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IRELAND

Regional Secretary M. O'REILLY

# IS THERE A THIRD WAY?

## New Political Strategies for the Millennium

A Discussion Paper Produced by the  
Amalgamated Transport and General Workers Union

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# INTRODUCTION

With the first general election of the millennium looming, it is imperative we consider what strategies can propel the Left and the Labour Party to a position of major political influence.

*Is There A Third Way?* is a contribution towards that debate. In it we analyse the success of Fianna Fail and the Left's historical failure to effectively challenge their rule. We propose a new programme with which the Left can challenge the conservative consensus that dominates contemporary economic and social policies and conclude with a new strategy by which Labour and the Left can win over a majority of people.

*The Amalgamated Transport and General Workers Union* does not pretend there is a magical formula that will guarantee success. But we will not achieve that success unless we engage in new and creative thinking, backed up by political resolve. We hope this contribution will further that debate. We welcome all contributions, even those that don't accord with our own. But we hope that whatever the nature of the debate, it starts from a single premise: what are the best strategies and policies that will bring Labour and the Left closer to the long sought goal of a progressive government - a third alternative to the stale politics of Fianna Fail and Fine Gael-led coalitions. We believe people are searching for an alternative. And only the Left that can provide it.

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# PERMANENT GOVERNMENT

## The Success of Fianna Fail

Fianna Fail's domination of Irish politics is almost unique in modern European democracy. Their hold on government is the closest we have to a one-party state. Whether it is an overall majority, minority government or coalition with smaller parties - Fianna Fail rules.

They run almost equally strong in all age categories, though slightly favoured in the younger age groups. They resist being confined to one social support base, knowing that their domination rests on the ability to appeal to a wide mass of voters from different social backgrounds.

Not only has Fianna Fail been in government for 54 of the last 71 years (over 76%), it has not lost an election since 1982 - nearly twenty years<sup>1</sup>. How has it been so successful?

Over the years the Left, in particular has dismissed this appeal as being rooted in symbols (a united Ireland, an Irish-speaking republic, De Valera's arcadian musings). But this is to miss the point.

### The Ideology of Fianna Fail

It is fashionable to dismiss Fianna Fail as a party without principle or ideology, a party only interested in power. In truth, however, Fianna Fail is probably the most ideological of Irish parties. Certainly, it knows where its support comes from and has been expert in maintaining that support base.

FIANNA FAIL IN GOVERNMENT		
Years	Type of Government	Coalition Partner
1932 - 33	Minority	
1933 - 37	Majority	
1937 - 38	Minority	
1938 - 48	Majority	
1951 - 54	Majority	
1957 - 69	Minority	
1969 - 73	Majority	
1977 - 81	Majority	
1982	Minority	
1987 - 89	Minority	
1989 - 92	Coalition	PDs
1992 - 95	Coalition	Labour
1997 - present	Minority coalition	PDs

True, these symbols historically united party members in a single vision (even when they disagreed on programmatic details). And it worked: Fianna Fail - The Republican Party - was, to the member, more of a movement than a party. But if the symbols invited members into a shared vision, it was Fianna Fail - the Party of Government - that won

Astonishingly, their support base is spread throughout society - so much so that they are capable of winning majority support in the working class, middle strata and farming sectors.

widespread social support. And they did this by continually reinventing themselves into the party of economic and social modernisation:

- In the 1930s Fianna Fail became the party of national construction; from the development of native

<sup>1</sup> If we assume that winning an election means ending up in government.

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industries behind tariffs, to the clearance of the urban slums, to the Land Commission that took on, in theory anyway, the large ranchers and the establishment of a commercial public sector - Fianna Fail's programme united, rather than divided the major social groups - the entrepreneur, the worker, the small farmer.

- In the 1960s Fianna Fail, again, promoted a radical programme of economic expansion - welcoming foreign capital and investment and setting the groundwork for entry into the EEC. This programme promised profit for the business sector, jobs for the working class and massive subsidies for the farmer - modernising, expansionist, and European.
- In the 1980s Fianna Fail, once again, promoted a new model of economic development - social partnership, bringing together unions, employers and farmers (and recently, the community sector) into one tent. That they did this at the same time they were exacting massive cuts in social programmes only showed up their ability to appear as many different things to many different groups.

These programmes of modernisation have one thing in common - to appeal to the widest base possible in the separate social groups. They pursued these programmes within a 'national' rather than a class framework. That is why, when it comes to European comparisons, Fianna Fail is unique, neither 'Christian Democratic', 'Tory' or 'Labour'. But it is the closest we have had to a governing social democracy.

Of course, this is the image. Despite the celtic tiger economy, Ireland has the highest level of poverty in the EU<sup>2</sup>.

<sup>2</sup> UN Human Resources Development Report, 1999

Despite 'social partnership' Ireland has an economy based on the Anglo-American model rather than a continental social market. We have some of the worst social infrastructures in the industrial world. We have massive under-investment in education, health, childcare, public transport, and community supports. It's a great economy if you are a shareholder, live off capital gains or are self-employed. But if you're trying to buy a house or travel into work in an urban area, need childcare or have to go to the public emergency ward, the benefits of economic growth are illusory.

