PEOPLE'S NEWS

News Digest of the People's Movement

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Coming to a new road near you!

The EU Commission has launched a plan for improving military mobility between member-states, as part of a wider effort to step up its military capacity.

"We must be able to quickly deploy troops," the commissioner for transport, Violeta Bulc, said. The plan is *"one of very practical steps towards a fully fledged defence union—that's an EU Army to you and me—by 2025."*

Under the plan, the Commission, the member-states and the European Defence Agency will define the military requirements, including the definition of infrastructure needed, and identify how they fit with existing regulations. The aim is to be able, by the end of next year, to draw up a list of "dual-use" projects for improving infrastructure that could be used for both civilian and military transport.

An analysis has shown that the standards for road bridges and railways are different among member-states. Some bridges, for example, could not support oversized or over-heavy military vehicles, while some railways also have an insufficient loading capacity.

The effort to update infrastructures for military use will be part of an existing plan to create nine east–west and north–south "core network corridors," to be completed by 2030. (Some of us will recall the Larne-to-Lisbon road, designed to move military equipment quickly during the Cold War!)

A staggering €500 billion is needed to complete the corridors. Additional costs for adapting them to military requirements will depend on needs still to be identified. "At this point, we're not aware of the amount of money we are talking about," Bulc said. But "we have all member-states on board"—which would seem to include Ireland.

So, listen out for the rumble of tracked vehicles as the EU continues to prepare for war.

A dangerous game!

At the meeting of EU home affairs ministers a couple of weeks ago the "Strategy for the Western Balkans," first presented in February by Jean-Claude Juncker, was adopted. Prescriptions from Brussels have to be implemented in the various countries before it is possible to decide on the accessions promised for 2025.

The region must now be more strongly bound to the European Union, according to the chairperson of the Foreign Affairs Committee in the EU Parliament, not least to protect it from other states as an EU sphere of influence.

The adoption of the strategy was preceded last year by a media campaign that evoked the spectre of new violence in the Balkans. Though this had nothing to do with the reality on the ground, the region was once again in the public eye.

The background is that the United States, Russia and, to a lesser extent, Turkey and China have become adversaries in the Balkans. The United States in particular has actively challenged the EU's supremacy through Montenegro's membership of NATO and the installing of a US-backed government in Macedonia.

Now, with the help of the Western Balkans Strategy, lost terrain is to be regained. Serbia, Albania, Bosnia and Herzegovina, Montenegro, Macedonia and Kosovo should thus be given a "European future."

This is a "geostrategic investment in a stable, strong and united Europe," the paper says. The EU's main concern is to bring the region, which is considered to be an autocratic back yard, under the control of Brussels and thus, in the long run, under German command.

One means of doing so is the "accession negotiations" with the EU. What sounds harmless in fact aims at nothing less than redesigning the state institutions and the individual economies in such a way that they can only function as an appendage of German hegemony.

As a periphery, the Balkan countries would be degraded to the level of extended work benches and sales markets for Western companies, consolidating the economic dominance of Germany and the derived military and political supremacy.

The minister of state for European affairs, Helen McEntee TD, said: "The strategy on the Western Balkans, published today, reaffirms the commitment of the European Union to the European perspective of all of the countries of the Western Balkans, a commitment that Ireland fully supports. It outlines a framework for those aspiring to join the Union in the foreseeable future. Ireland believes that we should welcome those who are ready to take on the responsibilities and obligations of membership, and that we should encourage them along their path. I spent last week meeting key players in Bosnia and Herzegovina, Montenegro and Serbia, and we discussed many of the issues contained in the strategy. I … assured them of Ireland's support as they carry out the reforms necessary to meet the high standard expected by the European Union."

She probably didn't outline the effects of EU austerity measures on Ireland. Shades of Pat Cox in Maidan Square!

Plum jobs—but it's too late!

The EU Parliament has just published nine job openings. Some are in Brussels and some in Luxembourg, at about €15,000 a month, substantial tax break included. Among them is the job of director in the Department for Communication working on the EU's 2019 election campaign, for which the Parliament's bureau set aside €33 million as part of the 2019 EU budget.

The planned expenditure is actually €33 million plus. According to the Parliament's secretary-general, Klaus Welle, its institutional communication campaign will serve as a background "service-provider" to political campaigns.

