by the EU Court of Justice to make sure these conditions are being adhered to.
The member-states are also obliged to enshrine these regulations in their national constitutions. Apart from that, only those countries that have signed the Fiscal Compact are able to apply for financial assistance from the European Stability Mechanism.

On 13 September 2017 the president of the Commission, Jean-Claude Juncker, announced that the Commission would make a proposal to integrate the substance of the treaty in EU law.

At the request of the Europe of Freedom and Direct Democracy group, the planned integration of the Fiscal Compact in EU law was discussed in the plenum of the EU Parliament. By and large, three points of view emerged during the sometimes emotional debate.

Representatives of the European People’s Party (of which Fine Gael is a member) and the Alliance of European Liberals and Democrats (of which Marian Harkin is a member) regard the Fiscal Compact as a step in the right direction. In their opinion, stricter fiscal discipline is urgently required, and they regard the integration of the Fiscal Compact in the EU legal framework as positive.

The spokespersons of the Socialists and Democrats faction are critical of the Fiscal Compact. According to their argument, the agreement must be revised before its integration. Their demand is a departure from the rigorous austerity policy and an emphasis on the creation of jobs.

On the left of the political spectrum the European United Left and Nordic Green Left (GUE-NGL) and the Green Parties, and on the right the European Conservatives and Reformists, Europe of Freedom and Direct Democracy and Europe of Nations and Freedom completely reject the Fiscal Compact. While the former massively objected to the neo-liberal austerity policy and demanded a “social Europe,” the latter were afraid of a further loss of sovereignty by the national states.

Criticism of the Fiscal Compact has not stopped since its implementation in 2013. At a fundamental level, the agreement means the legal establishment of the neo-liberal doctrine as EU economic policy. The speedy proclamation of a lack of alternatives regarding the austerity policy in the course of the economic and financial crisis confirms this, and that it is at the expense of employees.

From an economic point of view, the self-imposed austerity policy restricts economic growth and holds countries such as Greece and Ireland in a debt trap. Based on strict budgetary discipline, member-states are driven towards a unilateral austerity policy and are losing economic room to manoeuvre on a massive scale.

Another aspect is the democratically questionable construction of the agreement. According to this aspect, individual member-states are not able to unilaterally terminate the agreement: only a joint agreement by all member-states can dissolve the Fiscal Compact.

**The lull before the storm**

Negotiations on the common fisheries policy at the EU Council of Fisheries Ministers concluded in Brussels recently, with the minister for agriculture, food and the marine, Michael Creed, claiming the biggest quota increase in
over a decade.

Ireland has approximately a fifth of the EU’s northern and western fishing waters; but historically we have the smallest quota allocations in many fish species.

As approximately 11,000 jobs are sustained in coastal areas by the Irish seafood industry, coastal communities keep a careful watch on each year’s negotiations on the quota. This year’s negotiations have added significance, given the looming deadline of 2020 under the common fisheries policy. Under the reformed policy, EU member-states must ensure that quotas are set at a “maximum sustainable yield” by 2020.

Creed claimed an increase of 8 per cent in value for Irish fishermen, from an increase in important stocks, such as cod, in the Irish Sea.

The Killybegs Fishermen’s Organisation welcomed the outcome of the Council meeting, including the “favourable result” achieved on demersal stocks in the Celtic Sea, such as cod, haddock, whiting, and nephrops, as well as Celtic Sea herring. However, the organisation emphasised Irish fishermen’s fears that Brexit could cost the industry dearly if fisheries are not made a priority by the Government in the next round of talks.

With Ireland sharing with Britain forty-seven of its fifty total allowable catches and quota stocks, the Killybegs organisation said that it “stands to reason” that Ireland will suffer disproportionately if negotiations on fisheries are separated from wider trade negotiations. “Our geographical location, existing arrangements and high dependence on Britain,” said Seán O’Donoghue, chief executive of the Killybegs organisation, “means that we are perilously positioned if our government doesn’t negotiate extremely effectively on our behalf.”

Brexit will inevitably change the way the common fisheries policy is managed if Britain reclaims its waters. There will be an inevitable displacement of vessels from British waters into Irish waters. The Irish South and West Fish Producers’ Organisation estimates that there could be as many as five hundred vessels looking for a new home.

