

Socialist Worker

BUDGET SPECIAL

Budget 2009: War on workers and the poor

THE FIANNA Fail-Green budget is the most savage attack ever mounted by a privileged political elite on their people.

The government claimed it had to raise €4 billion to cover state borrowing. But just a few months beforehand, it put the same €4 billion into Anglo-Irish bank—even though that bank will never lend out a cent again.

Finance Minister Lenihan argued that the country was ‘on the way to recovery’. It was a total lie. Unemployment is set to rise next year to over 500,000 people. By imposing pay cuts and attacking people on social welfare, the budget will only deepen the recession.

Ireland is the only country in the world that is pursuing this strategy. Elsewhere governments have established job creation programmes and are trying to stimulate their economies. But here they look after bankers.

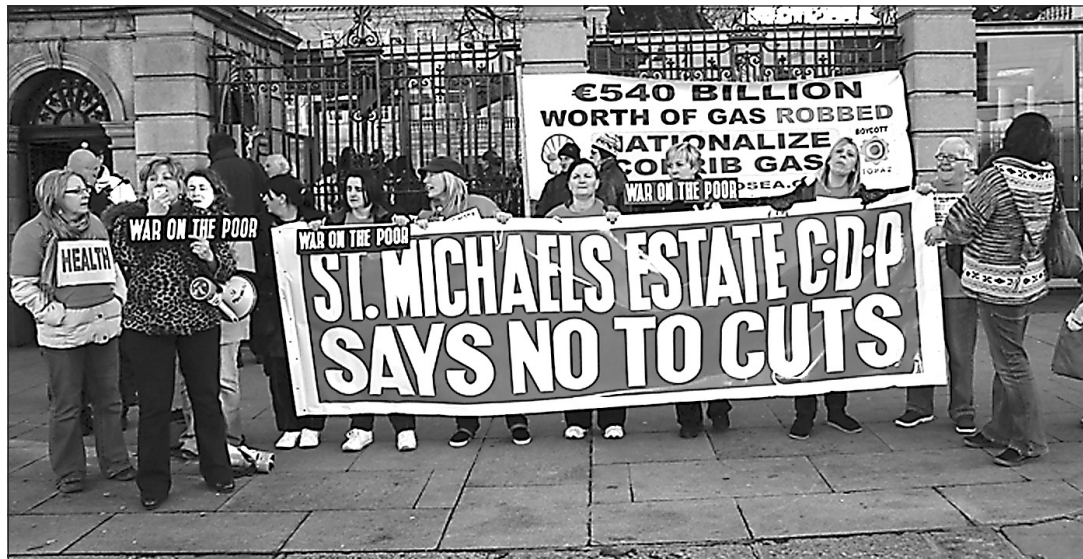
WHAT IS BEHIND THE ATTACKS?

The government could have raised money from the 5 percent of Irish society who own 40 percent of its wealth.

But they did the very opposite. They launched a war on workers and the poor.

Only a tiny 1.5 percent of all the revenue raised by this budget will come from taxes on the wealthy. The rest comes from us.

PAY CUTS: The average public sector worker will lose one and a half days pay a month because of



Protestors at the Dail on Budget Day

this budget.

This is on top of the other 7 percent cut in the guise of a pension levy. Overall that makes 3 days pay a month robbed by this government.

The government wants to launch a new round of wage of pay cuts across the economy.

In February 2009, the employers' organisation IBEC stated that it wanted a 10 percent cut in wages. But up to now they have not been able to carry this out. But after the new round of government inspired pay cuts, they will try again.

EMIGRATE: The government wants to drive the young unemployed out of the country. That is why they have halved the social welfare of 20 and 21 year olds.

CHILDREN: Ireland has the most

expensive childcare costs in Europe and the child benefit was the only support that the state gave to parents. Now it has been cut by 10 percent.

SOCIAL WELFARE: More than €8 a week will be knocked off social welfare payments for every category – except pensioners.

They escaped because the government is frightened of them. Last years, tens of thousands of pensioners descended on Dail Eireann and forced a U turn on medical cards. It is a lesson to us all.