In the period before the elections "the European political parties—the EU currently recognises thirteen—will play a crucial, leading role alongside the national parties," Welle wrote, proposing "to enable them to carry out this mission with funding specifically increased this year" by €17 million. That's roughly €70,000 to spend for each of the 705 members of the EU Parliament after Brexit.

Applications for these plum jobs closed on 23 March—but you had to work for the Parliament, as there didn't seem to be external job ads placed by the institution that trumpets transparency.

Poverty among EU unemployed now close to 50 per cent

Eurostat, the EU's statistics directorate, recently issued its updated data covering people who are at risk of monetary poverty. From it we learn that 49 per cent of unemployed people in the EU "were at risk of poverty" in 2016, even "after social transfers" were taken into account.

While the usual suspects perform badly on these indicators (Spain, Greece, Italy), a stark result is that 71 per cent of German unemployed people are at risk of poverty. This proportion has jumped from 41 per cent in 2005—an increase of 30 percentage points. So even in the strongest euro-zone economy the policy frameworks are delivering terrible outcomes.

Increasing divergence and inequality and increased social exclusion are the most striking characteristics of the thirteen years of EU history since 2005. It doesn't look like a policy bloc that any sensible country should aspire to be part off (or remain within).

In February 2018, 3.6 million young people (under twenty-five) were unemployed in the EU 28, of whom 2.5 million were in the euro area. The youth unemployment rate was 15.9 per cent in the EU 28 and 17.7 per cent in the euro area, compared with 17.3 per cent and 19.4 per cent, respectively, in February 2017.

In February 2018 the lowest rates were observed in Germany (6.2 per cent), the Netherlands (7.2 per cent), and the Czech Republic (7.5 per cent), while the highest were recorded in Greece (45.0 per cent in December 2017), Spain (35.5 per cent), and Italy (32.8 per cent).

Past issues of *People's News*

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Continuing the ratification of CETA could be illegal

A recent important judgement from the EU Court of Justice says that corporate sovereignty provisions included in trade agreements between the EU's member-states are illegal.

The logic behind this decision suggests that any form of investor-state dispute settlement (ISDS)—the official name for the corporate sovereignty framework—even in trade agreements involving countries outside the EU, would be forbidden too.

Christina Eckes, professor of European law at the University of Amsterdam, believes that the implications of the ECJ ruling are even broader. She says that, in the wake of the judgement, serious doubts hang over the investment chapter in the Comprehensive

Economic and Trade Agreement (CETA) between the EU and Canada, which has still not been ratified by all EU member-states, a process that is necessary before it comes into force definitively.

In fact Belgium has explicitly asked the ECJ to rule on the legality of the investor court system (ICS, formerly ISDS) in CETA, which is the modified version of corporate sovereignty that supposedly addresses its flaws. As a result, a ruling on whether CETA's investment chapter is legal is definitely on its way, and could have serious implications for CETA and its continuing ratification.

Prof. Eckes points out, however, that there is something called "EU loyalty," which requires that member-states, among others, "facilitate the achievement of the Union's tasks and refrain from any measure which could jeopardise the attainment of the Union's objectives." In external relations they are obliged not to undermine the EU's external actions and to ensure unity in international representation.

Furthermore, "EU loyalty" covers not just the present state of EU law but also "the foreseeable future development of EU law" and should therefore be interpreted as requiring certain actions or omissions in the present so as to avoid a potential future conflict between international legal obligations and EU law.

What this means in practice is that the EU's member-states should not go ahead and ratify CETA without knowing the outcome of the ECJ's deliberation on the legality of the ICS. If they were to complete ratification and the investment chapter were found inadmissible by the court, this would undermine the authority of the ECJ, as its ruling would be null and void.

As a consequence, Prof. Eckes says, "in the light of the foreseeable risk that the ECJ declares the CETA investment chapter to be capable of undermining the autonomy of the EU legal order, member-states are required by the principle of EU loyalty to halt ratification in order to demonstrate a uniform position as one party, together with the EU and the other member-states, on the international plane in general and vis-à-vis Canada in particular."

