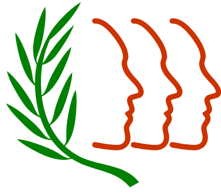

PEOPLE'S NEWS

News Digest of the People's Movement

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EU democracy and transparency to be decided by … a secret ballot

When he was selected as the Socialist Group's candidate for presidency of the EU Commission, Martin Schulz stated that "I want to be the first president of the Commission who is not the result of a back-room deal in a Brussels office."

This is the main argument advanced by supporters of the *spitzenkandidaten* ("lead candidates") process: that having the president of the Commission nominated by the largest political group within the EU Parliament is more transparent and democratic than the previous process, whereby EU leaders took the decision in back-room deals. For the first time, voters would be able to directly determine who would get this crucial post, and be able to hold politicians to account for their choice.

However, when the parliament itself comes to vote on the appointment, in accordance with its rules of procedure, the vote is held by secret ballot. Rule 105, Election of the President of the Commission, says:

1. *When the European Council proposes a candidate for President of the Commission, the President shall request the candidate to make a statement and present his or her political guidelines to Parliament. The statement shall be followed by a debate. The European Council shall be invited to take part in the debate.*

2. *Parliament shall elect the President of the Commission by a majority of its component Members. The vote shall be taken by secret ballot.*

This time it was supposed to be different. But if the idea is to make the appointment process more transparent and to "put voters in charge," how can voters hold their MEPs to account when they don't know how they voted?

And as for the pseudo-controversy regarding who should nominate the president, the Lisbon Treaty clearly says (article 17.7): "Taking into account the European elections … the European Council shall propose to the European Parliament a candidate for President of the Commission."

Israel signs lucrative EU research deal

Israel is to have the same access as EU member-states to grants under the €80 billion "Horizon 2020" research programme—the largest EU research and innovation programme—following an agreement signed with the EU Commission.

With a total budget of nearly €80 billion over seven years, Horizon 2020 is not just the largest EU research and innovation scheme but one of the biggest in the world. It is administered by Máire Geoghegan-Quinn, the Irish member of the EU Commission.

Israel has been associated with EU research and innovation schemes since 1996. During the

previous scheme (2007–2013) Israeli public and private institutions participated in more than 1,500 projects.

Speaking at the signing ceremony, the president of the EU Commission, José Manuel Barroso, said: "Israel is a strong player in research and innovation and for this reason an important partner for the EU to address societal challenges of common concern, such as ageing, food safety, environment protection or cleaner energy, and to strengthen the competitiveness of our industries. I am pleased that we are signing the agreement today since it reflects the mutual importance we attach to co-operation and partnership in research and innovation."

Israel is certainly a "strong player in research and innovation," mainly in the military and security areas. The grants given by the EU are in effect a subsidy for the Israeli military-industrial complex. Of course there is a pay-back for the EU in access to new military technology—but what would it want that for?

Israel looks more and more like a member-state of the EU and, despite the odd mild admonition regarding its treatment of Palestinians, continues to be welcome at the highest levels.

Meanwhile Switzerland is pushing to be given a "de facto" participation in the Horizon 2020 scheme, under which Swiss researchers were to receive €1.8 billion in funding. On 12 June representatives of the Swiss government officially acknowledged that a referendum held in February that sought to cap migration from EU countries goes against an EU-Swiss agreement on freedom of movement. They also told the Commission they want to renegotiate the agreement once the referendum is translated into law.

The world's largest trade union demands a halt to TTIP negotiations

The world's largest trade union, the German IG Metall (Industrial Union of Metalworkers), representing 2.3 million workers, has come out publicly against the Transatlantic Trade and Investment Partnership over concerns that consumers and workers could be negatively affected. The union also disputes the effect TTIP would have on jobs and growth, believing that the risks are more expensive than the benefits.

The chairperson of IG Metall, Detlef Wetzel, spoke candidly on a variety of concerns over the trade deal, including the aim of giving investors broad rights with such mechanisms as "investor-state dispute settlements." Such plans are "threatening," he says, as they allow investors the right to attack government decisions that affect the profitability of their investments. In such situations taxpayers would ultimately foot the bill if the judgement was in favour of the company in question.

Wetzel also disputes the benefits of the deal, claiming that "the weather plays a larger role" in employment than the free-trade agreement would.

