

# Result of Ireland's referendum on EU fiscal treaty due today

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With the result of the referendum on the European Union Fiscal Treaty due today, a yes vote would depend primarily on the fear generated by threats that a no vote would deny the Republic of Ireland access to the euro zone's bailout fund, the European Stability Mechanism.

Ireland's current €85 billion (US\$105 billion) bailout from the European Union (EU) and International Monetary Fund (IMF) expires in 2013, but the deteriorating economic situation throughout Europe means it is highly likely to seek a second boost for its banks and their creditors.

The "yes" campaign has been based on threats that a no vote will mean cuts to jobs, wages and vital services and a possible economic crash. But turnout has been low, and this is expected to benefit the no vote, which is more positively motivated. In any event, should such blackmail succeed, sentiment in Ireland remains broadly hostile to the austerity measures directed against working people that are the real down-payment required to secure EU largesse for Ireland's bankers.

The fiscal treaty in reality sets out more than €160 billion worth of spending cuts across the EU and seeks the transformation of Europe into a low-wage, low-welfare profit centre in the interests of European and international finance capital. In a vast protection racket, the "troika" of the European Central Bank (ECB), the EU and the IMF insists national governments must impose open-ended sacrifices on working people. Failure to comply does indeed carry the explicit threat of exclusion from future financial support and the ultimate sanction of expulsion from the euro zone. The Greek example, in which the entire working population is being pauperised, serves to terrify and discipline the whole of Europe.

The Fine Gael/Labour coalition-led "Yes" campaign

speaks for a narrow and wealthy clique tied to the country's vastly indebted banks and the US and European-owned transnationals that use Ireland as a euro zone production platform.

The "No" campaign does not advance a real alternative for working people. Its leading party, Sinn Fein, is benefitting from the widespread hostility and anger generated by the austerity drive of the government and the troika, with support hitting a record 24 percent this week, according to an *Irish Times*/Ipsos MRBI poll. This makes it twice as popular as Labour and only 8 percent adrift of Fine Gael.

But as with SYRIZA in Greece, Sinn Fein's perspective is only that the Irish bourgeoisie should utilise a no vote to strengthen its hand in negotiations with the EU and secure better repayment terms. Sinn Fein has junked its previous opposition to the EU, insisting that the "priority right now must be to stabilise the euro" through a "growth pact". Its statement, "Real Solutions—Sinn Fein's Alternatives", argues that the central problem with the euro-project is that "there was no mechanism for recycling the surpluses generated by the stronger economies in a way that would assist economic development in the weaker economies."

Appealing to Germany's spirit of largesse, Sinn Fein calls for an "EU wide investment programme" coupled with "programmes agreed between the member states and the ECB detailing strategies for deficit reduction, economic growth and debt reduction".

This is a pipe dream, Sinn Fein proposes what the German capitalist class has repeatedly made clear that it rejects—restrictions on the austerity drive and ending its domination of the euro zone. It is hoping that newly elected French Socialist Party president Francois Hollande will be able to persuade Germany's Angela Merkel to adopt some measures of quantitative easing

and subsidies for business. But Hollande's only concern is for France's ruling elite, not magnanimous gestures directed towards Europe's ailing periphery.

With the present coalition destined to become as unpopular as its Fianna Fail/Green predecessor, there is a likelihood of Sinn Fein coming to power in a coalition with one or another of the major parties. But its role would be to carry forward the troika's austerity demands, much as they are implementing the British government's austerity measures in Northern Ireland, where they sit in government with the Democratic Unionist Party.

The Northern Ireland budget agreed by Sinn Fein involves £4 billion in cuts to 2014/2015, including a 5 percent education cut this year as part of £300 million education cuts over the period and health cuts to 2014 of £800 million that together threaten 5,000 jobs.

Sinn Fein cannot answer as to its role in the North, so instead argues that it is irrelevant. Deputy party leader Mary-Lou McDonald protested, "The realities in the two jurisdictions are like comparing apples and oranges. In the north there simply aren't the tax-raising and fiscal powers that there are in the south."

This is pure nonsense. A frequent demand from Northern Irish business is for tax rates on both sides of the border to be harmonised at the republic's lower rate of 12.5 percent. Indeed, a major plank of Sinn Fein's campaign for the 2016 general election will be, in McDonald's words, "coherence north and south in terms of policy formation".

Ireland's ruling elite also benefits from the political bankruptcy of the other nominally left formations and of the trade unions.

The Irish Congress of Trade Unions (ICTU) is formally not taking a position on the referendum (ICTU general secretary David Begg described the issue as "too complex"), but de facto it accepts a yes vote when it argues for the government to delay ratification of the EU fiscal treaty until the end of the year.

The Green Party too did not campaign for a yes or a no vote after supporters of the treaty fell short by just eight votes in getting the required two-thirds majority to change party policy. Party leader Eamon Ryan argued for the shift as part of his call for a "new politics" of a "natural capitalism" that took the best of both the left and right wing. It was hard to explain this new politics, he said, but "It does rely on the markets to

deliver our needs."

The United Left Alliance, an election front made up of the Socialist Party and Socialist Workers Party (SWP), combines orthodox statements of opposition to the EU and calls for a United Socialist States of Europe with a campaign that in all essentials tails behind Sinn Fein.

In a statement, SWP leader Richard Boyd Barrett, who sits in parliament, said that the government's figures—that without EU funding, Ireland's 2013 deficit will be €18 billion—are scaremongering. The true figure will be €3.1 billion, he states, because the €18 billion "include re-payment of bank debt and other interest on debt. Obviously, if the EU cut off funding to us we would not be making those re-payments and the actual gap between income and expenditure would then only be €3.1 billion. This is a gap that could easily be filled and more by increasing income tax on those earning over €150,000 per year and by imposing a modest wealth tax on the wealth and assets of the wealthiest 5 percent of the population."

Such anodyne pronouncements disarm the working class as to the nature of the battle they face. The EU, its capitalist paymasters and the Irish bourgeoisie would respond to such a refusal to repay debt by doing everything in their power to strangle Ireland and do whatever was necessary to crush any resistance in the working class. Far from "modest" reforms, answering this offensive would demand the organisation of a political and social counteroffensive by the working class of Ireland in alliance with their brothers and sisters throughout Europe in the struggle for socialism.



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