It's an interesting argument, which the EU Commission will doubtless do its best to ignore, in the hope that it can just steamroller CETA through the ratification process before the ECJ issues its ruling.

If, however, as seems likely, CETA's investment chapter is indeed ruled illegal by the EU's court, this will present a rather thorny problem for the EU. Given the other challenges it faces, thanks to rising populism in many EU countries, the Commission could probably do without this kind of constitutional crisis that would undermine further people's support for the EU project. That might be a good reason for putting those ratifications on hold for a while.

"Ireland is supportive of ongoing EU-NATO cooperation and coordination"

Maureen O'Sullivan TD asked the Tánaiste and minister for foreign affairs and trade (and Bilder-berger), Simon Coveney, how Ireland's neutrality will be affected, in view of increasing co-operation between the EU and NATO.

"The EU's engagement with NATO is governed by the Lisbon Treaty," he replied, "including the legally binding Irish Protocol which expressly states that 'the Treaty of Lisbon does not affect or prejudice Ireland's traditional policy of military neutrality.'

"EU-NATO co-operation focused on promoting security and maintaining peace and stability, is developed with full respect for the decision-making autonomy and procedures of both organisations as well as respect for the security and defence policies of EU Members which are not in NATO. Irish participation in any joint initiative would be considered in accordance with national requirements. This is compatible with Ireland's military neutrality …

"Given the focus on the promotion of peace and security, and on avoiding duplication of structures, systems and standards, Ireland is supportive of ongoing EU-NATO cooperation and coordination. This will also enhance Ireland's efforts in promoting peace and stability for our citizens."

It's not very encouraging that Ireland is supportive of EU-NATO co-operation and co-ordination. I don't remember being told that back in June 2008 when we voted on the Lisbon Treaty.

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Europhile reform dreamers wake up: There will be no "far-reaching" reforms

Recently eight northern European finance ministers issued a joint statement on how they thought the euro zone (EMU) might develop. Issued by the finance ministers of Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands, and Sweden, the statement should put paid to any idea that significant progressive reforms are in prospect.

Enter Emmanuel Macron, touting euro-zone reform as if he is a progressive. The reality is different, of course.

Macron has begun to renew his attacks on French workers. His latest front is to undermine wages and conditions for French railway workers. And, just in case the Europhiles claim this is just a Gallic manoeuvre, Macron's policy attacks on workers are part of the EU's 4th European Railway Package, which has to be incorporated in the individual member-states' legal structure by the end of this year.

And on that thorny question of democracy, the French prime minister, Édouard Philippe, has admitted that his government will bypass the National Assembly and introduce the attacks on workers by regulation. In other words, they are prepared to avoid debate in the Assembly if it suits their agenda. This is a typical strategy of EU governments: avoid scrutiny and democratic debate.

And then we read the joint statement by the northern finance ministers in the EU. The initiative has been described as the states "closing ranks" to dispel any idea that change is coming any time soon. They didn't waste any time in letting everyone involved know that the status quo was to be preserved. They were telling Macron what Merkel told his predecessor, François Hollande, directly after he was elected on a "reform agenda": Don't get any ideas.

Merkel couldn't do that directly this time because of her own domestic political struggles. She had made noises earlier in the year (as she was negotiating with the Social-Democratic Party) that while she rejected Macron's call for a larger euro-zone fiscal capacity with a euro-zone finance minister running it, she did support a move towards a European Monetary Fund, which would just play the International Monetary Fund out of the Troika and change nothing.

Led by the Netherlands, one of Germany's strongest "austerity" allies in the euro zone, the northern finance ministers said that the changes already made by the EU Commission were working. "The current strength of the euro area is notably the result of the decisive steps that have been taken at the European level to strengthen the Economic and Monetary Union as well as wide-ranging reforms at the national level."

There was no recognition of these twin facts:

1. World trade has picked up and is boosting euro-zone member-states' national incomes—for the time being—which has nothing to do with the "structural reforms" carried out in the euro zone.

2. More importantly, the ECB's massive liquidity programme, which in effect is funding fiscal deficits through the secondary market purchases of government debt, is the only reason the euro zone still survives. If the ECB had not acted in this way—beginning with the Securities Market Programme in May 2010 and accelerating the programme (under other names) afterwards—many euro-zone member-state governments would have gone broke and been forced to leave. That is the reality of the euro zone.

