

# **NEW EUROPEAN**



**Biannual Views  
of International Affairs  
Spring/Summer 2014**

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## NEW EUROPEAN

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# Editorial

The thousands of political activists who canvassed for the candidates for the European Parliament must now know their peoples' hostility to the European Union is stronger than ever and that the idea of integrated Europe is an idea of a bygone age. Its founding fathers and their immediate disciples hold the fashionable view of the mid-20th century that just as long ago tribes joined together to form nations, and nations joined together to form nation states and they in their turn joined together to form unions, and so it was time for all the peoples from the Atlantic to the Urals to form a constitutional unity comparable to the United States. The US, however, has one language, one religion, one prevailing ethos and thereby one culture. Hence America has one demos. As democracy is governed by the demos, it follows that America is democratic and equally therefore the EU cannot be. Europe can never be like America.

Meanwhile there are centrifugal forces at work in every continent. Where there is a demos finding itself a minority in the country its people strive to determine their lives according to their own cultural beliefs and values. This is how the United Nations only had 51 members when it was formed and now has a diversity of nearly four times that many. This centrifugal force belongs to human nature. It has always been natural for people to strive and live according to their own cultures.

In Europe today, in many of the provinces of the larger nation states we can hear them speaking in nationalistic terms, and sometimes as in Spain with violence. We have seen how the Slovaks and Bohemians have divided one union into two nation states. Yugoslavia has splintered with Muslims gaining their independence, Gibraltarians have resolved to oppose reunification with Spain; the Ukraine is drawing away from Russia and in the UK the Scottish Nationalists seem set to dissolve Great Britain.

The principal class appear not to see the significance of what is

happening. Its leaders are the prime ministers and presidents of the member states of the EU who enjoy the exercise of power and it is how they have reached the top. In their own countries they exercise only a modest degree of power, but twice a year they form the European Council. When they meet there they find they are deciding the future of 485 million people's lives. That is power indeed, and this is why European Council will reject any radical reform of the EU.

Thus we see beginning a contest between the political class and the peoples of Europe. The political class may have the power of the European Council which alone can decide whether or not the EU is to be reformed. Against them is the numerical strength of the electorate which also has centrifugality on its side. One side is artificial and transient; the other has a natural law which has always existed and always will.

Who then can doubt the outcome of the contest? *R.B.*

# The EU is Walking on Rubber Soles on Switzerland

Kari Gåsvatn

Switzerland will limit the free movement of persons. A majority wants a quota for the immigration of EU citizens. A few years ago such a result of a referendum would have led to threats and general denunciation. But now the EU top people are walking on rubber soles. They know that referenda in many EU countries would also have resulted in a majority in favour of limiting immigration.

The picture of Switzerland as a country for Swiss people who are only concerned with themselves is common enough. This picture is not true. No country in the EU has such a high percentage of immigrants, excepting Luxembourg. France has 5.9 per cent and Germany 9.1 per cent, whereas 23 per cent of the inhabitants of Switzerland are immigrants. Every year 80,000 new foreigners arrive. This mirrors the crisis in the EU. Most of the immigrants are Europeans who find work in Switzerland. Wages are being pushed downwards while rents are going up.

The referendum campaign has been led by the right-wing populist Swiss People's Party. This party has its share of the responsibility for Switzerland having come to be perceived as a rich, spoilt country with nasty attitudes. This time the dislike of foreigners has been toned down. Instead the arguments have been about problems that occupy most people, such as the failure of the transport systems' failure to keep up with the increase in the number of people and that the countryside is being taken up by housing.

The immigration of labour is a complicated issue. There will always be winners and losers. The issue is engaging people all over Europe. The accusations of welfare tourism are just as widespread in many EU countries as they are in Switzerland. Furthermore the EU is itself a fortress against the rest of the world. Consequently it is not easy for the EU elite to react against Fortress Switzerland in exclusively negative terms.

EU President Manuel Barroso is, however, threatening to revoke the agreements between Switzerland and the EU. Switzerland is

neither part of the EU nor of the EEA but has entered on a series of agreements which do in practice work like an EEA membership. The agreement on free movement of persons is one of them. And there is a special guillotine clause saying that if one agreement goes all of them go.

But the guillotine will hardly be used immediately. The EU will have to do analyses first. Switzerland will have three years of respite before the result of the referendum is carried out in practice. The government will have to propose a system for quotas on immigrants. The issue is certain to be aired with the EU during this process. It is doubtful that anyone is going to punish Switzerland.

It is a doubtful question whether Switzerland or the EU profits most from the agreements. But this is not about economic power. The EU is weakened politically and psychologically and is looking for a road to new enthusiasm for the European idea. The theme is particularly sensitive before the EU elections in May. There is a widespread fear of the so-called anti-European parties. Protests against "the elite in Brussels" are not found only in Switzerland. The rebellion has many faces and many political positions. What they have in common is that they are not fascinated by the slogan "more Europe". It is striking that so many people are talking of the malaise they feel.

Perhaps Martin Schultz, the German EU Parliament President, is the top person in the EU who has most clearly perceived that a gap has widened between the people and the elite. He says that Europe can learn much from Switzerland, and that the country has an admirable ability to unite differences in the areas of culture, geography and business.

And it is just the Swiss experience of direct democracy that Schultz is referring to. Referenda have stopped Swiss membership of the EU and the EEA, whereas the EU has never been able to find solutions to its democratic deficit. The EU has always feared referenda more than anything else. This attitude is what is now striking back and giving the EU a legitimacy problem.

This fact is making it the more interesting that Schultz is underlining the advantages of the Swiss system. He is also top candidate for the European Social Democrats in the EU elections. Furthermore, he is the favourite for the job as new EU Commission president. It is evident that he is campaigning for dear life. And it is probable that he understands what is at stake for the EU.

Schultz does not believe that the EU will revoke the agreements with Switzerland. And Norway should be aware of an attitude that is showing a more forthcoming EU. It is not a given thing that the EU will always punish Norway for making independent choices and take

care of national interests. By those people in Norway who wish for the most abject subjection to the EU rules the EU is used as the birch rod that awaits us if we do not adapt. But the EU can no longer afford to act like that.

All analyses of what will happen between Switzerland and the EU always end up with the result that no matter which agreements are rescinded the 1972 free trade agreement will always remain in force. Consequently trade will not be harmed. And the same reasoning may well be supposed to apply to Norway?

**Kari Gåsvatn** is a journalist and columnist at Norwegian daily *Nationen*, writing on politics, international agriculture, the EU and environmental issue. This article was first printed in *Nationen*: <http://www.nationen.no/meninger/eu-pa-gummisaler-overfor-sveits>

*Translation: Luise Hemmer Pihl*

# Norway 1814 – 1994 – 2014: Sovereignty and Democracy

Heming Olausen

2014 is a year of political jubilees. 200 years ago Norway got her Constitution (Grunnloven), which is celebrated every year on May 17 in every place in the country with children's processions and speeches. And on November 28, it is also 20 years since the latest No of the Norwegian people to EU membership.

Where is the connection between these two great events in Norway's political history – and why is No to the EU calling this a "double jubilee" and making a campaign on it?

In 1814 Norway was subjected to Denmark, formally in a "union", but really governed as a colony. After the Napoleonic wars Denmark was left as one of the losers, and through the Treaty of Kiel in January 1814 it was decided that Norway should be surrendered to Sweden as war booty. This led to an insurrection in Norway, and the elites (the nobles, the big farmers and others) met and decided to reject the Treaty of Kiel and set up a Norwegian Constitution and call a constituent assembly named Stortinget. And this came to be the result after people all over the country had gathered at church assemblies and elected their representatives. Strongly inspired by the French revolution and the American constitution one of the most radical constitutions in Europe was adopted and signed on May 17, 1814.