■ The full interview can be found at www.bilaterals.org.

EU board says banking industry is too bloated

The EU banking industry has become too big to make a positive contribution to the region's economy, according to a report by the European Systemic Risk Board, the EU's macro-prudential policy body.

"The EU banking system has reached a size where its marginal contribution to real economic growth is likely to be nil or negative," the report says. "Bloated banking systems have the potential to cause and exacerbate banking and sovereign-debt crises."

The report recommends a series of new policies to "deleverage" banks (reduce the

percentage of debt) and return them to traditional lending activities, saying that existing measures may not be sufficient to address the magnitude and tackle the roots of Europe's "overbanking problem." The suggestions include removing the preferential fiscal treatment of debt, a more aggressive anti-monopoly policy, and steering the EU's financial structure away from banks.

Spaniards are still indignant!

You might be wondering what happened to the "Indignants," the protesters who swamped Spanish squares in 2011 to demand political change. The protests may have lessened, but just when Spain was least expecting it the Indignants have surged back—not in the streets this time but in the polls.

Podemos ("we can"), a political party that emerged out of the Indignants, won 8 per cent of the vote in the recent EU elections, giving them five seats in the EU Parliament. Though they still have a long way to go to cause big trouble for Spain's establishment, the result took many observers by surprise, as opinion polls had forecast only a 2 or 3 per cent share.

It was particularly impressive considering that the party was officially formed only four months ago. It has contributed to the decline of the mainstream social-democratic party, whose general secretary, Alfredo Pérez Rubalcaba, resigned in the aftermath.

"It is a party with little structure, largely based on television appearances," said Ignacio Molina, a specialist in European politics at the Real Instituto Elcano, a think tank and research group. "It is very active on the social networks on line. It is a party of new technology and young people, but a very important one, and has managed to channel the protest movement and the hopes of the Indignados."

At the helm of Podemos is Pablo Iglesias, a 35-year-old lecturer in political science and a regular face on political talk shows. The party obtained 1¼ million votes in its campaign against what Iglesias calls the established political "caste." He echoes the cries of the mass street protests that rocked Spain in 2011 and 2012, condemning corruption and the financial powers that be.

"We are being governed by the menservants of the rich," he was quoted as saying by the newspaper *El Mundo,* reiterating a regular line. "What we need is a government of postmen of the people. Our party's aim is to become an alternative to the political class."

The unexpected success of Podemos raised debate about whether Spain's old two-party system was under threat. The country has been governed alternately by conservative and centre-left parties since democracy was restored in the late 1970s. The governing People's Party and opposition PSOE (Spanish Socialist Labour Party) each saw their share of the vote and seats plunge in the EU elections.

The conservative People's Party won the election, capturing 26 per cent of the vote (down from 42 per cent in 2009), while support for the PSOE fell to 23 per cent (down from 39 per cent in the last EU election).

Critics call Iglesias a demagogue, using inflammatory rhetoric to exploit the dire conditions in Spain, where 26 per cent are unemployed and there are daily tales of families falling into poverty and eviction.

The first act Podemos plans when its members join the EU Parliament in Strasbourg is to cut the members' salaries from €8,000 to €1,930. To redistribute wealth the party proposes a maximum wage in Spain, a 35-hour

working week, retirement at sixty, and financial reforms to "put the banks at the service of citizens."

If Podemos goes on to poach left-wing votes from the PSOE and the United Left, which was placed third in the election, it could follow in the footsteps of Syriza, the left party that has shaken up politics in Greece.

EU ministers give biotech companies a say on GM crops

The EU will allow member-states to make their own decisions on growing genetically modified crops in a compromise reached last week that followed years of fraught discussions. All member-states apart from Belgium and Luxembourg gave their agreement.

The central point of the accord gives individual EU states the right to bar GM crops, even if they have already won clearance on health and safety grounds at the EU level.

But the proposed new law would also grant biotech companies, such as Monsanto and Syngenta, unprecedented power. They would be given the legal right to decide whether a national ban should be allowed; if companies oppose a ban, national governments would be forced to fall back on non-scientific legal grounds, opening the door to legal challenges.

The agreement envisages that when a company now applies for GM clearance a member-country can cite objections other than health and safety, such as concern over its effect on the environment or law-and-order issues, so as to be excluded from EU approval. At the same time those countries that want GM crops will be free to go ahead with them.

