

# EUROPE: fighting the cuts

## Ireland: a socialist alternative to the crisis

On the same day that the Irish government announced a further rescue package of €35 billion for Anglo Irish Bank, finance minister, Brian Lenihan, declared that the projected cuts of €3 billion in the December budget will have to be increased substantially. That means even more savage attacks on the living standards of working people, pensioners and the unemployed. PAUL MURPHY explains how neoliberal policies have failed to solve the deep-rooted problems of the Irish economy and the urgent need for a socialist alternative.

AS A result of the Anglo bailout and the bailouts of the other major banks a leading economist has estimated that government debt will rise to 140% of overall economic output (GNP) by 2012. Comparisons are increasingly being made with Iceland and Greece as the pressures mount on the financial markets.

Some economists and commentators have begun to talk about a 'double-dip' recession for Ireland. If anything, this represents a favourable slant on the figures, where in the second quarter of 2010, GDP contracted by 1.2% and GNP contracted by 0.3%. A double-dip implies some economic growth.

In fact, while minor growth was registered in the first quarter of 2010, it now appears to have been a blip and the latest figures, in reality, represent a continuation of the weakening of the Irish economy.

The figures again confirm the point that socialists have made - the government's neoliberal policies are having a negative effect on economic growth and are contributing to a downward deflationary spiral. Personal consumption, for example, has fallen by 1.6% compared to a year ago.

If the state becomes insolvent, as is now a real short-term possibility, the International Monetary Fund (IMF) and European Union could step in to provide emergency funding as they did in Greece. Such funding comes with massive strings attached. These strings would involve the implementation of harsh neoliberal measures along the lines of the 'structural adjustment programmes' applied in Latin American countries. The wholesale privatisation of remaining state-owned companies would be demanded, together with deeper cuts in public services and harsher attacks on public sector workers and workers' rights generally.

Despite public proclamations that all is well, the key figures in the economic and political establishment in Ireland are aware of the growing difficulties they face. An intensification of the neoliberal policies that resulted in this situation is likely, regardless of which establishment parties are in power at the time of the next budget.

Clearly the idea that 'the worst is over' and that we have taken the necessary bad medicine was a lie - and in fact many further assaults will be proposed.

One assault will be an attempt to sell off valuable state assets like Bord Gáis (gas board) in order to both quickly raise funds and gain the confidence of the international markets through demonstrating a neoliberal approach.

Another will be a further attack on vital public services - with more cutbacks in funding to healthcare, education and social welfare. Public sector workers are again likely to come under attack.

Right-wing economic policies have resulted in a disastrous economic situation where insolvency is a real prospect. Those responsible, the bond markets, must be tackled head on. Their rule and power must be rejected and policies implemented that are in the interests of the majority rather than a small number of rich bond holders.

Contrary to the idea that 'there is no alternative' which is promoted by the government and media, there is a realistic alternative. The reason we don't hear about it is that it involves challenging the rule of profit in Irish society and taking wealth out of the hands of the minority who currently control it.

What that means is that the banks and hedge funds who have invested in Anglo Irish, regardless of whether they invested before or after the guarantee on bank deposits was granted in September 2008, should take their losses.

More generally, if the state is faced with bankruptcy, bondholders should be 'burnt', with the government refusing to pay its debt to international speculators and hedge funds, rather than making working people pay.

### Job creation

INSTEAD OF implementing further cuts that deepen the downward economic spiral, the cuts should be reversed and policies should be implemented to get people back to work and develop sustainable economic growth. A massive public infrastructural programme could provide work for the 100,000 builders currently on the dole. A cut in the working week to 35 hours, with no loss of pay, would create 165,000 jobs by sharing out the work.

A wealth tax on the €75 billion made by the top 1% of society during the 'Celtic Tiger' years would generate significant funds. Instead of selling off valuable state assets in order to raise short-term funds, the banks and the key sectors in the economy, including the natural resources like the Corrib gas and oil field, should be nationalised under democratic workers' control and management, with compensation only on the basis of proven need.

In that way, credit could be provided to small businesses and, where people face difficulty in paying mortgages, the principals and interest rates on mortgages could be renegotiated and an economic plan could be democratically constructed to engender a sustainable recovery.

It would also be necessary to introduce full government control of all incoming and outgoing foreign trade. This would allow a democratically elected government and the working class, not the market, to control imports and exports - including capital.

In the short to medium term, these policies would avoid bankruptcy and avoid the state having to go onto the international markets to borrow. However, it is not possible to build a self-sufficient economy in Ireland alone. That is why implicit in the eurozone crisis is the need for a European-wide struggle. That struggle is a common struggle against the austerity measures and the rule of the financial markets, the IMF and the EU.