Even though Norway was in the Autumn of 1814 forced to accept the Swedish king and a personal union with Sweden after an invasion of superior Swedish troops the Storting stuck to the Constitution as the legal framework of the Norwegian democracy during the union with Sweden. In actual fact Norway had self-government except for foreign policy.

Norway's upholding of the principle of the Sovereignty of the People was a unique phenomenon in Europe. When the democratic wave of the French revolution had passed almost all the royal houses had their revenge, and most constitutions were annulled or set aside. The Norwegian constitution survived. And furthermore – it was on the foundation of this constitution that Norway's democracy was

continually expanded until 1913 (votes for women) and 1919 (full voting rights, even for people on poor relief).

“Norway is a free, independent, inalienable and indivisible realm,” according to the first article of the constitution.

And this was just what the campaign in 1994 (as well as in 1972) was about: Should Norway continue as a free and independent realm, or should Norway be subjected to remote government from Brussels? In both referenda the people said clearly that “we want to govern ourselves, we will not be governed by others”.

And when No to the EU now celebrates as well the 200 year jubilee of the Constitution as the 20 year jubilee of the No victory in 1994 it is on the foundation of these quite fundamental principles:

*Norway should be governed by the Norwegian people*

*Norway should be an independent and sovereign country.*

And this is where the struggle is still going on in 2014. Not so much about EU membership. As many as 70 per cent of the people are now saying No to the EU. But through the EEA agreement we are nevertheless a member of the EU Single Market and have to accept a number of laws and directives which, according to many, ought never to be accepted as we are just not a member of the EU.

So the struggle continues – for Norway’s freedom, democracy and independence. In 2014 as in 1994 and in 1814.

*Heming Olaussen is the leader of No to the EU. See more at [http://www.neitileu.no/articles\\_in\\_foreign\\_languages/nei\\_til\\_eu\\_no\\_to\\_the\\_eu](http://www.neitileu.no/articles_in_foreign_languages/nei_til_eu_no_to_the_eu)*

*Translation by Luise Hemmer Pihl*

# Alternatives to the EU and the EEA Agreement

**SIGBJØRN GJELSVIK**

*A clear majority of Norwegians believe that the EU has too much power in Norway, and support a trade agreement as an alternative to the current EEA agreement. It is very interesting and satisfying to see polls in Sweden, Finland and Denmark showing that support for deeper co-operation among the Nordic countries is preferred to EU-membership. Let these opinion polls make a starting point for a deepened Nordic cooperation, and in the future an alternative to the European Union and EEA with those countries that originally founded the European Free Trade Association, together with other good friends in Europe.*

Over time, the EEA has been increasingly extended, and is now involved in areas which the parliamentary majority implied would not be touched. Key elements in Norwegian regional policy, petroleum policy, management of natural resources, alcohol policy, and in recent years, rights and measures to prevent social dumping, have in turn been challenged by the supervisory bodies of the EEA, ESA and the EFTA courts.

The most unanimous and comprehensive criticism of the EEA stems from its profound consequences for democracy in Norway. These problems could be remedied by means of representation and the right to vote in the bodies where decisions are made for the EU and EEA. EU membership will lead to less independence in a number of areas where Norway is not currently subject to EU policies. EU membership is no alternative for Norway and is rejected by a huge majority in every opinion poll the last nine years.

The EU has envisaged a new and more comprehensive EEA agreement in the future. An alternative that involves a comprehensive framework around Norway's agreements with the EU, where the ESA and the EFTA courts and the agreement's other dynamics are maintained and made to apply in new areas, would involve a dramatic change in Norway's contractual relationship with the EU. In practice this would call for a completely new agreement

with the EU, which would mean that democratic issues with the EEA would be amplified and would affect more areas of Norwegian policy, something which it would be difficult to argue in favour of - unless you intended to use it as a springboard for EU membership. The previous centre-left government rejected the EU proposal, but it is still not clarified what the new right-wing government will do.

### **More national freedom in trade and less control from the EU**

However, there is no popular basis for such an agreement in Norway. Instead, the majority wants a trade agreement. What specific content those who support the trade agreement envisage will certainly vary, but it is fairly obvious that the common denominator for those who would like to replace the EEA by a trade agreement is the perception that the EEA has become too extensive and that an alternative that will provide to a greater extent the ability to carry out an independent national policy is what will be desired.

### **Inside or outside the EEA – an important difference**

Two years ago the *Alternative* project in Norway published a report, discussing alternatives which would further build on the EEA in one or another form as well as alternatives that involve replacing the EEA with another affiliation to the EU. The most important difference between these two groups of alternatives is that the alternatives based on the EEA would involve building on the institutions and frameworks of the EEA, including the agreement's dynamics with new directives and negotiations aimed at further liberalization and interpretation of the agreement. Within this framework it would be possible to either renegotiate the EEA agreement, for example by removing subjects from the agreement, or by taking advantage of the scope of action that the agreement would provide to a much greater extent than is currently the case. It is a good strategy to in the short term to work for such a "slimmer EEA".

The other main group of options involves replacing the EEA with a bilateral or regional trade (and cooperation) agreements with the EU – possibly based exclusively on multilateral trade regulations that would set comprehensive common rules internationally. It is common in international trade to supplement multilateral rules with bilateral or regional trade agreements, which clearly define the contents, and where changes in agreements are resolved politically through negotiations between the parties. The *Alternative* project report specified three different alternatives based on such trade cooperation with the EU.

### **Multilateral trade regulations**

It is also important to remember that an alternative to the EEA and the EU would be to have no bilateral or regional trade agreement with the EU at all. This is the current situation for Norwegian trade with some important trade partners, like United States of America, Brazil and Australia. In that case the parties would have to rely on general trade rules that exist internationally. The rules of the World Trade Organization (WTO) are the most fundamental. The WTO rules would also set up a framework for the design of a trade agreement with the EU and for changes in the EEA.

The WTO provides comprehensive regulations in many of the areas with which the EEA deals, and that the 1973 EU-Norway trade agreement does not cover. In certain areas Norway has agreements through the WTO that are nearly identical to the EEA, such as the Agreement on Government Procurements (GPA). In other areas of WTO cooperation, such as the service area, the difference with the EEA is considerably larger, and allows for Norway to regain national agency. Regarding industrial goods, the global average tariffs are currently approx. 3.5 per cent – which is 40 per cent lower than when the EEA agreement was entered into force.

According to the WTO most-favoured-nation (MFN) Norway would not be faced with higher tariffs than those the EU uses against other countries that are not in the union, except from countries with which the EU have extensive trade agreements (such as the EEA). According to the WTO principle of national treatment (NT), neither can the EU, in the areas it has binding commitments, favour its own businesses at the expense of businesses from Norway and other WTO countries.

### **A future-oriented trade agreement**

In 1973 Norway signed a bilateral trade agreement with the then EC which ensured full duty-free access to the EU market for all industrial goods. This is still a current agreement, and this agreement has regulated Norwegian trade with Croatia since the country became a member of the EU last summer, anticipating that the newly approved EEA enlargement agreement enters into force. The EEA Agreement may be terminated with one year's notice if a majority in Parliament votes for it. If the EEA Agreement is terminated, Article 120 states that trade between the EU and Norway will be regulated by earlier agreements.

