

# Irish election called: Fianna Fail and Greens facing wipe-out

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The Irish government has collapsed, a casualty of the eurozone crisis that erupted in May 2010.

Although less immediately explosive, the plummeting of support for the Fianna Fail/Green coalition, which has gone from 41 percent in 2007 to as low as 8 percent last weekend, has parallels with events unfolding in Tunisia and across North Africa. Social tensions have escalated to levels unseen during the entire history of the Irish republic as a direct result of the deepening crisis of world capitalism. It is this that has created the conditions for a long tolerated, notoriously corrupt political elite to be brought down.

For this reason, Ireland will be viewed as an ominous precedent in all those countries now imposing austerity measures dictated by the EU and IMF, such as Greece, Portugal and Spain. And it should send a shiver down the collective spine of the Conservative-Liberal Democrat coalition in Britain.

Since 2008, the Fianna Fail/Green coalition has responded to the global financial crisis, which in Ireland took the form of the collapse of a property boom and the exposure of vast highly leveraged debt to European banks, by imposing successive punitive emergency budgets. These measures, designed to pay for state bailouts of the indebted and now nationalised banks, have meant wage and benefit cuts, tax hikes, and large-scale redundancies for broad sections of working people.

Support for the government is in free-fall at the very point when it is attempting to impose even more devastating austerity measures. The government is this week seeking to pass a Finance Bill to meet the terms required by the European Union and International Monetary Fund in return for the €85 billion bailout organised late last year to prevent state bankruptcy.

With an election imminent, and with the great majority of its Dáil Eireann (the Irish house of deputies) members and ministers likely to soon be unemployed, Fianna Fail

has suffered a political heart attack. Over the last week, six government ministers resigned, Fianna Fail leader and Taoiseach (prime minister) Brian Cowen faced down a vote of no confidence from his own parliamentary party, while two leading government ministers sought to remove him. The Labour Party tabled a motion of no confidence in the government in the Dáil. Last Thursday, under intense pressure from his party and the Greens, Cowen finally called a general election for March 11.

On Saturday, Cowen announced he was stepping down as leader of Fianna Fail, but would remain as Taoiseach until the election. It is the first time in Irish history that a Taoiseach has not also been the leader of the main party in government. By Sunday, Fianna Fail's coalition partners, the Green Party, facing electoral obliteration pulled out of the government, leaving the government without an overall majority and reducing the number of ministers to the legal minimum required to govern. The election is, at the time of writing, now thought likely to be held earlier, on February 18 or 25.

Despite this, the Finance Bill, intended to deepen the pauperisation of the working population, is virtually certain to be passed this week. Under its terms €780 million is expected to be cut from social welfare spending next year alone, as part of the 2011-2014 programme to slash the government deficit to 3 percent of GDP.

Nothing could more clearly express the political monopoly enjoyed by the financial elite. The main parties are all united to see passage of the Finance Bill as an essential signal to the markets. They hope to reassure the most predatory speculators and fund managers worldwide that the next government will be in place promptly and will press ahead with the assault on social spending. They see even the few weeks before Cowen's preferred March 11 election date as a dangerous hiatus during which time Ireland, with a disintegrating government and catastrophic state finances, could again become a target for financial

attack.

Immediately after the Green Party left the coalition, complaining in the words of party leader John Gormley that “the Irish people have begun to lose confidence in politics and in the political process”, the Greens assured Fianna Fail they would support the Finance Bill from the opposition benches. Green minister Ciarán Cuffe blogged that a breakdown in relations between the Greens and Fianna Fail triggered their final withdrawal from government. “Economic confidence needs to be restored in Ireland both at home and abroad,” he wrote.

Leading opposition party Fine Gael, currently with 35 percent in the polls and likely to be the largest party in the next government, has repeatedly pledged to support the Finance Bill. The party’s finance spokesman Michael Noonan made clear he had influenced the Green’s decision to withdraw from the coalition by indicating on Saturday that Fine Gael would co-operate with fast-tracking the bill. According to Noonan’s deputy, Brian Hayes, “It is Fine Gael’s view, as it is the Greens’ view, that the Dáil can be dissolved next Friday and that the Finance Bill can pass all stages in both Houses of the Oireachtas [the Irish parliament]”.

For their part, the Labour Party offered to withdraw their no confidence motion provided the Finance Bill was passed by this Friday. Party leader Eamon Gilmore rejected Cowen’s claim that it was impossible to complete the bill on one week. Gilmore pointed out that the bill included measures already detailed in last year’s budget statement and that the more complex Credit Institutions Stabilisation Bill had been passed just before Christmas in a single day.

The immediate trigger for Cowen’s demise is proof of how closely government policy is dictated by big finance. It was precipitated by the release of the “The Fitzpatrick Tapes”, a book showing close, and previously undisclosed, relations between Cowen and the leadership of Anglo-Irish Bank at the time of the bank’s collapse. Journalists Brian Carey and Tom Lyons showed that Fitzpatrick, someone who bears much personal responsibility for the reckless and criminal lending practices of Anglo-Irish Bank, had a phone call and a round of golf with Cowen in the aftermath of the “St Patrick’s Day Massacre”, when the bank lost 21 percent of its share value in one day.

Fitzpatrick, it is alleged, made the phone call as part of efforts to pressure the head of the National Treasury Management Agency to deposit state funds into Anglo-Irish. The duo’s round of golf came shortly before Anglo-

Irish was included in the Irish government’s guarantee to honour all banking deposits—a decision that contributed to the Irish government’s €30 billion Anglo-Irish related debts. Writing in the *Irish Times*, Stephen Collins noted, “The relationship between the party and the toxic bank has been cemented in the public mind on the eve of a general election.”

The Irish political class, and Fianna Fail in particular, has long been synonymous with corrupt property deals, brown envelopes stuffed with euros and political leaders living colourful and expensive lifestyles far beyond their declared incomes. In the absence of an alternative, this was tolerated as long as the living standard of majority of the populations was stable or, as in the boom period of the Celtic Tiger, improving.

All this has changed. Fianna Fail is now seen as a tool of financial vandals intent on sucking up unprecedented sums for their own purposes, while laying waste to the social conditions of millions. That too is why the Greens and the opposition parties have moved for an early election. The scale of attacks on working people required in coming period cannot be carried out by such a discredited outfit. New faces are required.

The haste with which the opposition are seeking to press ahead with the demands of the same financial elite must serve as an urgent warning to the working class. The election will bring no let-up in the assault on living standards.

Writing in the *Irish Independent*, Colm McCarthy, economist and an architect of Fianna Fail’s austerity program, advised Fine Gael and Labour to emulate the coalition in Britain by considering “early fiscal measures too, exploiting whatever honeymoon they are accorded by the public. This would provide the opportunity to get ahead of the curve in terms of compliance with the memorandum of understanding with the troika of IMF, EU and European Central Bank.”



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