

Is the EU now a real threat to democracy as well as eco...

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As the [Guardian noted today](#), there appears to be an enormous price attached to the measures needed to stabilise the Eurozone to meet the demands of bankers:

Last week, the German chancellor, Angela Merkel, and French president, Nicolas Sarkozy, announced that they would push for the creation of a Eurozone economic council to police the austerity measures of governments, to be headed by Herman Van Rompuy, the EU president.

Separately, Germany's economy minister, Philipp R  sler, has proposed the creation of a new, unelected EU institution, a "stability council" that would impose automatic sanctions on countries that do not adhere to rigid budget discipline and pro-business labour policies.

And the head of the ECB, Jean-Claude Trichet, has called for a European finance ministry, charged with dictating to countries their spending policies.

None of those institutions is any way democratic. That is profoundly worrying.

As worrying is the fact that, as I noted last week, these undemocratic moves are associated with [demands that all EU countries adopt legislation that outlaws Keynesian economic policies](#) despite these being the only currently available mechanism with any hope at all of dealing with Europe's economic crisis.

And as is now very obvious from the above reports, these same anti-democratic moves have the clear intent of ensure that yet more wealth moves from labour to capital even though the excess return to capital — which is now, according to Nouriel Roubini yielding higher real rates of return than at any time since the 1920s — is clearly one of the major causes of the current crisis as most people now simply cannot afford to meet their perceived needs so far have their real wages fallen and so high have their debt servicing obligations become.

The net result of all this is that the imposition of these budgetary controls across the EU (The UK included - since it is covered by these measures) will simply exacerbate control

of the economy by bankers by proxy in their own sole interest and entirely without democratic control.

I am profoundly worried by this. I am by principle a European. I am a citizen of two EU member states. My family and my wife's family came to this country as economic migrants. I believe free movement of people is important. And I know all too well that the risk of Europe falling apart is intensely dangerous to us all and the EU has helped mitigate this risk, to date. The history of disputes being resolved through warfare on this continent is too recent and too strong to be risked again.

And yet all that being said there is also an obligation on all democrats to object to these moves in the strongest possible terms.

We have seen the consequences of economic management by bankers — and it is disastrous.

We know that neoliberalism does not work — and that it is already in its death throes; throes which could all too easily engulf us if these EU measures were to be adopted.

And we already know that the potential for social chaos that cuts create is enormous and yet these moves would be designed to deliver more and more cuts with ever greater risk to social cohesion.

There was already, before reading this, much to make me think that we live in dangerous times. My confidence in democracy has however been the one thing that has afforded me comfort in the face of those risks — inadequate as I know democracy can also be. But if we now abandon democracy in Europe — as these moves do in my opinion demand - then we move towards totalitarianism in the hands of bankers faster than it is almost possible to imagine.

Give me the choice of this unelected form of government by central bankers in Europe and quitting Europe I know where I stand in an instant — I would have no doubt that Britain should leave the EU if these measures are adopted. That would be an ethical imperative.

But I say that with the utmost trepidation, because many states will not have that option. Their subjugation through debt would deny them that choice.

And in that case I fear a Europe divided by the financial crisis, and by an attempt by bankers to retain control when it is all too obvious that they, their feral instincts and their feral economy are the greatest real threat to well-being most of us face.

I don't want to cry wolf: that's never wise. But this is an issue on which the politicians of the UK - all politicians in the UK, not just the usual band of Eurosceptics - have to stand up and say collectively that democracy has to prevail not just in this country but right across Europe if we are to really handle this crisis and the problems it has created.

Right now the EU is moving away from democracy. It cannot be stated less boldly than that. And you have every reason to be worried if our politicians don't object to that, now.