In addition, it must be a struggle for a socialist federation of Europe, where policies based on democratic planning of the economies of Europe for people's needs would mean that cooperation and assistance, including funding where necessary, could be provided for different countries on a cooperative basis.



photos Paul Mattsson



The general strike by Spanish workers must be the start of a campaign to stop cuts.

photo Sarah Wrack

## Spain: workers demonstrate their strength

On 29 September the general strike marked the entrance of the Spanish working class onto the stage of struggle with all its weight and power. Ten million strikers and 1.4 million angry demonstrators participated. The day after the strike all but the most right-wing newspapers were forced to admit that the strike had shaken Spanish capitalism. SARAH WRACK reports on events in Barcelona.

THE BIGGEST issue facing Spanish workers is a process of labour reform which will lead to bosses having to pay almost no redundancy and the tax payer subsidising what they do pay. This is obviously paving the way for a new wave of job cuts. With unemployment already over 20%, the working class of Spain is left with no choice but to fight against it. Militant demonstrations in every city brought 70% of the workforce onto the streets. Members of the Committee for a Workers' International (CWI) were present in Madrid, Barcelona, Seville, Murcia and the Basque Country.

With the exception of several small picket lines outside banks, things seemed a little quiet until we came across our first 'flying picket' of the day. About 40 workers and trade unionists were gathered outside an open café blowing horns and whistles and chanting constantly. Several of them went inside and carried on making noise until all the customers were forced to leave. Others stacked the chairs and overturned the tables outside to make it clear they were closing the place down. When they finished, they moved on to the next open shop.

In Barcelona, the general strike was tarnished by the actions of a small group of 'anarchist' demonstrators, who during an afternoon demonstration of about 5,000 workers and students, took advantage of the assembled crowd to engage in pointless clashes with riot police, which included the burning of police cars and endangering the safety of peaceful protestors.

Although the involvement of agent provocateurs in these actions is suspected, even those 'anarchists' who participated in these clashes motivated by a genuine anger and desire to change the world, have fallen into a counter-productive trap.

It meant that the majority of what was shown in the media, particularly internationally, looked like a riot rather than the militant, organised working class action that most of the day was. But it also gave the police the excuse to break up the afternoon demonstration and spend much of the rest of the day attacking groups of protesters, including violently ending the occupation of a major bank.

The anti-trade union laws in Spain also held back the strike to an extent. Before a strike, the unions, bosses and government must come to an agreement about a level of minimal service that will be provided, for example, a certain level of metro service at commuter times. This forces the unions into cooperating with strike-breaking but the law was marvelously ignored in some areas. However,



when non-agreed transport was seen, it was stopped. One bus without the sign showing that it was part of the minimal services was surrounded by a group of protesters who covered the windshield in strike stickers and stuck wooden blocks with nails under the wheels.

### The first step

ON THE trade union demonstration in the evening, 400,000 people of all ages and from all industries marched through central Barcelona with tens of thousands of union flags flying. The angry chants and vibrant atmosphere made it obvious that the working class of Barcelona and of Spain are determined to defend the gains they have won in the past and not to pay for the capitalist crisis more than they already have.

Everywhere we went there was a huge interest in the ideas of the CWI. Leaflets were grabbed out of our hands and read from beginning to end right in front of us. We sold many copies of Socialismo Revolucionario, the paper of the CWI in Spain whose headline was: "General strike: the first step!" Several people said they wanted further discussions about the possibility of joining or working with the CWI in Spain.

Many were clearly impressed that we were making concrete suggestions about how the movement should continue after the general strike. The one-day stoppage was impressive and damaging for the bosses but will not be enough. We pointed to the example of Greece to say that more general strikes as well as democratic committees to organise the next steps would be necessary to really force the government backwards.

## Portuguese workers win the promise of a general strike

TENS OF thousands of Portuguese workers, from both public and private sectors, demonstrated on the streets of the main cities of Lisbon and Porto - 50,000 people in the capital, and 20,000 in Porto.

Socialismo Revolucionário  
(CWI in Portugal) reporters

A number of work stoppages also occurred, especially in healthcare, education, social services, public transport and prominent metal, automobile and construction companies.

The scale of the government attacks are echoing the warning of a "blood-bath budget" described by Socialismo Revolucionário in its material distributed during the demo in Lisbon. They include 5% cuts in public sector wages, freezing of all pensions, a new 2% increase in VAT to 23%, cuts in family allowances and much more.

Yet the most hard-line sections of the capitalist commentators still think the minority Socialist Party (PS) government is too timid in the pace and the depth of its austerity measures.

But most of the capitalists in Portugal fear that such a tough approach is going to provoke massive social explosions. This has been the background to the political crisis of recent weeks.

The PS government has been forced to get at least the tacit approval of the Socialist Democratic Party (PSD) to pass the 2011 budget in the parliament. The leadership of the PSD has been reluctant to accept the idea of raising taxes, advocated by the PS, arguing for more savage cuts in public spending. Whatever the precise content of the next budget, workers and youth need to prepare seriously for a fightback.

