

# Irish Pseudo-Left Signs Off on Repaying EU Bank Bailout

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Global Research, December 12, 2013

[World Socialist Web Site](#)

Region: [Europe](#)

Theme: [Global Economy](#)

Ireland formally exited its €85 billion (US\$117 billion) bailout from the troika of the European Union (EU) commission, European Central Bank (ECB), and International Monetary Fund (IMF) this week. Agreed three years ago at the end of 2010, it has acted as a mechanism for a vast redistribution of wealth from the working class to the financial elite and the recapitalization of the country's bankrupt financial institutions.

Despite the rhetoric surrounding the formal exit from the programme emanating from the government, trade unions and the media, there will be no let-up in the austerity drive over the coming years. Prime Minister Enda Kenny confirmed that on December 16, the day after the bailout officially ends, his government will present an economic plan for the medium term—above all to reassure the financial markets that they will not let up in cutting public spending, attacking the wages and working conditions of the population and privatising public services.

Under such conditions, deputies from the pseudo-left Socialist Party (SP) and the Socialist Workers Party (SWP) presented a motion to parliament on November 26. In it, they urged the Fine Gael-Labour Party coalition to request that the ECB allow Dublin to cancel a portion of the country's debt built up as a result of the bank bailout.

According to SWP leader Richard Boyd-Barrett, the €28.1 billion of debt resulting from the promissory notes issued to save the Anglo-Irish Bank was “odious” and illegitimate. Implicit in the presentation of this proposal was the recognition that the rest of Ireland's debt, which runs into hundreds of billions of euros, was somehow “legitimate” and should be repaid. Even after one of the most devastating austerity programmes in Europe, state debt is approaching 130 percent of GDP—a figure described by economists as unsustainable.

With more than a little irony, Boyd-Barrett began his speech in parliament in support of the bill by apologising for the fact that he could not stay for the whole debate, since his presence was required on the parliamentary finance committee to prepare legislation for the 2014 budget. This budget [imposes a further €2.5 billion of austerity](#) on working people.

In a separate statement, Boyd-Barrett criticised the negotiating strategy of Finance Minister Michael Noonan, asking, “Why in a discussion on banking union can he not raise the issue of debt write-down?”

Boyd-Barrett's attempt to sow illusions in the possibility of winning concessions from the EU, through its preparations for banking union, reveals the political bankruptcy of his outlook. This is a system being created to ensure that Europe's banks have even more access to public funds to cover their speculative activities, which will necessitate a deepening of the

attacks on the working class.

Boyd-Barrett and his colleagues, who were elected to parliament in 2011, have taken such positions to their logical conclusion, meeting for discussions with officials from the troika during each of their reviews of Ireland's progress under the bailout programme.

The presentation of the motion in parliament coincided with the final decision in a legal case brought by the SWP's Joan Collins, which called on the costs incurred through the bailout of Anglo-Irish to be ruled illegitimate by Ireland's Supreme Court. This was based on the claim that parliament had not been given the opportunity to decide on the issuing of the promissory note deal, and that the agreement struck earlier this year between Dublin and the ECB to wind up the successor to Anglo-Irish had also not been approved by parliament in the correct way.

Support for the write-down of a portion of banking debt also came from the SP's Paul Murphy, who sits in the European Parliament. Intervening in a local protest group near Cork, which has been holding marches weekly over the past two years to oppose the bailout programme, Murphy directed them to submit a petition to the European Parliament, respectfully requesting that Dublin be exempt from the obligation to cover the cost of meeting the debts of Anglo Irish Bank.

In a lengthy article, "The Euro—exit stage left," published at the beginning of November, Murphy provided an outline of what he described as an "alternative" to the euro, based entirely on capitalism and the primacy of the nation state. Identifying a series of steps to be taken if Ireland left the euro, he called for "the immediate imposition of capital controls to prevent the flow of large amounts of money out of the economy," "a programme of repudiation of national debt," and the "imposition by the banks of losses on the European Central Bank and other bondholders in order to ensure that the banks do not collapse."

At no point does Murphy advance a socialist and international strategy to challenge capitalism, insisting, "It is a reality that class struggle today in Europe, despite attacks being co-ordinated at a European level, still takes place in a primarily national context—whereby governments and employers implement austerity measures and they are resisted primarily on a national plane."

The stance taken by the pseudo-left on Ireland's notoriously low 12.5 percent corporation tax rate provides a clear indication that their perspective is based upon a continuation of capitalism. Boyd-Barrett has defended the tax rate, which is one of the lowest in Europe, and urged the government simply to enforce its collection. According to him, such a move would raise the funds necessary for government investment to promote economic growth and reduce the need for cuts. He boasted in one interview that significant cross-party work had been done on this in the parliamentary finance committee in recent months, following the revelation in May by a US Senate report that corporations such as Apple pay virtually no tax on their profits in Ireland.

The SWP and SP have fully integrated themselves in to the structures of bourgeois politics. In parliament their members work closely with Labour Party dissidents and "independents", as was shown with the presentation of the motion on Anglo-Irish debt. Outside of the Dail they [boost the trade unions](#). The SWP's People's Assembly initiative is held up as a forum to discuss alternative policies to the government's latest budget. At events across the country,

it offered a platform to union bureaucrats like Jimmy Kelly of Unite, who was a crucial figure in the enforcement of the Haddington Road Agreement earlier this year, which aims to cut €1 billion from the public pay bill by 2015 while enforcing a strike ban.

Another group brought on board by the SWP, Claim our Future, advocates the raiding of the state pension fund in order to finance investment to create jobs; a measure also attempted by the right-wing Fine Gael.

Working people seeking the means of opposing the devastation wrought by five years of austerity implemented by the ruling elite in collaboration with the troika will find no way forward through these organisations. Neither the reform of the EU and its policies, as proposed by Boyd-Barrett, nor the reliance on the nation state to regulate capitalism's worst excesses, as Murphy suggests, offers workers the prospect of defending jobs and living standards. The only viable opposition to the austerity policies of the European and Irish ruling elites is one based on a socialist and internationalist programme to unify the working class across the continent in the fight for the United Socialist States of Europe.

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