TWO THINGS WE NEED TO DO:

- We need a united movements that draws thousands on to the streets to

drive this government out of office.

The unions should call a series of national stoppages and call on social welfare recipients to join them in huge demonstrations that surround the Dail.

We need a build up to a general strike.

- We need to a new radical left alliance that will not compromise with the privileged elite.

While Labour and Fine Gael agree with the government that €4 billion had to taken out of the Irish economy, where is the voice saying: ‘Make the rich pay’? That is why we need a new political alternative.

Social Welfare: We can't afford not to fight these cuts!

BRIAN LENIHAN and the Fianna Fail-Green government are targeting people on social welfare. They want to make us suffer – so that they can put billions into banks

There are 413,000 people on the live register – the highest ever in Ireland. Yet the government has done nothing to create jobs.

Instead of bailing out banks, they should have helped people. They should have set up a public works programme to create jobs and put thousands back to work.

But instead they want to cut our already meagre income.

- More than €8 a week has been cut from the Jobseekers

Benefit, the Carer's Benefit and Disability and Invalidity payments

- Young people are being really crucified. Payments are being halved for those 20 to 21 years old. Anyone aged 23 or 24 must now live on just €150 a week. It is impossible! In reality they are trying to force our young people to emigrate.

These cuts follow others that have been pushed through over the last year.

Rent allowance and mortgage interest relief has been cut and the Christmas bonus has been removed. They just keep targeting those on low incomes every time..

WHAT YOU CAN DO

The only group that the government did not touch was the pensioners – because they are frightened of them.

When they tried to take the medical card off pensioners last year thousands of people came on to the streets to protest. They showed that people power could defeat this government.

We need to do the same again. But we first have to get organised.

If you have had enough of these attacks and want to help organise resistance, then help us get a Social Welfare Action Group in your area.

Where has all the money gone?

By JAMES O'TOOLE

THE WAY Fianna Fail and right wing commentators speak you would swear that there wasn't a single solitary cent left in Ireland at the moment and that the poor dears are forced against their will to lay in the boot to workers and the unemployed.

Ireland has one of the lowest rates of corporate tax in the World- 12.5% (compared to 25% for China and 39.5% for the USA) and we're told that this is an inducement to bring 'wealth creators' over to our shores to employ our labour but in 2005 alone the Foreign Direct Investment net outflow was \$22.9Billion.

Ireland's super rich saw their wealth jump by 15% in 2006 alone one of the highest increases in 10 years. The growth in wealth over that 12 months was such that to get on the 'Sunday Times Rich List' you would need to be worth at least €35Million.

And the wealth hasn't stopped flowing in for those at the top despite the collapse of the Boom- 1,500 people last year made over €2Million.

Including residential wealth the top 1% in this country (about 40,000 people) are worth a ridiculous €170Billion.

And then there's the Landlords who get interest relief and other subsidies from the taxpayer worth about €1.2Billion a year.

Then we could mention the fact that Shell Oil are getting an estimated €50Billion from the Corrib Field. With lots more to come.

So has the wealth disappeared? This sick pantomime with Lenihan claiming we're broke while there's a mountain of cash and assets in the hands of a tiny elite has brought us to a budget that continues the precedent that Fianna Fail have set for themselves this year- that is the transfer of wealth from the poorest sections of society to the most wealthy.

Instead of the prospect of even more taxpayer money being pumped into the banks next year we should have let them collapse and formed one State bank passing emergency legislation to take over the assets of the former banks.

We should be hammering the super wealthy with heavy incremental taxes, we should reclaim our natural resources, close the tax exile status completely, increase corporation taxes.

But to even begin on that road we'd need a different kind of government, a power based on worker's struggles and emerging from worker's struggles - not one single party in this country has a solution to the crisis because there is no solution within the confines of the profit system.

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Budget Report 2009: MLAs get £7,000 increase, Public sector workers get pay cut

by SEAN MCVEIGH

WHEN THE British government announced in its December mini-budget that almost one in three Northern Ireland workers are to get a pay cut, the Stormont finance minister Sammy Wilson had the cheek and arrogance to say people could “breathe a sigh of relief”.

