

Treaty of Lisbon:

Why an Irish No is important to you too

14/06/2008

After the Netherlands and France, Ireland has now also rejected the draft European Constitution, which has since been renamed the "Treaty of Lisbon," but with virtually the same content. It seems clear that the Irish, better than anyone else, realized that a "yes" vote would almost certainly lead to the creation of an undemocratic and bureaucratic European superstate, with potentially serious adverse consequences, especially economic ones. The Treaty of Lisbon is an unreadable document of several hundred pages, the contents of which no Irish person knows. Even Irish European Commissioner Charlie McGreevy has admitted that he hasn't read it. What applies to the Irish also applies to most Europeans, even if they are heads of government or members of parliament.

What is it about?

Either one chooses a " *politically*" unified Europe, with a large central bureaucracy, or an " *economic*" European free trade zone, with extensive democratic citizen participation but limited central authority. In a unified democratic Europe, democratic freedom must reside with the citizens, not in the ivory towers of the European institutions.

Contrary to what " *Europhile*" politicians think, the *economic unification* of Europe, the need for *political Unification* is declining sharply. Due to the globalization of the economy, trade markets have become supranational. This used to be different. Back then, there was a world of toll borders, protectionism, and trade barriers. In that structure, a country's size was important because it was the only way to create a large, open domestic market.

Now, however, the situation has reversed: it is the small political states that are becoming attractive. They can operate much more flexibly and have access to a globalized market just as large as the large political states. The former Eastern Bloc countries are a prime example. They were able to break free from a stifling and bureaucratic central authority. Moreover, they restored democracy and were now free to introduce lower tax rates. We now know the result: prosperity is rising exponentially.

Mistake

Our Western European politicians are now trying to do the opposite of what the Eastern Bloc countries did. With the Lisbon Treaty, they're attempting to create a European bureaucratic superstate, roughly modeled on the former communist, centralized Soviet model. This is quite strange. Surely our politicians know that this model collapsed like a sieve at the end of the 1980s?

How can this attitude of politicians be explained?

Free trade has always been a thorn in the side of meddling corporatist welfare states like Belgium, France, and Germany. In this (socialist) view, free trade could only be tolerated if strict central European regulations could be established to replace national ones. And so it grew into a monstrous 90,000 pages of red tape.

It's important and essential to understand that free trade, the free movement of people, goods, capital, and services, can easily take place without a European Union, or even with a very

limited one. A great deal of bureaucracy isn't necessary. In such an intergovernmental, free-trade Europe, the Treaty of Lisbon has no place. European institutions would be practically redundant, and the old Continental European contempt for individual freedom would immediately disappear.

Subsidies

Many politicians accuse Ireland of ingratitude. Many claim that Ireland owes its transformation from the poorest country in the EU to the second richest to the generous subsidies it received from the EU. However, this assertion is incorrect. Ireland received subsidies from 1973 onwards, but its prosperity explosion only began in the 1990s with the dramatic reduction in tax rates. Calculations (regression analysis) have clearly shown that there is no correlation whatsoever between the subsidies received and the growth in prosperity. On the contrary, an inverse correlation has been found. A graph illustrating this can be found in the book "Manifesto for an Independent Flanders in Europe" (In de Warande), page 235. Moreover, subsidies have never helped a country or region progress. If they had, the Charleroi region would now be the richest in the world. No other region has received as many subsidies as Charleroi. However, poverty has remained the same, and unemployment remains sky-high at 30%.

European Superstate?

The Irish "No" voters clearly don't appreciate a European superstate. There are compelling arguments for this position. We offer three:

First, a heavy government bureaucracy requires a high tax burden.

We can speak for ourselves. Our burdensome government bureaucracy is running off with so much taxpayer money that purchasing power is declining, and worse, there's insufficient money left for pensions. Last week, we read in the newspapers that our statutory pensions are declining year after year and are among the lowest in Europe. It's a significant positive that the Irish have recognized this danger.

Second, a real danger of "Tax harmonization". EU politicians have repeatedly floated the idea of tax harmonization. This is a very dangerous line of thought. We now know that to create prosperity, we absolutely must not introduce tax harmonization, but rather "tax competition." Here too, Ireland was well-placed to realize this, if only because it owes its exceptional prosperity to tax competition.

And we shouldn't be under any illusions: our (predominantly socialist-inspired) European politicians will—once the superstate is in place—use harmonization to standardize tariffs to the highest level. Ireland is rightly particularly worried about this. It would simply be a death blow to prosperity.

Thirdly: the undemocratic nature of a superstate. Our Western European politicians have already demonstrated their undemocratic attitude. Out of fear of the voters, 26 member state governments refused to hold a referendum because they feared a "no" vote from their constituents. Talk about democracy! In a European superstate, we will be governed by undemocratically elected bureaucrats, who are therefore not accountable for their policies and can use our tax money to their advantage. The comparison with the former communist Soviet bureaucracy then becomes painfully clear. It is all the more painful because they did not hesitate to threaten reprisals against Ireland if it resulted in a no vote. The Eurocracy has thus unwittingly shown its true colors.

Decision

Post-war European unification has been a resounding success. The creation of a unified free trade zone, with the abolition of economic and personal internal borders, has made Europe prosperous. However, the Eurocracy has deviated from this path and now strives for coercive regulation and power dynamics that threaten to completely destroy the freedoms we have acquired. The all-too-conspicuous methods employed in recent years to first force European citizens to accept a so-called constitution and then serve it back as a treaty speak volumes. The debate hasn't even taken place yet, but the plans for the presidential palace are already in place. No, this is not the Europe that will perpetuate prosperity for our children. A resounding "No" vote was therefore more than necessary. Let it be clear, however, that we also support more Europe. But a Europe where people strive for their freedom, not one where they are openly ignored and democratically insulted. Or has the lesson of World War II and the subsequent Cold War already been forgotten? Prosperity only arises where freedom and democracy prevail.

Eric Verhulst and Willy De Wit

The authors are, respectively, chair and staff of the independent socio-economic think tank "WorkForAll." (www.workforall.org)