The framework in which the discussion of a future-oriented bilateral EU-Norway trade agreement in 2014 could take part, would be totally different from the situation in the early '90s when the EEA

Agreement was adopted by Norway. As shown above, the WTO is comprised of comprehensive regulations in many of the areas that the EEA deals with, and which the trade agreement of 1973 did not cover. In addition, in the period after 1992 Norway negotiated a number of bilateral agreements with the EU in various sectors, and today Norway has (besides the EEA) a total of 73 agreements with the EU. All those agreements would still be valid and could be further developed regardless of what happened to the EEA.

### **A bilateral trade and cooperation agreement**

It is possible to achieve a comprehensive framework around Norway's agreements with the EU - without the need of closer integration, which would mean that all relevant regulations the EU adopts would come to Norway on a conveyor belt. In this case, we could establish a bilateral trade and cooperation agreement with the EU, which includes the agreements with the EU that we would like to continue, with a scope and contents that might be acceptable to both parties and where changes in cooperation were done through negotiations between the parties. The EU has signed more than 200 trade agreements internationally, that are almost all bilateral, and which are not normally framework for the introduction of new regulations like the EEA agreement is. In 2011 the EU and South Korea adopted a comprehensive free trade agreement which removed almost all duty in trade in industrial products. The EU has also signed bilateral agreements concerning other types of cooperation, such as participating in research programmes. The country that has the most comprehensive bilateral agreement cooperation the EU is with Switzerland.

A natural starting point for a new bilateral trade and cooperation agreement with the EU is that the other existing agreements will continue when the EEA agreement is terminated. The bilateral agreement must apply to clearly defined areas and be of a purely public law character. Cooperation areas it may be appropriate to negotiate for would be, for example, research, education and culture, by participating in the EU framework programmes - either in whole or in part, as well as environmental protection by participating in the European Environment Agency. The agreement should not contain mechanisms that pressurize Norway into accepting new regulations from the EU. The agreement must be renegotiated or possibly supplemented by our own supplementary agreements if new rules are incorporated. Such an agreement model would mean that Norway might demand something in exchange from the EU when the new EU regulations had been accepted, and

thus lead to a genuine dialogue between the parties. Authority should not be transferred to a monitoring body (similar to ESA) or the court. Disputes should be resolved at political level.

### **A regional EFTA-EU agreement**

Globally, there is a large number (bilateral and regional) of trade agreements, and it is usual for the member countries of the WTO to complement the multilateral system by entering into trade agreements. This is also something that Norway has been doing to an increasing degree. The main strategy here is the negotiation of trade agreements with the EFTA as a platform. At the beginning of 2014 the EFTA had 25 free trade agreements covering more than 30 countries, joint declarations with six countries, ongoing negotiations with 11 countries, and the EFTA aims to enter into new agreements with a growing number of countries around the world. Similarly, the EU is negotiating new trade agreements with many of the same countries that enter into agreements with the EFTA. It is thus a known and proven strategy for Norway and the EU to negotiate regional trade agreements in the international arena. Seen in this light it would seem very strange if Norway and the EU failed to negotiate a trade agreement in 2014, either bilaterally or within the framework of the EFTA.

A regional trade agreement between a united EFTA and the EU should be a very relevant alternative. Even if the current EFTA consists of some few and sparsely populated countries, the EFTA is the EU's third most important trade partner in regard to the trade of goods and second largest in finance. And even though Norway and Switzerland may have different interests in some contexts, Norway would have much to gain by negotiating with Switzerland on the team. The Swiss are known as tough negotiators, who have in no negligible degree clear limits as to how far they are willing to go in ceding their sovereignty. In addition to being partners in the EFTA, Norway and Switzerland also consider it as being in their own best interest to cooperate on a basis of common interests in other arenas internationally – such as in the group of countries in the WTO which are net importers of food products (G10).

An agreement between the EFTA and the EU could also be extended to more countries, either as a result of more countries joining the EFTA, which would emerge as more relevant if the EFTA negotiated with the EU as a block, or through individual countries entering into the negotiations or the pre-negotiated agreement.

A new regional trade agreement between the EFTA countries and the EU must be based on the lowest common denominator.

This means that such an agreement in principle would not regulate matters not provided for in the EEA as well as the Switzerland Agreement. More specifically, this would lead to large-scale institutional changes in relation to the EEA. That is to say that the ESA and EFTA courts should be dismantled, and there should no longer be a steady stream of directives; on the contrary, any expansion of cooperation would be achieved through negotiations. If the limitations imposed by Switzerland's agreements with the EU are followed, services would not be part of the agreements, at least not from the start. Similarly, there are good reasons for being reluctant towards investment activities and further liberalization of trade in agricultural goods and processed agricultural products.

It would also be the main template for dispute resolution in the EFTA and for EFTA agreements with third countries, which should form the basis of the EFTA/EU agreement, and which would provide state-state disputes settlements but not investor-state dispute settlements as in the EEA. A factor that also gives cause for reflection is of course the Vaduz Convention, which in many ways was negotiated to reflect the fact that the EFTA countries had entered into the EEA (and the Switzerland agreements), so that in a future without the EEA, it would continue to be the basis for cooperation. A possible alternative would be a cooperation agreement more in line with the original intentions for the EFTA.

Since an EFTA/EU agreement would in principle be a new regional agreement with other parties than the current EEA, the initiative to negotiate an agreement could be taken without first terminating the EEA agreement. If the goals reached as a result of such negotiations would not be acceptable to all parties, the EEA could still live on in one form or another.

There are many alternatives to the current EEA Agreement. Norway should, both on our own and together with our EFTA partners, discuss possible changes and new approaches.

**Sigbjørn Gjelsvik** is Head of Secretariat of The Centre Party Parliamentary Group and former Project Manager of *Alternatives to the current EEA Agreement*

# Democracy Has Gone Wrong

AIDAN RANKIN

The starting point for Dele Oguntimoju's paper, *Identity and development*, is the connection between economic development and political legitimacy. He argues that for a national economy to function properly (or, in the case of a post-colonial state, gain lift-off), a basic affinity must exist between the people and their political institutions. More than that, there must be a sense of identification between the citizens and the nation they belong to – and which they should consider as belonging to them, as well. That sense of identification is not, in the strictest sense, based on pure reason. It calls to mind Pascal's admonition to his rationalist contemporaries: the heart has reason, which reason does not understand. In the context of political institutions, that means taking account of the local, the familiar, the organic, as well as the abstract and rationalised. Indeed to fail to take account of such things is itself a form of unreason.

This unreasoning rationalism is a paradox at the heart of post-colonial politics, not only in Nigeria and other African states but also in many parts of Asia and the former Soviet Empire. Oguntimoju argues persuasively that the failure of many post-colonial states to reflect the people's identities has retarded the development of political institutions, civil society and the economy. If a 'nation' has no organic basis at all, but is merely a series of lines on the map, then there is no reason for its politicians, business leaders or 'ordinary' citizens to be loyal to it and make it work. Paradoxically, therefore, the attempt to design abstract new nations lacking historical or cultural basis, does not create a new type of democratic civil society, as the more idealistic of 'de-colonisers' had hoped. Instead, it accentuates both narrow individualism and collective loyalties of a more traditional kind, principally to kinsmen and co-religionists. This undermines the notions of secular democracy and the rule of law, leads to corruption (public and private) and the descent into dictatorship and economic chaos.

