

Irish prime minister denounces “welfare culture”

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Working people in Ireland have suffered some of the harshest austerity measures in Europe.

Spending cuts and tax hikes totalling more than 20 percent of economic output have been imposed over the past five years. On average, public sector workers pay is down by 14 percent. In sectors of the private economy the rate of decline is even greater.

Unemployment, running at around 14 percent, is only prevented from rising to levels comparable with Spain and Greece due to mass emigration. The seven austerity budgets, implemented by all of the mainstream political parties, have produced conditions of social misery not seen for decades.

Prime Minister Enda Kenny in the *Irish Independent* makes clear that this is only the beginning of the assault on working people, aimed at the elimination of social programmes and public services on which hundreds of thousands rely.

In an article following the announcement of a further €2.5 billion in cuts by the Fine Gael-Labour Party coalition, Kenny “declared war on welfare,” as the paper put it.

The reforms introduced by his government were only the beginning of a vast restructuring of the social welfare system, Kenny declared. “We cannot allow welfare dependency to take root,” he wrote, in defence of his government’s move to slash jobless benefit for those under 25 by more than a third.

“A whole new approach to work activation and welfare reform is required to break the cycle of welfare dependency,” he wrote. The coalition, which came to power in 2011, was only in the “early phases” of welfare reform, and there was much more to come.

Kenny cited proposals to bring in private companies to “help” the unemployed seek work, and warned that a growing number of households were jobless. “This is

unacceptable and can’t be allowed to fester, otherwise we’ll be living with the long-term social and economic consequences for years to come,” he warned.

Kenny’s comments make clear that the cut to welfare payments for the under 25s was merely the preparation for their reduction for the entire working class. As he declared in the *Irish Independent*, “We will target the welfare traps which prevent families from taking up work.”

His statements are also a refutation of the lying claims of politicians that it would be the last spending plan to contain such high levels of austerity. According to this line, promoting chiefly by the Labour Party, Ireland’s exit from its bailout programme at the end of this year would allow it to ease back on spending cuts.

In fact, Labour has led the way in imposing some of the most brutal cuts over recent years and is well informed as to what is to come. On the same day Kenny’s article appeared, figures released by the Department of Social Protection revealed that the number of people having a portion of their jobless benefit deducted as a penalty for not accepting work or a training opportunity was already 60 percent higher in the first nine months of this year than it was in the whole of 2012. Under this provision, unemployed workers deemed not to be complying with the job centre can have up to €44 per week removed from their benefits, which equates to almost 25 percent of their overall payment. Repeat offences can result in benefits not being paid for up to nine weeks.

This measure was introduced by Social Protection Minister Joan Burton of the Labour Party in 2011. Speaking in parliament on the figures, she warned that the numbers being penalised would increase. She firmly defended the cuts implemented by her department in the budget, which were passed by

parliament in the Social Welfare Bill. Total spending on welfare is to drop by more than €230 million next year.

Another plan being considered is to issue people on social welfare with a debit card that will permit them to purchase goods and services only at certain locations, rather than paying money in to their bank account. The proposal, made by businessman Sean O'Driscoll at the Global Irish Economic Forum in Dublin, is under consideration by the government. Labour leader and Foreign Minister Eamon Gilmore is to present a full report on this and other issues raised at the forum before Christmas.

The stepped-up attack on welfare claimants is to be enforced through the intervention of the police.

In a post-budget press conference, Burton announced the creation of a “special investigations unit” made up of 20 police officers who would be tasked with tackling “welfare cheats” over the next twelve months.

According to the plan, officers will be stationed in airports and industrial estates to target so-called “welfare tourism” and those claiming benefits dishonestly. The officers will have the power to arrest individuals if it is deemed that a criminal offence has been committed. The Immigration Council of Ireland warned the proposals carried the danger of encouraging racial profiling.

The intensification of social attacks is directly connected to the deteriorating state of the Irish and international economy, as Kenny acknowledged in his article.

“We cannot rely on economic growth alone to reduce unemployment,” he stated.

This is an implicit acknowledgement that there is no prospect for sustained growth any time soon. Government projections for economic growth have been consistently proven optimistic, with minimal growth of 0.5 percent this year now expected. This has fuelled an increase in state debt, which rose by €0.4 billion between April and June this year. The government was compelled to revise its budget deficit upwards recently.

Finance Minister Michael Noonan travelled to Strasbourg and Frankfurt this past week to discuss plans for Ireland’s formal exit from the bailout with European Central Bank head Mario Draghi and European Union Monetary Affairs Commissioner Olli

Rehn. Given the persistent economic problems confronting Dublin, reports have suggested that it is seeking a post-bailout financial arrangement to provide the financial markets with some reassurance.

Noonan also held discussions with the International Monetary Fund. The IMF has already confirmed it will continue to supervise government policy until 2021 and will play an ongoing role in the imposition of further austerity measures on working people.

Last Thursday Kenny released a letter he sent to EU officials warning that Ireland’s successful exit from its bailout programme was dependent upon ongoing support for its banks from the permanent bailout fund established by the EU last year. He urged European Commission President Herman van Rompuy to stick to his commitment of June 2012 to allow the European Stability Mechanism to act as a financial backstop to the banks that continue to pose a real risk.



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