Up to now there have been no studies to examine how this will affect the maximum sustainable yield for the many species in our waters, particularly whitefish and shellfish. Furthermore, the removal of British waters from the common fisheries policy will trigger a displacement of other EU fleets that have fished in British waters. The risk is that these will be displaced to Irish waters.

“Pooling sovereignty”—in whose interests?

The post-war “European Project” began at a time when the economically advanced countries had embraced a broad Keynesian economic policy consensus, with governments committed to sustaining full employment.

As a result, what we now identify as the failings of neo-liberalism were absent, and the loss of sovereignty that was the consequence of the early integration was minimal and presented no problems.

It was the determination of France to create
institutional structures to stop Germany ever invading it again that began the journey towards a European Union. France saw an integrated Europe as a way of consolidating a dominant role in European affairs but at the same time was determined to cede as little national sovereignty as possible in achieving these aims.

France was also resentful of the influence the United States was exerting in Europe, particularly through the Marshall Plan, which intrinsically tied West Germany to the United States.

There was never an intention by France to cede its currency status to a supranational authority. That came much later, and only once the monetarist ideas had infested aspiring French politicians, bureaucrats, and central bankers.

But the fundamental flaw in the whole project is that we ultimately reject schemes that take away our voice and move power beyond those whom we elect as our agents.

The early moves towards integration were based on the steel plan and the common agricultural policy. The CAP in particular clearly compromised national sovereignty, but the French considered it a crafty plan to get hold of German industrial surpluses to subsidise relatively unproductive French farmers, considering that the rural lobby in France was very powerful politically.

The French government wanted to protect its farmers, while Germany wanted to expand its industrial export market. To achieve their goals the Germans agreed to provide subsidies through the CAP to French farmers—a gnawing tension that remains today; but the administrative viability of the CAP required a very stable exchange-rate environment, because a multitude of agricultural prices had to be supported throughout the European Community. Once the member-states were locked into the CAP they were also trapped into pursuing the impossible task of maintaining fixed exchange rates.

The German mark became the strongest currency in the 1960s as its export strength grew, which put France and Italy under constant pressure of devaluation and domestic stagnation and undermined the CAP. The various agreements to maintain fixed parities between the European currencies all largely failed because of the different export strengths of the member-states.

But instead of taking the sensible option and abandoning the desire for fixed exchange rates, the European political leaders accelerated the move to a common currency when the Bretton Woods system collapsed in 1971. The lessons from the Bretton Woods fiasco were not learnt.

Monetary union was rammed down the throats of the citizens, who were not only lied to by pro-EU politicians and their hangers-on but were also denied the right to vote directly for the change.

When the amended Treaty of Rome was signed, on 7 February 1992, which made the European Monetary Union law, popular opinion was shifting away from the Maastricht concept. The general public had a sense that great change was coming, but they were almost totally ignorant of what the implications of that would be.

The hubris of the political elite was so great that they thought the ratification process, which varied between countries, would be a relatively quick matter and that the treaty
could become operational on 1 January 1993. Denmark was the first country to go through the ratification process by means of a national referendum, which—unfortunately for the political elite—meant that the people would have their say directly on the EMU.

The result was a disaster for the EMU proponents. There was a turn-out of 83 per cent of eligible voters, but only 49 per cent were in favour. (The Danish government had foolishly distributed half a million copies of the treaty.) In response, the EU offered Denmark various “opt-outs,” which meant they did not have to surrender their currency sovereignty.

On 3 June 1992, the day after the Danish people rejected the first vote, President Mitterrand announced that France would hold a referendum on 20 September 1992 to ratify the treaty. He achieved the barest victory with 51 per cent in favour on a 70 per cent turn-out, the so-called “petit oui.”

It had been claimed that European monetary union would solve “the problems of national sovereignty and power by pooling the former to augment the latter.” But the solution is evidently not working. For many member-countries, most obviously Greece, Spain, and Italy, the “pooling” of national sovereignty has meant devastating social, economic and political consequences. Like a political black hole, the EU sucks sovereignty from its member-states, but the pool of sovereignty drains away.

If sovereignty confers the recognised right to take a final decision, then who in the EU has that right?

The EU is dysfunctional because in taking essential monetary sovereignty from the member-states the neo-liberal architects refused to create a matching function at the federal level. No monetary economy can sustain itself into prosperity without a powerful fiscal function at the level of the currency-issuer. By refusing to create such a function, the EU is largely rudderless.

The EU political elite have demonstrated that they are prepared to devastate the well-being of weaker countries and their citizens in preference to admitting failure and dissolving the whole ridiculous show.