But forcing governments to ask biotech companies for their authorisation to ban new GM crops is undemocratic, putting the interests of the companies before democratically elected governments.

Under normal EU procedures, approval in Brussels should mean that member-states have no further say in the matter. In practice, however, widespread public unease over GM foods and fierce opposition from environmentalists have resulted in requests for approval in Brussels being blocked for years.

"The new system guarantees that the member-states have a choice," the French minister for ecology, Ségolène Royal, said; but the government of Luxembourg fears that the deal will allow the GM companies too much leeway and warned of "a wave of approvals."

Several GM crops have won EU approval, but only Monsanto's MON 810 maize is still grown after it was first cleared in 1998, with two other corn types as well as BASF's Amflora potato having been abandoned.

In 2012 the Irish Government gave the go-ahead for field trials of GM potatoes in Co. Carlow.

Somebody is getting the message!

The EU commissioner for employment, social affairs and inclusion, Andor László, has lashed out at the EU's response to the economic crisis. He said that debt-curbing policies designed to resolve the sovereign debt crisis have wrecked Europe's welfare model, and "austerity policies in many cases actually aggravated the economic crisis."

Andor described the EU's economic and monetary union as flawed from the start, forcing troubled member-states to make deep cuts in the private and public sectors by means of internal devaluation. "Internal devaluation—

the Irish experience—has resulted in high unemployment, falling household incomes and rising poverty—literally misery for tens of millions of people," he said.

He added that economic and monetary union still has no common fiscal capacity and no lender of last resort, despite efforts such as the recently agreed banking union. The euro, he said, has become a trap for some member-states, "unable to adjust to economic shocks through tailor-made monetary policies and devaluation in their exchange rate."

A possible way out, Andor says, is to disperse some money from national coffers through so-called "fiscal transfers" between member-states that use the euro.

A spokesperson for the EU Commission, Pia Ahrenkilde, said the views expressed by Andor are his own.

About 118 million people in the EU were in or at risk of poverty or social exclusion in 2010; this jumped to 124 million in 2012. According to the International Labour Organisation, austerity measures imposed by the EU have thrown an additional half million children into poverty.

Posted workers get the chop!

Below is the television listing from the *Irish Times* last week that announces a programme on posted workers in the construction industry, apparently made by the RTÉ Special Investigations Unit. The second image is a screen shot taken on Sunday evening of the RTÉ schedule, showing that the programme has been replaced with an American comedy.

8.30 **DOCTORS ON CALL** Dr Ciara talks about generalised anxiety disorder. T 88366898

9.00 **NEWS** T 31761411 — 9.30

9.35 **RTÉ INVESTIGATIONS UNIT – POSTED ABROAD** Examining how EU laws fail to protect workers from exploitation on some of Europe's most prestigious construction projects. T 18387411 — 10.25

This issue is one of important public interest and one on which scant information is available to the public.

The Posted Workers Directive—even the recently improved version—facilitates a race to the bottom in terms and conditions of employment. Employers who post workers to another member-state must apply the minimum terms and conditions of employment applicable in that state to the workers posted there. In the case of Ireland this means the minimum wage of €8.65 per hour.

Last year the Supreme Court struck down registered employment agreements as unconstitutional. The judgement has implications for up to 100,000 workers in certain sectors covered by REAs, such as construction and contract cleaning.

Formerly, a company employing electricians, for example, irrespective of the country of origin of the workers or the firm, had to apply the rates stipulated in the REA, which was legally enforceable. This protection is now gone. The RTÉ programme might have shed some light on the extent of exploitation around the EU while explaining the long-term implications for Irish workers.

One union, the TEEU, is running a campaign of blockading construction sites in the greater

Dublin area in order to enforce the terms of the last REA, which still constitutes an agreement with employers at the national level. Some of these sites are big public contracts; but the Government is ignoring the abuses.

So, why might the RTÉ programme have been pulled, and in whose interest is it that it is not broadcast? Has the EU interfered, or is it the employers' organisations? It is strange indeed that an hour-long programme made by the RTÉ Special Investigations Unit, which must have been costly and indeed prestigious, would not be shown. Of course RTÉ may be engaging in self-censorship and may have decided not to fan the fires of criticism of the EU!

And were the Government or the minister for communications, Pat Rabbitte, involved? Enquiries to RTÉ elicited no response.

