Ireland "on the brink of significant civil unrest"

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The general secretary of one of Ireland's largest unions, the Technical Engineering and Electrical Union (TEEU), Eamon Devoy, has warned that "we are on the brink of significant civil unrest in this country, the like of which has not been witnessed in this jurisdiction for decades".

Speaking of a further €6 billion tranche of budget cuts, expected to be detailed on Tuesday, he commented, "When the draconian measures being proposed are heaped on top of the €14.5 billion cuts already implemented in the last three brutal budgets, life in Ireland will be unbearable."

The TEEU congress is debating an emergency motion, which "condemns the Government for its criminal negligence in the management of the economy and for colluding with the banks in misleading the Irish people as to the seriousness of the crisis we face".

The TEEU motion describes the actions of the government as a "policy of economic sabotage", which "has led to the betrayal of our country and to the loss of the last shreds of our economic sovereignty." It calls on the government to resign and call a general election, urging the Irish Congress of Trade Unions (ICTU) to head "a campaign of civil disobedience to force an election".

Such statements are made in response to the extreme levels of anger among workers and youth over the devastating assault being waged on their livelihoods. But they are an attempt by the trade union bureaucracy to prevent any possibility of the independent mobilisation of the working class against the political representatives of big business. Instead, the unions are seeking to channel social and political discontent into a nationalist campaign based on invocations of Irish sovereignty.

The scale of the offensive planned against Irish workers—as the price to be paid for a bailout of its banking sector by the European Central Bank, the European Commission, the IMF and possibly Britain—is staggering. The latest package being planned could amount to as much as €100 billion. This is on top of the clearly failed measures taken in an attempt to rescue Ireland's banks, when Dublin took non-performing property loans into public ownership, effectively nationalising them and saddling the working class with paying for a state guarantee that global bondholders would have their investments safeguarded.

At present, the cost of supporting the banks is predicted to push Ireland's deficit up to 32 percent of gross domestic product (GDP) this year. But this level can only rise because of the billions being pumped into Ireland's banks by the European Union to keep them afloat. Ireland already accounts for a quarter of the liquidity being pumped into the eurozone by the European Central Bank (ECB), with an eye-watering €130 billion in outstanding loans at the end of October.

Despite this, Irish banks are being frozen out by the bond markets with investors demanding interest rates of over 7 percent. As a result, the banks have reached their ceiling for ECB cash, forcing the Irish central bank to lend €20 billion in exceptional liquidity assistance. The Anglo Irish Bank, the country's second largest, revealed Friday that customers withdrew €13 billion of deposits this year, a 17 percent decline, and that it had tripled its reliance on central bank funding since June. The Bank of Ireland also reported a 12 percent drop in deposits during the last three months.

Ireland's population of 4.5 million already shoulders €12,500 per head in bailout costs. The proposed rescue package would drive this above €30,000 and climbing. This is being paid for through job losses, with unemployment at 14 percent, the slashing of wages that has cut incomes by 20 percent and the decimation of public services. But even the €14 billion cuts already imposed and the €6 billion planned for this year as part of a €15 billion package over the next four years cannot possibly satisfy the appetites of the bond markets. What is required is the reducing of Ireland's working people to a state of penury and the imposition of a modern variant of slavery in order to service the demands of the banks and corporations.

It is under these conditions that the trade unions and opposition parties are stepping forward in an attempt to drag the Irish bourgeoisie back from the abyss. The *Observer* has warned of "a real danger of Irish society being hollowed out, with a discredited political elite holding nominal power and no legitimacy while an angry, disoriented, heavily indebted and increasingly poor population chase dwindling jobs."

This is the source of the demand for a general election, so that a government could be formed with a supposed mandate to make cuts. But whether Fianna Fail accedes to this demand or not, the role of the trade unions will be to prevent a political challenge to capital being mounted.

In his call for an election, Devoy urges union members to "vote for candidates who address the needs of working people". There is no such party in a parliament dominated entirely by the political representatives of big business. Fine Gael is allied with the Labour Party and Sinn Fein by its advocacy of nationalism, the content of which is epitomised by a focus on the issue of maintaining Ireland's 12.5 percent corporate tax rate.

Fine Gael will propose a parliamentary motion next week to protect the Republic's low corporate tax—which it introduced in the 1990s when in government with the Labour Party—fearing that it may be sacrificed in return for the bailout. For its part, Fianna Fail resisted the bailout for weeks in no small part because of demands from France and Germany that it raise a corporate tax rate.

This is how "Irish sovereignty" is now cast—the ability of government to act as a pliant tool of the major corporations.

Ireland has lured major companies to Dublin, including Google, Facebook and Microsoft. But corporation tax is so low that it has only raised €2.6 billion so far this year. Google Ireland head John Herlihy warned that any move to increase business costs, "including corporation tax", would "be a big thing for Google"—a stand echoed by both Intel and the American Chamber of Commerce.

Fianna Fail openly argues that keeping a bargain-basement corporate tax is possible providing that taxes are increased on the low-paid. The opposition parties and the trade unions are less honest and seek to conceal this fact beneath rhetorical invocations of Ireland's struggle for national liberation from Britain and claims that, in the words of the ICTU, "There is a better, fairer way" to make cuts.

When Devoy denounces the government for "criminal" mismanagement of the economy and "colluding with the banks", he neglects to mention that the trade unions are its partners in crime. Only in June, the ICTU signed off on a four-year strike ban, multibillion-euro cuts, thousands of job losses and a continued pay freeze under the Croke Park Agreement, claiming that such sacrifices would help Ireland ride out the economic storm. In line with this commitment, the unions ruthlessly suppressed the many strikes then underway.

The ICTU is being called upon to impose the latest attacks, even as it makes its oppositional noises. Minister for Health Mary Harney has indicated that up to €1 billion will be cut from the €6 billion health budget. This would require a "big reduction" in pay, she said, calling for implementation of the Croke Park Agreement "as soon as possible" regarding "outdated work practices, redeployment, flexibility."

The real role of the trade unions is as enforcers of austerity on behalf of the financial elite. This is the experience throughout Europe, where mock expressions of outrage and the convening of protests in Greece, Portugal and elsewhere have been used to cover for collusion with governments, big business and the banks against the working class.

Ireland's debt crisis is only the most immediate expression of what is a second round of the economic catastrophe that first erupted in 2008 and now threatens to plunge billions into a living nightmare. The trillions of dollars handed over to the banks now face entire countries with bankruptcy, with "contagion" spreading from Ireland, to Greece, Portugal, Spain and eventually engulfing the whole of Europe.

The survival of the euro is openly in question. But the situation will not be confined to the eurozone. Britain is particularly susceptible to an Irish collapse, with Ireland the UK's fifth largest trading partner and an exposure by British banks in excess of £140 billion. Tens of thousands of people in Britain have mortgages with Irish banks.

Every struggle today raises the central issue of building a new political party for working people and new organisations of struggle, based upon the mobilisation of workers throughout Europe and the world over for socialism. That, and not the chimera of national independence under capitalism, must be the goal of Irish workers and youth.