But then, image and substance rarely coalesce. It's always up to a political opposition to exploit the gaps and provide an alternative programme. And here, again, Fianna Fail has been fortunate. For if it is one of the most successful political parties in modern Europe, its oppositions are the least successful. And, that has helped Fianna Fail maintain its domination.

### **Fine Gael: The Main Opposition (But Not Much of One)**

If Fianna Fail is neither a 'Labour' or a 'Tory' party, then what of its main opposition. Fine Gael, born out of the conservative Cumman na Gael, has constantly critiqued Fianna Fail from the right. Its most lasting support base is in the large farming and commercial sectors, with only small support in the working class. They opposed Fianna Fail's 1930s programme from a conservative perspective, found themselves catching up with Fianna Fail's 1960s programme and initially opposed 'social partnership' in the 1980s. Their brief administrations have been marked by 'austerity' and economic retrenchment - particularly in the 1950s and 1980s. Their failure to win over a majority of people is easy to understand - their historical economic conservatism

has alienated vast swathes of voters. Even when they did 'win' an election, it had more of an appearance of temporarily replacing a tired Fianna Fail that had grown stale in office, rather than from any positive support. Indeed, given that Fine Gael has never won more than one consecutive term, it's as though, having given Fianna Fail time to recharge it's batteries, people couldn't get rid of Fine Gael fast enough.

Fine Gael have only lead alternative governments in 15 out of the last 71 years, consistently playing a secondary role to Fianna Fail. There is one exception: Fine Gael under Garret

Fitzgerald. This was the only time Fine Gael effectively challenged Fianna Fail to become the biggest political party. Fitzgerald's leadership won support from the working class, allied with their traditional support from the commercial and farming sector and a growing liberal urban voice. How did they do this? Quite simply by challenging Fianna Fail from the 'left'. It is instructive to read their manifestos and policy documents during the early 1980s. These were not classical conservative texts. They were expansionist, listing increases in public spending and redistribution of wealth (e.g. a 25% increase in social welfare rates). It was only after they came into office did they revert to type, attempt to cut public spending while increasing increase the PAYE tax burden. As their economic programme floundered so did their 'liberal' agenda (e.g. the constitutional crusade, the first divorce referendum). In truth, their acquired

liberalism always sat uneasy with their traditional rural base.

In the wake of their disastrous 1987 election result, they returned to form, effectively propping up a minority Fianna Fail government on the basis of slashing the public sector. Indeed, when John Bruton became leader his first pronouncement was to caste Fianna Fail

and Labour together while announcing a new political project that would unite his party with more right wing forces such as the PDs. Of course, this fell by the wayside when he managed to get back into office on the backs of Labour and Democratic Left. This

FINE GAEL IN GOVERNMENT		
Years	Type of Government	Coalition Partner
1948 - 51	Inter-Party	Labour, National Labour, Clan na Phoblachta
1954 - 57	Minority	Labour
1973 - 77	Coalition	Labour
1981 - 82	Minority	Labour
1982 - 87	Coalition	Labour
1995 - 97	'Rainbow'	Labour, DL

confused political perspective from austerity to expansionism back to austerity<sup>3</sup> only showed up the impotence of Fine Gael and its cynical political posturing. Fine Gael has never won majority support because of the contradictions in its own social support base - a contradiction that arises from the fact that it is historically an economically conservative party. And economic conservatism, unlike social conservatism, is something the Irish people have never embraced.

### The Con Game Of Irish Politics

As weak as the opposition to Fianna Fail is, all democratic systems need alternating governments. If Fianna Fail is a near permanent government it is

<sup>3</sup> Bruton's first and unyielding demand in the three-party negotiations in 1995 was a public expenditure ceiling but in the dying days of the Rainbow government he unconvincingly adopted a 'left-of-centre' vocabulary.

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still periodically voted out of office - replaced by a government led by a party further to its right. And this is the con.

Ultimately, Fianna Fail and Fine Gael, old civil war parties, compete as though they are somehow qualitatively different. They are not. One is more right wing, one is more nationalist. But both accept the primacy of market forces. Both propose only a limited role for the state in society. Both operate within the famed 'golden circle.' So a populist centre-right party battles it out with a more ideological right wing party. That is the choice presented to the Irish people at each election. And both parties need to maintain this fiction.

- Were Fine Gael to coalesce with Fianna Fail, it would lose its *raison d'être* - its ability to lead alternative governments. What would happen to its diminishing liberal urban support? How would its trenchant anti-Fianna Fail base react? There would be a danger of Fine Gael fragmenting or losing important sections of its electoral support.
- Similarly, with Fianna Fail. By coalescing with Fine Gael it would veer to the right. How would it hold on to its working class base? How would its small farmer and historical nationalist base react? It, too, would be in danger of losing considerable support, especially in the town and urban areas.
- And, most crucially, how would they stop a Labour opposition to this grand coalition from becoming a magnet for progressive, trade union and protest votes and setting the stage for the first left-led coalition?

This is not a scenario that either the civil war parties would relish. It contains too many downsides and no perceivable benefit. That is why elections are played out as if there were diametrically

opposed agendas on the table for people to choose from.