But even if, as another source maintained, there was a risk of legal action from some individuals named in the programme, surely the offending sections could have been excised and the substance of the programme screened?

It is important that this programme be transmitted as soon as possible so that the public could be informed about the reality of one of the EU "freedoms," the free movement of labour, and might develop an understanding of the rationale for unions taking action to protect their members' terms and conditions.

A missed opportunity

In November 2011, according to an article in the *Sunday Independent,* the minister for finance, Michael Noonan, the minister for public expenditure and reform, Brendan Howlin, and the governor of the Central Bank, Patrick Honohan, together with a handful of their most senior officials, were awaiting word from the European Central Bank and the International Monetary Fund about whether Italy would survive the next twenty-four hours.

Since that summer they had been developing a plan for what to do should the euro collapse. Such was the secrecy that those in the know began speaking in code to avoid being detected by their colleagues.

The plan—which was also kept secret from most members of the Government—involved emergency legislation concerning the legal transfer of authority from the euro; ordering the closure of all retail banks and other financial institutions for at least three days in order to prevent an outflow of money, largely held electronically; a temporary suspension of the Dublin stock market to facilitate transition from the euro; and the introduction of a new workable currency—not unlike the scenario envisaged by Cormac Lucey in his book *Plan B: How Leaving the Euro Can Save Ireland* (Gill and Macmillan, Dublin, 2014).

During the summer of 2011 the euro crisis became more urgent, and in capital cities all over Europe contingency plans were being readied. In Dublin it was considered necessary to examine "all possible scenarios should the euro cease to exist."

Two teams of up to five officials from the Central Bank and the Financial Services Division of the Department of Finance, headed by an assistant secretary-general, Ann Nolan, worked together on "doomsday scenario testing" for how Ireland could deal with a break-up of the euro. A "war room" was set up to examine what "legal, logistical, financial and economic obstacles" would have to be overcome.

Five separate sources have now confirmed details of the plan. For the first time it has

emerged that it was discussed by the four-man Government sub-committee called the Economic Management Council, consisting of Kenny, Gilmore, Noonan, and Howlin.

According to sources, the Italian crisis caused concern to spike in Dublin following a sharp increase in Italy's ten-year borrowing rate, which had pushed up to over 7 per cent. Spain was in a similar position.

The plan concentrated on two problems identified by the Government and the Central Bank: whether Irish banks would be able to cope if the euro broke up, and what to do with cash already circulating in the country. Among the issues examined were how customers' deposits and securities held in euros would be handled under a new currency, and what monetary rules would apply to any new currency.

The officials also examined whether the new legal tender would be floated or would be "pegged" to another currency, such as the British pound. According to sources, the group also held "some talks" about the possible need for "additional currency printing" capacity in the event of the euro collapsing.

One of the options discussed was a return to the Irish pound. Sources have confirmed that there were discussions about marking euro notes with some sort of perforation to distinguish Irish notes from non-Irish notes, or by overprinting the notes.

While the November crisis abated and the nuclear button wasn't pressed that night, contingency planning in Dublin continued until the summer of 2012, when the new president of the European Central Bank, Mario Draghi, announced his plan to support the EU currency at all costs.

And so an opportunity was lost to extract ourselves from the euro and the permanent austerity that it means for the Irish people. Even more significantly, it would have given us a real chance to address the massive bank debt that hangs around our necks.

■ See more at www.independent.ie/irish-news/politics/revealed-the-secret-story-of-how-close-we-came-to-ditching-the-euro-30354986.html.

Defensive rights for national parliaments needed

The former president of Germany Roman Herzog has called for "defensive rights" for national parliaments and measures against over-regulation from Brussels.

Herzog writes that the complaints against "too much bureaucracy and too much regulation from Brussels" have spread like "wildfire" and must be answered with "new blocking rights for national parliaments," to stop the "power-expansionism of EU institutions."

Financial services off the table

Financial services will remain off the negotiating table in the next round of talks over the Transatlantic Trade and Investment Partnership, according to a leaked draft of the EU's first offer to the United States on trade in services and investment.

"The EU considers that the ambition of the EU offer is closely linked to the progress of discussions on regulatory co-operation," it says. "Therefore, commitments on financial services will be included at a later stage."

