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Ireland: Who is afraid of the IMF — their opportunity and ours

Andrew Flood

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It's now official, the Irish state is in talks with the EU and the IMF about a so called 'rescue plan' to bail out the Irish capitalist class from the disaster created by the international crash of the capitalist economic system. A crisis that was magnified in Ireland by the corruption of local crony capitalism on the one hand and the dependency of the economy on 'globalization' on the other. Trapped between such a cast of crooks and idiots it is perhaps not surprising that many in Ireland hope things will be improved when the running of our lives will be handed over to those who many hope might have a clue.

The Irish political class have reacted with the same meaningless infighting and slugging of each other we are all so used to. Meanwhile in the real world the cost of the crisis is reflected in soaring unemployment, emigration, suicide and more and more people living in a permanent state of fear and anxiety that they are about to lose their jobs and their houses and find themselves on the streets.

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The unfolding disaster threatens to paralyze people, lacking any collective response they can only scramble around as the tidal wave approaches. IMF intervention they hope will mean at least that the bottom has been reached.

This is not how it works. IMF intervention will mean escalating cuts, rising unemployment and a cycle of poverty with the few still working earning less and less so that much of the remaining local economy collapse. An IMF 'recovery' means driving wages and living standards so far down that international capital sees Irish workers working for poverty wages as an option. In an interview in the Guardian the former economics minister of Argentina revealed of IMF intervention there after 2001 that "The IMF was so reviled that "children who were naughty were told I'll get the IMF after you" by parents. And when the present government was elected in 2007, it played on those fears with an advertising campaign promising no child would ever know again what the three letters IMF signify."

In Latvia IMF intervention saw public sector wages cut by 20% and hospitals closed. In Greece it meant cancellation of some social welfare payments, increases in VAT, cuts in spending and the privatisation. Pension age was increased and minimum pension payments were reduced, access to early retirement was restricted. Every three months the IMF checkes to see the required changes have been made before releasing funding for the next period.

Standard IMF methods include the closing down of hospitals, schools and public services on the one hand and the charging of large fees for whatever education and healthcare can still be afforded by some of the population on the other. In other words the policies pushed by the Irish government since the start of the crisis will not be relieved by IMF intervention they will become worse, possibly much worse. But IMF intervention will enable our politicians to wring their hands and claim to be helpless, saying that all this is the price for a bailout. The government has felt unable to slash pensions and social welfare for fear of a backlash, now they will have the IMF to do this for them. Knowing Fianna Fáil we may

even see them coming back to power in six years on a platform of getting the IMF out, their dirty work done for them.

There is an alternative. In the short term the costs of the crisis can be paid for by the Irish rich. The richest 1% still have 121 billion in assets, more than enough to pay the entire costs of NAMA that has driven the need for intervention. Many of this 1% made their wealth through the dodgy deals and gambles that created NAMA in the first place but that aside lets make those with millions in wealth pay rather than those who can barely make ends meet whether they are pensioners, social welfare recipients, private or public sector workers.

Those who run this country, the 1% and their servants in the Dáil have used this crisis to impose a shock doctrine of wage cuts, loss of services and restructuring that they wanted to impose for years but which would not have been accepted. If they can use the fear generated by the crisis to try and restructure society in their interests we should be as ruthless. Making the 1% pay for the crisis will require all the rest of us to organize together, to use our number to overcome the huge power that comes from their wealth. The methods we use to win that struggle, the general strike, the neighborhood assembly, the creation of a huge network of coordination are the methods we can use to take power from the 1% and build a society free of inequality and free of the powerful, corrupt elite who run our lives