

# Rise of Neoliberal and Undemocratic Europe

From Maastricht to the Fiscal Treaty. An interview

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## **What is the continuity you see between the moment of Maastricht through the Lisbon Agenda and the Lisbon Treaty, to the Six Pack and now this new Fiscal Treaty?**

Susan George - The Maastricht Treaty was a treaty that presented two completely arbitrary figures: 3 percent budget deficit with regard to the GNP and 60 percent for the debt. Why not 4 per cent or 2 per cent? Why not 55 or 65 per cent? Nobody knows. They came out of the sky, those numbers, doubtless from the Bundesbank. But they have become sort of religious symbols, the holy numbers of Maastricht. That was the first effort to get government policy under control, but countries did not respect that, including Germany

When the time of Lisbon came, we'd rather stopped talking about that. Lisbon was about different issues. When people read that treaty (which they did in France, it was the biggest debate we've had since May '68) - and realized what was actually in the European treaties, they were horrified. There were innumerable issues in that treaty which people were opposed to: that we were going to be forever under the command of NATO with the American President as commander-in-chief; all the economic detail and other issues in France which made people frightened of 'laïcité' - secularism. But above all, people understood often for the first time that the entire economic programme of the EU was, and always had been, completely neo-liberal and put "free and undistorted competition" and the free market way above social protection.

In France, we had a huge campaign based on about 1000 collectives that sprung up all over the country, but nobody in the establishment expected us to win. We started off with 70 percent for the yes, 30 percent for the no. That is probably why they let us have a referendum. And we voted 55 per cent no. The establishment was furious. All of the major media, most of the politicians, they were stunned and they were furious. And they said in private, never again.

So what happened after that? After the French and the Dutch had voted against this treaty in no uncertain terms (the Dutch vote was 60 percent against), they got into a very secret group. They had a small committee writing a new treaty, making it even more complicated. They drafted the Lisbon Treaty with the help of the top judicial experts of the Commission. It was completely opaque as a process. There were no elected representatives in the group that wrote it. And they simply took the constitution that we had defeated threw out the anthem and the flag and a couple of other little trimmings. But as Valéry Giscard d'Estaing said - and he was the chief architect of the constitution -

they have made cosmetic changes to make it easier to swallow. And every other official, including Mrs. Merkel, said this is exactly the same thing as the constitutional treaty. Nothing has changed. And many, many other officials said that including Baroso, the President of the Commission.

So here we have Lisbon, we're not allowed to vote on it because obviously we're going to vote the wrong way. It was made clear that no one will have a referendum—except for Ireland. Gallant little Ireland, has in its constitution that it must have a referendum every time there is a change in the European constitution. And we should all have that provision. The European Constitution and the European legislation provides 80-85 percent of our national legislation, it just gets transferred into national law. Therefore, when you are under the control of a non-democratic Europe, this is very serious because that is going to be transposed into your own national law. Fortunately, I had the good luck to be asked by the Irish to help them in fighting against the Lisbon Treaty. Again, we won. It was fantastic! Starting from a very low level, and then for one reason or another, people understood what it was about. They said no, even though it was extraordinarily complicated to read.

And so, they didn't vote correctly either. They had to be disciplined; they had to be told to vote again. By that time the crisis had broken, and the Irish were more or less told that if you don't vote right this time and say yes, then you are going to be in very deep trouble, you are not going to get any loans and you are not going to get any help coming out of the crisis. So they dutifully went back to the polls and voted yes.

Why do we have to have, in addition to all of this, what is called the 'six pack', and now a new treaty that we should just call 'austerity' treaty (it has a much longer name but forget that, it's the austerity treaty). Why do we need this? We need it because Germany, principally, and a few other countries, want this engraved in stone. They want those Maastricht numbers, that people were not paying attention to, engraved in marble: 3 per cent budget deficit allowable maximum, 60 per cent debt allowable maximum. This means that member states are going to lose one of their principal powers in national sovereignty - the power over their own finances. They are not going to be able to control that because it is all going to be controlled by Brussels.

We have a serious problem with this because Brussels wants austerity. What does that mean? Austerity simply means that there is going to be an attack on every measure that has been passed before and since World War II to give ordinary people, workers, ill people, children, old people the benefits that they fought for and won over the last fifty to a hundred years. It is that serious!

We do have higher debts, and we do have budget deficits, but the European Commission and the governments are pretending that these deficits exist because we have been "living beyond our means". That is not the case. It is not because old people have been getting their cheques for retirement or the unemployed have been receiving compensation. It has nothing to do with social spending.

We have deficits because when the crisis came, our governments had to spend huge amounts to bail out the banks. They had to confront a drop in GNP of about 5 per cent—which is a lot of money. They had to try to compensate for that which also costs a lot of money. And since there was more unemployment, they were not receiving the tax income that they were used to receiving. That was a drop in the income with an increase in the expenditures. And since they won't tax the rich either, there was no money in the till.

What do they do? They say, ah, it is up to the people to pay. So what has happened is that the banks have contributed zero, they are not being asked to make sacrifices at all. We are punishing the innocent, the people who are supposed to pay through austerity, and we are rewarding the guilty because the banks are continuing to receive huge privileges and subsidies from our governments.

That is why we must defeat this fiscal compact, this austerity treaty, and all the measures that come with it unless we want Europe to be retrograded to, shall we say, the 19<sup>th</sup> century. That's what it is about.

**Susan George**

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**P.S.**

\* From TNI:

<http://www.tni.org/article/rise-neoliberal-and-undemocratic-europe>

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Susan George is one of TNI's most renowned fellows for her long-term and ground-breaking analysis of global issues. Author of fourteen widely translated books, she describes her work in a cogent way that has come to define TNI: "The job of the responsible social scientist is first to uncover these forces [of wealth, power and control], to write about them clearly, without jargon... and finally..to take an advocacy position in favour of the disadvantaged, the underdogs, the victims of injustice."