The EU Commission hides behind a treaty that has a no-bailout clause. But every day the central bank is violating that treaty. Eyes look away and the mouths of the technocrats and politicians just utter "structural reform," as if they actually believe their nonsense.

The Finnish minister of finance, Petteri Orpo, claimed that one of the "key problems of the Economic and Monetary Union of the EU" is "the lack of market discipline," so that states are over-indebted and need to take responsibility for their own decisions.

Orpo was supported by Piia-Noora Kauppi, managing director of

Finance Finland, which is "the common voice of the Finnish financial sector and represents the interests of its members," who claimed that the joint statement was a "rational and moderate position" to take.

She expressed the common view that member-states had to "take responsibility for their own economies," seemingly overlooking the obvious point that they can no longer do that in any meaningful way, given that they do not issue their own currencies and are subject to harsh fiscal rules imposed by the EU Commission.

Undeterred, she uttered the standard line: Each country is responsible for seeing to this and shouldering the costs.

And the conclusion (the northern finance ministers' message again): Further deepening of the EMU should stress real value added, not far-reaching transfers of competence to the EU level. End of story!

PESCO Conference

Video: watch Luke Ming Flanagan MEP speaking on countering EU militarism.

Reclaiming the state

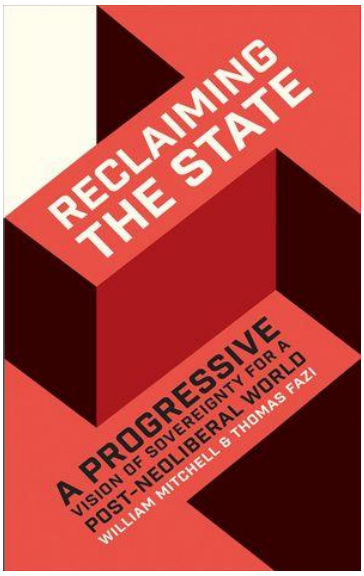
■ ***Reclaiming the State: A Progressive Vision of Sovereignty for a Post-Neoliberal World***

Professor William Mitchell

In this important work the Australian economist William Mitchell and the Italian political theorist Thomas Fazi reconceptualise the nation-state as a vehicle for progressive change. They issue a highly topical challenge to progressives, those on the left and genuine liberals, to come to the defence of national sovereignty and not cede that issue to the populist right.

For the thirty years from the end of the Second World War to the 1970s, a left-oriented Keynesian consensus held sway in the developed world. Then, for reasons this book describes, the mainstream left, as represented by the mass labour and social-democratic parties in Britain, France, Germany and elsewhere, and by the Democratic Party in the United States, ideologically disarmed themselves before rampant neo-liberalism.

A central neo-liberal proposition was that national sovereignty had become irrelevant in today's increasingly complex and interdependent international economy. Globalisation had made individual states increasingly powerless in the face of market forces. The growth of transnational companies and the internationalisation of finance had eroded the ability of national states to pursue progressive social and economic policies and provide prosperity for their peoples.



Consequently, the only hope of meaningful change was to "pool" state sovereignty and transfer it to supranational institutions, such as the European Union, thereby regaining at the supranational level the sovereignty that has been lost at the national level.

Many who regarded themselves as progressive and on the left came to share these views, stressing that neo-liberalism has involved a retreat or a hollowing out of the state, which found itself increasingly powerless in the face of market forces.

To cover their abandonment of a criticism of capitalism as a social system, progressives and left parties generally concentrated instead on such issues as racism, women's rights, homophobia, multiculturalism, and environmentalism—social marginality being no longer described and opposed in terms of class but rather in terms of identity.