An attached note for member-states, not for American eyes, says: "The draft TTIP offer

does not contain any commitments on financial services. Given the firm US opposition to include regulatory co-operation on financial services in TTIP, it is considered appropriate not to include any commitments on financial services in the EU's market access offer at this stage. The situation may change in the future if the US shows willingness to engage solidly on regulatory co-operation."

That seems unlikely. The inclusion or otherwise of financial services in the negotiations on the free-trade agreement is a major point of disagreement between the United States and the EU. While the EU insists that financial services should be included in any deal, the US Treasury has argued firmly against working with the EU to regulate their financial sector.

The draft says that the EU reserves the right to review any takeover of a company or the establishment of a new company on a member-state's territory, on the grounds of national security. That exception, which holds under existing and future legislation, will be preserved through the whole TTIP text, it said.

The draft initial offer was circulated to member-states for their comments between the fifth and sixth rounds of negotiations in mid-July. The document was published on line by the European Federation of Public Service Unions, which is concerned that public services, such as water and health, are not excluded from the initial offer. This could lead to American transnationals tendering for contracts to run those services.

The EU spokesperson on trade, John Clancy, said: "The EU approach on services is an ambitious one, both on market access and regulatory aspects. And we will put forward strong commitments to achieve the goal of creating meaningful new market opportunities in this negotiation. We believe that the level of ambition and real economic value of our respective offers will be comparable.

"In all agreements we do not put on the table public services such as public education, public health, water distribution," he said.

The European Federation of Public Service Unions said that such services not being specifically listed as exceptions in the initial offer could mean there was a risk that they could become part of a deal in the process of negotiations. Their exclusion should be made explicit, it said.

While financial services are excluded, services in health, water, tourism, maritime, rail and road transport, real estate and education, among others, are included.

Negotiations between the United States and the EU began in July 2013. If successful the agreement would cover more than 40 per cent of global GDP and account for large shares of world trade and foreign investment.

Publishers, booksellers and writers warn about new library procurement strategy

EU member-states have two years to implement new rules on public procurement and concessions. Public contracts covered by the directives are valued at approximately €420 billion.

One of the provisions of the directive requires that the "award of public contracts by or on behalf of Member States' authorities has to comply with the principles of the Treaty on the Functioning of the European Union (TFEU), and in particular the free movement of goods, freedom of establishment and the freedom to provide services, as well as the principles deriving therefrom, such as equal treatment, non-discrimination, mutual recognition,

proportionality and transparency.

"Provisions should be drawn up co-ordinating national procurement procedures so as to ensure that those principles are given practical effect and public procurement is opened up to competition."

Obviously in line with this policy, a recently published strategy document, *Opportunities for All: The Public Library as a Catalyst for Economic, Social and Cultural Development,* puts forward shared procurement as one of its recommendations:

"A policy for shared acquisitions for libraries will be developed, including a national acquisitions consortium for public library print and electronic resources that maximises the cost-effectiveness of resources expenditure, increases purchasing power and gets the best choice of material to the user in line with government policy."

The document is published jointly by the Department of the Environment, Community and Local Government, the City and County Managers' Association, and the Local Government Management Agency.

On her last day as Laureate na nÓg the writer Niamh Sharkey criticised the proposals, saying they would damage the book industry and that under the Government's proposals a policy for shared acquisitions for libraries would be developed, including a national acquisitions consortium for public library print and electronic resources.

In such a situation, she argues, Irish library suppliers would not be able to compete with the large British wholesalers. This would result in a lack of exposure for Irish authors and illustrators, which could have a hugely negative effect on the future of Irish literature.

"A specialist knowledge of the Irish book market is crucial in order to ensure that Irish authors' and illustrators' books continue to be stocked in our libraries. It is a given these days that we value and protect Irish food producers—why should we not extend that parity of esteem to Irish authors and illustrators?"

A recent precedent is instructive. Following a new tendering process for the supply of books to Dún Laoghaire Rathdown County Council, Fingal County Council and South Dublin County Council the two main contracts will be awarded to a British wholesaler, Bertrams, which is part of Smiths News PLC and one of two massive suppliers that dominate the British market. The tender for the supply of all books to the Prison Service has also recently been granted to Bertrams.

Irish booksellers and library suppliers will be automatically disqualified from tendering for this business, because prior experience with tenders of this scale is required as a condition.

The Government may save some money in the short term, but the real price will be much higher, in lost jobs, lost taxes, and increased expenditure on social welfare.