However, one need only examine their manifestos, their policies in government, their instinctive reactions to emergent economic and social issues to see this isn't so. One small example was the phony debate over tax policy in the 1997 election. One party opted for cutting rates, the other for increasing allowances. But two things were the same: both parties' manifestos would have delivered huge gains to higher income groups (since Fianna Fail won, they got to deliver those gains). And both parties accepted the logic of slashing taxation in an economy that is already woefully under-taxed and crying out for increased investment and expenditure in its capital and social infrastructure. The con game is that the Irish people may get the choice of *how* the wealthy dominate the Irish economy, but never a choice over *whether* they should.

# THE UNDERACHIEVEMENT OF LABOUR

## The Weakest European Social Democratic Party

When commentators assess why Labour is the weakest social democratic party in Western Europe they turn up a number of reasons: the absence of Labour from the crucial constitutional struggles during the emergence of the state, the lack of a strong industrial base, the strength of the farming class, the conservatism of the Irish electorate, the domination of the church, etc.

We do not intend to go over this well-worn ground, much of which is disputable<sup>4</sup>. What is interesting is that much of the 'blame' for

Labour's historical weakness is always laid somewhere else beside the Labour Party. Many of the difficulties Labour faced in Ireland were present in other European countries where the Left grew into a strong force. While we do not underestimate these social, political and demographic circumstances, they can only tell part of the story. In short, we believe Labour's difficulties arise just as much if not more from the strategic options they pursued - options which have been continually rejected by the electorate but which nonetheless Labour has persisted with.

<sup>4</sup> the Irish electorate was not behaving 'conservatively' when it dumped the right-wing Cumman na Gael for a slightly constitutional party, many of whose leading activists were excommunicated by the dominating church.

### Anybody But: The Anti-Fianna Fail Alliance

For much of its history Labour pursued a crude anti-Fianna Fail strategy: whenever Fianna Fail failed to win an overall majority, Labour would enter into government. And this always meant coalescing with Fine Gael. So dominant

was Fianna Fail, it was felt Labour had to swallow its' political integrity by joining with right-wing forces to provide an alternative government. Certainly this was the case in 1948 when, after 16 years of Fianna Fail rule, Labour joined with other parties

(including its own breakaway, National Labour) to form a short-lived Inter-party government. Again, in 1954 Labour formed a minority coalition government with Fine Gael. Yet again in 1973, after another 16 years of Fianna Fail rule, Labour entered into a pre-election pact with Fine Gael which they were again to repeat in the 1980s. And after each of these experiences, Labour came out the weaker, organisationally divided and politically impotent. Why did this happen?

Some have suggested that Labour had bad luck in the timing of these coalitions, that the country was suffering from severe economic problems (the 1950s stagnation, the oil crisis in the 70s, the debt in the 80s). This overlooks the fact

EFFECT OF PARTICIPATING IN RIGHT-WING GOVERNMENTS ON LABOUR VOTE		
Years	% Vote Entering Government	% Vote Leaving Government
1954 - 57	12	9.1
1973 - 77	13.7	11.6
1982 - 87	10.6	6.3
1992 - 97	19	10.2

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that most governments are elected out of dissatisfaction with the outgoing one. It also overlooks the fact that when Fianna Fail assumed power - in 1932, 1957 and again in 1987 - they, too, inherited massive economic problems.

No, the reason why these coalitions failed is quite simple. They were never more than coalitions of convenience, contrived to achieve one thing - get Fianna Fail out. They had no ideological coherence and were dominated by Fine Gael's conservative tendencies (naturally since they were the larger party). Why else would a party that historically critiqued Fianna Fail from the right join up with a smaller party that opposed Fianna Fail from the left? And each time Labour came out of a Fine Gael-led government, its working class base switched back to Fianna Fail for the simple reason that Fine Gael pursued conservative economic policies that antagonised working men and women. That there are those in Labour who continue to support another coalition with Fine Gael shows the failure to read this simple history and draw basic lessons from it.

### **Buddy, Can You Spare A Cabinet Seat: The Balance Of Power Strategy**

In 1992 Labour scored its biggest electoral success on a wave of anti-Fianna Fail disenchantment and a lacklustre Fine Gael opposition. Labour took a decisive step - it entered government with Fianna Fail. Again, this was understandable - if it wanted to enter Government above all else. Fianna Fail was the only option since there were not the numbers to coalesce with Fine Gael. And to sit back might risk a snap election and put their success in jeopardy. However, this was to prove as debilitating as previous coalitions. Within a few months their poll ratings plummeted and Labour was

routed by the smaller, left wing Democratic Left in two by-elections. Within two years the government fell apart and Labour crossed the floor and entered into a self-styled 'Rainbow' government with Fine Gael and DL. In the subsequent election Labour saw its success of a few years previous overturned, their vote and seats nearly halved.

But the option of a Fianna Fail coalition has changed the nature of electoral competition. Some Labour strategists have suggested this could eventually mean near permanent government for Labour - as it plays off both Fianna Fail and Fine Gael, neither of whom are likely to form an overall government on their own. There is now no party that Labour will not go into coalition with<sup>5</sup> so this enhances their coalition opportunities. However, if the 1992-1997 is anything to go by, Labour may well pursue this strategy, but it will cost them.

### **The Present Dilemma**

The next election will be the first that Labour contests with the popular perception that it can jump either way<sup>6</sup>. And this raises new and considerable problems. Before, when Labour fought on the formula of a 'wait and see what happens after the election', it was always assumed it would enter government with Fine Gael if the numbers added up. This fiction of independence allowed it to nod to its left wing base while winking at its future coalition partner. This can't be done now.