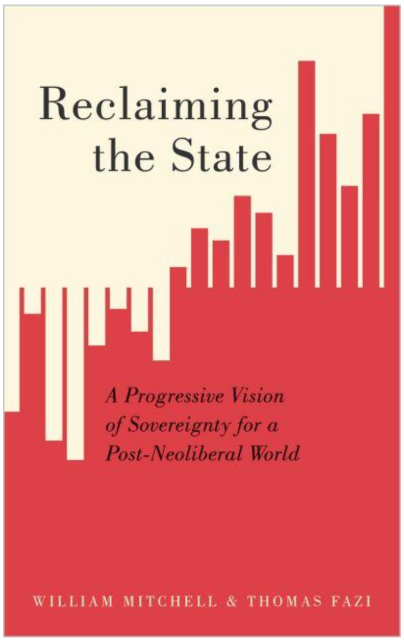
This book analyses the political timidity, ideological opportunism and intellectual fallacies involved in this surrender. For example, the decades of neo-liberalism have seen little or no decline in state spending as a percentage of GDP—a crucial measure of the strength of the state in society. Even supposedly neo-liberal governments, such as those of Reagan and Thatcher, did not reduce total public spending, though they altered its composition, for example spending more on weaponry and less on welfare.

As the authors point out, "even though neoliberalism as an ideology springs from a desire to curtail the State's role, neoliberalism as political-economic practice has produced increasingly powerful interventionist regimes."

Neo-liberalism has entailed extensive and permanent intervention by states and their governments: for example the liberalisation of goods and capital markets, the privatisation of resources and public services, the deregulation of finance, the reduction of workers' rights in collective bargaining, cuts to social schemes, and the lowering of taxes on wealth and capital at the expense of the middle class and working class.

The authors show how neo-liberal ideology, in its official anti-state guise, has been little more than a convenient alibi for what has been an essentially political and state-driven project, aimed at placing the commanding heights of economic policy in the hands of capital, and especially finance capital. Far from neo-liberal globalisation making the national state out of date, all its principal elements were the result of choices deliberately and consciously made by national governments as their ruling elite set out to limit state sovereign rights.

The authors call this a process of "depoliticisation" of policy. Its principal elements were the reduction of the power of parliaments via-à-vis the executive; making central banks formally independent of government; adopting constitutional limits on debt-to-GDP ratios and public spending, as with the EU'S Stability Treaty (2012), thereby limiting what politicians can do at the behest of their voters; enforcing the free movement of goods and capital; and, above all, shifting government powers from the national level to the supranational.



Why did national politicians choose to "tie their hands" in this way? As the EU case epitomises, the creation of these self-imposed "external constraints" allowed national politicians to reduce the political costs to themselves of neo-liberal policies that were generally unpopular. It enabled them to "scape-goat" these externally imposed rules and supranational and "independent" institutions. These could be publicly presented as an inevitable outcome of the new harsh realities of globalisation, about which supposedly little or nothing could be done at the national level.

In this way national governments' choices and state macro-economic policies were insulated from popular criticism and protest.

Mitchell and Fazi contend that the war on sovereignty has been in essence a war on democracy. This process was brought to its most extreme in Europe, where the Maastricht Treaty (1992), which created the euro, embedded neo-liberalism in the EU's very fabric, in effect outlawing in supranational EU law the Keynesian policies that had been commonplace in the previous decades.

Given neo-liberalism's war against state sovereignty, it is only natural that the revolt against neo-liberalism should first and foremost take the form of demands for a "repoliticisation" of national decision-making processes—that is, for more democratic control over politics and particularly over the destructive effects of the free movement of capital, goods and labour unleashed by neo-liberalism.

This necessarily can only be done at the national level by means of the national state, in the absence of effective supranational mechanisms of representation. The latter are impossible to bring into being as long as people's primary political identification is with their own nationality and state. Supranational structures will always lack democratic legitimacy, because people do not identify with them as their own.

The case of Iceland shows what even a tiny country can do when it uses its state sovereignty, an independent currency, controls on capital and the sequestration of its banks to overcome an extreme economic crisis.

The authors argue that progressives and the political left should not regard Brexit—and the current problems of the EU and monetary union generally—as a cause for despair but rather as a unique opportunity to embrace once again a progressive, emancipatory vision of national sovereignty, to reject the EU's neo-liberal straitjacket, and to implement a democratic socialist platform, which is impossible within the EU, let alone the euro zone.

Reclaiming the State analyses the elements of such a nationally based progressive socio-economic programme, central to which is state control of currency, credit, and banking. The authors are confident that in the coming years the growing mass of citizens threatened by the forces of neo-liberalism will more and more choose the reality of national democracy, imperfect though it may be, over the fantasy of a democratic global society of atomised individuals, which is the implicit vision of neo-liberalism.