A group of leading publishers, booksellers and writers has warned about the implications of the proposed national procurement plan, saying that it will close long-established and important businesses and destroy jobs.

Behind closed doors at the bail-out fund

The European stability mechanism, the euro area's permanent bail-out fund set up in 2012, is an international organisation that operates behind closed doors, far from public scrutiny.

The institution at the heart of EU loans to indebted member-states is doing its best to stave off any national influence over the conditions attached to its loans. In addition, it is working closely with private consultancies, which appear to have conflicts of interest. However, the ESM is immune from democracy, and we have no right to know what it is up to.

Leaked documents reveal that the ESM refuses to allow its client countries any political influence over the execution of the loan conditions, in order to speed up the privatisation process. In addition the ESM is very likely to be employing private consultancies with clear financial interests in these kinds of policies. Meanwhile the public is kept in the dark. The EU institutions, as well as the ESM itself, do nothing but block attempts to shed light on the way the organisation goes about its work.

The ESM, which began its work in October 2012, is meant to be a permanent bail-out fund for euro-area countries with financial problems. It replaces the European Financial Stability Facility, the fund that from 2010 arranged the distribution of loans to such countries as Greece, Portugal, and Ireland. The EFSF will cease to exist after current programmes finish and all loans to member-states have been repaid.

The ESM can lend money up to a maximum of €500 billion. The money it uses for loans to member-states comes from shares, bonds and other products placed on the capital market, together with an obligatory contribution from the member-states. (Each country in the euro area is automatically a member of the ESM.)

The loans provided to member-states in need do not come free: the ESM Treaty stipulates that the strict conditions that come with the loans have to be set out in a memorandum of understanding, drafted by the EU Commission, the European Central Bank, and, if possible, the International Monetary Fund, together known as the Troika.

Because it is an international organisation and not formally an EU institution or agency, the ESM does not have to adhere to rules or restrictions applicable to EU institutions and is not encumbered by any form of democratic accountability.

On transparency matters this has become especially clear. The ESM appears to be immune from the Commission's regulation 1049/2001 on public access to documents, or any similar rule that allows for greater transparency. Attempts by Corporate Europe Observatory to obtain information on potential contacts between the ESM and consultancy firms such as Oliver Wyman, Blackrock, Roland Berger and Pimco, which could create a conflict of interest, have been answered with a curt "No, we can't help you" from the EU Commission and with complete silence from the ESM itself.

Last December, journalists in several European countries revealed contracts worth millions of euros between consultancy firms such as the ones named above and the Troika and countries suffering under its yoke. Their expertise has also been hired in Ireland, where these firms, especially Blackrock, received large sums of money for providing "independent" advice. This is despite these companies having no accountability or transparency in their work

as well as clear conflicts of interest, as they have links to private investment funds and providers of other financial services, which may well be making a profit out of business not in the public interest.

So, why might allowing consultancy firms to handle EU bail-outs be a problem? In January 2011 the Central Bank of Ireland hired Blackrock Solutions (without public tender, because of pressure from the Troika) to perform forecasts and a "stress test" for Irish banks, in return for €30 million. Along with the fact that Blackrock's profit forecasts for banks appeared to be far higher than the actual numbers, this suggests a possible case of insider trading, or at the very least a serious conflict of interest.

Blackrock Solutions had intimate knowledge of the condition of Irish banks, while its parent firm had more than €5 million of "client business" and €162 billion of "assets domiciled" in Ireland. Last year it announced that it would buy 3 per cent of Bank of Ireland—one of the banks that was "stress-tested" by Blackrock Solutions in 2011. If Blackrock or similar consultancies are being used by the ESM, we need to be told.

A leaked ESM report delivered by the Troika to the Greek government in June 2013 makes it clear where the ESM's loyalty lies. The report complains that the privatisation process in Greece is not happening fast enough. It identifies a "series of practical weaknesses in the current privatisation process," leading to the observation that "the risks of implementation regarding the privatisation programme and the related structural reforms continue to be significant."

According to the ESM report, the Greek institution responsible for carrying out the privatisation schemes demanded by the Troika, the Hellenic Republic Assets Development Fund, is malfunctioning and should therefore be replaced by a newly established holding company. Most striking is the statement that Greece should not have any say in the privatisation process of its own public services: "it is necessary that the Holding Company operates at arm's length from the Hellenic Republic in all respects."