Oguntimoju's analysis does a service to both economists and political scientists, because it examines the cultural and psychological roots of democratic breakdown and economic crisis. Too many economists assume that 'developing countries' can simply replicate Western economic processes, or that the benefits of globalisation will trickle down to them through some historically inevitable process (historical inevitability is very much alive but now it wears a neo-liberal mask, instead of a Marxist one). Meanwhile, too many political scientists assume that democratic institutions can be installed like computer software, with no account of historical circumstances or local culture. When it encounters any difficulties, this spirit of liberal optimism gives way to a negative, and profoundly racist, assumption that democratic breakdown is inevitable, that 'they need a strong leader' because of 'their' propensities towards iniquity and corruption. In both its optimistic and its negative forms, this view of 'Third World' politics continues the colonial attitude of ambivalence - a civilising (i.e. Westernising) mission on the one hand, a desire to control and profit on the other. It also enables Westerners, and elites from the developing world, to avoid addressing questions of identity they find unsettling.

To Oguntimoju, then, the underlying problem with the Nigerian project has been the failure to build on the political identity which is rooted at the level of nationhood (for example Yoruba, Hausa or Ibo nationhood). Instead, there has been an attempt by the federal government to supplant or replace the nation. Nigeria, a land of a hundred million souls, is nonetheless just as much a geographical expression as it was at the time of independence from Britain forty years ago. If anything, divisions of nationality, tribe, clan and religious belief have been sharpened by post-independence politics. These divisions militate against political stability and economic development. Nigeria in its present form has failed, but not because of any lack of ability or democratic awareness amongst its disparate peoples. On the contrary, that ability and awareness has not been reflected in the country's political institutions or the assumptions on which they are based, namely those of a deracinated political elite.

Oguntimoju recognises that is impossible to put the clock back to the early 1960s and begin decolonisation again. But he believes that Nigeria, and countries in similar situations, may go back to the constitutional drawing board. This means more than merely churning out new constitutions and charters of rights. It means a thorough questioning of the post-independence models of centralisation and clientelism. It means devolution of power, political and economic, to

the regions (and not just state governments, which can be as remote as the centre). At the heart of this process is a new contract between the centre and the localities, the individual and the state, a genuine federalism that encourages cultural and economic diversity, but enshrines individual freedom under the rule of law.

With this in mind, Dele Oguntimoju presents the outline of what he hopes will be the first instalment of a Nigerian version of the Federalist Papers. He believes that the United States constitution offers the most workable balance between federal and state government, state and locality, individual freedom and public obligations. Its separation of powers allows for a diffusion of power and responsibility, and so provides a break against tyranny (whether at national or local levels). Crucially for Oguntimoju, the Founding Fathers, unlike Nigeria's 'Founding Brothers', took account of existing popular institutions, practices and preferences in forging their constitutional design. There was a strand of continuity between the town meeting and the structures of the new federal government. In postcolonial Africa, no such continuities exist. George Ayittey, the Ghanaian political scientist, has pointed to the marked discontinuity between the village politics of Africa (highly participatory and consensual) and the seemingly alien state bureaucracies. For Oguntimoju, this lack of continuity in Nigeria explains its political and economic vicissitudes. The United States, by contrast - and despite the blunt-instrument judicial activism of recent decades - has maintained a reasonable political balance and preserved its multi-cultural democracy.

An important subtext to Oguntimoju's thesis brings the debate about institutional legitimacy closer to home for British and continental European readers. In so doing, he banishes all convenient assumptions about the otherness of the developing world or its lack of relevance to our internal political discourse. For Oguntimoju perceives in the present phase of European integration some of the problems associated with post-colonial nations. These nations were in fact super-nations, subsuming historic nations and regions into an artificial union. There is a danger that, in attempting to take over the functions of Europe's nation states, the European Union will repeat the mistake of Nigeria's founders. Crises of legitimacy are by no means new in Europe, after all, and we still reel from the effects of badly-drawn borders and artificially-imposed political institutions. But for Oguntimoju, a European super-state is no more a solution to Europe's cultural or ethnic cleavages than a Nigerian superstate has been for Nigeria's peoples. Euro-federalism is less genuine federalism and more a grand design. And, with good reason, grand designs alarm him.

Readers will notice that Dele Oguntimoju speaks both in a personal capacity - as a lawyer and political thinker - and as Director of Publicity for the Movement for National Reformation of Nigeria (MNR). The MNR played an important role in keeping alive the 'sacred flame of liberty', as Tocqueville called it, during the darkest hours of dictatorship and political corruption. Today [2002. *ed*], in what seems to be a more hospitable climate, it is playing a leading role in the Constitutional debate. The Economic Research Council does not endorse the MNR, or any specific political party at home or abroad. Instead it seeks to encourage all organisations and individuals who have political and economic freedom as their goal. Dele Oguntimoju is one such individual. His ideas are important and, I suspect, we shall be hearing a lot more from him in the future.

**Dele Ogun** (originally Akindele Ogunetimoju) is a founding partner at Akin Palmer LLP, a full-service law firm operating in London. He is also a blogger, public speaker, author and publisher.

He worked as a lawyer in the leading City firms Coopers and Lybrand and Lovells from 1987 to 1997 before starting his own law firm in 1997.

Dele's autobiography, *The Law, the Lawyers and the Lawless*, which relays his journey from a rural village in Nigeria to England where he was mainly educated, and the subsequent rise of his legal career has inspired many to believe that nothing is impossible for a willing mind.

Through 'The Genesis Project' (which he is the convener), Dele is passionately committed to see Nigeria gets out of the woods.

*Identity and Development: Lessons from Nigeria for Africa and Europe* was published in 2002 by the Economic Research Council, London. The above text is Aidan Rankin's Introduction to the book.

**Dr. Aidan Rankin** is the author of several books, among these *The Politics of the Forked Tongue: Authoritarian Liberalism*, published by New European Publications, London, 2003

# Funny Money

CHRIS WRIGHT

Few people seriously expect Greece to pay back what it owes in full. The question has become how to manage the problem or even massage it out of existence. Creditors are keen to avoid the kind of hyperinflation that wiped out the German economy in the 1920s as it struggled to service its war reparations, but they also need to be seen to get their money back if global confidence is to be maintained: and Greece is but the tip of the iceberg with the same calculations applying to all sovereign debt – including the USA.

The measures being taken across the world to hold the situation together are little more than sleight of hand aimed at buying time. Take Quantitative Easing for example: the net effect should be to increase the amount of money in circulation and thereby stimulate consumption, production and ultimately jobs, creating a virtuous circle and tipping the economy back into growth. It only works, however, when other aspects of economic reality remain favourable. With interest rates at historically low levels and inflation continually outstripping increases in personal income, plus the cost of fuel, materials and transportation continuing to rise, the impact becomes marginal. Meanwhile that same set of economic circumstances are gradually and insidiously eating into the value of the money in your pocket and your bank account; most people are becoming poorer in real terms.

The actual and presumably intended impact of this and other measures is to use inflation to water down the debt mountain in the hope that, over several years, it will disappear. It is a sort of reverse alchemy – turning the gold of sound economies into the dross of debased ones. Adulterating the currency was something that kings and emperors routinely did when they ran short of cash or to finance their latest war. The suffering caused to their people was of little consequence. Plus ça change, you might say, and yet there is danger here. The consequences of the particular set of circumstances outlined above – unprecedented levels of public and private debt and low or

negative growth – is to amplify a trend that has been evident for some time; the overall transfer of wealth from the majority to the minority. The gap is getting wider with Britain having the biggest income inequality in the developed world.