### **People quite rightly want to know what a**

<sup>5</sup> Last year, the Labour leader, Ruari Quinn, suggested that PDs might be a future coalition partner since they have lost their ideological baggage. The only party that might cause Labour some hesitation is Sinn Fein, but if the Unionists can participate in government with Sinn Fein, Labour can't be too far behind.

<sup>6</sup> No one imagined that Labour would enter a Fianna Fail-led government during the 1992 election, while in 1997 Labour fought on the outgoing government's programme.



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party will do, how a party will exercise its manifesto. For Fianna Fail and Fine Gael supporters, this poses little problem:

- Fianna Fail, while declaring its aim to be an overall majority, will settle for a small coalition partner (the smaller the better to allow it maximum cabinet seats and influence). It's up to the numbers.
- Fine Gael will coalesce with Labour and, if necessary, another party (Greens, PDs, etc.). The only party it has ruled out is Sinn Fein. Again, it's a numbers thing.

Both parties aim to form a government. Supporters are secure in the knowledge that their party, if forming a government, will be in the majority. Supporters are voting for the Taoiseach. So what of Labour? This is the dilemma:

- If it opts for Fianna Fail, it risks its liberal base, not to mention Fine Gael transfers
- If it opts for Fine Gael, it may essentially be ruling itself out of government since, at present, the numbers don't add up
- If it says it will 'wait and see', voters will be asked to buy the proverbial pig in the poke and suspect a secret agenda

The 'wait and see approach' risks localised fragmentation as candidates tailor their campaigns to political needs. This will only build up resentment when one set of voters are alienated from the ultimate post-election choice.

Far from holding the balance of power in a long-term sense, Labour may end up getting hit by electoral traffic coming in

both directions.<sup>7</sup> The whole campaign will be dogged by this question and it's ineffectual evasions. Can Labour get away with not telling people their intentions? How will their canvassers respond at the doorstep? A 'wait and see' approach risks creating a cynicism among voters, as if we have something to hide. But more importantly, a 'wait and see' approach undermines Labour's ability to positively go out and build a realistic alternative to Fianna Fail domination. And this is the real reason why it is not a credible strategy.

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<sup>7</sup> An interesting example of this was the recent South Antrim by-election in the North. David Burnside lost because he got hit by two-way traffic - pro-agreement unionists who didn't trust him and anti-agreement unionists because they didn't trust his party.

# THE CONSERVATIVE CONSENSUS

## What Does It All Matter - It's all the Same

It doesn't matter who's in power' could be dismissed as a cynical comment if it weren't largely true. Its hard to define a difference when no one is saying or doing anything fundamentally different. This is the legacy of the conservative

consensus that has dominated Irish politics for over decade. That is why the Irish Left has been effectively prevented from playing a major political role. If the Left is ever to

challenge Fianna Fail it must first understand how this consensus works.

### The Economic Consensus

Since 1987 a conservative economic consensus has dominated Irish political thinking. All major political parties have accepted it even if they give it their own ideological slant. The social partners have accepted it. Commentators, newspapers and analysts have made a shrine to it. It is this consensus, so the mantra goes, that has created the celtic tiger economy. However, what does this consensus entail and why is it so inimical to the Left's advancement?

First, it is predicated upon keeping public spending down - health, education, public transport, social exclusion, child services, support for the disabled, the environment.etc The very issues that affect the quality of our lives have been

sidelined in the rush towards higher growth.

That is why each Government programme incorporates an artificial spending cap. That is why Ireland has

one of the worst public services in the EU, the highest level of poverty in the industrialised world (after the US), has a poor quality of life. Keeping public spending down is

IRELAND: TAXATION AND EXPENDITURE 1999			
	Ireland	EU Average	Ireland's Ranking Out of 15 EU Countries
Government Expenditure as % of GDP	33.2	46.8	14th
Government Revenue as a % of GDP	34.3	47.9	13th

crucial to the conservative consensus.<sup>8</sup> Why?

Because, (and this is the second main plank of the consensus) it is necessary to keep taxation down on wealth, capital and corporate profits. Ireland has one of the lowest levels of corporate and capital taxation. We have built an economy on mobile capital and the hope that if corporate and capital taxation are low enough then employers, investors and financial funds will use their money productively, to create jobs and wealth at home. And the best way to ensure that, says the consensus, is to keep taxation down. Government policy reflects this with both the Rainbow and FF/PD governments taking it to almost ludicrous extremes by slashing corporate and capital taxation to near Cayman Island levels. And since EU treaties (and common sense) rule out excessive borrowing, we have to keep spending on

<sup>8</sup> Ireland would have to spend 30% more per year to reach the average EU level of expenditure.

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services and capital projects low.

The third main plank of the consensus has been to keep wages artificially low. Again, the theory is that by keeping wages low we can enhance profits and, so, growth. In exchange for keeping wages down Governments have promised to reduce income taxation. They have but surprise, surprise, the greatest gains have been for those on the highest incomes. And in keeping taxation down this, again, confines the state to being a prop for the market, rather than a democratic instrument that can intervene to substantially increase people's social wealth and living standards.