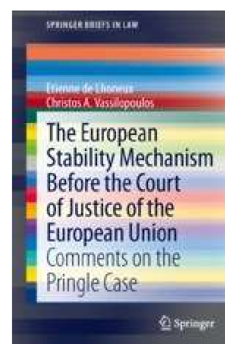
The ESM deals with millions of euros of taxpayers' money, and the social consequences of the austerity schemes attached to its loans have proved destructive. Despite these far-reaching political and social consequences, little is known about the ESM's internal workings.

It is hardly unreasonable, given that the EU claims to be a democratic system, to demand a fair degree of transparency over how the fund makes its decisions, who it consults, and why. Yet until now it seems that the ESM has followed the personal stance of its managing director, Klaus Regling, on transparency, expressed at a conference on the IMF a decade ago: "There is a trade-off between transparency and efficiency. In an emergency, the fund has to be able to act quickly even if that reduced the understanding of outsiders."

The ESM seems to suffer from a permanent state of emergency, as the complete lack of transparency continues.

New book on the Pringle challenge to the ESM

Étienne de Lhoneux and Christos Vassilopoulos, *Comments on the Pringle Case* (Cham: Springer International Publishing, 2014; ISBN 978-3-319-01478-4).



This book provides an analysis of the ruling of the European Court of Justice in the Pringle case. It covers the three main aspects of the ruling. Firstly, it examines the part of the judgement concerning the validity of European Council decision 2011/199—adopted under the simplified revision procedure of article 48 (6) of the Treaty on European Union—which provides

for the possibility of establishing a financial stability mechanism.

Secondly, it evaluates the new rules developed by the court in order to interpret agreements concluded exclusively by the member-states, such as the ESM Treaty.

Thirdly, it assesses the court's interpretation of the main provisions of the so-called economic pillar of economic and monetary union and the fundamental rules provided for by the treaties (nature of competence, financial assistance, institutional balance, judicial review, charter of fundamental rights etc.) with regard to the provisions of the ESM Treaty.

EU grants €113 million subsidy for shale gas

Environmentalists have condemned a new EU research fund that invites shale gas firms to apply for subsidies totalling €113 million under a scheme designed to encourage "competitive low-carbon energy."

The Horizon 2020 research fund, which runs from 2014 to 2020, is intended to help in identifying potential environmental impacts and risks from the exploitation of shale gas by using satellite observation, developing models, and establishing scientific recommendations for best practice.

But the money will go to gas companies that would otherwise have to pay for such research themselves, and campaigners were quick to condemn the new awards for contradicting EU policy on decarbonisation. "The Commission says that it ensures a high level of environmental protection, but at the same time it funds research for the shale gas industry. This is an obvious conflict of interest."

The EU's Directorate-General for Research and Innovation would not reveal which companies had applied for grants but said that €33 million had been set aside for award this year. A decision by the European Council last December allowed Horizon 2020 funds to be given for unconventional gas and oil resource exploration and production where this was considered appropriate. The funding call was published a few days later.

Fisheries deal not so great

Ireland has secured €147.6 million from the European Maritime and Fisheries Fund, following the obligatory "months of intense lobbying and negotiation" by the minister for agriculture, marine and food, Simon Coveney. This is the fund for the EU's maritime and fisheries policies for the period 2014–2020, used for jointly financing projects along with national funding.

To judge the success of the Government's negotiation skill it is important to remember that the €147.6 million is only about 2¼ per cent of a total pot of €6½ billion.

But the absurdity of the whole process is borne out by the fact that Ireland, with about 16 per cent of "EU waters," has to compete with land-locked countries, such as Austria, Hungary, and Luxembourg, for a share from a fund that proclaims itself as being for "helping fishermen in the transition to sustainable fishing," "supporting coastal communities in diversifying their economies," and "financing projects that create new jobs and improving quality of life along European coasts."

Although the figures for the component elements of the allocation presented in the Government press handout add up to €146.3 million rather than €147.6 million, we can still see that half the allocation is for the integrationist and enforcement elements of EU fisheries policy rather than for stimulating national development.