Neo-liberalism has deliberately sought to promote the view that the national state is now powerless. The proponents of neo-liberalism have pursued a process of depoliticisation, as an essential aspect of their desire to gain greater control for global capital.

This has led to policies that have constrained existing national sovereignty and curtailed popular-democratic mechanisms. The aim: insulating macro-economic policies from popular contestation and removing any obstacles in the way of economic exchanges and financial flows.

But the idea that globalisation had rendered the state increasingly powerless vis-à-vis the forces of the market, consistently promoted by the neo-liberals, and swallowed, hook, line, and sinker, by the left, should be seen as a component of the ideological indoctrination programme that the right instituted.

The process—which was generally (and erroneously) framed as a shift from the state to the market—was accompanied by a ferocious attack on the very idea of national sovereignty, increasingly vilified as a relic of the past. Sooner rather than later, the left was captured by this myth.

But closer scrutiny reveals that the state
has not been overpowered by the market. Neo-liberalism has not entailed a retreat of the state but rather a reconfiguration of the state, aimed at placing the commanding heights of economic policy under the control of finance capital.

It is self-evident that the process of neo-liberalisation would not have been possible if governments—and in particular social-democratic governments—had not resorted to a wide array of tools to promote it: the liberalisation of goods and capital markets; the privatisation of resources and social services; the deregulation of business, and financial markets in particular; the reduction of workers’ rights (first and foremost the right to collective bargaining) and, more generally, the repression of labour activism; the lowering of taxes on wealth and capital, at the expense of the middle and working classes; the slashing of social programmes; and so on.

These policies were systemically pursued throughout the West (and imposed on developing countries) with unprecedented determination, and with the support of all the major international institutions and political parties.

It’s only a Winter’s Tale!

Last month’s grandly titled “EU Summit for Jobs and Growth” passed most people by; but Leo Varadkar and the Irish Times tried to be enthusiastic.

Varadkar boldly claimed that the Gothenburg meeting “put the fire back into the engine of social cohesion in the European Union.”

The Irish Times insisted that the EU is “not a neo-liberal club” and enthused about the start of a process of “rebranding and bringing the union closer to citizens’ preoccupations after a period of growing popular disenchantment.” It quoted the president of the EU Commission, Jean-Claude Juncker: “Our union has always been a social project at heart. It is more than just a single market, more than money, more than the euro. It is about our values and the way we want to live.”

The “social pillar” declaration is purposely vague—amounting to a non-binding declaration of intent from EU governments to do things such as giving “lifelong education” to their citizens and promoting equality in the workplace. The fundamentals of social policy, including welfare systems and labour market rules, are rightly a fiercely prized part of national policy-making that governments won’t give up.

Of course Juncker and Co. know full well that these social rights already exist, for example under the Council of Europe’s European Social Charter. This charter is a Council of Europe (not EU) treaty that guarantees social and economic rights as a counterpart to the European Convention on Human Rights, which refers to civil and political rights. It guarantees a broad range of everyday rights related to employment, housing, health, education, social protection, and welfare.

Gothenburg was a sort of EU social rights power-grab. It revealed that the EU would
rather rule on what rights its inhabitants are granted. This understandably angers the Council of Europe, which is an older grouping, established in 1947. It rightly doesn’t want to see its two core treaties weakened by the EU’s attitude.

This watering-down can be seen in the content of the new pillar. Where the signatories of the Social Charter (which include every EU member-state) commit themselves to working towards a higher level of social security and social provision, the EU’s social pillar looks somewhat less ambitious. No right to free primary and secondary education, as exists in the Charter, but merely “affordable and good care and education for young children.” And where the Charter gives priority to the social and economic rights of employees, there seems in the new pillar far more understanding of employers’ desires, such as flexibilisation, and less for the position of workers, whose unemployment benefits, according to the social pillar, “shall not constitute a disincentive for a quick return to employment.”

During the Gothenburg Summit the Council of Europe insisted in its statement to government leaders that they include a reference to the Charter as the unambiguous benchmark for EU social policy. Such a reference would at the very least have made it more difficult for the EU to set the bar lower than the norms established by the Social Charter, as well as making it easier for trade unions, for example, to continue to call for enforcement of the fundamental social and economic rights of workers granted in the Charter.