Low taxation, low spending, poor public services and high rates of poverty - despite the talk of social partnership and consensus decision-making Ireland's economy is not modelled on continental social markets but rather the Anglo-American models of free markets and limited government intervention.

Is it no wonder the Left finds it difficult to breakthrough this stifling consensus. What can the Left offer if all the political and economic institutions are incorporated into this conservative consensus?

### **Social Consequences of the Consensus**

Ironically, at the very moment that Ireland is experiencing the highest growth rates in the EU dissatisfaction with this model is at its greatest. We won't catalogue all the failures but the following list will suffice:

**Housing:** With local authority housing lists rising to near crisis levels, private housing is now out of the reach of most people. Coupled with a rise in rents, the basic amenity of shelter is now becoming a burden for many households.

**Public Transport:** Ireland has one of the least subsidised public transport systems in Europe and it shows. Lack of infrastructure, poor services and high fares mean that people are forced into cars which has brought devastating congestion and environmental degradation to our urban areas.

**Public Health:** Chronic staff shortages plus inadequate resources equals a health system unable to cope with demand. The National Development Plan was hailed as a breakthrough in state investment. But the government could only guarantee that waiting lists would be reduced to one year after all this NDP investment. A very poor return.

**Childcare:** At a time when demand is growing for childcare, places in the private sector are being shut down because they cannot operate profitably under the new building and health regulations. So if you do find a childcare place (a big if) you will have to pay more than a £100 a week. This is not only a crippling burden on working parents, it also means that many single and home-working parents cannot afford to take up a job, thus contributing to the labour shortage.

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Whether it is high pupil-teacher ratios combined with below EU average investment in education, year long queues for legal aid, lack of amenities or leisure and recreational opportunities - the Anglo-American model upon which the celtic tiger economy is predicated is failing the population.

### **The Political Consensus**

And people know this. Successive opinion polls show that people, when offered a choice between tax cuts or increased investment in capital and

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public services, always opt for the former<sup>9</sup>. For what is the benefit of a few extra pounds in your pocket when you're waiting an hour in traffic every morning, when you can't afford to buy a house or find a childcare place, when you wait for hours in an emergency ward to be seen by a doctor.

And yet there is no major political force offering an alternative, a way out of this morass. All parties shape their manifestos to the point that everyone can share power with everyone else:

- Fianna Fail can align with Labour, the PDs, eventually even Sinn Fein and a whole ragbag of pseudo-Fianna Failers masking as independents
- Fine Gael can align with Labour, the PDs, the Greens and other not-so-pseudo-Fianna Fail independents
- The PDs will attach themselves with either Fianna Fail or Fine Gael, and Labour if it is necessary to reconstruct another self-styled Rainbow coalition
- And Labour is now able to coalesce with Fianna Fail, Fine Gael, the Greens and even the PDs.

Everyone can get into bed with everyone else - such is the power of the conservative consensus to incorporate all political forces. Everyone except of course a Fianna Fail-Fine Gael coalition. That way lies possible destabilisation of Fianna Fail and historical irrelevance for Fine Gael. The myth of alternating governments must be maintained for the two main players have too much to lose.

So what are people's choices? Few and dismal:

- (a) they can continue voting the way they have always done: this is no

benefit for the Left since few people have historically voted for us

- (b) they can turn to independents or small protest parties who, in the absence of a national leadership, cannot create an alternative to the present consensus

- (c) or they can simply not vote

This latter option is being taken up by more and more. In the 1999 in some local elections some wards - unsurprisingly in working class areas where the Left is the strongest - turnout was less than 25%. Growing non-participation hits the Left the most.

Unless the Left can offer an alternative political leadership it will continue to be confined to a walk-on part in the eventuality that the two larger conservative parties need the numbers.

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<sup>9</sup> Successive MRBI polls show that people prefer capital and social investment by a three to one margin over cuts in income tax rates.

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# A PROGRAMME FOR THE MILLENNIUM

## Breaking The Policy Consensus

Essentially political competition has no ideological demarcations, such is the grip of the conservative consensus. Political parties enter into coalitions regardless of programmes or policies. Irish politics has deteriorated into a contest between two right-of-centre blocs, led by either Fianna Fail or Fine Gael, buttressed by national programmes supported by trade unions and business organisations.

The Left has two choices: negotiate with whichever right wing party to make up the numbers in the full knowledge that it will be unable to undermine the conservative political culture. Or it can set about, with other forces on the Left, to create a political alternative, a new consensus that will champion popular and progressive concerns. We unequivocally opt for the latter.

### A New Millennium Consensus

What would such a new consensus look like? What would its programme be? While it is beyond our scope here to go into detail, these are some starting points:

- ***It would be expansionary:*** It would reject the austere premise of the present consensus and opt for higher-spending policies in order to create a modern economic and social infrastructure. Not only would this mean substantially increased resources for capital spending and social services (e.g. health, education, public transport, environment, etc.) it would also reform systems of subsidies whereby the private economy and, so, higher income earners, disproportionately benefit from public spending.

One small example is childcare. With crèche costs rising and places becoming more scarce, childcare is out of the reach of most working couples and single parents. Proposals to introduce a tax allowance would benefit only a small percentage in higher income groups and will do nothing to create the thousands of low-cost places that are necessary.

