

# Ireland's United Left Alliance presents its "alternative" budget

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The austerity policies dictated by the European Union (EU), European Central Bank and International Monetary Fund (IMF)—the troika—are leading to the impoverishment of broad layers of the Irish population. This is provoking nervousness in ruling circles over the political sustainability of the current government's budget cutting.

The *Irish Independent* reported that 12 of the 45 Labour MPs in the coalition government with Fine Gael had "expressed concerns" over some of the measures contained within the 2013 budget released last week. The spending plan proposed cuts and tax hikes totalling 3.5 billion euros. This includes a new property tax, one billion euro savings in the public sector, cuts to jobless benefit and other welfare payments, and an increase in employees' social insurance payments.

Since coming to power with Fine Gael in 2011, Labour has fallen in the polls from the second most popular party to the fourth, achieving only 14 percent in the latest survey. Fine Gael, which continues to attract the most support, saw its backing fall below 30 percent before the budget.

One Labour MP was cited by the *Sunday Independent* as saying, "We are losing our entire moral and political platform," while another complained, "We are going to be annihilated if we continue on like this."

With Labour and the official parties so reviled and discredited, the pseudo-left United Left Alliance (ULA) is attempting to legitimise the existing political set-up. A coalition of the Socialist Workers Party and the Socialist Party, the ULA's alternative budget proposal makes clear that it is lining up in defence of capitalism against growing opposition within the working class.

Launching the alternative budget, Richard Boyd-Barrett of the SWP went out of his way to deny that

what is involved is a systemic crisis of the profit system. Advocating piecemeal reforms instead, he declared, "There is an alternative, if we stop paying out billions to bondholders and interest on unsustainable debts that have been loaded onto the backs of ordinary Irish people." While Boyd-Barrett rejected "unsustainable" debts, the budget proposal makes clear this only applies to those "deriving from the financial crash that started in 2008." Further on it acknowledges that this would leave Ireland with debts of at least 50 billion euros.

This is followed with a call to defend Ireland's extremely low 12.5 percent corporate tax rate. This measure has been the main mechanism for the marketing of Ireland as a cheap labour platform for inward investment. A key role in this process has been played by the trade union bureaucracy, which has collaborated with successive governments. Since 2008, the unions have loyally helped to impose six austerity budgets totalling over 28 billion euros, by signing up to the no-strike Croke Park Agreement with government and the employers.

The ULA makes no word of criticism against this, even though the Irish Congress of Trade Unions (ICTU) has confirmed it will sit down with the government to negotiate a further one billion euros in annual savings through a successor deal to Croke Park.

Instead, the ULA hailed the unions' call for a financial transactions tax, describing a recent paper released by the ICTU as "well argued." Adopting proposals which have been endorsed by several EU states, including Germany, the ULA's document declares, "A tax on bond and share trading of 0.1 percent and on derivatives of 0.01 percent would raise an estimated €500 million."

The ULA will have no doubt discussed such policies

on several occasions with representatives of the troika, having participated in their regular meetings as part of a quarterly review of Ireland's bailout. Earlier this year, Boyd-Barrett travelled as a member of a parliamentary budgetary committee to the German Bundestag to exchange views on spending decisions.

The document makes an empty call for the nationalisation of the banks, without explaining how this is possible under conditions in which the ULA has made clear its willingness to accept the financial elite going about their business if only they commit to paying more taxes. Such calls are made even more spurious in the context of the ULA's repudiation of class politics in favour of nationalism. Throughout the document the ULA refer to "our economy" and the "Irish people." At no point does it even make note of the economic misery being visited upon the working class across the continent and globally. Rather the ULA try to present Ireland's woes in purely national terms. As one passage from the statement complained, "If the current investment rate of 10 percent of GDP (EU average is 18.5 percent) continues, Ireland will become an economic backwater."

Its attacks on government austerity are equally dishonest. The ULA denounce the plans for a new property tax, which will come in to force in July 2013. But to a large extent it is thanks to the ULA that the government can proceed with this measure.

When plans for an annual household charge of 100 euros were revealed in late 2011, in a move that was a precursor to the property tax, a mass movement developed across the country. Angered by four years of continuous austerity, workers showed their determination not to pay the charge by organising meetings at which whole communities gathered. Opposing any effort to direct this movement into a struggle against the government, the ULA, through the Campaign Against Household and Water Taxes (CAHWT), confined the action to a non-payment campaign.

With the approach of the deadline for final payments at the end of March 2012, the ULA wound up all protest action after a token national "rally" in Dublin. The hundreds of thousands of householders who had refused to pay were left to deal with the demands of the government that they pay up or face court action. With the opposition demobilised, the government brought

forward the proposal for a property tax in the summer.

Joe Higgins of the Socialist Party, speaking on publication of the pre-budget report, claimed that, "None of this, not the cancellation of the debt or the taxing of wealth, will be achieved by reasoning with the political establishment or the troika. Instead it has to be struggled for and if such a struggle takes place the resistance that would come from the rich to having their privileges challenged would make clearer to ordinary people the need for a fundamentally different type of society."

Notwithstanding Higgins' rhetorical flourishes, the ULA has fully reconciled itself to the idea that the capitalist system can offer a viable future, if only its worst excesses are regulated. It is an organization hostile to any independent struggle of the working class, and fully committed to the defence of the bourgeois order. Only through a rejection of this pseudo-left outfit and taking up the fight for a workers government as part of the socialist reorganization of Europe, can working people defend themselves against the social catastrophe being visited on them by the ruling elite.



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