Both the European Convention on Human Rights and the European Social Charter put the economy and democracy before power. Both treaties were signed by all the EU’s member-states and apply throughout the EU in its entirety.

The Gothenburg summit also made it clear that a “social EU” is a militarised EU. The Irish Times reported that EU leaders “emphasised the importance of the strengthening of union-wide defence and security structures” by, unusually, inviting the secretary-general of NATO, Jens Stoltenberg, to address their meeting and agreeing to step up EU-NATO co-operation.

The summit was also the occasion for the formal launch of the new permanent structured co-operation (PESCO) that the Government and Fianna Fáil duly agreed to sign the country up to.

**Trilogues: the EU’s secret legislature**

Most people are probably not aware that the majority of EU legislation is adopted using an informal, non-democratic, non-accountable and non-transparent process. This mechanism is known within the EU bubble as trilogues.

Trilogues are a set of informal negotiations between the EU Parliament, the EU Council and the unelected EU Commission to fast-track legislation with a view to reaching early agreement.

Under the ordinary legislative procedure, the EU Parliament has the right to propose amendments to the proposals for new laws that come from the Commission. It is based on article 294 of the Treaty on the Functioning of the European Union (Lisbon Treaty) and is the main rule for laws to be adopted in the EU.

In practice most laws are decided by informal agreements between representatives of the three institutions. There are more than a thousand such confidential trilogue meetings each year, and four-fifths of such laws were dealt with in a single reading and end up as
first-reading agreements.

These meetings are held in nondescript rooms in the EU Parliament’s glass towers overlooking the Place Luxembourg in Brussels, where a handful of officials gather with armfuls of papers. The first took place under the German presidency in 1994.

This, the most important meeting-place for deciding new EU laws, is not explicitly mentioned in the treaties at all; instead these trilogue meetings are regulated by a joint declaration of the three institutions in June 2007.

Under the formal ordinary legislative procedure, the EU Commission has the sole right to propose new EU laws, and the EU Council then usually adopts the Commission’s proposal by a qualified majority. Then the EU Parliament adopts the law in plenary session by a simple majority.

Following this adoption RTE will report that “the European Parliament today adopted ...” This decision has no place in the formal treaty rules, and it conceals where legislative power is really based.

The trilogues go on for weeks, sometimes months. All are informal, and the timing of the meetings is not known to most members of the EU Parliament, let alone the public. No formal minutes are taken.

Only at the conclusion of the trilogue does the public learn what has been agreed, but with no idea how or why. Sometimes the legislation that emerges from the trilogues bears little resemblance to the one that was adopted in an open, transparent way in the parliament.

Trilogues underline the fundamentally undemocratic nature of the EU—though we hear nothing about the “democratic deficit” these days as the EU increasingly appears as a neo-feudal institution. The two points at which members of the parliament vote for laws—in committee before and at the end of the trilogue process, and the final vote among all 751 members—are public; but this only camouflages the fact that most of the negotiations are held behind closed doors, with no public access.

Trilogues are dubious because only a very limited number of participants negotiate, behind closed doors, for more than 500 million people, and even their names are usually not disclosed. Generally, trilogue documents are not released to the public and so remain secret. Access to trilogue documents is often denied; even requests under the right to freedom of information have been rejected.

Trilogues allow members to introduce completely new amendments to proposals, giving them considerable flexibility in determining the outcome of legislation.

The process is subject to undue and undisclosed external pressure. Lobbyists can get an insight into trilogue negotiations if they become friendly with the negotiators. The influence of the “expert committees,” which are stuffed with corporate hacks, is not known. It strips the decision-making process of accountability, because secrecy hides how the agreements are reached.

The EU ombudsman, Emily O’Reilly, has called on the EU Parliament, the Council and the Commission to increase the transparency of law-making in the EU by publishing important documents related to their informal negotiations in the trilogues, and in 2015 she opened a strategic inquiry into the transparency of the process.

The institutions presented a united front
against O’Reilly, and challenged the admissibility of the inquiry. They argued that the organisational aspects of the legislative procedure fall outside her mandate, because the way these meetings are organised pertains to the Council’s and the Parliament’s political responsibilities as the EU co-legislators, and not to their administrative activity.

In July 2016 O’Reilly issued a set of recommendations that included a provision that, “for the purposes of facilitating requests for public access to documents, the institutions make available as far as possible lists of documents tabled during Trilogue negotiations;” and she sought the response of the institutions by December.