There are plenty of reasons why this trend should be seen as a bad thing. Studies<sup>1</sup> suggest that, above a certain level, national wealth alone does not determine how balanced and harmonious a society becomes. It is income differential that matters. On a whole range of measures – from crime and levels of mental ill-health to life expectancy and educational performance – the greater the gap between rich and poor the more serious these problems become for both rich *and* poor. The message seems to be that if people do genuinely believe they are all in it together there are positive benefits for everyone.

More significantly perhaps, the increasing gap between rich and poor is threatening to undermine the very democratic institutions that are designed to give us that sense of a shared stake in society. Since the 1980s the corporate world has mushroomed to the point where its interests effectively dictate the agenda at national and international levels. We are all aware of how the banks have got themselves in a position where they can't be allowed to fail and where we, the public, are forced to prop them up. Even the ability of companies such as Starbucks, Google and Amazon to avoid paying tax – i.e. contributing to the economy - is also now on our radar. What most people are less aware of is how whole markets – from commodities and raw materials to services and finished products - are controlled by small groups of multi-national entities that may nominally be in competition with one another, but whose common interests far outweigh their differences. That trend is partly the result of the sheer size needed to finance and support the development of infrastructure such as oil fields, new drugs or cutting-edge technology, but it also reflects the growth of a group of corporate barons whose status and position depend on their reach and the consequent remuneration packages they can command. They operate in a closed world where, despite periodic shareholder revolts, they can do pretty much as they please.

So, forget the one per cent (the target of the Occupy movement with its slogan 'We are the 99%'), we're talking about a tiny fraction of one per cent who are fabulously wealthy, move in the same circles, attend the same events and are effectively cut off from the rest of us. They are surrounded by acolytes (from legal and financial experts to plastic surgeons) whose own lifestyles depend, like the courtiers in an absolute monarchy, on them continuing to be in favour. That bubble is not populated by criminal or callous people – although some of them undoubtedly are both those things. There is a genuine belief

that their system of wealth-creation is benefiting humankind and that what is required is more of the same. To that end they use their money to influence elections – and neuter those that get into power so that their room for manoeuvre is limited to supporting corporate interests. They even invite Presidents and Prime Ministers to join their club. Where money goes, there goes power too.

How did this come about? The key to this process is the nature of debt. From Shylock to the Credit Crunch there has been a battle between creditors and debtors. Throughout history, humans have had a basic urge to create wealth as a means of demonstrating status and buying loyalty. Stealing it from someone else by conquest was a favoured method for millennia, but trade and taxes offered a more reliable and safer means of enriching yourself. Both relied on the ability to borrow money today on the promise that it would be paid back at some point in the future. It also required a medium of exchange through which things could be bought and sold, and gold quickly became the basis on which trade was conducted and wealth displayed.

The problem with gold is that it is scarce and difficult to transport around securely. Two solutions were found to ease and increase the flow of trade (and hence wealth). Firstly, coins were minted using base metals which stood in place of gold (and were strictly controlled – clipping and forgery were punishable by death) and could be circulated more widely; and, secondly, bills of credit were introduced that allowed a merchant whose bullion was held in, say, Venice to travel to Antwerp and draw up to an equivalent amount from a dealer there. International banking had been invented.

Trade was still limited by the amount of gold and silver available, however, and shortages of wealth led to kings defaulting on loans, debasing the currency and, like gamblers placing all on one last throw, starting wars in the hope of reaping the spoils of conquest. Even all the gold and silver plundered from the New World did little to alter the basic fact that creating new wealth was difficult. Paper money offered a way forward. British bank notes still include the legend “I promise to pay the bearer on demand the sum of ...” (albeit in small print) which emphasises the element of trust that is needed if you are going to deposit your wealth in a bank and feel secure that you can get it back. From a bank’s point of view, however, the chances of all its depositors wanting their gold back at the same time are minimal. That allowed for more banknotes to be in circulation at any one time than the gold needed to redeem them. Once again the money supply expanded and with it opportunities for trade.

Once that step had been taken it was anyone’s guess as to what

a 'safe' ratio of money to bullion might be. And if you decouple the amount of money in circulation from any link to gold at all (which finally happened in the 1970s) then the sky's the limit. All that is required is continuing trust in the paper in your wallet: except that, in most cases it's no longer even a physical pound but a digital entry on an internet bank account that changes in the blink of an eye. Add to this mix the fact that commercial banks can now extend credit (i.e. create money) just as easily and it becomes possible to encourage almost anyone to go into debt to finance the aspirational life styles that are held up to us by the advertising and fashion industries. Economic growth forges ahead and everyone becomes wealthier. It's a no brainer.

So what is so bad about debt? Two things in fact: its basic nature and who controls it<sup>2</sup>. In many ways debt is like a cancer, multiplying exponentially when given the chance. Imagine for a moment that I owe you a sum of money today: I haven't got the money but I expect to receive the same amount in a month's time. You aren't willing to wait, so my only option is to borrow the sum in the interim. I might be recouping the sum I borrowed when I'm paid what I'm owed, but in the interim I'm going to have to find an *additional* sum to service the debt I have taken on. If the total amount of money in circulation is fixed that would mean my trying to get that extra element at the expense of a third party, making them poorer. The alternative is to increase the total amount of money available in the economy: which is effectively what a bank does when it creates the money I need. No one is worse off and everyone appears to gain. I can pay you what I owe, the bank gets its pound of flesh and no third party is beggared in the process. It's like the air we breathe, something we take for granted. And so it goes on, cycle after cycle. Debt breeds debt and, crucially, nothing has been created in the process *except* more debt; no goods or services exist that weren't there before and the only people who ultimately benefit are the lenders. Debt, in this sense, is fundamentally parasitic.

Of course, in the real world new goods and services *are* continually being delivered to the market place as the result of manufacturers and customers going into debt, giving the impression that it is an effective and efficient way of doing business. All that demonstrates, however, is that the economy has to keep on growing just to service the growing debt mountain because there is *never* enough money in circulation for everyone to repay what they owe. People and businesses *have* to keep producing new things, often stuff that people don't actually need or want, just to keep the wolf of debt from the door. The alternative is that significant numbers of people and businesses start defaulting because they can no longer borrow the money that will enable them

to continue to service their existing debts: and we have all seen where that scenario leads. The simple laws of compound interest show that, all things being equal, debt just keeps on growing at an exponential rate. That is simply unsustainable in a world of fixed and strictly limited dimensions.

This fundamental problem is exacerbated by the ease with which lenders can apparently magic credit out of thin air. The casino-like activities may have brought the banks into disrepute, but their day job allows them to create money at the click of a mouse and then lend it out at interest. Nice work if you can get it, but how have they arrived in this position? The breakthrough, if that's the way to describe it, came in 1694 when a group of wealthy subscribers offered to loan William and Mary the money to fund their war against Louis XIV in exchange for the right to incorporate the Bank of England with a mandate to manage the creation of both money and credit. It is a model that is now virtually universal as governments (the ultimate guardians of financial probity) discovered they could effectively outsource their debt in the form of government bonds and other instruments. Of course, it was the taxpayers who ultimately footed the bill, including the interest that was payable on those loans, and it was the bankers who became wealthy as a consequence.