They recognise, however, that a compelling socio-economic programme is not enough to enable progressives to win the hearts and minds of the people. If the political left is to become relevant in the form of successful mass political parties again it needs to make the rhetoric of nationhood its own—as James Connolly and countless pioneers of the classical labour and socialist movements did in their day.

The authors conclude: "Beyond the centrality of the State from a political-economic point of view, the Left has to come to terms with the fact that for the vast majority of people that do not belong—and never will belong—to the globetrotting international elite, their sense of citizenship, collective identity and common good is intrinsically and intimately tied to nationhood … In this sense, a progressive vision of national sovereignty should aim to reconstruct and redefine the national State as a place where citizens can seek refuge in democratic protection, popular rule, local autonomy, collective goods and egalitarian traditions, rather than a culturally and ethnically homogenised society. This is also the necessary prerequisite for the construction of a new internationalist world order based on interdependent but independent sovereign States."

Reclaiming the State will surely come to be seen as one of the more important social science works of our time.

■ William Mitchell and Thomas Fazi, *Reclaiming the State: A Progressive Vision of Sovereignty for a Post-Neoliberal World* (London: Pluto Press, 2017; ISBN 978-0-7453-3732-6; €23).

■ Prof. William Mitchell, joint author of *Reclaiming the State,* will be visiting Ireland in October, and the People's Movement will jointly host at least one public meeting. Here he is, speaking on the themes in the book. (He takes a few minutes to get into his stride.)

Euro-zone policy failures laid bare!

On 13 March 2018 the OECD issued its latest *Economic Outlook,* which suggests that the current growth phase will continue to next year as consumer and business confidence improves and translates as higher investment rates.

It forecasts, however, that growth in the euro zone will decline over the next two years. The major euro-zone states (Germany, France, and Italy) are not witnessing the growing investment expenditure. They are far from recovered, and the future is ominously black. Important cyclical indicators remain at depressed levels, which means that when the next cycle hits, the euro zone will be in a much worse position than before.

And the reason: the fundamentally flawed design of the monetary system, with its accompanying "austerity" bias.

A typical response from the Euro-elite is the report by the director of the Centre for European Policy Studies, Daniel Gros, "The Eurozone as an Island of Stability." It should come as no surprise that this institution is funded by European central banks, among other sources. Gros, with a PhD from the University of Chicago, possesses the Europhile neo-liberal pedigree, having previously worked for the IMF, and often writes "commissioned" pro-eurozone reports.

He jointly wrote the highly influential EU Commission report "One Market—One Money" (October 1990), an evaluation of the potential benefits and costs of forming an economic and monetary union, which provided the "analytical justification" for what was to follow: the acceptance of the Delors Report, the Treaty of Maastricht, and the rest of the crazy monetary union initiatives.

The analysis used deeply flawed economic models, including the notoriously poorly performed IMF Multimod model, which generated sympathetic results that reflect the assumptions made. These models are held out as "neutral" tests of policy propositions but are in fact so laden with theoretical bias that they are incapable of providing the role of the "independent umpire." Furthermore, the construction of "macro-economic stability" in the analysis was solely in terms of "better overall price stability."

The analysis also asserted that, while an independent central bank should be created, "the case for centralized powers over budget-ary policy is much weaker." It recognised that if tight fiscal rules were used to co-ordinate national-level fiscal policy positions then the ability of countries to absorb "shocks" in economic activity would be reduced, especially given that the capacity for exchange-rate adjustment would be eliminated. Yet they still advocated tight fiscal restrictions.

The report recognised that "national level stabilization and adjustment in the case of country-specific disturbances" (for example a collapse in private spending, as occurred in many countries in 2008) “requires flexibility and autonomy, at least within a normal range of sustainable public deficit and debt levels.”

But despite that recognition, the Commission report concluded that “budgetary discipline, in order to avoid excessively high deficits, will need to be intensified …” In other words, they knew that if there were major reductions in total spending, the automatic stabilisers built in to the national government fiscal policy would be prevented from working in a normal and flexible fashion by the uniform and tight fiscal rules.