A progressive government would introduce, through the public sector and local authorities (and in partnership with community groups) thousands of low-cost childcare places. Working alongside the national school system and community groups, places could be provided in local neighbourhoods - crèche and after-school facilities - at state subsidised cost. This would be an alternative to a tax-based market solution that right wing parties opt for.

Interventions in affordable housing, transport, health and education along similar lines could take place. Whereas many in the past would have decried this as 'statist', people nowadays don't care from what sector they purchase their housing or childcare from - public, private or a combination of the two - as long as they can avail of the services at an affordable cost.

- ***It would be equitable:*** It would forgo tax cuts in favour of tax reform. By extending the tax base and creating equity in the tax system we would be able to reduce the income tax burden on the PAYE sector while increasing revenues for a higher-spending economy. This will require increased taxation on capital, property, corporate profits and wealth while employing increased resources to combat corporate and self-employed tax evasion.

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Ironically, with one of the lowest tax regimes in the EU, we have some of the income tax and VAT rates. The reason why is that income tax and VAT rates subsidise ridiculously low corporate, capital and inheritance taxes. A progressive government would repeal the present policy of slashing corporate tax rates to 12.5% - a policy even conservative economists believe is financially and socially irresponsible - and set a new rate of 20%. While still retaining a considerable tax advantage over other EU countries, we could use the billions of pounds of extra tax revenue to invest in social programmes and relieve the high tax burden on low and middle income taxpayers. This is a programme for *tax reform* as opposed to indiscriminate and regressive tax cuts.

- ***It would be egalitarian:*** It would prioritise poverty and social exclusion. Local authority housing provision, higher social welfare rates, expanded supports for the long-term unemployed, increased educational opportunities and community supports - the test of any new programme would be its ability to champion the socially excluded and the unemployed.

With the highest poverty rate in the EU, it is incumbent upon any progressive government to massively invest in anti-poverty programmes. However, this should be part of a reforming programme and not merely a 'throwing money at every problem'. Another small example would be child income support.

Fragmented throughout a number of programmes, the child income support system is full of poverty and unemployment traps, disincentives, low-take up and, most of all, inadequate payments. A progressive government would scrap these programmes and introduce a universal, taxable Child Benefit, payable for all children regardless of parents income or employment status at, say, £25 per

week. This would ensure that payments discriminate in favour of the low-paid and marginalised. This reforming approach - whether it be pensions, housing benefits or health insurance - could remove anomalies and redistribute resources to low and middle income groups.

- ***It would be democratic:*** it would construct participatory structures at every level of the society and economy - in particular, in the workplace where employees would share power with employers over commercial decisions. Whether as consumers, in the arts and education, in information technology - the key criteria is how these activities can include, inform and empower people.

Information is the key to power. Freedom of information is crucial, not just in relation to government, but to all economic and social information. Corporate, investment, and financial information must become more accessible so that people can make truly informed choices and prevent manipulators and speculators from distorting economic decisions in their favour. The main battle ground will be employees access to such information and decision making. A progressive government would work with the trade union movement to achieve true economic partnership - from the national to the boardroom level - by empowering workers to participate in workplace decisions.

\* \* \*

This ***expansionary, equitable, egalitarian and democratic*** programme can supplant the present consensus, by winning over a majority on the basis of a new common sense. It is a long-term programme with identifiable short-term goals. It requires political will and imagination. But most of all it requires a new strategy.

## A NEW LEFT STRATGY This Time Its Serious

If Labour is serious about implementing its programme and wining a majority of people to it, it must embark on the first objective:

***To become the main opposition to Fianna Fail.***

It is an ambitious and truly mould-breaking goal<sup>10</sup>. But is it possible?

To become the second largest party Labour must overhaul Fine Gael. In 1992, Labour achieved 33 seats to Fine Gael's 45. Today it holds considerably less, languishing in the polls, assaulted by independents to its left, the Greens in its liberal base, and Sinn Fein in the impoverished areas. From this weakened positioned what steps can we take?

### **Step 1: Overcoming Fine Gael**

The first step is to realise that Fine Gael's performs best when it has a realistic chance of forming a government. Where it is denied that prospect - either because of Fianna

Fail's strength or Labour's reluctance - it languishes or remains static. In other words, the prospect of forming a government is the oxygen it needs in order to survive.

Contrast this to when there was a prospect of government: in 1951, Fine Gael increased their vote after the Inter-Party government, from 19% to 25%. In 1973, on the strength of a pre-electoral pact with Labour, they achieved their

<b>FINE GAEL AVERAGE % VOTE WHEN LITTLE PROSPECT OF GOVERNMENT</b>	
Years In Opposition	Average % Vote Per Election
1933 - 48	27
1961 - 69	33.3
1987 - 92	26
Poll ratings prior to 'Rainbow' coalition	17 - 19

highest vote in over 40 years. Again, during the Fitzgerald years, they nearly became the largest party in the state. During the crisis in the Fianna Fail / Labour government in 1994, Fine Gael was polling it's

worse - stuck on about 17% - 19%. They were literally on their knees. However, in the 'Rainbow' government they rose in the polls, increasing their vote to 25%.in 1997 while the Left was collapsing.