“We have looked into the transparency of the trilogues process,” she told a transparency event earlier this month, “and are currently looking into what happens to a draft law once it leaves the EU Commission and is discussed within the Council.”

The Council has even resisted joining the EU’s Transparency Register, which applies (in theory) to the EU Commission and EU Parliament. If you are a lobbyist and you want to meet a member of the Commission or the Parliament, you need to sign up to the register. But if you want to meet someone from one of the twenty-eight permanent representations in the Council, you don’t.

At the end of the day the trilogue meetings themselves are just the tip of the iceberg when it comes to secret EU law-making. In bringing forward a directive, a plethora of meetings with officials, and so-called “non-papers” with offers and counter-offers of compromise texts, bounce between the institutions. The fact that the EU treaties contain not a single mention of the mechanism that is now a driving force for the vast majority of the bloc’s new laws raises serious questions about the rule of law—much hyped by the Commission when it suits them.

No matter how pragmatic the process is claimed to be, it is secret, yet its outcomes directly affect the lives of hundreds of millions of people. Mix this with the pervasive corporate influence in Brussels and one can only conclude that the EU cannot be reformed.

**PESCO: a classic example of EU competence creep**

Twenty-five EU governments, including Ireland’s, have agreed to “permanent structured co-operation” (PESCO) to create an embryo EU army.

It took seven decades; but here is the path to the EU’s defence pact and a nuclear-armed EU proto-army:

**1949:** The United States, Canada and some European countries set up the North Atlantic Treaty Organisation, the US-led military alliance.

**1950:** The European Defence Community is proposed as a European alternative to NATO, to incorporate West Germany and create a European army, a joint budget, and shared arms.

**1954:** The French parliament rejects the European army plan. Belgium, France, Luxembourg, the Netherlands and Britain form the Western European Union, a common defence group with a shared air force and joint command. Under the Lisbon Treaty, WEU tasks and institutions are transferred to the EU Common Security and Defence Policy.

**1993:** The EU’s Maastricht Treaty redefines European integration and introduces a common foreign and security policy as one of its goals, allowing EU governments to take joint action in foreign policy.
1998: Britain and France agree to common defence in the Saint-Malo Declaration, and Britain pledges to play a central role in the security and defence policy of the EU.

2003: The EU launches its first independent military mission outside Europe, with the backing of the United Nations, to the Democratic Republic of Congo. The Irish army's adventure in defence of French interests in Chad costs the Irish people €59 million.

2004: The European Defence Agency is formed, to help EU governments develop their military capabilities.

2007: Rapid-reaction forces of about 1,500 soldiers, called EU battle groups, are formed under the control of the EU Council. Ireland becomes an enthusiastic participant, as it did in NATO'S “Partnership for Peace” in 1999, when it also signed up to NATO’s Euro-Atlantic Partnership Council.

2009: The EU’s Lisbon Treaty, accepted by the Irish people at the second attempt, strengthens the common foreign and security policy, creating an EU chief of foreign policy.

2011: France and Britain lead a campaign to oust the Libyan leader Muammar Gaddafi but cannot impose a no-fly zone.

2017: Twenty-five EU governments, including “neutral” Ireland, launch an agreement to integrate military planning, weapons development and operations that will rely on a €5 billion defence fund.

On Thursday (14 December 2017), flanked by soldiers in combat dress, EU leaders, including Varadkar, inaugurated the PESCO pact, which the president of the EU Council, Donald Tusk, said was “bad news for our enemies”—clearly anticipating combat operations.

Iceland has little interest in joining the EU

Hjörtur J. Guðmundsson

We have a new coalition government in Iceland. Unlike the previous one, it contains no political parties calling for membership of the European Union. The coalition is historic, as it joins together the conservative Independence Party and the socialist Left Green Movement, along with the centrist Progressive Party. A coalition between the Independence Party and the party furthest to the left in Iceland’s parliament has not been formed since 1944.

It is also historic as this is the first time the prime minister comes from the parliament’s most left-wing party. The general election on 28 October saw a record number of eight parties entering the parliament. Only two of them—the Social Democratic Alliance and the Restoration Party—support EU membership, while one, the Pirates, favours a referendum on whether to apply to join the bloc or not but does not have an official policy for or against doing so.

Together the pro-EU parties now have 11 MPs, out of the total of 63—but they had 14 before the elections. Even if those parties are joined with the Pirates their combined number of MPs is now 17, compared with the previous 25. Meanwhile at least two-thirds of the MPs oppose EU membership.