Chancellor Alistair Darling’s decision to cap public sector pay at 1% for two years starting in 2011 amounts to a pay cut - the government itself says that inflation could be 3% when the pay cap comes into force.

Wilson said most of the budget measures would have “little impact” on Northern Ireland, which is an incredible statement given that 30% of workers in the North are in the public sector - a higher percentage than England, Scotland or Wales.

The announced pay cut for civil servants, workers in health, education and local councils comes just two weeks after Stormont MLAs decided to award themselves a pay increase of £7000 - a massive 16% hike in wages.

The MLAs, probably aware of what the budget would bring, backtracked slightly and decided to delegate the task of making the pay increase to an



“independent body”. No doubt they will get their £7000 pay rise sometime after the general election. No wonder Wilson is relieved.

This contrasts with public sector workers who are being made to pay for the crisis of capitalism. Without a hint of embarrassment on 6 October the Ulster Bank declared that the “elephant

in the room” in Northern Ireland was “public sector pay and conditions”.

This is a breathtaking statement from a bank given recent events, but it reflects the view of the rich who want the poor to pay for the economic crises.

Some local politicians have tried to talk-up the pre-budget report as a net gain for the North and there is

mention of an additional £28 million allocation for Northern Ireland with £8 million going direct to Stormont departments.

But this pales into insignificant when compared to the immediate public sector cuts of £370 million introduced by the Executive and further “efficiency savings” contained in the budget which could mean further cuts of up to £70 million in the North.

Darling did not cut the block grant to the Stormont administration, which funds health, education and other services, at this time because much of the detail of the public sector cuts has been left until after the general election, which will take place next spring or early summer. His mini-budget is a foretaste of things to come.

Wilson recognised this when he responded to the pre-budget by saying “further measures” were needed “to restore public finances” and he again raised the subject of the introduction of water charges.

“This will inevitably mean that we in Northern Ireland will also need to examine our approach to issues such as water charges for domestic customers as well as fundamental questions regarding which services should be provided by the Executive,” he said.

Speaking in the Assembly in November DUP minister in the Executive, Gregory Campbell, spelt out the reality of what will happen to the Northern Ireland block grant regardless of who wins the general election.

He said: “The Conservative Party has made it clear that it would make reductions in the order of 10%. The Labour Party has equivocated on the matter, but, depending on who one speaks to, it appears that as with the Conservatives, under Labour it will be 8%, 9% or possibly 10%.”

This will mean huge cuts right across the public sector. Sinn Féin and the DUP should not be allowed to wriggle off the hook by blaming Darling or other Westminster politicians for the cuts.

The Executive parties have proved themselves to be willing partners with Westminster in attacking the public sector. They have been pro-active in attacking workers right from the start with the programme for government which committed the Executive to annual “efficiency savings” of 3%. This was one third more than the cuts introduced by the Scottish devolved government.

Public sector trade unions held rallies against the cuts in November. In light of the new attacks that campaign needs to be reinvigorated and intensified.

SF pave way for privatisation of public transport

by SEAN MCVEIGH

WHILE THE DUP and Sinn Féin publicly bicker on the fine points of devolution of policing and justice powers to Stormont, behind the scenes both parties agree that working people must pay for the economic crisis.

In September the Executive said it was cutting public spending by £370 million, but the scale of the planned assault is much greater than this. The entire public sector is at risk from the Executive.

The DUP makes no secret of its Thatcherite politics. In June two DUP ministers, Sammy Wilson and Jeffrey Donaldson, attended the first Northern Ireland meeting of the right wing libertarian group, the Freedom Association.

In the 1970s this nasty outfit was instrumental in the rise of Margaret Thatcher and was involved in drawing up a blacklist of trade union militants. It continues to campaign for “limited government”, tax cuts for the rich and against trade union rights.

Welcoming the Freedom Association to the North, finance minister Sammy Wilson said he was a “strong supporter” of its aims. Wilson said: “The nanny state has grown steadily.... I am pleased to support any organisation that stands opposed to state

interference in our lives.”

Sinn Féin presents a public image of identifying with workers’ struggles, but the reality is different. The evidence suggests that Sinn Féin and the DUP are pursuing the same economic agenda.