What is the lesson here? Namely, that by leaving open the prospect of a coalition, the Left allows Fine Gael to increase its support. It is, then, very clear what Labour must do if it wants to overhaul Fine Gael..

***Labour must not participate in a coalition led by Fine Gael, with a Fine Gael majority, under a Fine Gael Taoiseach.***

<sup>10</sup> 'Mould-breaking' is an over-used phrase among commentators. The birth of the PDs was 'mould-breaking'. Fianna Fail entering into coalition was 'mould-breaking', Labour joining a Fianna Fail government in government was 'mould-breaking.' But the lasting mould in Irish politics was Fianna Fail's assumption of power in 1932 creating a competitive model of a Fianna Fail-led government vs. a Fine Gael-led government. And that mould lasts to this day.

The first effect of this position is far-reaching. It means that, in present political circumstances, Fine Gael can never lead a government. Full stop. They have never won an overall majority. It is highly unlikely a Fine Gael/PD coalition would command a majority in the Dail. And it is highly, highly unlikely they would lead a coalition with Fianna Fail.

By taking this position Labour functionally write Fine Gael's obituary notice. Not that Fine Gael would wither away. It has roots in the conservative sections of society. And from time to time it wins liberal support. But as a force capable of electing a Taoiseach, it would be finished. Labour has the power to do that. If it is serious about becoming the main opposition to Fianna Fail it will have to do that.

## Step 2: Creating Political Allies

Having cut Fine Gael's legs out from under them, the next step is to build alliances with those political forces that are

sympathetic to a progressive agenda. With the demise of DL, there is no significant political party to the Left of Labour<sup>11</sup>. But that doesn't mean there are no political allies.

NON-CONSERVATIVE VOTE IN MAJOR URBAN AREAS: 1999 LOCAL ELECTION			
Area	Labour Vote (%)	Other Non-conservative Vote (%)	Total Non-conservative Vote (%)
Dublin Corporation	17.7	23.4	41.1
Cork Corporation	14.4	13.4	27.8
Limerick Corporation	18.1	11.1	29.2
Waterford Corporation	13.6	20.1	33.7

In the Dublin Corporation, Labour is

<sup>11</sup> Some may argue the Sinn Fein is 'to the left' of Labour but it is still perceived to be preoccupied with a Northern agenda, albeit with a radical social programme.

already larger than Fine Gael. And with alliances with progressive groups and independents we can challenge Fine Gael in other major urban areas (and this from an election in which Labour did not perform well).<sup>12</sup>

Of course, many of these potential alliances are fractured, sometimes confined to only one constituency (Seamus Healy in Tipperary South, Tony Gregory in Dublin Central), or are small parties head by a single TD (Joe Higgins in Dublin West). The largest of these parties - the Greens - presently elect two TDs. Yet even here we shouldn't underestimate their strength. For instance, the Greens only gained 2.4% nationally in the last local elections. But in the wards where they stood a candidate they gained 5.3%, not an insignificant amount. And in a period which will see more votes going to smaller parties and independents as a protest against establishment politics, these forces are set to grow.

Of all the alliances that would be most problematic is Sinn Fein. They rely heavily on a ghettoised, alienated vote (something Labour, and latterly, the Workers Party used to get) and that vote is closer to Labour than any other party. However, Sinn Fein remains dominated by a Northern agenda and

may see its future prospects in a coalition with Fianna Fail. This would

<sup>12</sup> Under non-conservative vote we have included smaller left-wing parties, the Greens, Sinn Fein and progressive, community independents.



suit the Northern section of the party - being in two governments on this island - but the activists in the Republic know that it would be a disaster for their vote. How could they justify to their electorate going into coalition with a socially and economically conservative party like Fianna Fail? How could they hold on to their protest vote? Sinn Fein has its own coalition dilemma, complicated by the fact that votes in the Republic would be used to benefit the party in the North.

Labour, under a Left programme, could exploit this dilemma if it arises. In the meantime, it should work out a way of forging alliances *with the people who vote for Sinn Fein*, people who vote not out of any republican agenda but out of frustration with a political system that has trapped them in chronic poverty and deprivation.

We shouldn't make the mistake of seeing alliances as something that party leaderships do. Alliances are about appealing to supporters who might eventually come to support you - if not on the first count, then on the second.

And if the Northern Executive and the Assembly continue to function, if the IRA do 'put their arms' beyond use, if Unionist parties can sit down and do business with them, then eventually Labour will have to make a similar judgment. We are in a post-agreement politics. And we should take advantage of that in every way possible that makes the prospect of a strengthened Left a reality.

### **Step 3: The Trade Union Link**

Though a number of unions are affiliated to the Labour Party, Labour has made little of this. Part of the problem is that the majority of trade unionists vote Fianna Fail, owing to that party's traditional support in the working class. Another problem is that the unions,

through ICTU, work with all governments whether they are led by Fianna Fail or Fine Gael, under national wage agreements.

Yet, the potential of this alliance is significant. If one excludes public sector unions which would find it historically difficult to affiliate, we can see that a majority of trade union members are nominally affiliated to the Labour Party: SIPTU, ATGWU, MSF, CWU, etc. It is time we worked this affiliation to mutual benefit.

