People's Movement
Gluaiseacht an Phobail

12 June 2008

This is the second anniversary of the No to the Lisbon Treaty vote on 12th June 2008.

A second vote on the same Lisbon Treaty overturned this result in October 2009 on a theme of jobs and economic recovery if people voted in favour of Lisbon. The promise was nothing more than a blatant lie to engineer a Yes to Lisbon vote.

Ireland's economy went into meltdown in 2008. The unemployment rate at the time of the first referendum in June 2008 was 5.9%. By the time of the second referendum in October 2009 unemployment had risen to 12.8%. The Yes vote did not halt this trend nor was it ever likely to.

Full time employment fell by 193,200 in 2009 and the unemployment rate rose to 13.1%.

The fall in employment occurred hand in hand with a contraction in the workforce due to an increase in emigration and a marked decline in the number of those looking to participate in the workforce. The unemployment figure is now 13.7%; jobs are being lost at the rate of 6,417 per month or 1,481 per week. 89,000 are in long-term unemployment.

Insolvencies are 25% higher than this time last year. This represents the deepest and swiftest collapse of a modern western economy since the great depression.

On top of the loss of jobs, the majority of the population has been saddled with a range of other burdens. These include: wage and salary cuts, bank bailouts and bank guarantees amounting to at least €100 billion, tax hikes and levies on those still at work, cuts to social welfare and education services, threats of water charges and domestic rates, the erosion of savings, investments and pensions, negative equity and hikes in mortgage repayments for homeowners.

The pressure for cut-backs in public spending and public services over short three year period has been driven by Germany and the European Central Bank. The Lisbon Treaty doubles Germany's voting weight in making EU laws and halves that of Ireland.

And the environment in which smaller EU member states like Ireland are making vital policy decisions is becoming more and more restrictive.

For example, recently EU finance ministers reached broad agreement on a plan to review each other's national budgets, and impose sanctions on member states that break the bloc's fiscal rules. European Council president, Herman Van Rompuy, said governments had agreed to show their national budgets to the European Commission before seeking national parliamentary approval.

Under the new system each government will present its broad estimates for growth, inflation, revenue and expenditure levels to the Commission in the spring, roughly six months before national budgets go through parliaments. A taskforce, set up by EU leaders also agreed on the need for earlier and more "graduated" sanctions for states that break the bloc's budgetary rules – known as the Stability and Growth Pact. The pact sets out maximum deficit and debt thresholds of three and 60 percent of GDP, respectively, with possible fines for overspending member states of up to 0.5 percent of GDP. Suggestions for possible sanctions have ranged from reduced EU funding to a loss of voting rights for ministers attending EU meetings in Brussels.

The EU has given Ireland until 2013 to get the debt to GDP ratio down to 3% and the government is making savage across the board cuts. Most economists agree that it will take a generation to fix the financial mess at the banks and government finances. Deflating the economy with more taxes and cut backs can only lead to more economic and social carnage.

So it is impossible for a government to formulate a coherent progressive response to our economic crisis without also taking a clear coherent stand on ongoing threats to what is left of our national democracy.

Each of the treaties from the Single European Act through to the Lisbon Treaty has led to a progressive reduction in the ability of the peoples of the EU member states to decide their own laws and the transfer of that power to the EU Commission and Council. Once an EU member state transfers legislative competence in a particular policy or government area to the EU Council of Ministers, its people lose the power to decide their own laws in that area and thereby reduce their democracy and independence. Concepts such as "pooling of sovereignty", "shared sovereignty" or "limited sovereignty" are smokescreens to hide what is in effect subordination to the rule of others.

For example, in the eurozone Ireland has lost the classic economic tools of all independent governments that seek to advance their people's welfare. It has no control over the rate of interest or currency exchange rate. Euro interest and exchange rates are not set at a level to suit the peculiarities of Irish economic development but usually are determined to suit the interests of the strongest member states in the eurozone, namely Germany and France.

The Governing Council of the ECB decides both the interest and exchange rates. Small countries like Ireland have little clout. Lisbon provides that “votes shall be weighted according to central banks’ shares in the subscribed capital”. Shares are allocated according to population and Gross National Product giving permanent advantage to the big states despite the prohibition preventing it from being accountable to governments of member states or the European Parliament.

Logically there are only three ways to get rid of these restrictions. Firstly, for the EU to lift some or all of them. This requires its 27 member governments to agree unanimously to do that in a new EU treaty that would in turn require ratification in 27 national parliaments or by referendum; secondly, for a state to leave the EU and repeal all the EU treaties and restore the political independence it had before joining the EU; thirdly for a state to work with other states and political forces in the EU for its general dismantling over time, confident that the EU’s internal contradictions and fundamental lack of democracy will inevitably lead to most of its member states seeking to re-establish their national independence, democracy and sovereignty. The third way implies a collective effort to re-establish national independence and democracy for several countries simultaneously, one such country being Ireland.

It requires democratic parties and democratic political forces across the EU to cooperate for this end and to take part in campaigns directed at asserting their own national independence. This is the road that our organisation will seek to follow in the period ahead. It is the only way out of the crisis that has engulfed our country.

Yours sincerely,

Frank Keoghan

Secretary