The financial landscape became further complicated with the rise of commercial and merchant banks all of whom wanted a slice of the action, including loaning money to themselves for the riskier business of market speculation: again a non-productive activity in the sense of creating real goods and services. As a consequence a system has grown up that aligns the interests of a narrow section of individuals and institutions, whose sole interest is the creation of wealth for themselves, with the political classes who are now entirely dependent on them for the money to keep afloat. That this group is now international only reduces the power of individual governments to withstand the pressures that are applied to them. As we have seen, it is also a group that instinctively looks after its own, further distorting the global economy in favour of the corporate world and continuing to squeeze out any local element that gets in the way.

This trend may have been masked by continuing growth and a sense that people generally (in the developed world at least) were enjoying better standards of living but, in the current circumstances, it is now plain to see. The markets are king and everything is geared towards keeping them happy. Not only have we, the taxpayers, been lumbered with huge levels of national debt as a result of bailing out private banks, but the services that we nominally pay our taxes to support have been slashed as a consequence. However you look at it

we are the losers: meanwhile the individuals and financial institutions that represent the 'markets' continue to prosper. It would appear that, instead of bread and circuses, the masses have been bought off with rising house prices, cheap booze and gadgetry.

The party is over and, no, Greece will never pay off its debt in full. Assuming the system survives that long, it will be many years before the books are seen to balance and the current fiscal system has had its pound of flesh. Is there an alternative? That depends on what you want. If you believe a centrally controlled, money market driven economy that taxes people and then redistributes what it receives in largely unaccountable ways (including waging wars that most people are against), that borrows money from itself in the form of notionally independent central banks and then allows inflation to eat away at everyone's wealth, is the best way to deliver peace and prosperity then you will continue to keep the faith. If on the other hand you recognise that real people are hurting as a consequence of this dehumanised machine and that it fundamentally has nothing to do with the true functions of money<sup>3</sup> which are to provide the units of account, the store of value, and the medium of exchange needed to underpin a sound system of buying and selling goods and services that people genuinely need - then you will understand the momentum for fundamental change.

At heart economics is a simple concept, but it has become hugely overcomplicated with layer on layer of refinement largely designed to allow the corporate world to continue business as usual by devising ever more sophisticated ways of stepping round whatever curbs governments belatedly place on its activities. We need to reclaim that simplicity and look to create systems of credit that are owned and controlled by the people using them. Credit Unions are a micro example of such a system in practice where the less well off can save and borrow in a way that suits them and their wider community, and where 'interest' is charged to pay people to administer the system rather than enriching the lenders. Their existence shows that it is possible for positive alternatives to grow within the current rapacious economic landscape and for them ultimately to fulfil all the day-to-day functions that ordinary people want. Alternative currency schemes are already appearing in Volos<sup>4</sup> and elsewhere in Greece, filling the gaps left by the withdrawal of public services. Maybe the current crisis is the furnace in which a new, purer economic order will be forged and build the basis for a more secure and sustainable world in which both the rich and the poor share a common commitment to fairness and social justice.

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### Notes

1. Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Equality is Better for Everyone* (London, Penguin Books, 2010)
2. Thomas Greco Jnr, *The End of Money: And the Future of Civilization* (Vermont, Chelsea Green, 2010)
3. Philip Goggan, *Paper Promises: Money, Debt and the New World Order* (London, Penguin, 2012)
4. <http://www.nytimes.com/2011/10/02/world/europe/in-greece-barter-networks-surge.html?pagewanted=all>

# GMOs, Silver Bullets and the Trap of Reductionist Thinking

JONATHAN FOLEY

The biggest problem with GMOs isn't technology. It's when technology is used as a silver bullet, without considering the broader context within which it operates.

Against my better judgment, I'm dipping my toe into the genetically modified organism debate.

These are rough waters. GMOs seem to polarize people<sup>1</sup> more than almost any other topic, including evolution or climate change. And the debates around GMOs – especially whether they are safe to eat or safe to grow – can get very fierce. While it takes a lot of effort, I try to stay open-minded on the topic, because this isn't a simple black-and-white issue.

But it should be obvious to *everyone* that the use of GMOs in agriculture – so far, at least – has come with some big problems. Even strong GMO proponents, if they stop and think about it, would have to acknowledge that important difficulties have arisen.

From where I sit, the biggest problem associated with GMOs isn't the technology per se; it's how it has been deployed. Despite early promises, as GMOs move from lab into the real world, they end up being very disappointing.

*In theory*, GMOs sound very useful. They are supposed to help us "feed the world"<sup>2</sup> because they will improve food security, dramatically boost crop yields, combat weeds and pests using fewer chemicals, make crops more nutritious, and have tremendous benefits to society<sup>3</sup>. But have they?

No. Not really.

To begin, GMOs have done little to enhance the world's food security. Mainly, that's because GMO crops primarily in use today are feed corn (mostly for animal feed and ethanol), soybeans (mostly

1 <http://news.sciencemag.org/scientific-community/2014/02/qa-why-are-we-still-shouting-about-gmos?rss=1>

2 <http://ensia.com/voices/changing-the-global-food-narrative/>

3 Journal of Economic Perspectives—Volume 28, Number 1—Winter 2014—Pages 99–120

for animal feed), cotton and canola. But these aren't crops that feed the world's poor, or provide better nutrition to all. GMO efforts may have started off with good intentions to improve food security, but they ended up in crops that were better at improving profits. While the technology itself might "work," it has so far been applied to the wrong parts of the food system truly to make a dent in global food security.

GMOs can claim some successes, but a widespread quantum leap in the yield of important food crops is not one of them.

Furthermore, GMOs have had uneven success in boosting crop yields. For example, in the United States, where they are in widespread use, it appears that GMOs<sup>4</sup> have not dramatically improved the yields of corn<sup>5</sup> or soybeans. That's probably because GMOs in use today have not actually changed the biology behind photosynthesis or crop growth. Instead, these GMOs, in the U.S. anyway, mainly replaced older forms of conventional pest control (spraying older, more toxic pesticides) with new ones (planting Bt and Roundup Ready crop varieties and spraying new pesticides). However, it seems that the introduction of Bt cotton *did* substantially improve yields in India, probably because it was an effective means of combating pests that were limiting yield there before. Canola in Canada is also seeing a measurable boost, and GMOs likely helped the Hawaiian papaya crop, which otherwise might have been hard hit by disease. And, as Amy Harmon points out, future GMOs may be helpful in combating citrus greening disease that is becoming widespread in American orange groves. So GMOs can claim some successes, but a widespread quantum leap in the yield of important food crops is not one of them. Here, I think a lack of systems thinking – and asking, "What is *truly* limiting yield to food crops in different locations and different farming systems?" – has hampered the effectiveness of GMOs in this regard.

One of the other purported benefits of GMO crops is that they use fewer chemicals to combat weeds and insects. While this is true in some situations, it turns out that it may not always be the case. Since the late 1990s, there appears to have been<sup>6</sup> net *increase* in total pesticide use for GMO corn, soybeans and cotton in the U.S. While *insecticide* application was down for crops using Bt traits to combat insects, this was apparently offset by a substantial increase in total *herbicide* use on U.S. croplands (although, to be clear, this is only an estimate of the total *volume* of pesticides, which may be a poor indication of their impact), likely because more weeds have become

4 [http://www.tandfonline.com/doi/abs/10.1080/UwF\\_FXlo3J8#.U5ICi3YmL8k](http://www.tandfonline.com/doi/abs/10.1080/UwF_FXlo3J8#.U5ICi3YmL8k)

5 <http://www.nature.com/nbt/journal/v31/n2/full/nbt.2496.html>

6 <http://www.enveurope.com/content/24/1/24>

resistant<sup>7</sup> to Roundup. And now industry is proposing a *new* set of GMO crops that are resistant to the more powerful 2,4-D herbicide. But what's to stop weeds from becoming resistant to 2,4-D, just as they did to Roundup, creating an herbicide treadmill? Again, a lack of systems thinking – which would have anticipated these “rebound” problems with silver-bullet approaches to weed control – seems to have been a problem here.