In that context, they knew that unemployment would rise sharply and persist, and that fiscal deficits would rise, and the only way that states could obey the proposed fiscal rules would be to attack domestic wages, pension entitlements and public services and infrastructure and further push up unemployment.

The economists advising the EU Commission at the time knew this but left it unstated, and the politicians did not tell the “people” that this was a likely outcome of what they were doing in their name. The maladministration was stark, and the denial was on a grand scale.

The report’s recommendations were also contrary to the available evidence, which suggested that when central banks give priority to inflation over other macro-economic goals, such as high output and income growth and lower unemployment, the real losses arising from lower growth in real output and higher unemployment are substantial.

Now Gros is pushing more of the same. He asserted recently that “the euro zone owes its ostensible immunity from financial-market gyrations to major improvements in the peripheral economies’ fundamentals: growth has picked up, and unemployment, though still high, is declining rapidly … After a decade of struggles, the eurozone today is an island of relative stability in a turbulent sea. To ensure that it stays that way, its leaders must remember a fundamental truth: no predominantly domestic problem will ever be resolved by a loan or transfer of resources from abroad.”

Thus “an island of relative stability”!

He doesn’t mention that the only reason there is stability within financial markets with respect to euro-zone member-states’ debt is that the EU Central Bank has been violating the treaty—breaking the law, that is—by buying up that debt in massive volumes and giving the private bond investors guaranteed profits if they keep purchasing in the primary auctions.

Of course it doesn’t suit Europhiles to admit that the system is only surviving because its central bank is a law-breaker and when right before their eyes the central bank has been funding continuing fiscal deficits, despite being prohibited under the treaty from doing so.

The *Financial Times* recently showed that the total euro-zone fiscal balance has now almost returned to its pre-crisis state. In 2007 the euro-zone fiscal deficit was 0.7 per cent of GDP; at the height of the crisis it rose to 6.3 per cent (2009), but then the enforced austerity has brought it back to a deficit of 1.7 per cent of GDP (2017).

The euro zone didn’t return to its peak real GDP of the first quarter of 2008 until the second quarter of 2015 (thirty quarters). The United States took only twelve quarters, and Australia had no official recession—just a slowdown. The euro zone has grown by just 5.6 per cent since the first quarter of 2008, Australia by 27.1 per cent, and the United States by 16 per cent.

The euro-zone aggregate masks massive divergences in fortunes. For example, Germany grew by 11.6 per cent for the period, France by 7.3 per cent, and the Netherlands by 8.4 per cent, while Greece shrank by 25.5 per cent, Italy by 5.7 per cent, and Finland by 1.4 per cent.

And there are other serious problems. The total unemployment rate has barely recovered to where it was at the trough of the recession in the early 2000s. The share of Europeans aged 25 to 54 with a job looks a little better but is still depressed.

So not only has the austerity in the euro zone damaged the career prospects of its youth work-force but it has also severely dented the prospects of future young workers.

As dependence ratios increase, the future workers will need to be more productive than the current prime-age work-force if material living standards are to be maintained. The future for the euro-zone countries is decidedly bleak, given the massive wastage of its youth and the degradation of its public infrastructure and public services.

Unemployment rates in the euro zone averaged 9.1 per cent in 2017, still 1.6 points above the 2007 low point of 7.5 per cent, which in itself was the residue of the austerity that had accompanied the introduction of the EMU. And countries such as Greece remain 13.7 points above the 2008 level, Italy 4.5 points above, Spain 6 points above, and so on.

The euro zone may be seeing a little sunshine creeping out from the very dark clouds. But it is far from recovered, and the future is ominously black. On many crucial cyclical indicators it is still barely above or still below the levels achieved before the banking crisis. So when the next cycle hits, it will be in a much worse position than before.

And the reason: the fundamentally flawed design of the monetary system, with its accompanying austerity bias.

A bridge too far!

Manlio Dinucci, "L'Arte della Guerra: UE, Area Schengen per le Forze NATO [The Art of War: The EU, a Schengen Area for NATO Forces]."

• Select EN for English subtitles.

No to an EU army!

Why not join our next protest against militarisation and the creation of an EU military-industrial complex? Put it in your diary: Dáil Éireann, Thursday 19 April, 1 p.m. Placards will be provided!