One major initiative that could be undertaken is for representatives on the Labour Trade Union Group<sup>13</sup> to sit down with Labour spokespersons and draft an alternative National Agreement, one that would show what a Labour-led government would pursue with unions, a draft National Agreement that would provide a real alternative to past arrangements. It would focus on real wage increases, increased workers participation in economic decision-making, wealth redistribution and a national crusade against social exclusion, tax reform, and massive social investment.

The mere drafting of such a document would show that Labour is serious about taking on Fianna Fail and becoming a major force in Irish politics. It could then be used within the unions, so that the leadership could begin to win over its members to a truly united and rejuvenated Labour movement. .

### **Step 4: Quarantining Fianna Fail**

So can a new left strategy include a coalition with Fianna Fail? The evidence from the brief Fianna Fail / Labour coalition is not good. Shortly after entering government Labour's poll

<sup>13</sup> There are two representatives from each of the fourteen affiliated unions on this body.

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ratings collapsed and never recovered.. Labour lost two by-elections to DL. One can argue over the reasons - the fact that Labour, having led the attack on the Fianna Fail / PD government over the Beef Tribunal and corruption in government, turned around and struck a deal with them; the decisions taken during that government - the tax amnesty, the new income tax levy on the PAYE sector, the inability to fulfil a Left programme (naturally enough, since Fianna Fail was the dominant partner); the allegations against Labour ministers of nepotism. Whatever the reasons, the fact that a new left strategy cannot include a coalition with Fianna Fail is much simpler.

***Labour cannot become the main opposition to Fianna Fail and at the same time participate as a junior partner in a Fianna Fail led-government.***

Such a strategy has no logic. It would have no credibility among the electorate. How can you argue that you want to become the second largest party in the state, prepare the ground to lead an alternative government, become the focus for progressive opposition to Fianna Fail, and then elect a Fianna Fail Taoiseach. Not only does it make no sense, it would rightly earn the cynicism and derision of the electorate.

If Labour aspires to become the main opposition to Fianna Fail then it cannot, by definition, prop them up in Government.

\* \* \*

This is the kernel of a new left strategy: become the main opposition to Fianna Fail. To do this Labour must

- Prevent Fine Gael from ever forming a coalition government with a cabinet majority under a Fine Gael Taoiseach by refusing to become a junior

partner

- Build alliances with other progressive parties, independents and the voters they represent.
- Develop an alternative national programme with affiliated trade unions and campaign to win over trade unionists.
- Reject coalition with Fianna Fail

There is no magic formula that will guarantee Labour success. There are a number of contingencies that will have to be planned for. There will be much campaigning to explain and win people over to our position. But with a programme and strategy we have outlined here, and the growing disillusion with right-wing politics, this could be our best chance ever to succeed.

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## THERE IS A THIRD WAY

### A Future Reality

Imagine the following scenario.

Labour announces its new manifesto - based on a programme of economic and social expansion and a strategy that will make it the main opposition to Fianna Fail. It publishes this manifesto well in advance of an election and works with its affiliated trade unions and other progressive forces in a long campaign to win people over.

Fine Gael attacks Labour (viciously so, since they know it means they cannot lead a government). Fianna Fail joins the attack, nervous it will lose its working class support. The Irish Times and Independent House also weigh in. Throw in the IFA, IBEC, the Committee for the Maintenance of the Status Quo and soon you have all the forces of conservatism lined up against you. But no matter. People are hearing a fresh new message and Labour Party members are on a mission. The time of 'Labour Must Wait' is over.

The election is called. Labour advances, Fine Gael retreats and Fianna Fail not only does not get an overall majority, it cannot form a coalition with a feeble PD party and assorted right-wing independents. No sense in looking towards Labour. We've come clean with the electorate. We've put our cards on the table. Right wing parties should do what right parties throughout Europe do: coalesce.

But Fine Gael resists and Fianna Fail plays hardball. They threaten a snap election to teach Labour a lesson. But Labour, and the Left, are not for turning. Maybe another election is called with a similar result. A considerable period of governmental instability ensues with precarious minority governments

installed. No matter, the result will be the same. Labour says so. Finally, the penny drops. The old civil war parties take the historical step of discussing a coalition. The mould is broken. And Labour is now the focus for an alternative government to the grand right wing coalition. If people want a progressive change they will have to turn to Labour. But one thing is for sure, the political landscape has been irretrievably changed. And Labour is the beneficiary.

This could be the reality. But it won't be unless we make it so. It will not be easy. We will come under tremendous attack by the right. We will have to play clever and not lose our nerve. The stakes are high but so is the prize.

Of course, many people in the labour movement might challenge our analysis and put up alternative strategies to make Labour a major force in Irish politics. If so, good. We need debate. We need ideas. We need to assess all the proposals. We believe our strategy is the best. But we want to engage in a open, constructive and learning debate. We will all gain from such a process. So let that debate begin now.

But that debate must commence from one premise: that after 80 years of existence, it is no longer acceptable for Labour to be a mudguard, a sop, a prop to right wing parties who want to climb over our backs to get into government and leave us to pick up the pieces. The debate must start from an agreed position - what is the strategy that will bring us to power. Nothing less should do.

**Title:** Is There a Third Way? New Political Strategies for the Millennium

**Organisation:** Amalgamated Transport and General Workers Union

**Date:** 2000

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