Why not put more effort into improved agronomic approaches instead, which could yield results *today*? Why is the unproven, high-tech silver-bullet approach better than simpler efforts to address the same problem?

And, unfortunately, the effects of GM cropping systems seem to be having an impact on habitats and the environment. For example, ecologist Karen Oberhauser, a University of Minnesota colleague, recently documented<sup>8</sup> a major decline in monarch butterfly habitat in the Upper Midwest, due at least in part to the use of GMO crops and their associated pesticides. “Tragically, much of their breeding habitat in this region has been lost to changing agricultural practices, primarily the exploding adoption of genetically modified, herbicide-tolerant crops in the late 20th and early 21st centuries,” Oberhauser said. “These crops allow post-emergence treatment with herbicides, and have resulted in the extermination of milkweed from agricultural habitats.” Again, GMO technology per se wasn't the problem here. The problem was how the technology was applied – without a deep appreciation of the landscapes and environmental systems within which GMOs are deployed.

I also become sceptical when GMO proponents talk about developing more sophisticated crops, including those that could be drought-tolerant, fix their own nitrogen, be better acclimated to higher temperatures, and so on. Again, these sound great, but we've learned a lot about genomics since the early days of GMOs; we now realize more complex plant behaviours cannot be turned “on” or “off” by changing a single gene. So it may be a *long* while before these crops are ready for the real world. Why not put more effort into improved agronomic approaches – such as using cover crops, mulching and organic-style techniques – instead, which could yield results *today*? Why is the unproven, high-tech silver-bullet approach better than simpler efforts to address the same problem?

I worry that GMOs are sometimes the victims of reductionist thinking, where the focus is on technology and business models, and

7 <http://www.nature.com/news/case-studies-a-hard-look-at-gm-crops-1.12907>

8 <http://discover.umn.edu/news/environment/number-monarch-butterflies-hibernating-mexico-reaches-all-time-low>

less on the social and environmental impacts they may cause.

Similarly, GMO advocates talk about how biotech crops can boost nutrition and help alleviate disease around the world. “Golden rice” is perhaps the best example of this, where rice is engineered to contain beta-carotene, a precursor of vitamin A. The lack of this important vitamin is linked to the death of hundreds of thousands of children each year. So while golden rice seems a very worthwhile goal, I have to wonder why GMO proponents feel it’s easier to change the fundamental biological character of rice (introducing a trait that could never arise in nature) than simply to grow more diverse crops, especially vegetables that already contain vitamin A? Why pick an expensive, high-tech approach – costing millions of dollars and decades of work, with no guarantee that people will accept and eat orange-coloured rice – rather than low-tech, simple solutions that could work *right now*? Again, there seems to be an obsession with technical, silver-bullet solutions, where a simple approach might be more effective.

Finally, many GMO advocates seem puzzled by the strong social and cultural resistance to their products. This is perhaps best exemplified by the debate over GMO labeling in the U.S. Many GMO proponents criticize labels as “unscientific” because there is “no substantial biological difference” between GMOs and traditional crops. Maybe, but that’s not the point. It’s about respecting people’s deep cultural connection to food and their right to know what’s in it. To people who say GMO labels are misguided, I ask, “Would you be happy if all the meat in your grocery store was simply sold as ‘animal,’ whether it was beef, chicken, pork, horsemeat, dog or whatever?” Even if an “expert” assured you that these meats had no “substantial biological difference” from each other? You’d at least like to know if you were eating beef or horsemeat, right? It would behove GMO proponents to include social scientists in the discussion to better understand these cultural issues.

What do all of these issues have in common? To me, they show that GMOs have frequently failed to live up to their potential, not because they are *inherently* flawed, but because they have been deployed poorly into the complex social and environmental contexts of the real world. And I worry that GMOs are sometimes the victims of reductionist thinking, where the focus is on technology and business models, and less on the social and environmental impacts they may cause. Interestingly, this is where organic farming models have much to teach us. While not perfect (no system is), organic farms typically start with a systems perspective on weeds, pest management, soil nutrients and the larger interactions with society and the environment. I think

we have a lot to learn from the organic paradigm, and many of these ideas should be folded into conventional farming.

Looking forward, I would urge GMO advocates to take a collective step back and think more *holistically* about GMO technologies and their implications for health, agriculture, economics, culture, society and the environment. This is a big job, and it won't happen overnight. But a good start would be to build more *interdisciplinary* research and development teams – with social scientists, agronomists, ecologists, evolutionary biologists, nutritionists, organic farmers and GMO critics as well as biotechnologists. This is clearly lacking now. In fact, I was recently in a friendly but intense debate about GMOs with biotechnology researchers, and I asked them, “How many of you regularly collaborate with ecologists, social scientists, etc., to try to anticipate and resolve these issues?” Silence. And then, after a long pause, a few admitted that maybe this *would* be a good idea.

Ultimately, no individual or small group will decide the fate of GMOs. We'll have to work through this together, as a society.

I would also like to see GMOs developed with public funding, or through public-private partnerships, where the findings and intellectual property are put into the public domain, to be shared with anyone in the world. Supporting this work with more openness and transparency would help ensure that any potential social and environmental benefits of GMO technology are put ahead of immediate profits. And it would go a long way in improving the broader public understanding and trust of this technology, which is sorely lacking today.

Lastly, I would strongly urge *both* sides of the GMO debate to do a better job of engaging with each other and the broader public. Frankly, but for a few notable exceptions (including the recent debate sparked by Nathanael Johnson's work on Grist ([www.grist.org](http://www.grist.org)), both sides leave something to be desired here. Both characterize the other side unfairly, and, frankly, I suspect there is a large, quiet majority in the middle – that is probably sceptical of the extremes on both sides.

Ultimately, no individual or small group will decide the fate of GMOs. We'll have to work through this together, as a society. And that's the way it should be, because how we decide to use, or not use, GMOs is too important to leave to just one way of thinking.

*For more enlightened discussion about GMOs – from both sides – I would recommend reading recent work by Nathanael Johnson (<http://grist.org/series/panic-free-gmos/>), Tom Philpott (<http://www.motherjones.com/tom-philpott/2014/01/usda-prepares-greenlight-chemical-war-weeds>), Amy Harmon (<http://www.nytimes.com/2014/01/05/us/on-hawaii-a-lonely>*

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*quest-for-facts-about-gmos.html?\_r=0) and Ramez Naam (<http://grist.org/food/why-gmos-do-matter-and-even-more-to-the-developing-world/>). They have all done a great job of engaging in this debate, thoughtfully and respectfully. We could all stand to have some more of that.*

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# Gold Rush in Romania?

**LUISE HEMMER PIHL**

**R**oșia Montană is a county in the north western part of Romania. From Roman times until recently the mountain area's rich deposits of valuable minerals have been mined. The last gold mine was closed down in 2006, after the cyanide spill from another Romanian gold mine, Baia Mara in 2000 which caused serious pollution of the rivers Tisza and Danube, killing fishes in Hungary and Yugoslavia on a large scale.