Using the Government figures, we see that a hefty €37 million will be for "control and enforcement," €32 million for the collection of data, and €5 million for implementing the Integrated Maritime Policy. These are all to do with carrying out obligations imposed by the EU: for example, the Integrated Maritime Policy is for integrating the surveillance and

monitoring of fishing activities at sea. This leaves only €71 million for actual investment in the seafood industry and €1.3 million for aid with storage. The allocation will be distributed in five payments.

In the period 2007–2013 Ireland was allocated €42 million under the European Fisheries Fund and received separate EU funding of €30 million towards the costs of EU obligations for data collection and control and enforcement. It must now prepare an operational programme under the EMFF Regulation and submit this to the Commission by 20 October 2014.

Austria, Hungary and Luxembourg’s “coastal communities” benefit too!

EUR, current prices

	2014	2015	2016	2017	2018	2019	2020	Total
BE	5 722 130	5 795 229	5 848 204	5 942 991	6 081 279	6 122 861	6 233 357	41 746 051
BG	12 071 289	12 225 498	12 337 253	12 537 214	12 828 942	12 916 663	13 149 763	88 066 622
CZ	4 263 975	4 318 446	4 357 922	4 428 555	4 531 602	4 562 588	4 644 927	31 108 015
DK	28 559 270	28 924 111	29 188 510	29 661 596	30 351 790	30 559 328	31 110 815	208 355 420
DE	30 100 054	30 484 577	30 763 242	31 261 850	31 989 281	32 208 016	32 789 256	219 596 276
EE	13 840 012	14 016 816	14 144 946	14 374 205	14 708 679	14 809 253	15 076 507	100 970 418
IE	20 231 798	20 490 256	20 677 561	21 012 701	21 501 645	21 648 669	22 039 349	147 601 979
EL	53 289 776	53 970 543	54 463 896	55 346 644	56 634 503	57 021 756	58 050 796	388 777 914
ES	159 223 336	161 257 387	162 731 468	165 369 007	169 216 972	170 374 037	173 448 682	1 161 620 889
FR	80 594 423	81 624 003	82 370 140	83 705 190	85 652 923	86 238 597	87 794 897	587 980 173
HR	34 629 786	35 072 176	35 392 777	35 966 420	36 803 321	37 054 974	37 723 684	252 643 138
IT	73 642 561	74 583 332	75 265 111	76 485 002	78 264 728	78 799 884	80 221 941	537 262 559
CY	5 443 762	5 513 306	5 563 703	5 653 880	5 785 440	5 824 999	5 930 119	39 715 209
LV	19 167 006	19 411 862	19 589 309	19 906 810	20 370 021	20 509 307	20 879 427	139 833 742
LT	8 694 653	8 805 725	8 886 220	9 030 247	9 240 371	9 303 555	9 471 451	63 432 222
HU	5 358 928	5 427 387	5 477 000	5 565 770	5 695 280	5 734 223	5 837 705	39 096 293
MT	3 101 540	3 141 162	3 169 876	3 221 253	3 296 208	3 318 746	3 378 637	22 627 422
NL	13 915 788	14 093 559	14 222 391	14 452 906	14 789 211	14 890 336	15 159 053	101 523 244
AT	954 693	966 888	975 727	991 541	1 014 613	1 021 551	1 039 987	6 965 000
PL	72 814 233	73 744 422	74 418 532	75 624 702	77 384 410	77 913 547	79 319 610	531 219 456
PT	53 797 969	54 485 229	54 983 288	55 874 453	57 174 593	57 565 539	58 604 393	392 485 464
RO	23 085 512	23 380 425	23 594 150	23 976 562	24 534 471	24 702 232	25 148 019	168 421 371
SI	3 400 584	3 444 026	3 475 509	3 531 839	3 614 022	3 638 734	3 704 400	24 809 114
SK	2 163 649	2 191 290	2 211 321	2 247 162	2 299 451	2 315 174	2 356 953	15 785 000
FI	10 197 069	10 327 335	10 421 739	10 590 653	10 837 087	10 911 188	11 108 097	74 393 168
SE	16 469 779	16 680 178	16 832 654	17 105 477	17 503 503	17 623 188	17 941 225	120 156 004
UK	33 327 114	33 752 863	34 061 403	34 613 468	35 418 887	35 661 073	36 304 629	243 139 437
Total	**788 060 689**	**798 128 031**	**805 423 852**	**818 478 098**	**837 523 233**	**843 250 018**	**858 467 679**	**5 749 331 600**