Not surprisingly, after the elections, when the parties elected were attempting to form a new coalition, the leaders of both the Social Democratic Alliance and the Restoration Party declared that their parties would not make
steps towards EU membership a condition for entering a new coalition.

The results of the general election and the reaction of the two pro-EU party leaders do not come as a surprise either, considering that for more than eight years every single opinion poll published in Iceland has had a solid majority against joining the EU.

The most recent one, produced in October by Gallup for the pro-EU camp, had 60 per cent against EU membership. The poll also saw a rejection of fresh accession talks with the EU—which pro-EU politicians often claim can be launched without any commitments only to see what Brussels has to offer.

The leadership of Iceland’s pro-EU camp has never actually dared to promote the EU as it is: instead they have for many years claimed that nobody can really form an opinion on whether to join the EU or not in the absence of an accession treaty; which naturally has made regular opinion polls produced for the pro-EU camp on that precise question rather peculiar.

Of course they are aware of the fact that by “joining the EU,” countries “get the EU,” but they also know that admitting this would probably result in even more opposition to EU membership.

The then leftist government applied for membership in 2009 after the international financial crisis hit the country. Icelandic politicians calling for EU membership saw the crisis and the consequent despair of many of the voters as an opportunity to get Iceland into the EU.

This, however, was doomed from the start, as both people favouring and opposing EU membership warned right from the beginning. The application stalled before the leftist government was eventually voted out, and in 2015 Iceland ceased to be an EU candidate country.

The policy of the new government when it comes to the EU is that the interests of Iceland are best served by remaining outside the bloc. It is evident that this government will most certainly not take any steps towards joining the EU.

While the government maintains the policy of its predecessors, that the European Economic Area (EEA) agreement is the foundation of Iceland’s relations with the EU, there is a growing debate in the country—as in Norway—about whether membership of the agreement, which puts increasing pressure on Iceland’s sovereignty, serves the interests of the Icelandic people.

We have probably never been further away from joining the EU than today—not just because of the new government but as there has arguably never been less public and political support for taking that step. Meanwhile the EU is to develop in even more repellant directions to most Icelanders in the coming years, towards more integration, centralisation, and erosion of national sovereignty and democracy, and taking on more characteristics of a single state.

The result of our last elections is an embodiment of our determination to hold on to our sovereignty.

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Federalisation continues apace

The EU Commission says it wants a more centralised euro zone by 2019 and has come up with a plan that would give it more power over the euro zone while strengthening the links with non-euro member-states.

It has also proposed transforming the European Stability Mechanism (ESM), the euro zone’s emergency fund, into a European Monetary Fund by mid-2019. The fund would have a lending capacity of €500 billion. But it would have a greater role in designing the bail-out plans.

The Commission also proposed creating, as early as 2019, a European finance minister to manage the fiscal and macro-economic supervision of member-states and the use of EU budget tools. This “strong management toolbox,” according to the vice-president of the Commission, Valdis Dombrovskis, will help it to weather economic shocks.

For this purpose the Commission will step up its services for strong-arming member-states into making structural and administrative reforms. After 2020—under the future budget that will start being negotiated next spring—the Commission proposes creating a “new reform delivery tool” to help reforms “that can contribute most to the resilience of domestic economies and have positive spill-over effects on other member-states,” such as on market or tax reforms.

The Commission also plans, after 2020, to establish a so-called stabilisation function to protect EU economies from “asymmetrical shocks.” One of the priorities would be to protect investment capacities. It insists that the funds available would be submitted to strict conditions and would not constitute a “new permanent transfer” from some countries to others.

Faced with the criticism, especially in Germany, that it was about to loosen the euro zone’s fiscal rules, the Commission proposed putting into EU law the Fiscal Compact or austerity treaty of 2012, thereby institutionalising austerity—or, as the commissioner for finance, Pierre Moscovici, said, “member-states will be obliged by community law.”

The plan presented by the Commission would increase its powers over member-states. The Commission would continue to be responsible, “alongside” the future European Monetary Fund, for the management of bail-out programmes, while the member-states would have less control than in the existing ESM.

The proposal will be discussed by EU leaders at a summit on 15 December, which will include the nineteen euro-zone countries as well as the eight member-states that are not part of it. Unfortunately, if a decision is called for we can only expect that our Leo will timidly acquiesce.