Policy proposals recently brought forward by Sinn Féin minister Conor Murphy confirm this.

Murphy, who is minister for regional development and in charge of transport policy, published his proposals in November for the reform of public transport.

If his policy is implemented it will pave the way for the privatisation of public transport in the North.

Ulsterbus, Metro, and Northern Ireland Railways are run by parent group Translink and are all part of the public sector.

Murphy made a big deal of saying he will keep Translink in public hands, but his policy amounts to privatisation by stealth.

According to the Murphy plan, by 2011 Translink will become just another operator which will bid for contracts in competition with privately owned companies to provide transport on various network routes.

Murphy’s policy document states: “It is proposed to move

towards a performance based contracting regime with Translink and other operators.”

At the centre of his plan is a new agency that will contract out parts of the network to different transport operators.

According to his proposals there will be “opportunities for private operators to identify potential gaps in the market and to apply for a permit to deliver services on those routes”.

The private operators would have access to “shared facilities” such as depots and stations - paid for by the public purse.

Murphy’s document states: “The licensed private operators would also have access to other shared services, such as bus stops and the call centre that provides travel information to customers.”

All the evidence from Britain shows that the privatisation of public transport leads to ticket price increases, poor safety standards, a reduced service and increased exploitation of transport workers.

Despite this, Murphy has proposed introducing a system that would allow a private company to bid for and be awarded a contract to provide transport on a single bus route; it is a recipe for chaos.

While his policy document says nothing on the implications for Translink workers, Murphy knows exactly what his reforms will mean for jobs and conditions.

In 2008 the Sinn Féin minister appointed business consultants FGS McClure Watters to draw up a detailed plan for the reforms.

The consultants spell out what the new market in transport envisaged by Murphy will mean for workers in Ulsterbus, Citybus and NIR. Their report, the Outline Business Case for Public Transport Reform, leaves little doubt that the intention is to eventually privatise Translink.

The consultants argue that Translink should prepare for competition with private companies by identifying depots that may require “rationalisation”. The report continues: “If this happened prior to the introduction of additional competition, Translink could enter the new environment as a leaner operator, and avoid entrenching any current inefficiencies in terms of working practices.”

Bus workers, claim the consultants, “display a high overall average salary per employee” and to implement the reforms, wages would have to be cut.

The consultants estimate: “Bringing Ulsterbus’s salary cost per staff member down by 11%,

to the average for the comparison group, would involve annual operating cost savings of around £4.4m.

“A more challenging target for the company would be to manage its salary cost per staff member down to the level of the third-best operator (Stagecoach Devon). This would imply a saving of just over 18%, or an estimated £6.6m of expenditure per annum.”

The report claims that Metro bus workers are paid 5.5% more than bus workers in Britain and if salaries were reduced by this amount, “This would equate to approximately a 3% reduction in operating cost...narrowing the gap with operators in Great Britain significantly.”

Jobs would also have to go. The report states: “If Ulsterbus reduced its non-operating staff ratio to 0.14 (the average for the group) this would imply a reduction of 236 in the number of non-operating staff the company employs.”

Murphy’s declarations of support for public sector transport are at odds with the content of his policy proposals and the planned attacks on transport workers. The changes he proposes are profound and follow the pattern of the gradual privatisation of public transport networks in Britain.

Privatising public transport in the North is just one of a series of attacks by the Executive on the public sector.

Sinn Féin and the DUP can get away with attacking workers only to the extent that they succeed in ensuring that tribal divisions dominate politics.

So sectarianism and privatisation hang together - with those doing the privatising insisting that there is no alternative to the communal setup.

November saw the start of a trade union campaign against public sector cuts with Catholic and Protestant workers uniting in rallies across the North to defend jobs and services. November also saw the mobilisation of over 200 loyalists in Portadown to intimidate local Catholics.

Both elements are currently part of the political landscape of the North. But the privatisation of services can only strengthen the bigots who feed off poverty, despair and competition for scarce resources.

Socialists argue that privatisation and sectarianism can be resisted through the mobilisation of workers - Protestant and Catholic, North and South - in a common struggle that would also hold out the promise of getting rid of capitalism itself.