

Vote “No” in Ireland’s referendum on EU fiscal treaty

Socialist Equality Parties (UK and Germany)
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The Socialist Equality Parties of Britain and Germany call for a “No” vote in the Republic of Ireland’s May 31 referendum on the European Union’s fiscal treaty.

The referendum takes place under conditions of a historic crisis of European and global capitalism that is reproducing the conditions of mass unemployment, poverty, militarism and war that blighted the first part of the 20th century.

The fiscal treaty represents the solution of Europe’s ruling elite to this crisis. Through this anti-democratic mechanism, the continent has been transformed into a giant austerity zone. All European Union member states must reduce their structural deficit-to-GDP ratio to 0.5 percent or face takeover by unelected bureaucrats to enforce the diktats of the “troika”—the European Union, European Central Bank and International Monetary Fund. Meeting these requirements will require, in addition to the savage measures already imposed, spending cuts and other austerity measures totalling more than €160 billion (US\$200 billion) across Europe.

The policy of “fiscal discipline” is a euphemism for a social counterrevolution in which the wages, living standards, labour protections and welfare provisions won in bitter class struggles are overturned to fund massive bailouts for the banks and drive up corporate profits.

The true character of the European Union is now plain for all to see. An institution that for decades was proclaimed to be a means for overcoming national divisions and creating a “social Europe” is revealed to be an instrument of the banks and big business for waging class war against working people.

Greece makes clear that there is no end to the rapacious demands of the financial oligarchy. For five years workers have been subjected to austerity

measures that have pauperised millions while only deepening the economic crisis. Growing popular opposition to these measures was reflected in last month’s elections, which saw the collapse of support for the traditional ruling parties, PASOK and New Democracy, with the result that no stable government could be formed.

In response, the troika, in partnership with the Greek bourgeoisie, have threatened that either workers drop their opposition to austerity and vote “correctly” in new elections set for June 17, or Greece will be kicked out the euro and its economy devastated, while the military takes control of its borders and deals with civil unrest.

Even as they outline this apocalyptic prospect, the same forces acknowledge that, in or out of the euro, Greece can expect only economic misery.

Ireland is likewise being held to ransom by the financial elite, with the major parties—the ruling Fine Gael and Labour coalition government, together with Fianna Fáil—playing the same role as their Greek counterparts.

First they claim that the situation in the republic is completely different to that in Greece and boast of Ireland’s “success” in imposing €30 billion in spending cuts. Such statements come amid a three-year pay freeze, mass layoffs, unemployment rising officially to 15 percent and emigration—especially amongst the young—at its highest level since the Great Famine of the 1840s. They only underscore the contempt these parties have for working people and their families.

In the next breath, they argue that the measures already implemented will not be sufficient.

The deepening crisis in the euro zone has already forced the government to revise downwards its economic growth predictions for this year and sharply

raised Ireland's bond yields, making it likely that Ireland will be forced to seek another bailout next year after its current package of €85 billion ends.

As in Greece, the admission that years of "sacrifice" have been in vain is used only to warn darkly of a yet more nightmarish outcome should the treaty be rejected.

With the vigorous backing of corporations such as Glen Dimplex and GlaxoSmithKline, the "Yes" campaign threatens that a "No" vote will result in Ireland losing access to the European Stability Mechanism (ESM) bailout fund and being hit by an "investor strike," as the major multinationals—which employ one-third of Ireland's workforce and account for more than three-quarters of its exports—withdraw from the country.

Their concern is not the economic catastrophe to be visited on the population, but the prospect of the Irish bourgeoisie being forced to raise its 12.5 percent corporation tax rate to raise funds.

The resort to such undisguised blackmail is made more extraordinary by the fact that the result of the referendum will have no impact on the other EU member states that will ratify it regardless.

What the financial oligarchy fears is that a "No" vote will make all too apparent the widespread hostility of working people to the EU and its policies, and fuel the resistance of workers in Greece, Spain, Portugal, Italy and elsewhere to the dictatorship of the banks and big business.

The major political problem facing working people, however, is that the parties leading the "No" campaign, Sinn Féin and the United Left Alliance (ULA), have no intention of leading such a struggle. While framing their policies as a repudiation of the "austerity treaty", they claim that a "No" vote can be used to pressure the EU to renegotiate certain elements of the same treaty.

Sinn Féin has ditched its previous opposition to the EU and now argues that the "priority right now must be to stabilise the euro" through a "growth pact" and "debt restructuring" that will enable Ireland to "return to the markets at normal interest rates."

While arguing that a "No" vote "could be the beginning of a European-wide struggle against austerity and for a socialist Europe", the ULA—led by the Socialist Party and the Socialist Workers Party—promotes the same dangerous illusion that the

EU can be reformed in the interests of working people.

Much of the ULA's campaign is taken up with its insistence that Ireland will still be able to access EU bailout funds in the event of a "No" vote and that legal mechanisms exist to prevent Ireland being "kicked out of the euro or the EU."

Faced with a systemic breakdown of the capitalist profit system, the ULA proposes that a one-day general strike be organised by the European trade unions so as to "strike fear into the capitalist classes in Europe."

These are the same trade unions that have everywhere opposed any genuine struggle against the austerity policies of the EU and the national governments. In Ireland, they have been instrumental in enabling successive governments to impose spending cuts and wage freezes through the no-strike Croke Park Agreement. In line with this policy, the Irish Congress of Trade Unions has refused to take an official position on the referendum.

Like the SYRIZA coalition in Greece, which includes the Socialist Party's sister organisation, the ULA hold up French President Francois Hollande as an ally in the fight against austerity and EU diktats. This confirms the role of the fake-left groups as defenders of bourgeois rule and their hostility to the fight for workers' power.

The fight against austerity can be successful only through the mobilisation of working people in a mass social and industrial struggle against the capitalist profit system. The rejection of the EU fiscal treaty must be made the starting point of a turn to the working class across Europe to secure a United Socialist States of Europe and the utilisation of the continent's vast wealth and resources to provide decent jobs, homes, education, health care and pensions for all. The International Committee of the Fourth International offers the workers and youth of Ireland the genuinely socialist and internationalist leadership they now urgently need.



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