For people who attended the monumental 300,000-strong demo in the capital four months ago, the biggest trade union demonstration in Portugal since the revolution, questions arise about the lower attendance on 29 September.

This didn't reflect the underlying anger throughout society. Many workers have expected bolder initiatives from the trade union leaders. Indeed, the question of a general strike has been



implicitly posed for months.

The union leaders should have called a general strike on the same day as the Spanish general strike. But the CGTP (Portuguese TUC) vaguely named a "great day of action". The Portuguese Communist Party and the Left Bloc hardly used their influential position to mobilise people or publicise the protests.

### Pressure comes to bear

BUT AFTER the demo, Carvalho da Silva (CGTP general secretary) spoke of the need for "a much stronger struggle, ultimately of a general character". And following a meeting of the national committee of the CGTP, a general strike has finally been called for 24 November.

The pressure from the membership is such that even the UGT, the PS-influenced trade union, the least combative, is considering joining the strike call. That would be the first time ever that the UGT has called a general strike! Trade union and left activists must now make sure that this general strike is not just a 'one-off' but the start of a sustainable fight back, built democratically from below.

Mass public meetings and rallies need to be organised in workplaces, schools and communities, not only to mobilise the mass of working people into the battle, but also to allow everyone to participate democratically in the organisation of the struggle.

## Internationalism against austerity

HUNDREDS OF activists from across the British trade union movement travelled to Brussels to march against the Europe-wide cuts agenda.

Nicholas Parker

Altogether, over 100,000 workers joined the march from nearly every European country. Firecrackers, smoke flares and lots and lots of noise greeted us as the UK delegation got off the Eurostar at Brussels station, where the march began.

Our delegation consisted of members of every major UK trade union. The banners held high represented groups of workers from across Europe: police officers from Romania, metal workers from Germany and pensioners from Britain.

The impact of the austerity agenda driven by the capitalists has clearly not hit every country at the same pace. The

same can be said about the response - workers in countries like Greece have been quicker to take up the fight against cuts.

However, that raw anger exists in every country - anger at the prospect of working people being forced to pay for a crisis triggered by the spivs and speculators at the top of the capitalist financial system.

The scale of the crisis means that internationalism is the order of the day. Many are still unsure about the way forward, but hopes exist that this show of strength could be a step towards a genuine Europe-wide campaign to defeat the austerity measures driven by capitalism.

On the journey back more discussions were held between trade unionists on the Eurostar about how we can defeat these attacks and how we can build a socialist society. Paraphrasing the words of Karl Marx, the day ended with the message - workers of Europe, unite!



Joe Higgins, Socialist Party MEP for Dublin, Ireland, explained why Socialism 2010 is an important event for all who oppose the brutal austerity cuts. Joe will speak in the closing rally on Sunday 7 November.

“A ll over Europe millions of workers are moving into opposition to the austerity plans being implemented at the best of big business. Recently we have seen magnificent general strikes in Spain, Greece and France as well as massive protests all across Europe. This is in opposition to attempts to make working people pay for the economic crisis through savage attacks on living standards including attacks on pension rights, pay cuts, job losses and cuts in public services.

The government in Ireland has launched three brutal austerity budgets since the outbreak of the economic crisis. Pain has been felt by those plunged into unemployment and low and middle income workers in both the public and private sectors. We have seen 15% pay cuts for public servants, slashing of public spending, closure of hospital wards, overcrowding in classrooms and increased taxes on workers. All this for the sharks in the financial markets who are demanding that the working class pay for the €50 billion black hole in the Irish banks caused by property speculators.

In Britain, the Con-Dem coalition government is gearing up for a massive onslaught against the working class this autumn. The cuts they have planned will mean pain for working people on a par with Ireland. These cuts, rather than providing a platform to economic recovery, will further undermine the economy and threaten a downward descent into deeper debt and crisis.

The dictatorship of the unelected bondholders and the small number of super-rich speculators who constitute the financial markets must be rejected.

We need new mass workers' parties and leaders in the unions that will organise a real fightback and organise a struggle to replace this dictatorship of the markets with democratic socialism. If you want to fight the cuts and debate with other people involved in anti-cuts movements in Britain and across Europe - come to Socialism 2010.”



Socialism 2010 - a weekend of discussion & debate  
Hosted by the Socialist Party

Saturday 6 and Sunday 7 November  
Rallies: Friends Meeting House, 173 Euston Road, NW1 2BJ

Rally speakers include:  
Joe Higgins, Socialist Party MEP for Dublin, Ireland  
Matt Wrack, FBU general secretary  
Cindy Sheehan, US anti-war activist  
Andros Payiatos, general secretary, CWI Greece  
Peter Taaffe, Socialist Party general secretary

Sessions: ULU, Malet Street, London, WC1E 7HY  
Weekend: £25/£12 concession. One day: £15/£7 concession.  
Saturday night accommodation available.

For more information and to buy tickets online go to  
www.socialism2010.net or phone 020 8988 8777