Roșia Montană is a mountain area where beautiful landscapes are sometimes marred by the craters resulting from 2000 years of mining. There is little industrial development, and opportunities for creating a better life are scarce.

But the gold is still there. And attempts at creating a gold rush are being made. It would be possible to produce 225 tonnes of gold and 819 tonnes of silver over 17 years. This would require the creation of four mining pits covering 205ha as well as an artificial lake of 363ha for storing the cyanide by-product of the mining.

The project has been hatched by Gabriel Resources, a Canadian-based company with experience in mining in several parts of the world.

According to Gabriel Resources and the Roșia Montană Gold Corporation the project is a great opportunity for this poor area of a poor country to prosper and create opportunities for its moribund and dilapidated villages.

No less than 14 reasons<sup>1</sup> why the project would be good for Romania are lined up by the Roșia Montană Gold Corporation. The reasons cover many aspects of the issue, as they stress the benefits of economic growth for a poor nation, as well as opportunities to create a better environment in the mining-scarred area, preserve the cultural heritage and boost tourism in the area. The last two reasons given are that gold can save lives and that the project is what the locals want.

Nevertheless, the Roşia Montană gold mining project has given occasion for the greatest civic protest campaign in the history of Romania since the fall of the Ceausescu regime. Local people have been angered because the Roşia Montană Gold Corporation had been given the right to evict them from their homes, and because an entire town, with its four churches, would have to be demolished. And a wider protest has been caused by concern about the wider environmental issues about widespread water pollution from the cyanide which the artificial lake mentioned above with its 180 metres high dam should contain.

It now looks as if the protests have been heard by the politicians. On June 3, 2014, the bill on *measures related gold-silver ore exploitation at Roşia Montană and to stimulate and facilitate the development of mining activities in Romania*, also known as the “special law” was rejected by Romania’s Lower House with 301 votes “for”, 1 vote “against” and 3 “abstentions.” This marks the final rejection of a bill initiated by the Government which sent it for debate to Parliament last September 2013. Gabriel’s latest attempt to see its proposal realized has again failed, according to <http://www.rosiamontana.org/en/stiri/parliament-says-no-to-gabriel-resources>.

“Roşia Montană is not entirely saved by today’s vote, but our fight is much closer to victory. This is because free men and women with conscience took the streets last autumn and winter. The future of this country belongs to us and we are those who can influence in a democratic and decisive manner how we want Romania to be governed. The Save Roşia Montană campaign will continue to be and we will not give in or get tired until we see all of our demands come true. We want to see a ban on the use of cyanide in mining, we want Roşia Montană to be added to the tentative list of UNESCO sites and we want to be able to implement sustainable development alternatives at Roşia Montană. For Romania’s society this would represent the true victory,” said Eugen David, president of *Alburnus Maior*, the NGO behind the protest movement<sup>2</sup>

### Notes.

1. RosiaMontana/Gabriel Resources - Rosia Montana.htm
2. [alburnusmaior@ngo.ro](mailto:alburnusmaior@ngo.ro)

# Village Democracy

REVIEWED BY JOHN RATTRAY

The Human Scale has been John Papworth's abiding theme; in this he has been strongly influenced by Leopold Kohr, with whom he worked closely. Originally in *Resurgence*, then, most prominently as founder and editor of *Fourth World Review*, and since retiring from the editorial chair, he has propounded his fervent belief in the political and moral necessity for power to be held at the most local level possible; and that the political, financial and ecological crises which face us can only be adequately tackled if local communities have the power to govern themselves and to withstand the forces of what might be called, conversely, the giant scale.

A long-term resident of London, he has latterly lived in a village near Swindon, where he has attempted, with mixed results, to put his ideas into practice. The book's title, suggested by his friend the late John Coleman, is an indication of this, as is the happy front cover photograph of the author surrounded by fellow-villagers in a village-green setting. But the message, reflecting the old Green motto of "think globally; act locally", has far wider relevance.

In one sense there is nothing new under the sun. Aristotle, the author points out, declared that there is a limit to the size of a state, as there is to plants or animals, which lose their natural facility if they become too large. When the state grows much beyond its natural or optimum size, problems tend to arise which are greater than any benefit from economies of scale or an expanded "internal market". The larger the political unit, the harder for the voice of the individual or the small community to be heard, let alone to have significant influence. Borrowing from Abraham Lincoln's dictum, the essence of democracy lies not in government of the people (which is axiomatic), nor in government for the people (which most tyrants will claim to be doing), but in government *by* the people, *i.e.* self-government.

The author ranges widely in applying these principles to many subjects, and takes Switzerland as an example to be

followed. Containing several different languages and cultures, the Swiss Confederation thrives through decentralisation and direct democracy, thereby retaining power locally and giving people a direct say through the referendum mechanism. This is, of course, at odds with the European Union's way of doing things, and the author does not spare the EU, which he sometimes calls "the Europlot", and writing (p. 83) that its aim is "to destroy such degrees of democracy as continue to exist in separate European countries by subsuming their power of sovereignty and independence into the power of a new European superstate". Strong stuff: perhaps too strong for some people. But the institutional lack of democracy (and even hostility towards democracy) in the EU surely needs to be tackled.

Covering questions such as war and peace, energy policy, the press and other media, and finance and economics, the book bewails the domination of much of everyday life by giant political and economic forces, and promotes human-scale alternatives in which power can be retained locally. Papworth is also an Anglican priest, but has not always enjoyed a happy relationship with the Church authorities, and the book is critical of them for their failure to address the concerns he raises.

Those coming to John Papworth for the first time will find a comprehensive, summary of his philosophy. To those who used to read his *Fourth World Review* editorials, much of the content and style will be familiar, but will nevertheless be a useful reminder of his important message for our times.

*Village Democracy*, by John Papworth, 2006

**JOHN RATTRAY** has been and continues to be active in a number of Green and Eurosceptic organizations and campaigns

# Over the Farm Gate

**A**fter a somewhat difficult year of farming, I have been anxious to restore my street credibility as a *bona fide*, focused farmer. Not all the agricultural community see a daily coach load of children, or fields full of poppies, or young people wearily wandering to Duke of Edinburgh camp with us as success indicators. Yes, lamb sales to Sainsbury's have gone well. My field of turnips, kale and fodder radish planted after a traditional fallow in June have in fact been the envy of fellow sheep farmers. Our stretch of the Thames Water project is now almost complete, with the temporary fences down, grassland reseeded and just three areas of hedging to plant. There is little evidence that any fences have been here, except eight raised concrete plinths surrounding manholes, waiting for costly collusions when hidden by crops!

At the farm things aren't so good. The donkeys Aaron and Moses are getting on a bit and one is slightly lame and in need of a horse dentist. A distressed group of seven egg laying turkeys from Theale have taken up residence in the chalk pit next to our house. I gladly gave a new home to four Shetland lambs and two goats. The Trust staff were delighted at the additions for the younger children. However, their pre visit discussions now have to include a goat standing on a picnic table trying to eat their timetables and certainly their biscuits. She also enjoys emptying the contents of our "feely box". I was surprised the other morning as I unlocked and opened the door of the workshop. A ewe which I had left the previous afternoon comfortably dead on a woosack walked out and started eating anything green around the buildings in a slightly annoyed fashion. Even a mouse ate through one of the bundle of 200 wires on none of our main tractors at a cost of more than a night at the Ritz. And dare I mention the five cows which were specifically not to go to the bull, three of which are now in calf?

**John Bishop** runs an organic farm in Berkshire. For his public services he has been made an OBE

# NEW EUROPEAN



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